

Briefing on MRTU and Readiness Update



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California ISO
Your Link to Power

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Current MRTU Program Status

- 🌐 Integrated Market Simulation Release 2 concludes this week. Summary:
 - Exercised Day-Ahead Market on a daily basis
 - Participation less than target (avg. 31% expected 60%)
 - Challenges with Bid-to-Bill
 - Settlement statements not calculating as expected
 - Not considered successful or completed
- 🌐 Re-evaluating schedule for Release 3/4
 - Assessing inclusion of business process validation
 - Enhanced End-to-End Testing needs identified to improve market simulation experience

MRTU Team Working to Address Participant Concerns ...

- 🌐 Real-time:
 - Running real-time engine in test lab & control room
 - Operating automatically most intervals
 - Broadcasting and receiving some payloads
- 🌐 Integration of downstream systems
 - Integrating Legacy projects and Market Quality System
- 🌐 Next Market Simulation needs to include:
 - Structured, Semi-structured and Unstructured Testing
 - Ensure that bids are consistent with market results
 - Ensure that Schedule and Awards are consistent with Market Results (CMRI) and Settlements

Where is readiness?

Internal Readiness

- Core Business Units on-track
- Non-Core Business Units behind schedule

External Readiness

- Second review of Market Participants on-going
- 457 individuals attended the first nine session of MRTU Level 200 training representing 86 Market Participants (Session 10 is in progress)
- 343 individuals have attended the MRTU Bid to Bill sessions representing 63 Market Participants
- Market Participants unable to finalize processes and procedures in current Market Simulation (R2)

60 Day Certification

- Developed certification process with multiple milestones
- Completed first milestone, next is 10/26/2007

What is the status of the CRR Allocation Process?

- 66 entities have been registered, executed CRR agreements and became Candidate CRR Holders ready to start CRR allocation/auction
- FERC issued an order on July 6th, changes include:
 - Revision to source and sink information for Load Serving Entities (LSE) outside CAISO Control Area
 - Ability for external LSEs to use Trading Hubs
 - Monthly vs. Annual prepayment for external LSEs
- Scope changes result in a 2 week delay in the start of the CRR production and, due to holidays, a 4 week extension of the entire schedule to January 18, 2008
- CRR extension does not impact MRTU go-live