



California Independent
System Operator Corporation

November 7, 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 November 2008 MRTU Status Report of the California Independent System Operator Corporation.

Respectfully submitted,

/s/ Anna A. McKenna

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California Independent System
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
)	
)	

**NOVEMBER 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 for the month of October of the three components of the MRTU project: People, Process and Technology.

Respectfully submitted,

/s/ Anna A. McKenna
Sidney Mannheim Davies
Anna A. McKenna
Counsel for the California Independent
System Operator Corporation

Dated: November 7, 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 7th day of November 2008.

Is/ Anna Pascuzzo
Anna Pascuzzo

ATTACHMENT

Market Redesign and Technology Upgrade

FERC Report

November 7, 2008



California ISO
Your Link to Power

MRTU Readiness Report

Market Redesign & Technology Upgrade

Federal Energy Regulatory Commission

November 7, 2008

1 Introduction

This status report updates the Federal Energy Regulatory Commission (FERC) about preparation activities underway by the California Independent System Operator Corporation (ISO) and market participants for a February 1, 2009 Market Redesign & Technology Upgrade (MRTU) launch. At its October meeting, the ISO Board of Governors reaffirmed its previous directives for a 60-day readiness filing with FERC on December 1, 2008 and agreed to another Board meeting to make a final assessment of readiness before that filing.

2 MRTU Integrated Market Simulation (IMS)

2.1 **Simulation Testing** – The planned functionality for *go live* is in place and operational within MRTU systems. The bidding interface is working well with manual and automated interfaces and is highly accessible, with an availability rate of more than 96%. Both the day-ahead and real-time markets are running on time and producing quality solutions, with only a few exceptions related to simulation limitations and scenario set-up. While all 125 charge codes are now validated by the ISO in its settlement system, some data problems in receiving data from upstream applications has hindered the ability to produce quality settlement statements.

2.1.1 **Exit Criteria** – These operational achievements are the basis for transitioning out of MRTU market simulation and into pre-production. The following provides a status assessment of the 19 market simulation exit criteria, as of the end of October:

	Criteria	Status
Variations		
01*	No open critical or very high variations. High variations resolved or mitigated.	On track
17	ISO system patches that address software variations are fully tested, installed and validated.	On track
Participation		
02	ISO will allow all SCs to participate.	Achieved
03	Daily participation list published.	Achieved
Settlements		
04	Publish daily settlement statements and supporting documentation by TD+5 business days.	On track
05	Publish monthly settlements statements and supporting documentation by TD+25 business days.	On track
06	Publish CRR Auction settlement statements and supporting documentation.	Achieved
07	Publish accurate monthly statements.	Receiving Attention
14	Every charge code exercised and valid.	Receiving Attention
Markets Run & Solve		
08	Day-ahead market successfully solved and published by 1:00 pm for seven consecutive days.	On track
09	No more than five consecutive five-minute real-time cases fail for	On track

	seven consecutive trading days.	
10	97.5% availability of external facing applications and interfaces.	Achieved
13	90% AC solution over the last four weeks.	Achieved
15	Scenarios successfully completed.	On track
16	Market results based on inputs and consistent across external applications.	Receiving Attention
18	HASP successfully solved and published on time for seven consecutive days.	On track
19	Real-time market successfully solved and published on time 95% of the time for seven consecutive days.	On track
	Quality of solution is sound.	On track
Technology		
11	Backup and restore plans executed.	On track
12	Archiving and data retention plans performed.	On track

* Numbers correlate to the original list of market simulation exit criteria, which provides additional description detail. This list is on the ISO website at: <http://www.caiso.com/2074/20746f0b2e9a0.pdf>

NOTE: The ISO is currently considering clarifications to the market simulation exit criteria in light of input received at our October Board meeting and subsequent participant discussions. A revised criteria list will be provided in the November Readiness Report.

2.1.2 **Scenarios** – A total of 28 scenarios were created cooperatively with participants to test various operating contingencies within market simulation. This original set of scenarios was run successfully (according to initial reports), with final summary reports publishing by November 15. An additional six scenarios are scheduled in market simulation including two for day-light savings (one for a long day and one for a short). Participants identified and requested an additional four. Scenario schedules and reports are available on the ISO website at: <http://www.caiso.com/2004/2004997f49230.html>. In summary:

	Run & Initially Passed	To be Run/ Rerun	Final Reports Posted
Original Set of 28 Scenarios	28	3 *	2
Six Additional Scenarios	0	6	0

* Three scenarios passed during initial runs, but will be rerun to confirm operation with system changes. Two involve a new network model and one a change to system set-up parameters.

2.1.3 **System Changes** – All 24 MRTU systems at the ISO were moved to a new production environment during the week of October 20. New hardware and servers provide a faster, more robust and reliable system operation foundation for *go live* and beyond.

An implementation delay for four system functionality changes was approved by the ISO Board in October and filed with FERC on October 31, 2008. Changes include forbidden region treatment in real time, ramp rate limitations, ancillary services procurement in HASP on the interties and the start-up process for extremely long start resources. Details are available in the filing at: <http://www.caiso.com/2071/2071db9863060.pdf>

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- 2.2 Quality of Solution** – The ISO continually analyzes pricing solutions from market simulation testing and started producing weekly pricing reports August 30. Overall, our assessment is that the price excursions (outside of the normal distribution) are related to extreme scenario conditions, system congestion or other explainable operational circumstances. In October, we produced three pricing analyses that concluded MRTU market prices from simulation testing are correct and verifiable:
- (1) MRTU Program Office
(see presentation at: <http://www.caiso.com/206e/206ea30557e60.pdf>)
 - (2) ISO Department of Market Monitoring
(report is available at: <http://www.caiso.com/2068/2068ad206a9b0.pdf>)
 - (3) LECG (report and summary presentation
are available at: <http://www.caiso.com/2067/2067aeac40f40.html>)

In particular, concerns have been expressed about high Residual Unit Commitment (RUC) costs. Again, these prices have been verified and were related to insufficient bid sets, system constraints in testing and capacity deficiencies. We have agreed to run baseline market runs with constant operational variables for comparison purposes.

- 2.3 Issue Resolution** – A concentrated effort is underway to resolve or mitigate the questions and issues submitted by participants during market simulation. In the last two weeks of October, the ISO Quick Response Team closed more than 40% of the issues. At month's end, the issue count stands at: 0 Critical, 6 Very High and 137 High. Analysis determined that approximately half the issues are related to software defects and data traceability, with the balance relating to questions about MRTU training, potential program enhancements and bidding rule clarification.
- 2.4 Settlements** – The quality of settlement statements continues to be a challenge. While the MRTU settlement system itself is performing well, issues with receiving upstream data have hampered the ability to produce quality settlement statements and interfered with the market participants' ability to successfully validate their systems. We are working to correct those issues and increase the accuracy and quality of MRTU settlements statements by:
- (1) Re-running the September monthly statement and expediting delivery of October statements. While these statements will contain some data quality issues, they will be useful to participants and further testing of their systems.
 - (2) Establishing a MRTU Data Quality Team to ensure that systems from bid-to-bill are moving data correctly to the settlements systems.
 - (3) Working one-on-one with participants and their vendors to step through their systems and identify and resolve issues. As a part of these meetings, we are helping participants validate the operation of charge codes within their shadow systems.

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- 2.5 **Congestion Revenue Rights (CRRs)** – The initial three tiers of the annual allocation process are complete and participants received requested allocations that were feasible. The Tier 3 allocation process opened on October 31 with results scheduled for posting on November 11. The 2009 annual auction window opens on November 18 with results posting on December 2. After completion of the annual process, we will start working on the monthly CRR distribution process.

2009 Annual CRRs	Date Posted/Complete
Tier One	Sept. 26, 2008
Tier Two	Oct. 13, 2008
Long-Term	Oct. 28, 2008

3 Internal Readiness

- 3.1 **ISO Staff and Business Units** – All 19 ISO business units completed readiness assessments, including five phases: plan, analysis, design, build and implement. A handful of initiatives are incomplete, but all are on track for the February 1, 2009 *go live* date. Additionally, all 14 high-priority business processes are complete as of September 30, 2008, including end-to-end testing, identification and mitigation of functional gaps and testing of SAS-70 controls. All ISO staff completed level 100 and 200 training courses, and operational teams were required to take Level 300 hands-on training classes.
- 3.2 **Grid Operations** – On a weekly basis, grid operations shifts are rotating into a specially-developed MRTU test lab to train on the new systems and execute the day-ahead market for simulation testing. In November, training will expand into the management of outage tickets, tagging of intertie schedules and execution of the real-time markets. At the same time, operators and dispatchers are working with IT to finalize system functionality and displays to better meet their operational needs and help ensure grid reliability.
- 3.3 **Market Monitoring** – The ISO Market Monitoring staff is well prepared for the February 1, 2009 MRTU market launch. The team is fully staffed and trained and is equipped with the tools needed to monitor MRTU markets post *go live*. Their monitoring approach includes defined areas of focus confirmed by the ISO Market Surveillance Committee and reviewed for consistency with Locational Market Pricing (LMP) markets in the East. Evidence of Market Monitoring's readiness was provided via a report on September 2008 market simulation results completed on October 22, 2008 (available at: <http://www.aiso.com/2068/2068ad206a9b0.pdf>).

- 3.4 **SAIC Audit** – SAIC was engaged to confirm that new MRTU systems operate consistently with the ISO tariff and Business Practice Manuals. The initial audit results did not discover any major inconsistencies with the tariff and software functionality. The majority of proposed tariff changes are included in an early November filing. Others are addressed through the recently approved uneconomic adjustments policy.

Test cases and requirement mapping is complete for three systems: CRRs, Market Quality System (MQS) and the Scheduling Infrastructure and Bidding System (SiBR). Of a total of 181 test cases for the day-ahead and real-time markets, only 17 remain open.

- 3.5 **Tariff filings** – Stakeholder processes were coordinated during October in anticipation of several MRTU-related tariff filings:

Filing Topic	Filing Date
Deferrals/limitations of MRTU software functionality	Oct. 31, 2008
Merchant Congestion Revenue Rights related to Blythe Path 59	Oct. 31, 2008
Price caps and price floors	Nov. 3, 2008
Uneconomic Adjustments (parameter tuning)	Nov. 4, 2008

4 External Readiness

- 4.1 **Participant Readiness Assessment** – A pre-final assessment questionnaire was recently sent to market participants with a request to evaluate their organization’s readiness status in the areas of people, process, technology, market operations and charge code validation. On September 30, 2008, we distributed 98 questionnaires. As of October 31, we received 54 replies for a response rate of 55%. Results indicate a mixed state of participant readiness:

Pre-Final Readiness Assessment	Participants Self Assessment concerning the Feb 1, 2009 <i>go live</i> date		
	Complete	On Track	Not on Track
People	5	37	9
Process	3	37	14
Technology	1	39	12
Market Operations	1	34	12

Validation of settlements charge codes is on the critical path for participant readiness. The reported status on this process is:

Charge Code Validation Process	Participants Self Assessment concerning the Feb 1, 2009 <i>go live</i> date		
	Complete	On Track	Not on Track
Manual Validation	1	20	16
Vendor Validation	2	13	12
Shadow System Validation	0	18	16

- 4.2 **Training** – In total, more than 3,500 people from participant organizations attended MRTU training courses delivered across the country. Classes covered topics such as market operations/timelines and the settlements process at multiple levels of detail--introductory, intermediate and hands-on. Training presentations are available at: <http://www.caiso.com/docs/2005/10/07/200510071157559066.html> or by request on DVD.

Most recently, nine sessions of operator *go live* training were offered at various client sites to very positive participant response. A refresher course for MRTU settlements is currently in development and will be offered via Webex meetings.

- 4.3 **Personalized Participant Assistance** – We find each participant organization has specific issues and questions when developing and validating results from their settlements shadow systems. To assist with this process, more than ten participants and their settlements vendors have come to the ISO offices to work directly with our subject matter experts.

5 Program Budget

- 5.1 **Current budget status:** The Board of Governors approved a MRTU budget increase to \$199.5 million at its September meeting. The high level summary of expected completion costs is available in Appendix 7.1.

6 Activity Summary/Status

- 6.1 **Complete** – These activities are done and ready for February 1, 2009 MRTU market launch.

Activity	Date Completed
LECG report on analysis track testing. Available on the ISO website at: http://www.caiso.com/2067/2067ea8e50950.pdf	Oct. 20, 2008
First three allocation tiers for 2009 CRRs	T1 - Sept. 26, 2008 T2 - Oct. 13, 2008 LT - Oct. 28, 2008

- 6.2 **Next Steps** – The following key activities are on track for completion by the February 1, 2009 MRTU market launch.

Target Completion	Activity
Nov. 14, 2008	Satisfy Market Simulation Exit Criteria
Nov. 14, 2008	Resolve/mitigate Market Simulation issues
Dec. 1, 2008	File 60-day Readiness Certification with FERC
Dec. 2, 2008	Complete distribution of 2009 CRRs
Dec. 5, 2008	Distribute final participant readiness assessment
Dec. 6, 2008	Initiate code freeze on MRTU systems
Dec. 31, 2008	Finalize Cutover & Reversion Plan

Jan. 1, 2009	Begin pre-production / parallel operations
Jan. 26, 2009	Complete distribution of CRRs for Feb. 2009
Jan. 31, 2009	Receive final SAIC software certification
Jan. 31, 2009	Receive PWC audit opinion regarding settlements system

6.3 **Risk Mitigation** – Prudent program planning includes risk identification and mitigation. The following summarizes the risk mitigation measures in place for the MRTU program launch:

Risk	Mitigation
Internal Readiness	<p>All ISO Business Units continue to be monitored to ensure their readiness for February 1, 2009 <i>go live</i>. The Readiness Team works closely with each one to review their initiatives around people, process and technology and identify any gaps requiring attention.</p> <p>Grid operations crews are now completing weekly training sessions with new MRTU systems and tools. For several weeks, they have run the day-ahead market during market simulation activities and recently began managing real-time testing activities too. The Grid Operations Focus Team remains on task for coordinating training activities, working to implement suggestions for improvement, and resolving issues/questions.</p> <p>Market Monitoring is now fully staffed and trained, and equipped with the systems and tools needed to monitor the MRTU markets. In addition, the team’s analytical approach and metrics were reviewed and confirmed with other market monitoring units as well as the ISO Market Surveillance Committee.</p>
Application and Infrastructure Monitoring	<p>IT continues to work with the infrastructure team and application owners to refine monitors and alerts, and the communication processes surrounding them. Additional monitoring and processes for the new integration layer guarantee message delivery is tested for and added to the new MRTU production environment.</p>

Risk	Mitigation
Participant Readiness	<p>We continue to publish daily market simulation status reports summarizing day-ahead and real-time results, system status, and settlements publications. A series of daily, weekly and monthly meetings are also hosted to address MRTU issues that are both big picture as well as technical in nature. Daily conference calls discuss market simulation results, weekly user group meetings address the specifics of system operations and the settlements process and monthly day-long workshops review program schedule and status.</p> <p>The ISO continues to publish settlement statements and documentation. We are also working one-on-one with participants and their settlement vendors to help them validate charge codes and settlement statements using their shadow systems.</p> <p>A series of check-ins with participants were conducted regularly over the last two years to track their readiness status. Written surveys and follow-up discussions helped identify issues and expedite preparation in the areas of people, process and technology. The most recent assessment was conducted in October (results are summarized in section 4.1) and a final assessment is scheduled for early December 2008.</p>
Issue resolution and mitigation	<p>Throughout the market simulation, participants have submitted questions and issues about system operation, market results, training and more. The Quick Response Team works with internal subject matter experts and raises issues to management as needed to resolve issues quickly and efficiently.</p>
Market or operational issues during MRTU Cutover and Post-Launch	<p>A detailed cutover and reversion plan is drafted and will be confirmed with participants in a series of meetings in November and December. A draft of this plan is available at: http://www.caiso.com/18ae/18ae96b71f1a0.html</p> <p>A Rapid Response Team is assembled to monitor and quickly resolve market issues experienced post launch. This team is made up of cross-divisional representatives from throughout the ISO - from Market Monitoring, Operations, Legal, Communications and others - to enable effective issue assessment and response.</p>

7 Attachments

7.1 **Budget Status** – A high level summary of expected completion costs is provided as Attachment 7.1.

7.2 **Readiness Criteria** – A high-level summary of readiness criteria status:

Status Change for Readiness Criteria	October	September
Complete (signified by a blue circle)	11	9
On track (signified by a purple circle)	19	22
Not on track (signified by an orange circle)	3	2

A detailed report of the 33 criteria established to ensure internal and external readiness for the February 1, 2009 MRTU market launch is provided as Attachment 7.2.

Attachment 7.1

MRTU Budget Status

California Independent System Operator
 Summary of Expected Completion Costs vs. September 2008 Budget
 September 30, 2008
 (In Thousands) *

Project	Re-baselined Project Costs Dec. 2006	Revised Budget Sept. 2008 (a)**	Actual Costs Through 2007 (b)	Paid Invoices To Date 9/30/08 (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	\$ 70,439	\$ 59,344	\$ 64,916	\$ 5,522	\$ 70,439	\$ -
1 Automatic Mitigation Procedures/Phase 1A	773	773	773	773	-	773	-
2 Real Time Markets/Phase 1B	16,297	16,297	16,297	16,297	-	16,297	-
3 Integrated Forward Markets/Real-Time Market (IFMRTM)	33,372	39,622	29,749	34,825	4,797	39,622	-
4 Congestion Revenue Rights (CRR)	4,516	4,855	4,681	4,855	-	4,855	-
4A Market Quality System (MQS)	6,261	5,687	4,640	4,962	725	5,687	-
11A Hardware & Software Purchases	3,588	3,205	3,205	3,205	-	3,205	-
Technology Upgrade	\$ 74,179	\$ 73,771	\$ 70,079	\$ 72,729	\$ 1,041	\$ 73,771	\$ -
5 Scheduling Infrastructure Business Rules (SIBR)	13,323	11,745	10,860	11,181	564	11,745	-
6 Settlements and Market Clearing (SaMC)	18,030	20,545	18,995	20,210	335	20,545	-
6 Master File (MFRD)	2,300	2,528	2,528	2,528	-	2,528	-
9 Post Transactional Repository (PTR) - CMRI	2,461	2,563	2,563	2,563	-	2,563	-
10 Legacy Systems	7,785	7,303	7,179	7,228	75	7,303	-
10A State Estimator/Full N Network Model	1,345	1,170	1,170	1,170	-	1,170	-
11 Technology Infrastructure/ Portal	2,065	2,946	2,946	2,946	-	2,946	-
11B Hardware & Software Purchases	6,923	7,881	6,748	7,813	68	7,881	-
12A System Integration/Enterprise Architecture	17,989	16,018	16,018	16,018	-	16,018	-
12B Technology Architecture	1,957	1,073	1,073	1,073	-	1,073	-
Common Projects ***	\$ 41,214	\$ 53,291	\$ 42,274	\$ 52,114	\$ 1,177	\$ 53,291	\$ -
13 Training/Readiness Projects	9,709	10,391	9,318	10,301	90	10,391	-
14A Project Management	17,666	17,390	15,045	16,937	463	17,390	-
14B Testing	13,840	25,510	17,912	24,876	634	25,510	-
Ongoing Scope Adjustments	\$ 1,523	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pending MRTU Scope Changes	1,523	-	-	-	-	-	-
Contingency	\$ 7,500	\$ 2,000	\$ -	\$ -	\$ -	\$ 2,000	\$ -
15 Program Contingency	7,500	2,000	-	-	-	2,000	-
Total MRTU Project	\$ 189,223	\$ 199,500	\$ 171,697	\$ 189,760	\$ 7,741	\$ 199,500	\$ -

* Columns and rows may not total due to rounding.

** Project costs are comprised primarily of direct third party costs for: Consultant Labor, Vendor Costs, Travel & Meals Expenses, Training, Hardware, Software, Maintenance, Employee Labor, Backfill costs and Interest are excluded.

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

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Attachment 7.2

MRTU Readiness Criteria Dashboard

California ISO MRTU Readiness Criteria

As of November 7, 2008

Total Number of MRTU Readiness Criteria: 33

- Number of Completed Readiness Criteria: **11**
- Number of "On Track" Readiness Criteria: **19**
- Number of "Not On Track" Readiness Criteria: **3**

Status Changes:

- Number of Readiness Criteria that have changed status from Orange to Purple: **1 ORG-3**
- Number of Readiness Criteria that have changed status from Orange to Blue: **0**
- Number of Readiness Criteria that have changed status from Purple to Orange: **2 STL-2, STL-3**
- Number of Readiness Criteria that have changed status from Purple to Blue: **3 LMP Testing, LMP Prod and MKS-1**
- Number of Readiness Criteria that have changed status from Blue to Purple: **1 TST-1**

NOTE: Only status change on parent criteria are counted in these statistics. Any status change 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.
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- **Blue:** A Readiness Criterion is blue (B) if: All readiness components in that category are complete.

Criterion	Status	Comments
Completed Readiness Criteria		
BPM – 1	B	As of November 2007, all BPMs have met FERC directives and have been posted on the CAISO website.
CRR – 1	B	As of April 2007 the CAISO has completed the CRR Dry Run in Market Simulation.
CRR - 2	B	As of Sept 22, 2008 all CRR output services have passed integration test.
CRR-4	B	The CAISO made its compliance filing with the FERC's Long-Term Transmission Rights Final Rule on January 29, 2007.
ECA-1	B	The Control Area Scheduler went live on 2/13/07 and all tags applicable to CAISO from Partisans have been linked to CAS.
LMP Testing	B	Testing of the LMP and ASMP prices are complete. The Final LECG report was published on October 20, 2008 and can be found on the CAISO website.
LMP-Production	B	The LMP tools is complete as of November 7, 2008.
MM-Study 2	B	Analysis of the potential LMPM deficiency showed that it was not a valid concern.
MKS-1	B	Scenario 10 ran for Trade Date 9/20/08. Final results have been posted onto the CAISO website.
MKS-2	B	Reporting metrics for the Post Implementation report has been finalized.
SE-1	B	As of 6/30/07, the State Estimator has meet all stipulations of this Readiness Criterion.
"On Track" Readiness Criteria		
CRR-3	P	Monthly Auction and Allocation process will begin in December 2008.
EIIT-1	P	ISO Monitor is active on the new Production environment and additional monitoring is being added.
GO-1	P	All Procedures have been completed. The CAISO is On Track to post these procedures prior to Go-Live.

* Readiness Criteria reports, including full descriptions of the criterion, are available at: <http://www.caiso.com/18d0/18d0e11f139b0.html>

Criterion	Status	Comments
“On Track” Readiness Criteria		
IIIF-1	P	- Production Environment availability and stability percentages are improving - Archive and Backup work is in progress on the new Production environment
MM-Study	P	The final CPA report will be published by the 60 Day FERC Certification.
MOD-1	P	FNM model DB32 completed integration testing with no process issues. The DB35 model is planned for simultaneous promotion with markets and EMS in early November.
MS-1	P	- ISO Monitor is active on new Production environment, additional monitoring being added. - Minimum PPS availability cannot be confirmed until PPS starts on 12/31.
ORG-1	P	Business Units have met the 5/1 corporate goal and are On Track. Continue tracking Go-Live activities.
ORG-2	P	Business Units have met the 5/1 corporate goal and are On Track. Continue tracking Go-Live activities.
ORG-3	P	Data availability and performance issues are being addressed by DMM and IT. Sandbox environment has been upgraded to the Folsom production and performance has improved.
PRT-2	P	All critical and very high issues are being resolved as they arise.
REG-1	P	All remaining substantive tariff amendments and known compliance filings are On Track to be filed prior to Go-Live.
STL-1	P	Updates have been made to Settlements BPM to ensure that they are consistent with the MRTU Tariff and SaMC design documents. PWC Audit resumed in October and is On Track to complete by end of November.
SIM - 1	P	IMS Update 2 continues.
TECH-1	P	Operational Readiness Testing is in progress.
TST-1	P	Performance Testing is in progress for IMS U2.

* Readiness Criteria reports, including full descriptions of the criterion, are available at: <http://www.aiso.com/18d0/18d0e11f139b0.html>

Criterion	Status	Comments
“On Track” Readiness Criteria		
TST- 2		Integration testing continues for Bid to Bill and quality of solution
BUS-BA-1		All application transition sign-offs have been completed. Acceptable manual workarounds have been identified for systems that do not satisfy the required business functions.
BUS-BA -2		The CAISO is on track to file the FERC 60 Day certification on December 1, 2008.
“Not On Track” Readiness Criteria		
STL-2		While all 125 Charge Codes are now validated by the ISO in its settlement system, some data problems in receiving data from upstream applications has hindered the ability to produce quality settlement statements.
STL-3		While all 125 Charge Codes are now validated by the ISO in its settlement system, some data problems in receiving data from upstream applications has hindered the ability to produce quality settlement statements.
PTR-1		The CAISO concluded the Second Pre-Final assessment in October. Although the majority of MPs indicated that plans are in place to be ready for a Feb 1st Go-Live, concerns remain on the successful internal validation of charge codes.

* Readiness Criteria reports, including full descriptions of the criterion, are available at: <http://www.caiso.com/18d0/18d0e11f139b0.html>