

MRTU Program Update



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California ISO
Your Link to Power

Board of Governors Meeting
General Session
May 21 - 23, 2008

We have made significant progress in MRTU Market Simulation since April 7th.

- 🌐 Day-Ahead ran by 1 PM – 61% of the time
- 🌐 System Availability – 99.15% of Market Sim time
- 🌐 Solved with AC solution – 100% of the time
- 🌐 Settlement Statement published – 100% of the time
- 🌐 All external facing applications have been available to all Scheduling Coordinators
- 🌐 Scheduling Coordinators for all Resource Adequacy units have participated in the Market Simulation

But a number of issues remain

Six weeks of Market Simulation has tested the applications and uncovered issues as expected.

Work Flow Processes:

- Refresh processes that results in issues for Scheduling Infrastructure Bidding Rules (SIBR)
- Monitoring of applications and data flows

 **Data:** Ability to verify all data from market runs to downstream applications

Settlements Charge Codes:

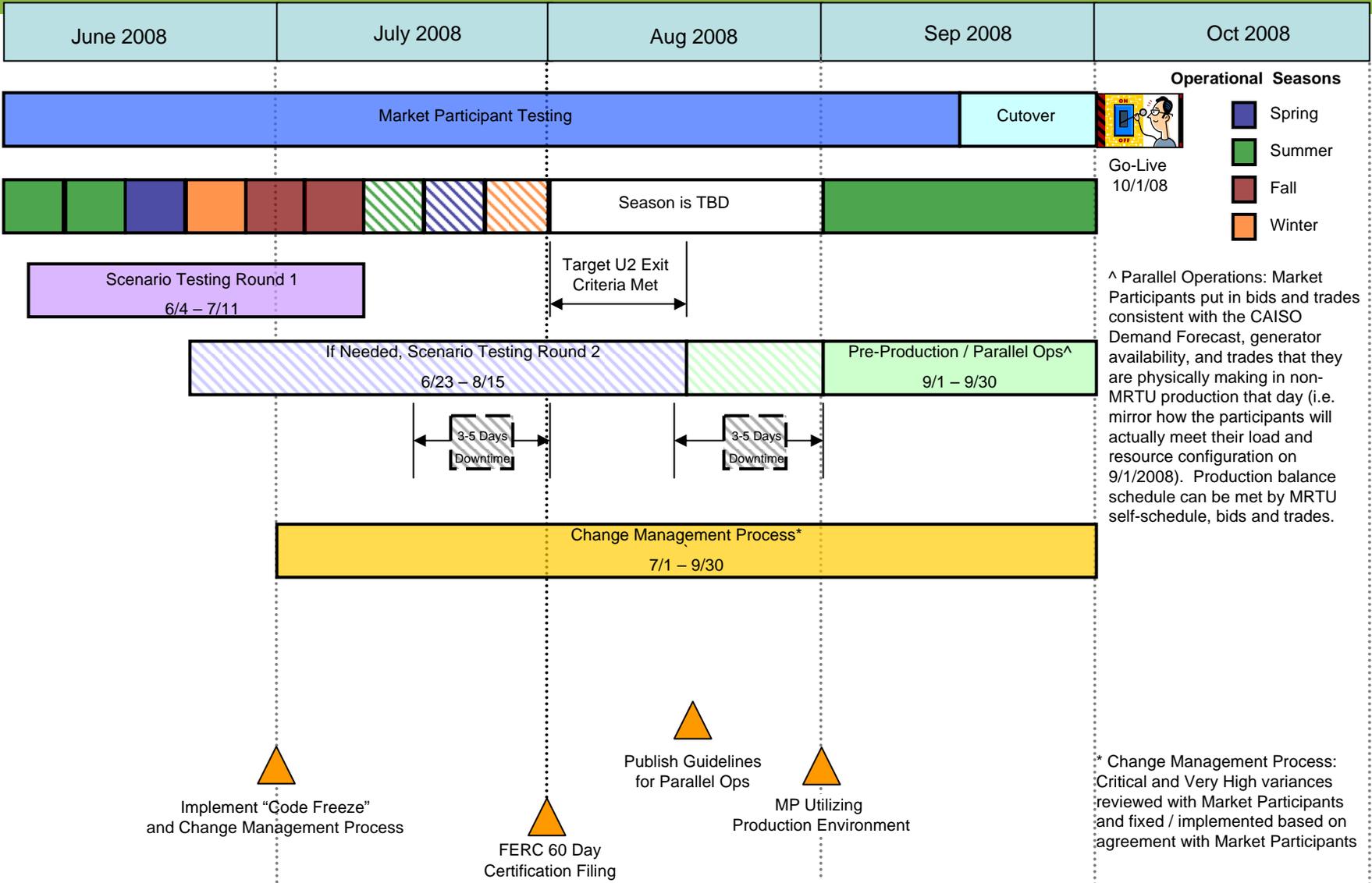
- Standard – 28 of 46 validated
- Scenario based – 5 of 77 validated
- Monthly settlement statement not published yet

Five objectives were targeted to move between the structured phases of Market Simulation

-  All Market Participants are able to successfully connect to CMRI, OASIS, SLIC, ADS, and BAPI UIs and APIs **Met**
-  Day Ahead Market successfully solves and publishes by 2pm 4 out of 5 days per week **Met – 84%**
-  Real Time Market successfully solves and publishes 80% of the time **Met – 85.5%**
-  SIBR UI and APIs available from 8 am – 12 pm with no downtime longer than 30 min/day **Met (with one exception)**
-  Data is traceable and consistent across applications **Some specific MP issues**

MRTU Business Implementation Schedule

Market Simulation / Testing Schedule



May 1st CAISO readiness was principally met.

People

- All Departments met readiness criteria
- All External Reports and Tools completed, testing on Update 2

Process

- All Business Practice Manuals published
 - Targeting August 1 for publishing production BPMs
- MRTU processes and procedures testing in Update 2
- SAS70 control objectives drafted and testing in Update 2

Technology

- Cutover/Reversion Plan posted
- SAIC Certification received
- LECG Preliminary Report posted and discussed with Participants
- Application Integration and Validation – 79% complete
- Quality of Solution – 86% complete

Readiness Summary

Internal Readiness	
Current Period	Trend
	

- Continue to track remaining activities by Business Units for Go Live.
- Completed End-to-End business process testing for critical MRTU processes. Working through test results in preparation for process sign off.
- Operators continue to execute Scenario testing.

External Readiness	
Current Period	Trend
	

- IMS Update 2 was paused on March 21st and resumed on April 7th. Continued Market Simulation support initiative to help prepare Participants.
- Participant Check Points/Follow Ups began in March to gauge IMS Update 2 participation and issues.
- Completed IMS Update 2 Functionality Touchpoint.
- Quick Response Team continues to address Participant issues.
- Preparing for Final Market Participant touchpoint and Assessment

	Complete
	No Delays
	
	Delay, but will not impact Post Summer go-live date. Contingency maintained, but at risk
	Delay, will impact program delivery and a Post Summer Go-Live Date. Use of contingency funds

A Functionality Survey of Market Participants was performed in March.

- Market Simulation Functionality Survey
 - Survey queried Participant ability to perform various functions
 - Key ISO actions from initial survey
 - Complete glossary documentation and help functions for OASIS
 - Correct data visibility issues in CMRI
- On-going communication with Market Participants to update survey throughout Update 2 Market Simulation
- Scheduling Coordinators who have not been participating in Market Simulation have been contacted and mitigation plans have been executed

Market Participant Readiness going forward strategy consists of two more assessments.

- 🌐 Two additional Readiness Assessments conducted prior to Go-Live
 - June 2008 (2nd)
 - August 2008 (final)
- 🌐 Final Assessments focus on key readiness areas derived by Market Participants
- 🌐 People, Process and Technology:
 - Confirm either complete or “on-track” for a fall Go-Live
 - If not started or not “on-track”, CAISO will continue to work with the Participant to mitigate issues

There are 19 exit criteria in 5 categories to be completed prior to Pre-Production in September.

Variance Count

- No critical or very-high variances
- High variances will be mitigated

Market Simulation Participation

- Applications are available and RA Units participating

Settlements

- Publish Daily and Monthly Statements and Invoices
- Validate Charge Codes

Markets Run / Solve

- Specific time criteria for successfully solving markets
- Pass 40 Market Participant Scenarios

CAISO IT Requirements

- Exercise backup and restoration plans
- Archive and retrieve data

The additional anticipated milestones and activities for the next four months are:

	June	July	August	September
60-Day Milestones		Decision on Go Live Date Completed LECG Report - consistency of market software solutions with MRTU Tariff and LMP pricing methodology	Status of remaining IMS Exit Criteria (completed after the 60-Day filing)	Confirmation of Go Live Date Readiness Statements - from key Market Participants PWC Audit Opinion
CAISO Activities		 7/9 – 7/10: CAISO BOG meeting to approve 60-Day Filing 7/31: CAISO files 60-Day Readiness Certification at FERC	  8/1- 8/15: Met Integrated Market Simulation Update 2 Exit Criteria and end simulation 8/7 – 8/22: FERC Informational Filing (within 7 days of Market Simulation Update 2 completion)	    9/9 – 9/10: BOG meeting 9/20: Notice of Market Launch 9/24: CAISO opens Day-Ahead Market for October 1, 2008 Trade Date 9/30: Close first Day-Ahead Market
Market Participant				

FERC 60-Day Informational Filing includes:

- 🌐 Background and Context – approach overview
- 🌐 Overall Dashboard (People, Process, Technology)
- 🌐 Status of Internal Readiness – CAISO Business Unit assessment
- 🌐 Status of External Readiness – Feedback from Market Participant assessment
- 🌐 Status of Market Simulation – Update
- 🌐 Status of Readiness Criteria
- 🌐 Status of FERC Filings and outstanding FERC Orders
- 🌐 Statement by Key Officers (IT, Operations, Market Development)
- 🌐 SAIC Market Software Certification
- 🌐 LECG Report on market solution
- 🌐 Remaining Activities and Milestones
 - PWC Audit Opinion on settlements software
 - Status of Market Simulation Exit Criteria, if needed
 - Market Participant readiness statements