

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

<b>California Independent System Operator Corporation</b>	)	<b>Docket Nos. ER06-615 ER07-1257 ER08-367</b>
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**MOTION OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR  
CORPORATION FOR EXTENSION OF TIME**

Pursuant to Rules 212 and 2008(a) of the Federal Energy Regulatory Commission's ("Commission") Rules of Practice and Procedure, 18 C.F.R. §§ 385.212, 385.2008(a) (2007), the California Independent System Operator Corporation ("CAISO")<sup>1</sup> respectfully requests an extension of time, until such time as the CAISO has had an opportunity to fully evaluate and apprise the Commission of the status of its Market Redesign and Technology Upgrade ("MRTU") project in light of its recent announcement of a delay in MRTU Market Simulation Update 2, to comply with the with Paragraph 1415 of the Commission's September 21, 2006 "Order Conditionally Accepting The California Independent System Operator's Electric Tariff Filing To Reflect Market Redesign and Technology Upgrade," 116 FERC ¶ 61,274 (2006) ("September 21 Order"), issued in the above-referenced docket, but no later than January 14, 2008.

**I. Background**

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<sup>1</sup> Capitalized terms not otherwise defined herein have the meanings set forth in the Master Definitions Supplement, Appendix A to the ISO Tariff.

In compliance with Paragraph 1415 of the Commission's September 21, 2006 Order the CAISO is required to file with the Commission monthly reports concerning the progress in designing and implementing MRTU and its MRTU readiness program. Since the issuance of the September 21, 2006 Order the CAISO has been consistently filed the monthly reports on the first Monday of the month through the implementation of MRTU, currently slated for March 31, 2008.

The monthly report normally contains two attachments: Attachment A includes the following elements as previously provided: (1) detailed timeline with the sequential and concurrent nature of the design elements; (2) cost estimates for each element; (3) progress report; (4) accomplishments/milestones; and (5) planned activities<sup>2</sup>. Attachment B addresses the development of both the CAISO and market participant readiness criteria. The information contained in Attachment B reflects the current status of the CAISO's MRTU Readiness Program.

The CAISO filed its last MRTU monthly report on December 3, 2007, which was supplemented on December 7, 2007 as additional information had become available regarding the status of the MRTU schedule as reflected in its is the Market Redesign and Technology Upgrade Budget and Schedule Report,

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<sup>2</sup> The Market Redesign and Technology Upgrade Program is comprised of seven major system projects – (1) Integrated Forward Markets/Real-Time Market/Full Network Model ("IFM/RTM/FNM"), (2) Scheduling Infrastructure Business Rules ("SIBR"), (3) Congestion Revenue Rights ("CRR"), (4) Settlements and Market Clearing ("SaMC"), (5) Legacy Systems, (6) Master File Redesign ("MFRD") and (7) Post Transaction Repository ("PTR").

which the CAISO management provided to the CAISO Board of Governors during the December 12-13 General Session of the Board of Governors Meeting.

## **II. Motion for Extension of Time**

As required by Rule 2008(a), good cause exists to grant the CAISO the extension of time requested in the instant motion. On December 10, 2007, after discussion with Market Participants during the MRTU Integrated Market Simulation (“IMS”) Update 1 Debriefing Call held on December 6, 2007, the CAISO decided to extend IMS Update 1 through December 21, 2007 and reschedule the IMS Update 2 start date to January 2, 2008. This IMS schedule change was intended to provide Market Participants with the ability to test additional fixes, retest and run new scenarios, and validate additional Charge Codes in IMS Update 1, while allowing the CAISO additional time to test and stabilize the systems and environment for IMS Update 2.

On December 31, 2007, the CAISO the announced a delay of the start of Market Simulation Update 2 in light of difficulties experienced in implementing this next important market simulation process. The CAISO announced that its highest priority is ensuring that MRTU performs properly prior to go live and its commitment to ensuring that the Market Simulation Update 2 provides market participants with a fully functional, rich, and near-flawless simulation experience to facilitate participants' readiness preparations. The CAISO continues to be actively engaged with its major vendors to work towards that vision, but despite its best efforts, has been unable to achieve the level of system stability and performance that it believes market participants expect by the January 2, 2008.

In order to ensure efficient use of market participants' testing time and resources, the CAISO has deferred the start of the full Update 2 Market Simulation until it is able to achieve acceptable system stability and solution quality targets. The CAISO will continue to assess the schedule of the overall project, including the projected "go-live" date with due consideration to observed system performance and stakeholder feedback.

While the CAISO is actively engaged in evaluating the full causes and implications of the delay, it has not completed its evaluation of the status of the various components of MRTU in time to provide the Commission a full report of the current status of the MRTU project. The additional modest extension requested by the CAISO will provide the CAISO an opportunity to more fully apprise the Commission of the current status of MRTU. Therefore, the CAISO respectfully requests an extension of time until such time as the CAISO has had an opportunity to fully evaluate and apprise the Commission of the status of its MRTU project in light of its recent announcement of a delay in MRTU Market Simulation Update 2, to comply with the with Paragraph 1415 of the Commission's September 21, 2006 Order, but no later than January 14, 2008.

**III. Conclusion**

For the reasons explained above, the CAISO requests that the Commission grant this motion for extension of time.

Respectfully submitted,

**/s/Sidney M. Davies**

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Dated: January 4, 2008

## CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service list in the captioned proceeding, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Folsom, California this 4th day of January, 2008.

*/s/Susan Montana*  
Susan Montana