#### **VIA OVERNIGHT DELIVERY**

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 Ms. Bose:

Enclosed for filing in the above-captioned docket, please find an original and 14 copies of the Status Report of the California Independent System Operator Corporation ("CAISO"). An additional copy is also enclosed. Please date-stamp and return it in the self-addressed prepaid Federal Express envelope.

Respectfully submitted,

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Sidney Mannheim Davies The California Independent System Operator Corporation 151 Blue Ravine Road Folsom, CA 95630

Attorney for the California Independent System Operator Corporation

# UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

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

## MAY 2007 STATUS REPORT OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

The California Independent System Operator Corporation ("CAISO") respectfully submits this monthly progress report ("Report") 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-referenced 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 CAISO's MRTU readiness program. The CAISO will continue to file this monthly report on the first Monday of the month through the implementation of MRTU, currently slated for January 31, 2008 following the California Board of Governors' December 19, 2006 decision to extend the implementation date.

The monthly report 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>1</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.<sup>2</sup>

Highlights related to MRTU implementation identified in Attachment A include: (1) Integration Interfaces – FERC design changes completed and build to be finalized on May 4, build and testing in progress for SaMC services; (2) Settlements and Market Clearing (SaMC) Systems – Charge Code requirements and design over 50% complete, Market Clearing Factory Acceptance Testing (FAT) 35% complete, and six of eight Market Clearing test plans reviewed and approved for sign-off; (3) Integrated Forward Markets – Coordinated Release (CR)3b Site Acceptance Testing (SAT) passing 46% of test cases, successfully received Real-Time bids from SIBR, completed CR3b build, and continued CR4 design; (4) SIBR – successfully ran Day-Ahead bid set for Master File; (5) Market Quality Systems – completed Market Quality System (MQS) version 2.0 Design and Design reviews with Siemens; (6) Legacy – continued to execute SAT for multiple applications and completed development efforts for Participating Intermittent Resource Program (PIRP) and Reliability Must-Run (RMR) Application Validation Engine (RAVE); (7) Congestion Revenue Rights – began CRR production environment build out and completed

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").

Documents relating to the CAISO's MRTU implementation and readiness activities, including the MRTU Readiness Criteria Dashboard posted on January 31, 2007, can be found at the following link: <a href="http://www.caiso.com/docs/2005/06/21/2005062113583824742.html">http://www.caiso.com/docs/2005/06/21/2005062113583824742.html</a>.

Nexant support and warranty contract; and **(7) Testing** – completed Factory Integration Testing (FIT) for IFM/SIBR/Master File, completed Load and Performance testing for CRR, continued CR3b FIT efforts, and executed all Regression test cases in preparation of Release 1.

Highlights on status of readiness activities included in Attachment B: (1)

MRTU Working Groups – continue to support Participant Readiness Advisory

Group, MRTU Implementation Workshops, SaMC User Group and Systems

Interface User Group; (2) Market Participant Assessments – 86% of Market

Participants (64 out of 74) completed assessments and received a customized

Action Plan, 100% (79 out of 79) of Market Participant have been contacted by

receipt of an Action Plan, and follow up communication is in progress with each

Market Participant to receive an update on status of open action items identified

in their Action Plans; (3) Market Participant Training – no additional training

has been completed since February 2007, and training sessions for Bid to Bill

classes began first week of May 2007; and (4) MRTU Training for CAISO Staff

– 73% of CAISO Staff have completed Level 200 training; and 47% of CAISO

Staff have completed Level 300 training.

Dated: May 4, 2007

Respectfully submitted,

Sidney Mannheim Davies

Counsel for the California Independent System Operator Corporation

#### **ATTACHMENT A**

#### **ATTACHMENT B**

### **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 4<sup>th</sup> day of May 2007.

Charity N. Wilson