

Draft

***Stakeholder Participation in  
Readiness Activities***

October 18, 2004

# Draft Market Start-up Safeguards Proposal Overview

Suggestion / Alternative	Proposed Approach	Key Stakeholder Participants	Timing	Open Issues with Proposed Approach
1. Review detailed Parallel Operations process	<p>Conduct technical conference describing Parallel Operations</p> <ul style="list-style-type: none"> <li>•What is parallel ops</li> <li>•What role(s) do companies play</li> <li>•How will it prepare participants?</li> </ul>	<ul style="list-style-type: none"> <li>•Invite All Market Participants</li> </ul>	<ul style="list-style-type: none"> <li>•October 28th</li> </ul>	<ul style="list-style-type: none"> <li>•How should participant activity be aligned with the phases of parallel ops?</li> <li>•Approach will set involvement points based on specifics of PO schedule.</li> </ul>
2. Include stakeholder personnel in MISO control room during parallel ops	<ul style="list-style-type: none"> <li>•Full scope of operations will be staged in (e.g. dispatching plants to the signals sent by the UDS). Primary focus will be reviewing data that comes out of the UDS runs in response to bids</li> <li>•Participants to shadow the regional dispatchers and review the results of the UDS runs</li> <li>•MISO will work with stakeholders on specifics of timing and identify personnel to attend.</li> </ul>	<ul style="list-style-type: none"> <li>• 2 per region (East, Central, West)</li> </ul>	<ul style="list-style-type: none"> <li>•December/</li> <li>•January</li> <li>•February</li> </ul>	<ul style="list-style-type: none"> <li>•How should participant activity be aligned with the phases of parallel ops?</li> <li>•MISO Code of Conduct</li> <li>•Viewing from control room, 615, remote TBD.</li> </ul>



# Draft Market Start-up Safeguards Proposal Overview, cont.

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3. Outline criteria which would cause operating control to be passed back to control area and then restored to MISO	<p>MISO is working to clearly define the triggers that would transfer operating control, as well as to define the procedures that will be followed</p> <ul style="list-style-type: none"> <li>•Stakeholders were at MISO on October 12-13 discussing procedures to follow during loss of the UDS system; FERC filing detailing these procedures due December 1</li> <li>•Additional stakeholder sessions to be held in the coming weeks</li> </ul>	<ul style="list-style-type: none"> <li>•Appropriate control area and transmission owner representatives</li> <li>•CAWG and Reliability sub-committee</li> </ul>	<ul style="list-style-type: none"> <li>•December 1</li> </ul>	<p>Documentation of the process is underway. Steps and results will be added to postings of business processes and practices.</p>
4. Involve stakeholders in simulator training	<ul style="list-style-type: none"> <li>•Stakeholders to participate in desktop exercises and/or simulator training</li> <li>•MISO will utilize existing training schedule in place with the simulator and work stakeholders into (and around) existing employee training.</li> </ul>	<ul style="list-style-type: none"> <li>•Control room operators – no more than 2 per session</li> </ul>	<ul style="list-style-type: none"> <li>•TBD</li> </ul>	<ul style="list-style-type: none"> <li>•Training schedule still being refined</li> <li>• Defining structure and specific data access to ensure compliance with MISO Code of Conduct</li> </ul>
5. Provide forum for stakeholder interaction with Readiness Advisor	<ul style="list-style-type: none"> <li>•MISO is suggesting 3 approaches: Weekly conference call / meeting with RA, Full time Stakeholder participation in the RA project room, and-or deep involvement in the 5-6 key metrics.</li> <li>•Each of the three options can be used in parallel.</li> </ul>	<ul style="list-style-type: none"> <li>•Two individuals with specific expertise from each segment</li> <li>•All</li> </ul>	<ul style="list-style-type: none"> <li>•Thursday afternoon</li> <li>•To be scheduled</li> </ul>	<p>Participants will be required to sign nondisclosures to fulfill MISO obligations under existing vendor agreements.</p>



# Draft Market Start-up Safeguards

## Proposal Overview, cont.

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6. Incorporate participant readiness metrics	<p>Incorporate metrics focused on participant readiness into existing schedule, as proposed by members of the Market Subcommittee.</p> <p>Given market launch timing, there is a need to accelerate this effort.</p>	<ul style="list-style-type: none"> <li>•Market Subcommittee</li> <li>•Metric Task Force</li> </ul>	<ul style="list-style-type: none"> <li>•Metrics received post 10/19 Metric Task Force Meeting</li> </ul>	MISO needs copy of any proposed metrics not yet incorporated into the MMI program.
7. Make detail on market readiness activities available on website	<ul style="list-style-type: none"> <li>•Calendar and documents to be posted at <a href="http://www.midwestmarket.org/Docs/library.htm">http://www.midwestmarket.org/Docs/library.htm</a> Market Timelines page</li> <li>•One page on due dates – data requests</li> <li>•Data requests clearly defined</li> </ul>	<ul style="list-style-type: none"> <li>•All stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>•2-3 months of upcoming activities to be published Oct. 18</li> </ul>	None identified at this time. MISO recommends acceleration of suggestions 5 and 6 to address readiness involvement.
8. Have a defined team of stakeholders perform aggressive testing during parallel operations	<ul style="list-style-type: none"> <li>•Designate a small team to design stress cases</li> <li>•Execute tests during parallel operations</li> <li>•Hold a post-mortem session to review the results</li> </ul>	<ul style="list-style-type: none"> <li>•TBD</li> </ul>	<ul style="list-style-type: none"> <li>•TBD</li> </ul>	<ul style="list-style-type: none"> <li>•Naming team</li> <li>•How should participant activity be aligned with the phases of parallel operations</li> </ul>



# Draft Market Start-up Safeguards Proposal Overview, cont.

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<p>9. Expand existing training and target training for small companies</p>	<ul style="list-style-type: none"> <li>•Specifically define and compile list of all companies that meet small company definition</li> <li>•For each, identify whether it is affiliating with a larger organization (e.g. ACES) for participation in the MISO market</li> <li>•For those that have not had market training               <ul style="list-style-type: none"> <li>–If the company is represented by a larger participant, a Sr. Account Manager will call the larger participant to discuss the training needs of its smaller affiliates</li> <li>–If the small company is participating directly, a client representative will call and work to have them participate in the webcast training; if that is not sufficient, have the client representative visit to provide targeted instruction</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>•Munis/Coops and other smaller market participants</li> </ul>	<ul style="list-style-type: none"> <li>•Complete list by November 1</li> <li>•Reach out to participants during November</li> </ul>	<p>None identified at this time</p>

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10. Provide description of plans for pre-market launch audit of settlements	<ul style="list-style-type: none"> <li>•Accuracy of settlements calculation being verified through settlement related metrics 29 and 40.1; Readiness Advisor has built shadow system to ensure system calculation is correct</li> </ul>	<ul style="list-style-type: none"> <li>•All invited</li> </ul>	<ul style="list-style-type: none"> <li>•By conclusion of parallel ops</li> </ul>	Is outside audit of settlements or controls required? Focus on daily runs of actual settlement runs and reconcile back by transition.
11. Provide stakeholders a review of readiness filing	<ul style="list-style-type: none"> <li>•MISO provides stakeholders with readiness certification filing in advance of the filing</li> </ul>	<ul style="list-style-type: none"> <li>•All</li> </ul>	<ul style="list-style-type: none"> <li>•Prior to filing</li> </ul>	

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12. Run a financially binding market trial	<p>•MISO intends to create a task force/working group, much like the one created regarding Grandfathered Agreements, to look at this specific issue. Some of the important points that need to be resolved include:</p> <ul style="list-style-type: none"> <li>•How is scheduling handled when we switch back to the "Day 1" world.</li> <li>•Tariff changes that will be required to allow this to happen.</li> <li>•Timeline for receiving FERC approval for any Tariff changes.</li> <li>•How we mesh the FTR timeline with a binding trial...or do we have the trial without allocating FTRs?</li> <li>•Will we need to create temporary credit requirements in advance of the market start in order to support the binding trial?</li> <li>•The nature of transmission service after the binding trial but before the market start date</li> </ul>	<p>•Broad representation from the stakeholders, including both operations and financial personnel is required since there is implication not only for physical operations, but also</p> <ul style="list-style-type: none"> <li>• Contracts</li> <li>• FTRs</li> <li>• MISO settlements</li> <li>• Stakeholder company settlements</li> </ul>	<p>•Start in early November, with an initial plan of 3-4 meetings</p>	<p>Substantial issues with MISO legal authority need to be resolved. Market 'stop' after financially binding period will create both settlement and energy balance issues. Steps to reconcile need to be defined.</p>

