



California Independent
System Operator Corporation

June 2, 2008

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

**Re: Monthly Status Report re MRTU, California Independent
System Operator Corporation
Docket No. ER06-615**

Dear Secretary Bose:

Enclosed for filing in the above-captioned docket, please find an electronic copy of the June 2008 MRTU Status Report of the California Independent System Operator Corporation.

Respectfully submitted,

/s/ Sidney Mannheim Davies

Sidney Mannheim Davies
The California Independent System
Operator Corporation
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Attorney for the California Independent
System Operator Corporation

Update 2 (IMS-U2) due to system stability issues and that the delay of IMS-U2 would affect the previously proposed Go Live date of March 31, 2008. The CAISO commenced IMS-U2 on February 19, 2008 and paused IMS-U2 after five weeks of continuous simulation in order to load the remaining MRTU “Go Live” functionality. The CAISO resumed IMS-U2 on April 7, 2008 and continued market simulation for seven weeks. Full Scenario Testing began on May 14, 2008. On May 23, 2008, IMS-U2 commenced a one-week maintenance down time. IMS-U2 resumed on June 1, 2008 and Scenario Testing is expected to resume as early as June 4, 2008.

Also, as explained in greater detail in the attached Report, certification of the MRTU software applications was recently completed by Science Applications International Corporation (“SAIC”). SAIC recommended certain changes to the MRTU Tariff and related business rules. In response to the SAIC findings, the CAISO continues to evaluate whether additional detail should be added to the MRTU Tariff to ensure that the tariff and system requirements are sufficiently mapped as recommended by SAIC. The CAISO has provided a set of preliminary responses to all of SAIC findings. Both the SAIC certification letters and CAISO’s preliminary responses can be found at <http://www.caiso.com/1fc5/1fc5d12b5460.html>. In the subsequent months, the CAISO will post the recommended tariff changes, and for each case in which the CAISO believes no further tariff changes are necessary the CAISO will update its responses as necessary with an explanation.

The CAISO continues to work towards a target MRTU Go Live date of October 1, 2008. However, this date is conditional on the on outcome of the

continued market simulation, two separate Readiness Assessments scheduled for this summer, and authorization by the CAISO Board of CAISO's to file its readiness statement. In addition, the CAISO will be making several additional filings with the Commission in anticipation of start-up.

The attached June 2008 MRTU Status Report contains additional details on the status of the MRTU implementation efforts currently underway.

Respectfully submitted,

/s/ Sidney Mannheim Davies

Sidney Mannheim Davies

Counsel for the California Independent
System Operator Corporation

Dated: June 2, 2008

ATTACHMENT

Market Redesign and Technology Upgrade

FERC Report

June 2, 2008

Market Redesign and Technology Upgrade

FERC Report

June 2, 2008

Executive Summary:

This report is an update to the May 5, 2008 report of the accomplishments of, and provides the status for, the Market Redesign and Technology Upgrade (“MRTU”) leading up to an October 1, 2008 proposed launch date. This status report will provide the Federal Energy Regulatory Commission (“Commission”) with additional information supporting the California Independent System Operator’s (“CAISO”) efforts to prepare itself and its Market Participants to commence MRTU operations. The highlights for the month include:

- Integrated Market Simulation - Update 2 (“IMS Update 2”) commenced a one-week maintenance down time on May 23rd after 7 weeks of continuous simulation.¹
 - Scenario Testing began on May 14th
 - Simulation resumed on June 1st
 - Scenario testing expected to resume as early as June 4th
- An Internal Readiness date of 5/1/2008 was set for people, processes and technology and was principally met.
- Certification of the MRTU applications mapping to the MRTU Tariff was completed by SAIC. CAISO is planning to update the MRTU Tariff with additional detail as recommended by SAIC as appropriate.
- Internal and External Readiness activities continued throughout the month.
- CAISO is working towards October 1, 2008 as a Go Live date.

¹ Previously, CAISO took a two-week down time to upgrade the applications from March 22nd until April 6th. Market Simulation re-commenced on April 7th.

Overall Dashboard

The following dashboard outlines the current status for Business Units, Market Participants and the MRTU Program Management for the components People, Process, and Technology at the time the report was filed.

Please Note: The overall program status is based on an October 1, 2008 Go-Live date. The status provided for the CAISO Business Units is as of May 2008. The status provided for the Market Participants People and Processes is as of September 2007. The CAISO continues to work with Market Participants through touchpoint updates and will re-evaluate readiness after the participants have had sufficient ability to test. The CAISO anticipates that a pre-assessment touchpoint will be conducted in June 2008 with a final assessment conducted in July/August 2008. Although progress has been made, the CAISO will continue to further asses these areas throughout Integrated Market Simulation Update 2 (“IMS U2”). In each case, the status provided is reflective of the lowest common denominator (score) for each category.

| Category | Business Units | | Market Participants |
|------------|---|---|---|
| | Core | Non-Core | |
| People |  |  |  |
| Process |  |  |  |
| Technology |  |  |  |

 = No Delays

 = Delay, but will not impact a 10/1/08 Go-Live Trade Date. Contingency maintained, but at risk

 = Delay, will impact program delivery and a 10/1/08 Go-Live Trade Date. Use of contingency funds

Technology/Testing Readiness:

While other ISOs have certified their software after Go Live, CAISO contracted with Science Applications International Corporation (SAIC) in September 2007, to verify and document that the various new applications that comprise MRTU were developed, built and tested in accordance with the MRTU Tariff, as filed with the Commission (FERC) in Docket ER06-615-000 through November 15, 2007 before production. The certification process was completed in May. SAIC used a lengthy process to map MRTU Tariff requirements to software business requirements. Business requirements were further mapped to test references, cases and

scripts. To ensure the accuracy, the requirements were validated both from the top down (Tariff to test cases) and the bottom up (test cases to Tariff). **No major issues were uncovered by SAIC in regards to Tariff or software functionality.**

For the Scheduling Infrastructure and Business Rules (SIBR), SAIC determined that 62 MRTU Tariff references mapped to 177 business requirements to 313 test references. The SIBR certification is 99.1%. For the Market Quality system (MQS), SAIC determined that 117 MRTU Tariff references mapped to 212 business requirements to 273 test references. MQS certification is 99.2% complete. For Congestion Revenue Rights (CRR), SAIC determined that 188 MRTU Tariff references mapped to 214 business requirements to 866 test references. CRR certification is 100% complete. For the Integrated Forward Market / Real-time Nodal market (IFM/RTN), SAIC determined that 487 MRTU Tariff requirements mapped to 773 business requirements to 782 test references. IFM/RTN certification is 96.6% complete.

In the certification process, SAIC recommended certain changes to both the MRTU Tariff and various business rules, depending on what gaps were identified. The following is a summary of their findings:

| | Tariff Mapping Issues | Business Rule Issues |
|---------|-----------------------|---|
| SIBR | 4 Tariff Issues | 3 Test Cases |
| MQS | 16 Tariff Issues | None |
| CRR | None | None |
| IFM/RTN | 68 Tariff Issues | 85 Test Cases 83 Requirements tested but not mapped to Test Cases 28 Requirements not tested nor mapped to Test Cases |

The certification letters can be found at <http://www.caiso.com/1fc5/1fc5d12b5460.html> Included at this site are both the SAIC certification and the CAISO response to SAIC issues and recommended changes. In response to the SAIC findings, the CAISO continues to evaluate whether additional detail should be added to the MRTU Tariff to ensure that the tariff and system requirements are sufficiently mapped as recommended by SAIC. The CAISO has provided a set of preliminary responses to all of SAIC findings which can be found on the CAISO website provided above. In the subsequent months, the CAISO will post the recommended tariff changes, and for each case in which the CAISO believes no further tariff changes are necessary the CAISO will update its responses as necessary with an explanation.

Technology for both Core and Non-Core Business Units remains “Yellow” due to the delays in fully integrating EMS, charge code validation and Load and Performance testing. CAISO has developed measures to mitigate for these delays in June by integrating EMS into the Update 2

environment, introducing vendor deliveries and continued scenario testing which will allow for further charge code validation and continuing Load and Performance testing.

IMS U2 continued with the “semi-structured” testing the first half of May and with Scenario Testing beginning on May 14th. On Friday, May 23rd, the IMS U2 environment was made unavailable externally, until Sunday, June 1st, for the integration of EMS functionality along with patch deployments.

Once IMS U2 is resumed on June 1st, the following phases of Market Participant Testing will be continued through MRTU Go-Live:

- **Scenario Testing:** Market Participants continue to put in bids and trades based on the operational scenario for the day and for the hours of the specific scenario testing for that day.
 - Round 1: First run of all defined scenarios.
 - Round 2: Retest effort if scenario does not pass validation.
- **Pre-Production / Parallel Operations:**
 - Pre-Production: CAISO MRTU Operations and Operations Support is 24X7, with internal processes and roles evolving to MRTU paradigm.
 - Parallel Operations: Market Participants put in bids and trades consistent with the CAISO Demand Forecast, generator availability, and trades that they are physically making in non-MRTU production that day (i.e. mirror how the participants will actually meet their load and resource configuration on 9/1/2008). Production balance schedule can be met by MRTU self-schedule, bids and trades.

| MRTU Schedule | |
|---|---|
| Current Period | Trend |
|  |  |

| MRTU Budget | |
|--|---|
| Current Period | Trend |
|  |  |

Tracking Delay: 0 weeks
Critical Path Items: Vendor Delivery, Integration Testing, Market Simulation Schedule
**Based on October 1, 2008 Go-Live Trade date*

Approved MRTU budget: \$189.223 M*
**Based on approved budget on 12/06*

- Market Simulation will continue throughout the summer, including scenario testing, to allow final training of CAISO and participants.
- Testing of outstanding variances and Internal Scenario testing continues to be in progress.

- PMO has been allocated contingency to extend key resources and vendor support through 10/1/08.
- PMO has extended key resources based on the resources planning effort through September 2008 and continues to evaluate change requests based on the approved budget.

| | |
|---|--|
|  | Complete |
|  | No Delays |
|  | Delay, but will not impact a 10/1/08 Go-Live date. Contingency maintained, but at risk |
|  | Delay, will impact program delivery and a 10/1/08 Go-Live Date. Use of contingency funds |

Key Accomplishments:

- **FIT/ETE Testing – IMS Update 2:** Execution is 100% completed; 89% pass rate
- **Bid-to-Bill Testing of Standard Charge Codes:** Execution is 74% complete; 61% pass rate
- **Bid-to-Bill Testing of Charge Codes associated with Scenarios:** Execution is 19% complete; 6% pass rate. Testing is dependant on scenario testing.

Key Issues:

- **Vendor Delivery:** Variance turn-around time risk has decreased with most recent delivery of backlogged variances. Timely deliveries continue to be crucial for full integration of software upgrades. After delivery, the challenge is validating all of the variances that have been received and ensuring that new variances are not created by the delivered solutions. The CAISO continues to manage the flow of variances by prioritizing variances, including the backlog, and dedicating resources strategically to mitigate towards the more severe variances.
- **Market Systems:** Final integration of EMS, Quality of Solution, performance, and stability testing is on-going as more testing is needed to validate readiness for Go-Live; risk decreases in June timeframe with the EMS integration.
- **Settlements:** All Charge Types have been delivered and unit-tested, but significant validation remains (33/123 validated); risk decreases once upstream variances are corrected and all scenarios have been run to prove out charge codes to participants – anticipate a reduction in this risk by late July
- **Market Simulation Experience:** Confidence in the ability to consistently meet or exceed the Day-Ahead Market timeline has decreased over the last month due to system stability and process issues; risk decreases in June with the deployment of patches and improved processes.

Readiness:

The CAISO Business Units and External Market Participants are continuing their readiness activities. The following dashboard outlines the status for Internal Readiness and External Readiness.

Please Note:

When viewing the Dashboard below, please note that the CAISO Business Units, were assessed based off a checkpoint date of May 2008 and are tracking to internal readiness by October 1, 2008. Although, the Market Participants' People, Process, Technology is as of a September 2007 assessment, the CAISO continues to work with Market Participants on a daily basis through debriefing calls and formal touchpoint updates. The CAISO anticipates that an External Readiness pre-assessment will be conducted in June 2008 with a final assessment

conducted in July/August 2008. Although, progress has been made, the CAISO will continue to assess these areas during IMS U2. In each case, the status provided is reflective of the lowest common denominator (score) for each category.

| Internal Readiness | |
|---|---|
| Current Period | Trend |
|  |  |

| External Readiness | |
|--|---|
| Current Period | Trend |
|  |  |

- Continue to track to final go-live, checklists of remaining activities by Business Units.
- Completed End-to-End business process testing for critical MRTU processes.
- Working with business process owners to identify remaining gaps/issues for sign off.
- Operators continue to execute Scenario testing.

- Completed Super-Structured and Structured phases of IMS Update 2. Semi-Structure began on April 21st. IMS Update 2 paused on May 23rd for added functionality.
- Analyzed IMS Update 2 Functionality Touchpoint results. Action Items created and will be implemented in June.
- Quick Response Team continues to address Participant issues.
- Delivered the following MRTU courses: Metered Subsystems (2 sessions) and Day Ahead Market Impact on Contracts.
- ISO resources added to correct issue identified in the Bid-to-Bill settlement validations to provide additional “validated” charge codes to participants

| | |
|---|--|
|  | Complete |
|  | No Delays |
|  | Delay, but will not impact a 10/1/08 Go-Live date. Contingency maintained, but at risk |
|  | Delay, will impact program delivery and a 10/1/08 Go-Live Date. Use of contingency funds |

Key Accomplishments:

CAISO Internal Business Unit Readiness

- **Training:** CAISO Employees completed knowledge transfer activities. Completion of the final technical training courses is on target to be complete by the second week of June. Scenario execution for Business Units is ongoing.
- **To-Be Processes:** Final Sign Off packets are being assembled for Tier 1 Business Processes that were tested in April. Business Process Owners are identifying the gaps and issues that will need to be closed prior to sign off as well as developing workarounds for those gaps that are out of their immediate control.
- **Assessment of Readiness:** Business Units are tracking remaining activities for Go-Live. Both Core and Non-Core Business Units are on track for Go-Live. The Business Units are involved in planning and testing specific business scenarios to execute as part of the final Go-Live Readiness Criteria.

External Readiness

- **Integrated Market Simulation:** IMS Update 2 continued in May with Semi-Structured testing which began on April 21st. During Semi-Structure testing the Market Participants



can submit bids that are reflective of their business practices and exercise their systems to gain more benefit from the daily testing. Certain Scenarios were exercised during May.

- **Training:** The CAISO continues to offer refresher courses and has developed new courses to meet audience demand. The CAISO developed and the delivered the following new MRTU courses: Metered Subsystem (held 2 sessions in May) and Day Ahead Market Impact on Contracts (1 session in May). All classes have received strong attendance and high marks from the Market Participants. The CAISO continues to assess the training needs of the Market Participants and will offer courses as needed to meet these demands.
- **Assessment of Readiness:** The CAISO continued to review the results of the Market Simulation Functionality Touchpoint that concluded in April. This Touchpoint was intended to query Market Participants on their ability to perform the various functions in the interfacing systems used during Market Simulation. Results identified that additional documentation is needed to help understand certain reports in systems such as OASIS and CMRI. The External Readiness team will continue to use the results during on-going communication with individual Market Participants as well as the numerous meetings and workshops designed to discuss specific system areas, such as the daily Market Simulation Touchpoint calls, and the SAMC and SIUG (technical) workshops
- **Quick Response Team:** The CAISO held an all day Market Simulation Issues Review meeting on May 19th. The objective of the meeting was to provide the Market Participants with the latest general status of open issues, with the specific status where possible; consolidate and close currently-open issues; and to flag issues for further investigations based on Market Participant's suggestions for reprioritization. The CAISO committed to reconvene with the Market Participants in a few weeks to discuss results of further internal investigation and resolution of issues.
- **On-Site Testing:** The On-Site testing has been beneficial to the Market and to the CAISO. With the open conference call the CAISO is able to have continuous discussion with the Market Participants that have devoted the time to perform their Market Simulation testing at the CAISO and share that experience with those that are testing in their offices. This has helped in the understanding and resolution of Market Participants' issues. The CAISO committed to keep the room supported as long as both the CAISO and the Market Participants felt there were mutual benefits. As of May 2nd the room was temporarily closed; however, the room will be re-opened when the Market Participants and the CAISO agree that the Market would benefit from the Client testing team's return.

Risks and Mitigations:

| Risks and Mitigations | |
|----------------------------|--|
| Technology/Testing | <ul style="list-style-type: none"> ▪ High Availability for the IMS Update 2 environment is not yet in place. Mitigation: Plans to implement high availability have been developed, and implementation is scheduled over the next few months. ▪ Application and Infrastructure Monitoring in the IMS U2 environment has been enhanced, but additional application level monitoring is still being developed. Mitigation: IT will continue to work with the infrastructure team and application owners to continue to refine monitors, alerts, and the communication process” surrounding them. ▪ System Stability and Performance – The Day-Ahead and Real-Time systems have had stability issues and CAISO has been working with the vendor on patch deliveries. CAISO continues to evaluate work flow processes to determine what, if any, can be automated and if additional performance tuning can be done. |
| Business Units | <ul style="list-style-type: none"> ▪ Core Business Units – Ongoing monitoring of Business Unit Readiness for Core Business Units reveals that all people and process are on track. A Go-Live checklist is being used to track the Business Units to completion and raise issues if needed. Ongoing monitoring of Business Unit Readiness will continue through Go-Live. ▪ Non-Core Business Units – Ongoing monitoring of Business Unit Readiness for Non-Core Business Units reveals that all people and process are on track. The Readiness Team will continue to work closely with the applicable Business Units, Program Management and Testing Team to complete the remaining Go-Live activities and deliverables. Activities include: continuing application testing, finalizing application transition, and ensuring that all deliverables are completed. |
| Market Participants | <p>The Market Participants’ Readiness in the People, Process and Technology areas is highly dependent upon a stable and effective Market Simulation environment to practice their internal processes and the ability to fully validate Settlement Charge Codes. The CAISO continues to do the following:</p> <ul style="list-style-type: none"> ▪ Conduct an additional Settlement Workshop for Charge Codes in IMS Update 2 as soon as Charge Codes are validated. ▪ Ensure the ability of Market Participants to provide their own bids during Market Simulation. ▪ The Quick Response Team will continue with their objectives until Go-Live. Retest of issues will begin as soon as applicable. ▪ Market Participant Scenarios will be tested during Market Simulation. |

| | |
|--|--|
| | <ul style="list-style-type: none">▪ Provide Market Simulation status reports daily showing which Charge Codes have valid results for each day of Market Simulation as well as a report that provides useful information on system status.▪ Continue with the scheduled meetings and workshops (i.e.: monthly MRTU Implementation Workshops, bi-weekly SIUG and weekly SaMC meetings.)▪ Provide Onsite Testing and support at the CAISO during IMS U2 with specific Scheduling Coordinators selected by the Market Participants when beneficial for the market.▪ Conduct Touchpoints during IMS Update 2 to gauge Market Participants' experience with Market Simulation and identify action items that the CAISO can take to ensure an effective Market Simulation.▪ Track SCs' Market Simulation activities by system (i.e. SIBR, CMRI, OASIS, BAPI). If SCs are identified as not participating, the CAISO will contact them to discuss the reason why.▪ Conduct Market Simulation Issues Review meetings to communicate status and resolution of issues. |
|--|--|

Key Activities and Next Steps:

- Continue Market Simulation, including Market Participant Scenario testing in IMS Update 2 with final MRTU functionality.
- The Quick Response Team will continue to address Participant issues.
- Continue analyzing and taking appropriate corrective actions to resolve Market Participant submitted market simulation issues. Communicate status of issues and begin retesting of the condition when appropriate to ensure resolution has been achieved.
- External Readiness Pre-Assessment Touchpoint to take place in June.
- External Readiness Final Assessment Touchpoint to take place in July/August.
- Completion of PwC Audit Opinion is contingent on Go-Live date.
- Resolution of issues/recommendation found during the SAIC Market Software Certification.
- FERC Informational Filing 60-Days in advance of Go-Live (report will include status of remaining activities & milestones).

Readiness Criteria High Level Overview: - June Status Report

The following shows the overall status of the MRTU Readiness Criteria as of May 31, 2008.

Total Number of MRTU Readiness Criteria: 33

- # of Completed Readiness Criteria: 7
- # of "On Track" Readiness Criteria: 21
- # of "Not On Track" Readiness Criteria: 5

April Status Changes:

- # of Readiness Criteria that have changed status from Orange to Purple: 0
- # of Readiness Criteria that have changed status from Orange to Blue: 0
- # of Readiness Criteria that have changed status from Purple to Orange: 0
- # of Readiness Criteria that have changed status from Purple to Blue: 0

*Only status change on parent criteria are counted in these statistics. Any status changes on sub-criteria are not counted.

Readiness Criteria status is indicated by the following color codes:

- **Clear: A Readiness Criterion is clear (C) if:**
 - The Readiness Criterion has not begun.
- **Purple: A Readiness Criterion is purple (P) if:**
 - The completion or status updates are on schedule based on the specified target due date or milestone, OR
 - A mitigating action has been implemented successfully and the Readiness Criterion is back on schedule to be completed on the specified target due date.
- **Orange: A Readiness Criterion is orange (O) if:**
 - One or more Readiness Components in that Readiness Criterion are not complete on the specified target due date or milestone, OR
 - A Readiness Criteria has reported risks or issues that have a potential for not allowing it to be completed on the specified target due dates or milestones.
- **Blue: A Readiness Criterion is blue (B) if:**
 - All Readiness Components in that category are complete.

| Readiness Criterion | Status | Comments |
|--------------------------------------|--------|---|
| Completed Readiness Criteria | | |
| BPM – 1 | B | As of November 2007, all BPMs have met FERC directives and have been posted on the CAISO website. |
| CRR – 1 | B | As of April 2007, the CAISO has completed the CRR Dry Run in Market Simulation. |
| CRR-4 | B | The CAISO made its compliance filing with the FERC's Long-Term Transmission Rights Final Rule on January 29, 2007. |
| ECA-1 | B | The Control Area Scheduler went live on 2/13/07 at 10:00 PM and all tags applicable to CAISO from Partisans have been linked to CAS. |
| MM-Study 2 | B | Analysis of the potential LMPM deficiency showed that it was not a valid concern. Report on the LMPM deficiency can be found on the CAISO website. |
| SE-1 | B | As of 6/30/07, the State Estimator has meet all stipulations of this Readiness Criterion. |
| TST-1 | B | Performance Testing for IMS Update 2 has been completed and passed QRB Review. |
| “On Track” Readiness Criteria | | |
| CRR-2 | P | CRR Broadcast Services are currently in Integration Test for IMS Update 2. |
| CRR-3 | P | As of 12/20/07, the annual Auction Process was completed. The timeline for the monthly allocation process is being reevaluated due to the changes in the MRTU schedule. |
| ENT-1 | P | All enterprise systems are in the verification process to ensure that they will meet availability requirements. |
| GO-1 | P | All Procedures have been completed. The CAISO is On Track to post these procedures 1 day prior to MRTU Go-Live. |
| INF-1 | P | Monitoring tools and production environment are available to support Market Simulation. |
| LMP PRD | P | IFM tool already complete. For May, the CAISO has completed a tool for analyzing the RUC results. Regarding the Real-time process, LECG is still working on the tool to analyze the 5-minute dispatch. It is still anticipated that the real-time validation tool will be completed by 7/1. |
| MKS-1 | P | This scenario failed during the first run in IMS Update 2. The CAISO has scheduled continuous runs of this scenario throughout IMS Update 2 and will post the results once the run is successful. |

| Readiness Criterion | Status | Comments |
|--------------------------------------|--------|--|
| “On Track” Readiness Criteria | | |
| MKS-2 | P | The CAISO is in the final stages of finalizing the list of reporting metrics for the Post Implementation quarterly report. This item will be “Complete” after it is filed with FERC. |
| MM-Study 1 | P | As of 12/19/07, the third set of CPA reports were posted on the CAISO website. The final set will be published one month prior to Go-Live. |
| MS-1 | P | Application Monitoring of the applicable systems are in progress. All Hardware and monitoring tools have been deployed to measure availability of the systems during PPS. |
| ORG-1 | P | Business Units have met the 5/1 corporate goal and are On Track for Go-Live. |
| ORG-2 | P | Continued tracking the remaining activities and deliverables for all Business Units. |
| PRT-1 | P | The CAISO anticipates conducting the Final Assessments in August. |
| PRT-2 | P | All Critical and Very High issues in IMS Update 2 are being resolved as they arise. |
| REG-1 | P | Extensions from the August 3 rd filing and additional substantive and non-substantive compliance and 205 filing are on track to be completed 90-60 days prior to MRTU Go-Live. |
| STL-1 | P | Revised Settlements BPM have been posted on the CAISO website. Audit of the SaMC software has begun and scheduled to complete by end of IMS U2. |
| SIM - 1 | P | IMS Update 2 was paused on May 26 th for additional functionality and is scheduled to resume on June 2 nd . |
| TECH-1 | P | Operational Readiness Testing is in progress. |
| TST- 2 | P | Integration testing continues for additional functionality. |
| BUS-BA-1 | P | Some MRTU systems have been transitioned to the Business Units. The remaining MRTU systems are in different stages of test and review. Functional requirements are being reviewed with the Business Units. |
| BUS-BA -2 | P | The CAISO plans on filing their FERC 60 Day certification in July 2008. |

| Readiness Criterion | Status | Comments |
|--|---|---|
| “Not On Track” Readiness Criteria | | |
| MOD-1 |  | Development of the procedures for the simultaneous update of the FNM required for MOD – 1.2, is in progress, however, vendor input on the process is competing with other priorities. The CAISO is working with the vendor to promote the FNM model in IMS Update 2. This criteria will be marked as On Track once the procedure for the simultaneous update of the FNM has been finalized. |
| LMP Testing |  | LMP validation testing is focused in the controlled test environment thus, progress of LMP validation within the Market Simulation environment is delayed. |
| ORG-3 |  | The EDR is not available to DMM. Testing and refining of monitoring metrics and processes are behind schedule due to delays in EDR development. |
| STL-2 |  | Charge types have been rolled out during Update 1 and will continue to be rolled out into Update 2 of IMS. |
| STL-3 |  | At the conclusion of IMS Update 1, only 29 Charge Types have been validated from Bid to Bill. |

CERTIFICATE OF SERVICE

I hereby certify that I have caused the public version of the foregoing document to be served upon the Public Utilities Commission of the State of California and upon all parties of the official service lists maintained by the Secretary for Docket No. ER06-615.

Dated at Folsom, California, this 2nd day of June 2008.

/s/ Anna Pascuzzo
Anna Pascuzzo