

Market Redesign and Technology Upgrade Budget and Schedule Report



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Board of Governors Meeting
October 17, 2007
General Session

MRTU Executive Summary

MRTU Schedule	
Current Period	Trend
	
<p>Tracking Delay: 0 weeks Critical Path Items: Vendor Delivery, Integration Testing, Market Simulation Schedule <i>*Based on approved 4/1/08 Go-Live Trade date</i></p>	

MRTU Budget	
Current Period	Trend
	
<p>Approved MRTU budget: \$189.223 M* <i>*Based on approved budget on 12/06</i></p>	

- Integration testing team completed Functional Integration, End to End, Load and Performance and Security testing for IMS Release 3.
- Integrated Market Simulation Release 3 started on Monday 9/24.
- Update 1 is targeted to start on 11/5 and Update 2 on 12/17.
- Implementation Workshop and Settlements Walkthrough held on Thursday 9/20. Detailed Settlements charge code training held on 9/21
- Internal and External training, including Bid to Bill, continues in October.

- PMO continues to process change requests and evaluate against approved budgets.
- PMO evaluating impacts of new Market Simulation schedule and new MRTU Go-Live date.

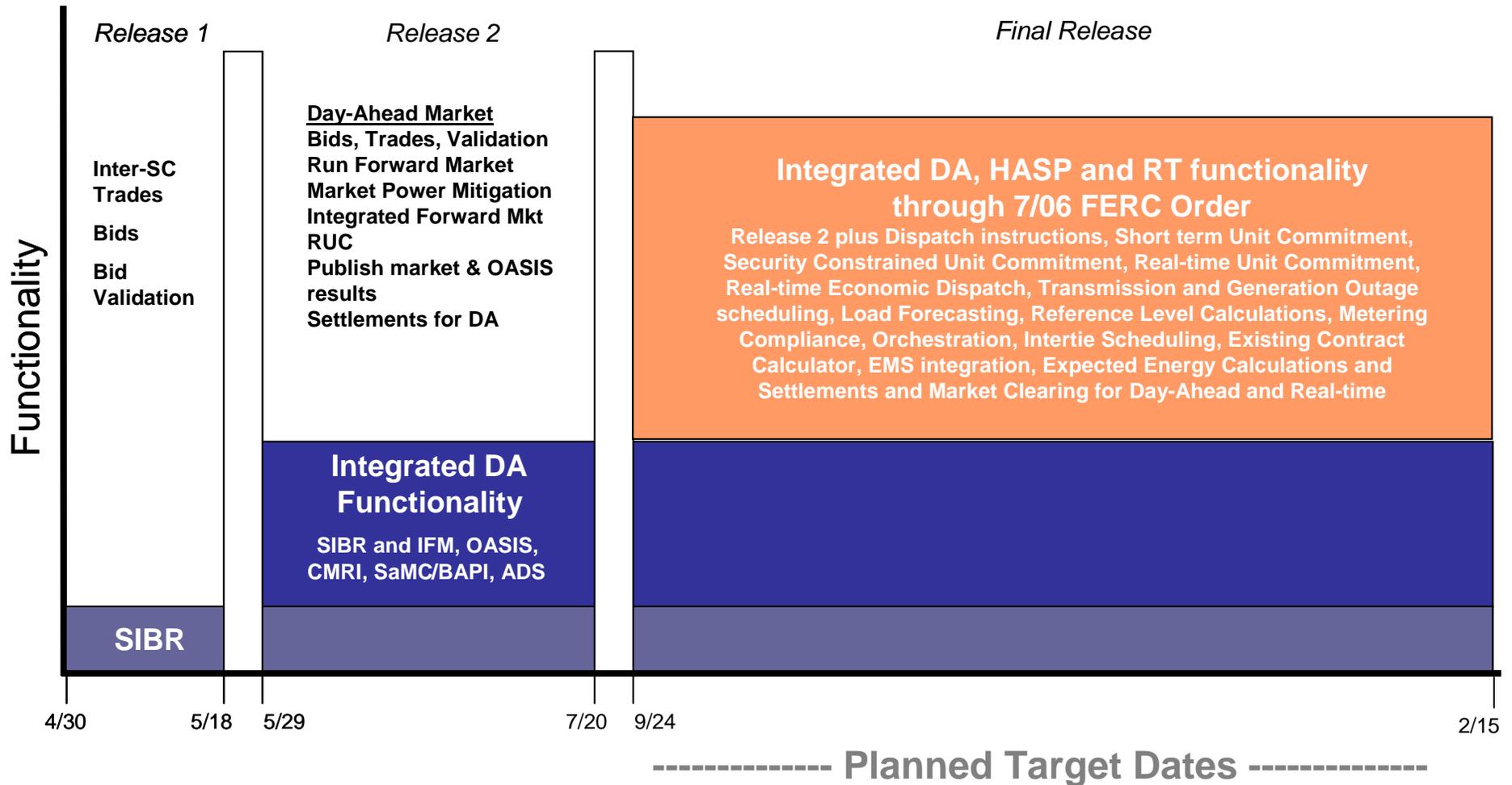
	 Delay, but will not impact 2/1/08 Go-Live Trade date.
	 Delay, will impact 2/1/08 Go-Live Trade date. Use of contingency funds.

 Variance less than +2 %		Situation has improved since last reporting period.
 Variance between +2 % and +6 %		No change since last reporting period.
 Variance over +6 %		Situation has deteriorated since last reporting period.



- The Integrated Market Simulation (IMS) Release 3 began on 9/24. Other IMS activities included: prepared and posted the guiding documents for IMS Release 3, updated the guidebook for the release, held an implementation workshop, and held a charge code walkthrough. The focus is now on preparation for IMS Update 1, updating the issues as a result of the FIT and End to End testing, and finalizing the scenarios for Market Simulation. The target start date for Update 1 is November 5, 2007.
- The Readiness team completed and finished scoring 79 of 81 Participant Assessments. They also began distributing Action Plan Letters to the market participants (57 currently distributed) and created the Build Phase assessment summary report. The Training team continued working on various Computer Based Trainings (SLIC, OASIS, ADS in final review), Internal Bid-to-Bill and training development. Several external training sessions have been scheduled including a Settlements Charge Code and How to Read a Settlement Statement and Validating Across Applications and Bid to Bill Training.
- The Testing team continues to run Day Ahead and Real Time Markets for execution of Update 1 Functional Integration Testing and End to End Testing.

IMS Scope and Schedule



Accomplishments & Milestones

SaMC

- Completed P2 configuration and market clearing FAT
- Continuing work on P3 charge codes and resolving issues

Integrated Forward Markets/Real-Time Nodal

- IFM: SAT build for CR3C/CR4 Bundle 1 received, Bundle 1A FAT beginning
- CR3B continued FIT/ E2E testing, achieved improvement in stability of continuous runs of RT in Folsom FIT, completed CR3B SAT

Market Quality Systems

- V2.0 SAT exit approved

Congestion Revenue Rights

- Project Completed; First production market closed on 9/14

MFRD

- Created CSV files from DB19 for RDT generation
- Delivered MF Resource Data Templates to Market Participants
- Completed all required changes to MF to support IRR testing

MDS

- Release 1 (Orchestration) completed and handed to FIT team
- Release 2 (Notifications) development underway

Testing

- Began IMS Release 3 Market Simulation
- Began IMS Update 1 testing
- L&P completed MQS performance testing
- Fix it continued work on OASIS, CMRI, and Integration

Full Network Model/State Estimator

- Continued development of DB19 and DB21
- Executed IFM and RT Analysis cases

Legacy

- Completed formal exit from SAT for majority of Legacy applications

Planned Activities

SaMC

- Market Clearing SAT testing
- Finalize P3 design, build P3 Test Cases and complete P3 SAT
- Update requirements for the IMS Update 1

Integrated Forward Markets/Real-Time Nodal

- CR3C/CR4 Bundle 1: Complete SAT
- CR3C/CR4 Bundle 1A: Begin FAT

Market Quality Systems

- V2.0 Support CR4 Web Service Factory Integration testing

Testing

- Market Simulation: Support IMS R3
- Begin ETE testing for Update 1
- Continue L&P profiling for IFM, Integration Bus, SaMC, PTR for Market Simulations
- Continue Bid to Bill validation of P1 and P2 charge codes

Full Network Model/State Estimator

- Complete development and testing of DB19 NPTO style ECA/ACA modeling
- Begin closeout of gap issues identified in Readiness walkthrough

MRTU Program Progress as of September 24, 2007

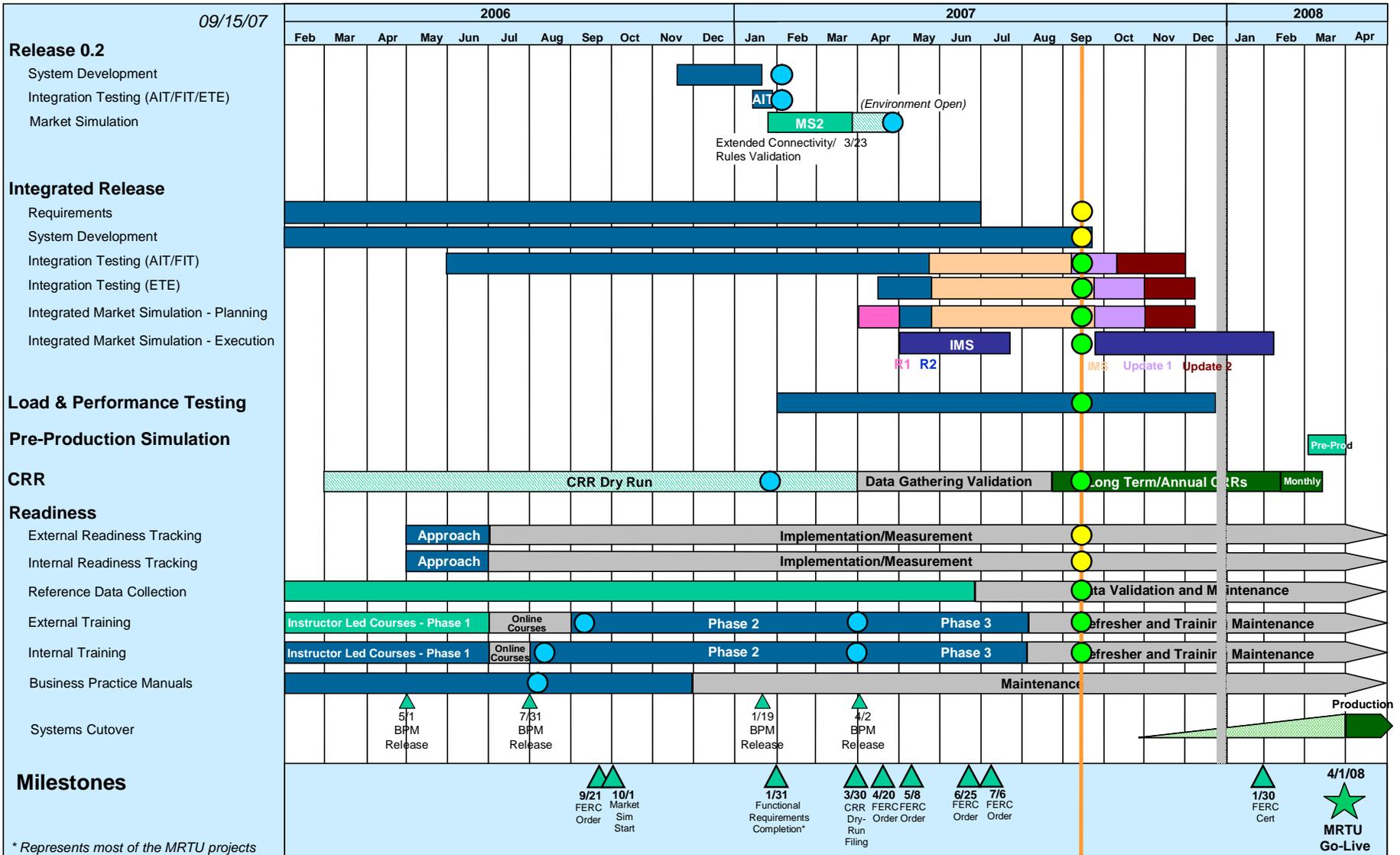
Program Area	Design	Build	Test	Integration Test	End-to-End	Market	Deployment
Phase 1A							
Phase 1B							
Market Systems							
Real-Time Market							
Integrated Forward Market							
Hour-Ahead Processor							
Residual Unit Com.							
Scheduling							
Policy Must-Haves							
FERC Changes - Market Systems							
Settlements							
Base Product							
Charge Types							
Congestion Revenue Rights							
FERC Changes - Settlements/CRRs							
Legacy							
Automated Dispatch System (ADS)							
Reference Level Calculator (RLC)							
Scheduling and Logging System (SLIC)							
Compliance Automation Production System (CAPS)							
Existing Transmission Contract Coordination (ETCC)							
Operational Meter Analysis and Reporting (OMAR)							
Open Access Same-Time Information System (OASIS)							
Reliability-Must-Run Application Validation Engine (RAVE)							
Other Applications							
Market Quality System							
PTR							
Portal							
MFRD							
FERC Changes - Legacy/Other Applications							

Legend	
Phase not started	
Phase in progress	
Phase complete	

Supporting
Activities

Program Area	Planning	Development	Execution
Internal Readiness			
External Readiness			
Training			
Business Processes (Phases 1 & 2)			
BPMs			

MRTU High-Level Timeline



Sept 15



Complete



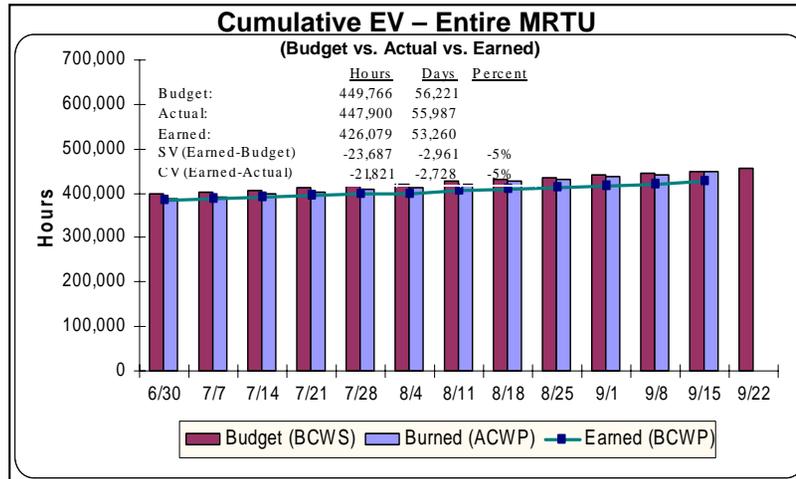
No Delays



Delay, but will not impact
04/01/08 Go Live Date

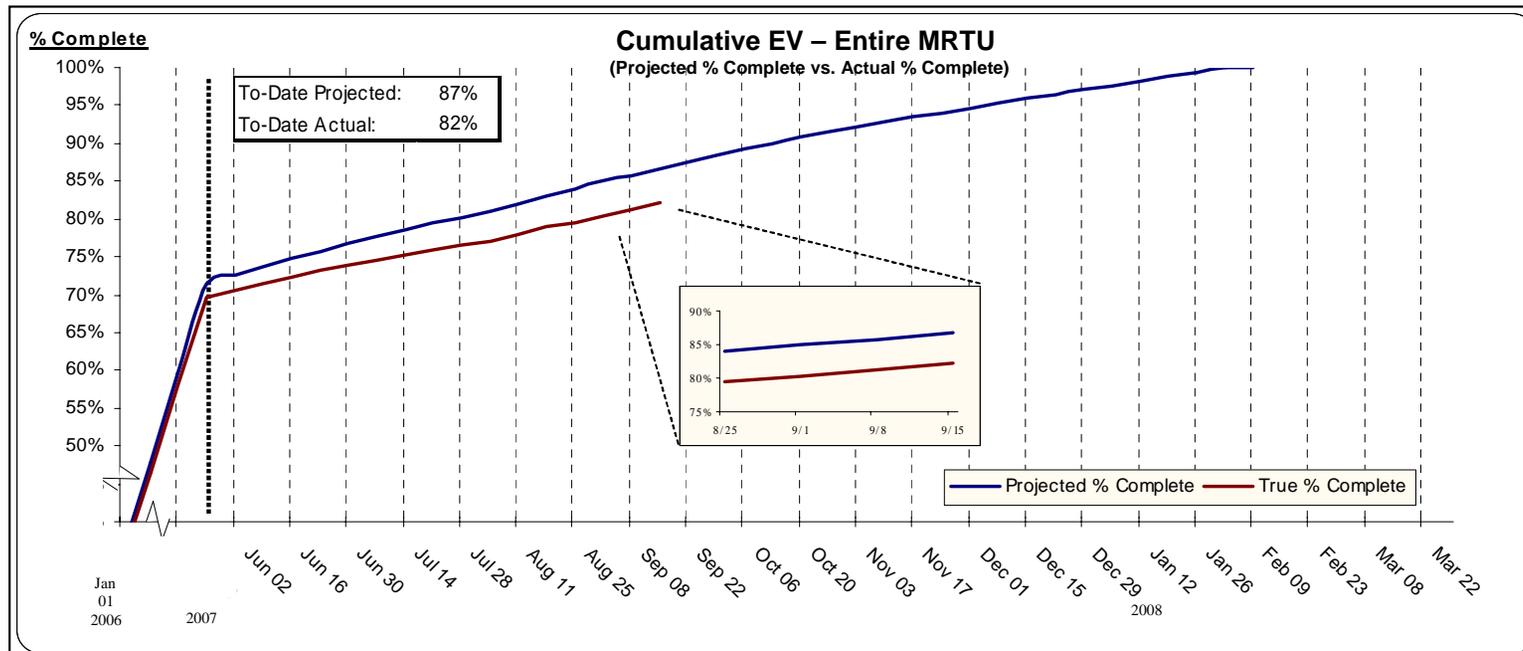


Delay, will impact
04/01/08 Go Live Date



Notes/Comments:

Graph represents the new baseline as of June 2006.



Included in Graphs: BPM, Business Process, SIBR, Training, FNM/SE, IFM, MQS, CRR, Mkt Cert, MDS, MFRD, SaMC, Portal, Testing, Integration, PTR, PMO, Legacy, STING, Readiness, and Technical Architecture. **Not Included in Graphs:** n/a



MRTU Financials

California Independent System Operator Corporation

California Independent System Operator
 Summary of Expected Completion Costs vs. December, 2006 Budget
 August 31, 2007
 (In Thousands) *

Project	Re-baselined Project Costs Dec. 2006 (a)**	Actual Costs Through 2006 (b)	Paid Invoices To Date 8/31/07 (c)	Estimated Costs to Complete (d)	Cost of Project at Completion (e)=(c+d)	Increase (Decrease) from Baseline (f)=(e-a)
Market Redesign	\$ 64,807	\$ 49,990	\$ 56,211	\$ 8,671	\$ 64,882	\$ 75
1 Automatic Mitigation Procedures/Phase 1A	773	773	773	0	773	0
2 Real Time Markets/Phase 1B	16,297	16,297	16,297	0	16,297	0
3 Integrated Forward Markets/Real -Time Market (IFM/RTM)	33,372	23,673	27,729	5,643	33,372	0
4 Congestion Revenue Rights (CRR)	4,516	3,986	4,543	48	4,591	75
4A Market Quality System (MQS)	6,261	2,315	3,923	2,338	6,261	0
11A Hardware & Software Purchases	3,588	2,947	2,947	642	3,588	0
Technology Upgrade	\$ 74,179	\$ 61,020	\$ 68,289	5,302	\$ 73,590	\$ (589)
5 Scheduling Infrastructure Business Rules (SIBR)	13,323	9,727	10,538	2,785	13,323	0
6 Settlements and Market Clearing (SaMC)	18,030	16,170	17,628	402	18,030	0
6 Master File (MFRD)	2,300	2,291	2,359	0	2,359	59
9 Post Transactional Repository (PTR) - CMRI	2,461	2,236	2,710	0	2,710	248
10 Legacy Systems	7,785	6,379	7,077	0	7,077	(707)
10A State Estimator/Full Network Model	1,345	1,040	1,170	0	1,170	(175)
11 Technology Infrastructure/ Portal	2,065	2,050	2,051	0	2,051	(14)
11B Hardware & Software Purchases	6,923	5,197	6,227	697	6,923	0
12A System Integration/Enterprise Architecture	17,989	15,540	17,456	533	17,989	0
12B Technology Architecture	1,957	389	1,072	885	1,957	0
Common Projects ***	\$ 41,214	\$ 25,738	\$ 36,524	4,690	\$ 41,214	\$ -
13 Training/Readiness Projects	9,709	6,975	9,519	190	9,709	0
14A Project Management	17,666	11,907	13,813	3,853	17,666	0
14B Testing	13,840	6,856	13,193	647	13,840	0
Ongoing Scope Adjustments	\$ 1,523	\$ -	\$ -	\$ 2,036	\$ 2,036	\$ 513
Pending MRTU Scope Changes	1,523	0	0	2,036	2,036	513
Contingency	\$ 7,500	\$ -	\$ -	\$ 7,500	\$ 7,500	\$ -
15 Program Contingency	7,500	0	0	7,500	7,500	0
Total MRTU Project	\$ 189,223	\$ 136,748	\$ 161,024	\$ 28,198	\$ 189,223	\$ (0)

* Columns and rows may not total due to rounding.

** Budgets include: Consultant Labor, Vendor Costs, Travel & Meals Expenses, Training, Hardware, Software, Maintenance, Employee Backfill costs

*** Common Projects Allocation: 47.9% to Market Redesign; 52.1% to Technology Upgrade