



California Independent
System Operator Corporation

October 6, 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 October 2008 MRTU Status Report of the California Independent System Operator Corporation.

Respectfully submitted,

/s/ Sidney M. Davies

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Operator Corporation
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Attorney for the California Independent
System Operator Corporation

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

California Independent System Operator Corporation)	Docket No. ER06-615
)	
)	

**OCTOBER 2008 STATUS REPORT OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

The California Independent System Operator Corporation (“CAISO”) respectfully submits the monthly progress report (“Report”) attached hereto in compliance 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-captioned docket. The September 21 Order requires the CAISO to file monthly reports concerning the progress in designing and implementing the CAISO’s Market Redesign and Technology Upgrade (“MRTU”) and, as required by P 1415 of the September 21 Order, on the status of the CAISO’s MRTU readiness program. The CAISO will continue to file this monthly report on the first Monday of the month until implementation of MRTU. The attached Report provides a high level update concerning the status of the three components of the MRTU project: People, Process and Technology.

As reported in the September 2008 report, the CAISO committed to stakeholders that it would not commence MRTU in 2008 or for the month of January 2009. At the September CAISO Board of Governor's meeting, the Board passed a motion directing CAISO management to prepare the 60-day readiness certification so that it can be filed by December 1, 2008, for a January 31, 2009 Go Live date for the Day-Ahead Market. The CAISO is now working diligently towards that goal.

As described in the attached report, the CAISO continues to be engaged in continuous testing of the Integrated Market Simulation Update 2 ("IMS Update 2"). Since the August downtime, IMS Update 2 continues to perform successfully with all constraints enabled in both the Day Ahead and Real-Time Markets (except for the Forbidden Regions in the Real-Time Market). The CAISO remains focused on demonstrating system stability of the CAISO's markets, meeting the IMS Update 2 exit criteria,¹ completing Priority 1 scenario testing, validating the remaining charge codes, resolving variances, updating the full network model, and publishing settlements statements. In addition, CAISO continues to work with Market Participants to address and resolve their issues.

¹ The October Report includes a summary of the IMS Update 2 exit criteria and provides the current status of each criterion.

The CAISO is currently evaluating external readiness. Internal readiness will continue to be evaluated on a weekly basis. CAISO management will be providing the CAISO Governing Board with a comprehensive status report on internal and external MRTU readiness at its October 28-29 meeting. This information will be summarized in the CAISO's November 2008 MRTU Report.

Respectfully submitted,

/s/ Sidney Mannheim Davies

Sidney Mannheim Davies

Anna A. McKenna

Counsel for the California Independent
System Operator Corporation

Dated: October 6, 2008

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 6th day of October 2008.

Anna Pascuzzo

Anna Pascuzzo

ATTACHMENT

Market Redesign and Technology Upgrade

FERC Report

October 6, 2008

Market Redesign and Technology Upgrade

FERC Report

October 6, 2008

Executive Summary:

This status report provides the Federal Energy Regulatory Commission (“Commission”) with information supporting the CAISO’s efforts to prepare itself and its Market Participants to commence Market Redesign and Technology Upgrade (“MRTU”) operations. This status report is an update to the September 2, 2008 report regarding the status of MRTU testing and readiness. At the September CAISO Board of Governor’s meeting, the Board passed a motion that directs Management to prepare the 60-day readiness certification so that it can be filed by December 1, 2008, for a January 31, 2009 Go Live date.

This month’s highlights:

- Market Simulation continued with all expected Go Live functionality available. Focus was on stability and improved performance of the market systems. In addition, all 25 Priority 1 scenarios were executed in September.
 - Progress continues on completing system readiness
 - 123 out of 125 charge codes are now bid-to-bill validated;
 - Final constraints have been enabled in both the Day-Ahead Market (“DAM”) and Real Time Market (“RTM”)
 - CAISO continues to identify and resolve lingering pricing issues that have caused concern to Market Participants
 - Forbidden Operating Regions in RTM expected not to be implemented for Go Live
 - Continue to have key vendor personnel on site full time.
 - DAM results were regularly published within the MRTU Tariff-specified market timeline since resuming IMS Update 2. DAM results have been published 16 out of the last 30 days on time by 1300, 9 additional days the results were published by 1330. The remaining 5 days were delayed primarily due to scenario set-up.
 - RTM stability seems to have been achieved with performance on solving intervals for the Hour-Ahead Scheduling Process (“HASP”) and the 15 minute and 5 minute dispatches exceeding 95% over the last one and a half weeks .
 - The 2009 Congestion Revenue Rights (“CRR”) process has commenced with Tier 1 allocation posted on September 29th.
- CAISO is now focusing on “What’s Left”
 - Meeting the IMS U2 Exit Criteria
 - Continued demonstration of system stability
 - Finalize Priority 1 scenario reports and discussions and Priority 2 scenario testing
 - Validation of two remaining charge codes
 - Publishing of monthly settlement statements and invoices with inclusion of the vast majority of charge codes
 - Resolution of remaining open variances



- Migration to the production hardware environment
 - Implementation of a network model closer to production topology (“DB 32” or higher)
 - Operational testing
 - Closure of Market Participants’ Market Simulation issues
- Internal and External Readiness activities continued throughout the month:
 - Market Simulation Team is providing daily Price Validation of the DAM and RTM as well as weekly discussions of our activities to review the quality of solution during Market Simulation.
 - IMS-U2 Exit Criteria Metrics posted and will continue to be posted on a weekly basis.
 - Nine MRTU Operator Go Live Training sessions have been held at various client sites throughout the United States with the final session held in Houston, TX on September 4th.
 - CAISO Operators have completed the first rotation of “Hands-On” training. Training environment stability challenges have impacted the training effort, yet “hands-on” values still achieved through functionality discussions with subject matter experts. Additional training rotations will be scheduled through Go Live
 - Planned and distributed the September MRTU External Readiness Assessment to determine any major gaps in the Market Participant’s progress to be ready for Go Live
 - Future reporting on MRTU status will transition to identifying and focusing on the remaining activities necessary for Go Live.



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.

The CAISO Governing Board at its September 8 – 9, 2008 meeting approved a revised budget of \$197.5 Million from \$187.223 Million and directed Management to prepare the 60-day readiness certification so that it can be filed with the Commission by December 1, 2008, for a January 31, 2009 Go Live date. To implement this direction, CAISO has worked with the Market Participants to ensure that required testing happens and that CAISO continues to support participants' needs.










Please Note: The overall program status is based on a Go Live date of January 31, 2009.

MRTU Schedule	
Current Period	Trend
	

MRTU Budget	
Current Period	Trend
	


Overall Readiness Status:

Please Note: The status of CAISO Business Units is evaluated on a weekly basis and is accordingly in this monthly report. The status of readiness provided below for Market Participants was evaluated as of July 31, 2008. The CAISO continues to work with Market Participants through touchpoint updates and will re-evaluate their readiness after the participants have had additional time to test their systems. The CAISO completed a Pre-Final Assessment touchpoint with Market Participants in June 2008. An additional touchpoint is being conducted and will conclude on October 10th to gauge Market Participant engagement.

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

 = No Delays

 = Delay, but will not impact a 1/31/09 Go-Live Trade Date. Contingency maintained, but at risk

 = Delay, will impact program delivery and a 1/31/09 Go-Live Trade Date. Contingency at risk

Please Note: *The delay reported above for Market Participant technology readiness is based on the July 2008 assessment for a November 1, 2008 start date. An additional assessment is currently underway to gauge readiness for a February 1, 2009 start. Results will be provided in the November report.*

Technology/Testing Readiness:

Since the August down time, Market Participants have been able to submit bids and trades based on their specific strategies while being encouraged by CAISO to submit bids and trades consistent with the operational scenario for that day. The DAM has successfully run each day and published results. CAISO has published these results by the targeted 1 PM timeline 16 of the 30 days in September. For an additional 9 days the results were published by 1:30 PM, and the remaining 5 days, the results published after 1 PM were primarily due to scenario set-up that was required.¹

The HASP and RTM have also been successfully running this past month. The target is to successfully solve for 90% of the intervals in the HASP, Real-time Pre-dispatch (“RTPD”) and Real-time Dispatch (“RTD”) processes. For September, HASP met the 90% or higher level 25 of 30 days, RTPD met the 90% or higher level 26 of 30 days, and RTD met the 90% or higher level 25 of the 30 days.

September focused on executing 25 Priority 1 operational scenarios incorporating major elements in the final functionality. Initial analysis indicates that all 25 Priority 1 scenarios were successfully executed. Initial reports have been published for most of the scenarios and final reports evaluating bid-to-bill processes in addition to the operational results are in progress. In October, we will be executing the 9 Priority 2 scenarios and additional scenarios Market Participants have requested.

Market Simulation Exit Criteria

The CAISO has also worked with Market Participants to define Exit Criteria for IMS Update 2, and is tracking the progress and completion of each Exit Criteria on a consolidated dashboard and progress chart. The IMS Update 2 Exit Criteria will help ensure the readiness of both CAISO and Market Participants before entering Pre-Production In January 2009. While the

¹ CAISO continues to deploy patches on the weekends having minimal delays on the market timelines. With the decrease in variances, CAISO has been able to generally deploy all patches Friday night to avoid interfering with the running of the market over the weekends.

Exit Criteria were originally written for a March 31, 2008 Go Live date, the functions required have not changed. The IMS Update 2 Exit Criteria consist of the following:

Number	Updated Criteria	Status
Variance Availability		
U2.01	Simulation concludes without any open Critical and Very High variances. At least one meeting will be scheduled with Market Participants as a collaborative effort to review all variances prior to exiting IMS Update 2. High variances will be repaired and tested when possible while remaining High variances will be mitigated.	Currently 0 Critical issues and 17 Very High issues exist and are being resolved as soon as possible. CAISO has met twice with Market Participants to review the issues. Currently 188 High issues exist and CAISO is evaluating them to determine which will be resolved versus which issues will be mitigated.
U2.17	Patches in CAISO systems to address Critical, Very High, or High variances that require Market Participant software changes will be fully tested, installed by CAISO and validated by participants prior to exiting IMS Update 2.	CAISO is following this on an on-going basis. The implementation of the Change Management process on October 1 st will assist to ensure that participants have sufficient notice prior to a variance fix being deployed.
IMS Participation		
U2.02	CASIO will make all externally facing MRTU applications available for 100% of SCs to participate.	All external interfaces are available to participants. <i>On Track</i>
U2.03	CASIO will publish the daily list of SCs participating in IMS Update 2 for SIBR, BAPI, and CMRI for Market Participants to evaluate what SCs that have an obligation to bid resources but are not participating.	CAISO will resume posting of this list on a weekly basis in October. <i>On Track</i>
Settlements		
U2.04	CAISO publishes Settlement Statements and all supporting Settlement documentation including Configuration Guides and Bill Determinants for each Trade Date within TD+15 BD for each initial settlement statement through 2/8/2008 for each SC that participated in IMS Update 2 consistent with the respective SC's participation.	CAISO is currently publishing settlement statements at TD + 5BD for each initial daily settlement statement. CAISO has been publishing configurations guides and billing determinants in advance of the statement publishing.
U2.05	CAISO publishes Settlement Statements and all supporting Settlements documentation for Month End within TD + 25 BD for each SC that participated in IMS Update 2 consistent with the respective SC's participation.	CAISO has publishing March through September monthly settlement statements. We will continue publishing statements through the January Trade Month.
U2.06	CAISO publishes Settlement Statements and all supporting Settlements documentation for CRR Auction for each SC that participated in IMS Update 2 consistent with the respective SC's participation.	CRR charge types were validated in the August monthly settlement statement.
U2.07	CAISO publishes accurate Invoices and supporting Settlements documentation for a Trade Month based on respective monthly Settlement Statements for each SC that participated in IMS Update 2.	July, August and September invoices have included the majority of active charge codes. However, the participants are waiting for all charge codes to be validated.
U2.14	Every Charge Type must be exercised and valid in accordance with the BPM for Settlements & Billing and CAISO Tariff during IMS Update 1 or 2 between 12/10/2007 and 2/8/2008 Trade Dates but not every SC will necessarily be assessed the Charge Type.	123 of 125 Charge Codes have been validated and the BPM for Settlements & Billing has been updated and published to Market Participants.

Number	Updated Criteria	Status
Markets Run/Solve		
U2.08	DAM successfully solves and results are published by 1:00 PM for 7 consecutive trading days during IMS Update 2 Semi-Structured testing.	The DAM has consistently solved for the past several months, with the latest occurrence of six consecutive trade days (6/14-6/19) having published prior to or by 1 PM, we continue to track this progress toward the stated criteria.
U2.09	No more than 5 consecutive 5-minute RT cases fail for 7 consecutive trading days during IMS Update 2 Semi-Structured testing (except in scenarios specifically testing RT failure and contingency plans or during planned outages for patch deployment). RT case failure means no dispatchable solution was reached; does not include DC solutions or solutions achieved through constraint relaxation.	RTD has successfully met this criteria since September 17 th We continue to track this progress toward the stated criteria.
U2.10	Market Portal, SIBR, CMRI, OASIS, SLIC, ADS, BAPI, OMAR, and Programmatic Interfaces are available 97.5% of the time during the last 4 weeks of IMS Update 2 (other than periods of disaster recovery testing and backup and restore testing).	While various participants have had intermittent access issues which CAISO responds to quickly, the application availability has met this criteria.
U2.13	Quality of solution to be 90% AC solution over the last 4 weeks of IMS Update 2.	Solution quality was 100% AC since September 1 st .
U2.15	All scenarios agreed to by Market Participants and CAISO will be successfully completed and Market Participants affirm completion in accordance with scenario dashboard.	Priority 1 scenarios were initially executed by September 26 th , with only one scenario unsuccessful. Reports are being drafted for participant review. The majority of Priority 2 scenarios are scheduled to complete by the end of October, with a few being run once the market simulation is cut over to the production hardware which introduces an updated network model.
U2.16	Market results are based on market inputs and consistent across external markets application.	Market simulation has been consistently running with Market Participant bids and data traceability is available to participants.
U2.18	HASP Market successfully solves and publishes within timing guidelines 95% of the time for 7 consecutive trading days during IMS Update 2 Semi-Structured testing.	HASP has successfully solved 95% of the time for 6 consecutive trading days.
U2.19	RTM successfully solves and publishes within timing guidelines 95% of the time for 7 consecutive trading days during IMS Update 2 Semi-Structured testing.	RTM has successfully solved 95% of the time for 3 consecutive trading days.
CAISO IT		
U2.11	Backup and restore plans executed for 100% of the market simulation impacted servers deemed operational critical during normal operating hours.	Scheduled for October.
U2.12	Archiving and data retention plans for all market simulation systems performed for each day of phase.	Scheduled for October

Key Initiatives/Issues:

- **Vendor Delivery:** In the month of September the CAISO continued focusing on variances impacting system stability and Settlements charge code validation. As part of this initiative, the market systems vendor continued its on-site presence at the CAISO premises to help with issue root cause analysis and to improve variance turn around time. The CAISO continues to manage the flow of variances by prioritizing them and dedicating resources strategically to mitigate the most severe variances first.
- **Market Systems:** Quality of solution testing continues with additional reporting to participants. From a software perspective, all functionality is in place, and quality of solution results and anomalies are discussed with Market Participants. This two-way communication process provides the mechanism to discuss impacts of the co-optimization of Energy and Ancillary Services in relation to pricing.
- **Settlements:** All charge codes have been delivered and unit-tested. In September, the number of charge codes validated continued to increase reaching with 123 of 125 codes validated. The validation of the final two charge code validation is dependent on specific data setup to fire the charge code.
- **Finalizing Functionality for MRTU Go Live:** As part of the final stages of simulation, CAISO has determined some functionality originally anticipated will not be available for the start of MRTU and some functionality must be modified to ensure feasibility of schedules and operational reliability. Chief among those changes is the following:
 - **Forbidden Operating Region in Real-time:** While the DA Market will continue to enforce forbidden operating regions submitted by generators, in real-time, the CAISO will use operating procedures if the unit is dispatched in its forbidden operating region. This functionality is just too complex at this time to ensure that we get it right at the start of MRTU. However, CAISO is continuing to test it and will implement it as soon as possible after Go Live as is operationally feasible.
 - **Ramp rates:** CAISO is modifying the ability to change the ramp rate between bidding segments. Any ramp rate change greater than 10:1 results in infeasible solutions. To assist the participants in this issue, CAISO is bolstering the Scheduling and Logging Infrastructure of CAISO (“SLIC”) to provide an avenue for participants to notify the CAISO of temporary regions where a unit can not operate.
 - **Extra Long Start Commitment:** CAISO had originally intended to include commitment for long start units in the software solution, however at this time, a software solution is not practical. Consequently CAISO is developing an operating procedure that will be posted along with other MRTU operating procedures.
- **Congestion Revenue Rights:** CAISO has initiated the 2009 annual allocation process and has completed the posting of Tier 1 results. The Tier 2 window opens October 2nd and closes on October 6th. The entire annual allocation and auction processes are scheduled to complete in early December. Then CAISO will commence the monthly process.

Key Accomplishments:

CAISO Internal Business Unit Readiness

- **Training:** CAISO Employees completed knowledge transfer activities. First round of final hands on technical training courses was completed at the end of July with the second round continuing in August and ongoing through Go Live. Scenario execution for Business Units is ongoing.
- **To-Be Processes:** All 13 Tier 1 Business Processes have been signed off.
- **Assessment of Readiness:** Business Units are tracking remaining activities for Go-Live. Core Business Units as a group have open items; resolution is pending model updates, display development, and analysis tool development. As the training and analysis environments stabilize, the Business Unit Owners will be able to continue to test their business processes. Non-Core Business Units are currently on track.
- **MRTU Application Transition:** All MRTU applications have been transferred from the MRTU project to the IT group and the responsible Business Unit. Business Units have implemented manual workarounds for all known issues to date. If any additional issues arise, the manual workaround will be assessed at that time.

External Readiness

- **Integrated Market Simulation:** IMS Update 2 continued run throughout the month of September with all functionality in place.

IMS Update 2 environment achieved appropriate stability to start the Priority 1 Market Participant requested scenarios. The CAISO completed all 25 Priority 1 scenarios with only one needed to be re-run. The majority of the initial preliminary reports are posted on our website and have been discussed with the Market Participants during the market simulation daily touchpoint calls. Final Reports which will include additional analysis, responses to Market Participant issues, and CAISO's determination of success will begin to be posted in October.

- **Training:** The CAISO has completed its "Go-Live" training sessions with the ninth and final session held in Houston, TX on September 4th. Response to this training program has been very positive and the CAISO continues to proactively assess the training needs of Market Participants and offer courses as needed. In the meantime, the CAISO is developing Settlements refresher courses that will be given via Webex to Market Participants. Registrations for these courses will be open once all logistics are finalized.
- **Assessment of Readiness:** In light of the new Go-Live date, the External Readiness team has realigned its activities to ensure that all Readiness assessments are completed by December 2008.

The CAISO will be conducting two additional Readiness Assessments from now until Go-Live. The September Assessments have been distributed and will be completed by October 10th. This assessment is intended to allow the SCs to assess their preparedness for MRTU Go-Live in the areas of People, Process, Technology, Market Operations, and Settlements, and identify any issues or gaps that may prevent them



from meeting the January 31, 2009 Go-Live date. Client representatives will follow up with the SCs to answer any questions they may have.

The Final Assessment will be conducted in December after Market Participants have had additional time to test and train their personnel. This assessment will confirm that SCs are ready for Go-Live and that the issues and risks mentioned during the September assessments are resolved or are being mitigated.

- **Quick Response Team:** All Market Participants' open Market Simulation Issues are being closely evaluated for resolution. Issues continue to be prioritized and status provided to the originating Market Participants and general status in a report posted on the website. During the market simulation touchpoint calls, issues are discussed to alert participants of identified concerns, resolutions based on system patches, and the number of items open or ready for verification testing by the participants. Over the past few weeks, discussion of system usability issues have been occurring during the Market Simulation briefing and debriefing weekly phone calls. The Quick Response Team works with the Market Participants to provide the Market Participants with the status of Open and Market Test issues. This effort continues to help identify key issues that have a significant impact on Market Simulation results and supports gaining quick resolution of issues.

Risks and Mitigations:

Risks and Mitigations	
Technology/Testing	<ul style="list-style-type: none"> ▪ High Availability/Cutover to Production Systems has not yet occurred. The build and check-out process continues and the environment is expected to be fully functional by early October. Cutover to that environment is still being planned. An updated full network model will be introduced when the new production system is cutover to market simulation. ▪ Application and Infrastructure Monitoring - IT continues to work with the infrastructure team and application owners to refine monitors, alerts, and the communication process surrounding them. Additional monitoring and processes for the new integration layer guaranteed message delivery implementation has been built in the new Production environment and will also be tested as part of the environment checkout effort. ▪ Daylight Savings Time (DST) Testing This effort has not been introduced into the CAISO's integrated test environments yet but will be performed prior to the short day on November 2nd.
Business Units	<ul style="list-style-type: none"> ▪ Core Business Units – Continued focus on the readiness of the core business units. Based on feedback from the grid operating crews, readiness efforts are centralized around improving the analysis and display tools to ensure that the operators have the best tools available to support operating the grid. The MRTU Grid Ops focus teams, who were created to be dedicated to MRTU for the Grid Operations group, identify and expedite resolution based on their suggestions, are working to break through some of the issues that have held up the progress of others. Plans and processes are in place and resolution has either been achieved or is in progress for these areas of concern. All other core business units are being monitored to ensure they continue with their readiness efforts and identify and resolve any gaps. ▪ Non-Core Business Units – Ongoing readiness monitoring of Non-Core Business Units reveals that all People and Processes 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 including processes and tools.
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 validate Settlement charge codes. The CAISO continues to do the following:</p> <ul style="list-style-type: none"> ▪ Continue to perform Charge Code Validation and publish consistent Settlement documentation.

	<ul style="list-style-type: none"> ▪ Continue to work with the Scheduling Coordinators and their settlement vendors to support their efforts on charge code validation. With 123 charge codes validated from the CAISO perspective the CAISO expects that the Scheduling Coordinators validate the charge codes based on their settlement activities and software and provide their concurrence. ▪ September Readiness Assessment is currently being conducted. All certified Scheduling Coordinators will be contacted and asked about their MRTU readiness efforts. Participation in Market Simulation, open issue resolution, and charge code validation will be encouraged. ▪ Ensure the ability of Market Participants to provide their own bids during Market Simulation. ▪ The Quick Response Team continues with their objectives prioritizing and helping to resolve specific IMS issues until Go Live. The team encourages Market Participants to retest issues that have been fixed. ▪ All Priority 1 Scenario tests have been performed. The schedule is being developed to complete the remaining scenarios as well as additional tests requested by the Market Participants. Preliminary reports are available on the CAISO website for review and the Final Reports will begin to be published in October. ▪ Provide daily Market Simulation status reports showing which Charge Codes have valid results for each day of Market Simulation along with an update on system status, issues, and market results from the Day Ahead and Real Time Markets. ▪ Continue with scheduled meetings and workshops (<i>i.e.</i>, monthly MRTU Implementation Workshops, bi-weekly SIUG and weekly SaMC meetings.) ▪ Track Scheduling Coordinators' Market Simulation activities by system (<i>i.e.</i> SIBR, CMRI, OASIS, BAPI). Those Scheduling Coordinators, who are not participating, have been contacted to discuss the reason why. ▪ Provide increased visibility into weekend system patching activities via an interim Release Management process.
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Upcoming Activities and Next Steps:

- Continue to monitor and stabilize the market systems with all constraints, to the extent necessary.
- Continue Market Simulation, including Market Participant Priority 2 Scenario testing in IMS Update 2 with final MRTU functionality.
- The Quick Response Team will continue to address Market Participant issues.
- Continue to analyze and resolve market simulation issues. Communicate issue status and retesting when appropriate to ensure resolution has been achieved.
- Continue weekly discussions on the quality of solution of market simulation results.



- Completion of PwC Audit Opinion on the settlement process is scheduled to meet the Go-Live date.
- Continue the ongoing testing and training of Operations functionality and processes.
- File FERC informational report, with status of remaining activities & milestones by December 1, 2008.
- Complete September Readiness Assessments.

Readiness Criteria High Level Overview: September 30, 2008

The following shows the overall status of the MRTU Readiness Criteria as of September 30, 2008.

September Status Changes:

- # of Readiness Criteria that have changed status from Orange to Purple: 1
 - The following readiness criteria changed from Orange to Purple:
 - STL-3
- # of Readiness Criteria that have changed status from Orange to Blue: 0
- # of Readiness Criteria that have changed status from Purple to Orange: 2
 - The following readiness criteria changed status from Purple to Orange:
 - PRT-1
 - ORG-3
- # of Readiness Criteria that have changed status from Purple to Blue: 2
 - The following readiness criteria changed status from Purple to Blue:
 - CRR-2
 - MKS-2

*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.

Criterion	Status	Comments	Criterion	Status	Comments
Completed Readiness Criteria			"On Track" Readiness Criteria		
BPM - 1		As of November 2007, all BPMs have met FERC directives and have been posted on the CAISO website.	CRR-3		Monthly Auction and Allocation process will begin in December 2008.
CRR - 1		As of April 2007, the CAISO has completed the CRR Dry Run in Market Simulation.	ENT-1		All enterprise systems are in the verification process to ensure that they will meet availability requirements.
CRR - 2		As of Sept 22, 2007. All CRR output services have passed integration test.	GO-1		All Procedures have been completed. The CAISO is On Track to post these procedures prior to Go-Live.
CRR-4		The CAISO made its compliance filing with the FERC's Long-Term Transmission Rights Final Rule on January 29, 2007.	INF-1		- Production Environment availability and stability percentages are improving - Archive and Backup work is in progress on the new Production environment
ECA-1		The Control Area Scheduler went live on 2/13/07 and all tags applicable to CAISO from Partisans have been linked to CAS.	LMP PRD		IT and Market Ops have completed performance tests of the tool in the production environment and are analyzing the results. Work continues on the SAS Code and the output viewer. SAS consultants have been given requirements for the Kick Off controller.
MM-Study 2		Analysis of the potential LMPM deficiency showed that it was not a valid concern.			
MKS-2		Reporting metrics for the Post Implementation report has been finalized.	LMP Testing		Analysis Track Testing (ATT) effort has completed review of 100% of test cases in the controlled test environment. Final report to be published in October.
SE-1		As of 6/30/07, the State Estimator has meet all stipulations of this Readiness Criterion.	MKS-1		Scenario 10 ran for Trade Date 9/20/08. Preliminary results are posted for MP review.
TST-1		Performance Testing for IMS Update 2 has been completed and passed QRB Review.	MM-Study		The final CPA report will be published one month prior to Go-Live.
"On Track" Readiness Criteria			"On Track" Readiness Criteria		
MOD-1		FNM model DB32 is currently being tested and the DB35 model is under development. The DB35 model is planned for simultaneous promotion with markets and EMS in October 2008.	STL-2		To date, 123 out of 125 Charge Codes have been validated from Bid to Bill.
MS-1		ISO Monitor is active on new Production environment, additional monitoring being added.	STL-3		August Statements have been published. Upstream data correction process has begun.
ORG-1		Business Units have met the 5/1 corporate goal and are On Track.	SIM - 1		IMS Update 2 continues.
ORG-2		Continued tracking the remaining activities and deliverables for all Business Units.	TECH-1		Operational Readiness Testing is in progress.
PRT-2		All Critical and Very High issues in IMS Update 2 are being resolved as they arise.	TST- 2		Integration testing continues for additional functionality.
REG-1		Filings are On Track to be completed 90-60 days prior to MRTU Go-Live.	BUS-BA-1		All application transition sign-offs have been completed. Business Units are working at documenting and mitigating workarounds for systems that do not satisfy the required functions.
STL-1		Revised Settlements BPM have been posted on the CAISO website. PWC Audit to resume in October.	BUS-BA -2		This readiness criteria refers to the 60 Day FERC Filing.

Criterion	Status	Comments
“Not On Track” Readiness Criteria		
ORG-3		Key functions have not worked reliably in the DMM Sandbox. Mitigations are in place.
PTR-1		Based on the June Touchpoints, MPs indicated that they were not Ready for a Fall Go-Live. A new Pre-Final Assessment will be conducted in Oct 2008 to assess MP Readiness.