



SMD2 Readiness

Management Committee

Agenda 4

September 1, 2004

For Discussion Purposes Only

SMD2 Readiness

➤ Testing

- *ABB, NYISO and Market Participant*

➤ Training

- *NYISO Power System Operations, Other NYISO Staff, and Market Participant*

➤ Departmental Procedures

➤ Detailed Cut-over Planning

- *Fail-over contingency*

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SMD2 Testing Objectives

- ✦ **Validate functional operation / performance**
 - *Ensure software matches requirements and design*
- ✦ **Demonstrate integrated Bid-to-Bill capabilities**
- ✦ **Ensure Marketplace interfaces are operational**
- ✦ **Confirm accuracy of market results**
 - *Day-Ahead Commitment*
 - *Real-Time Scheduling*
 - *Customer Settlements*

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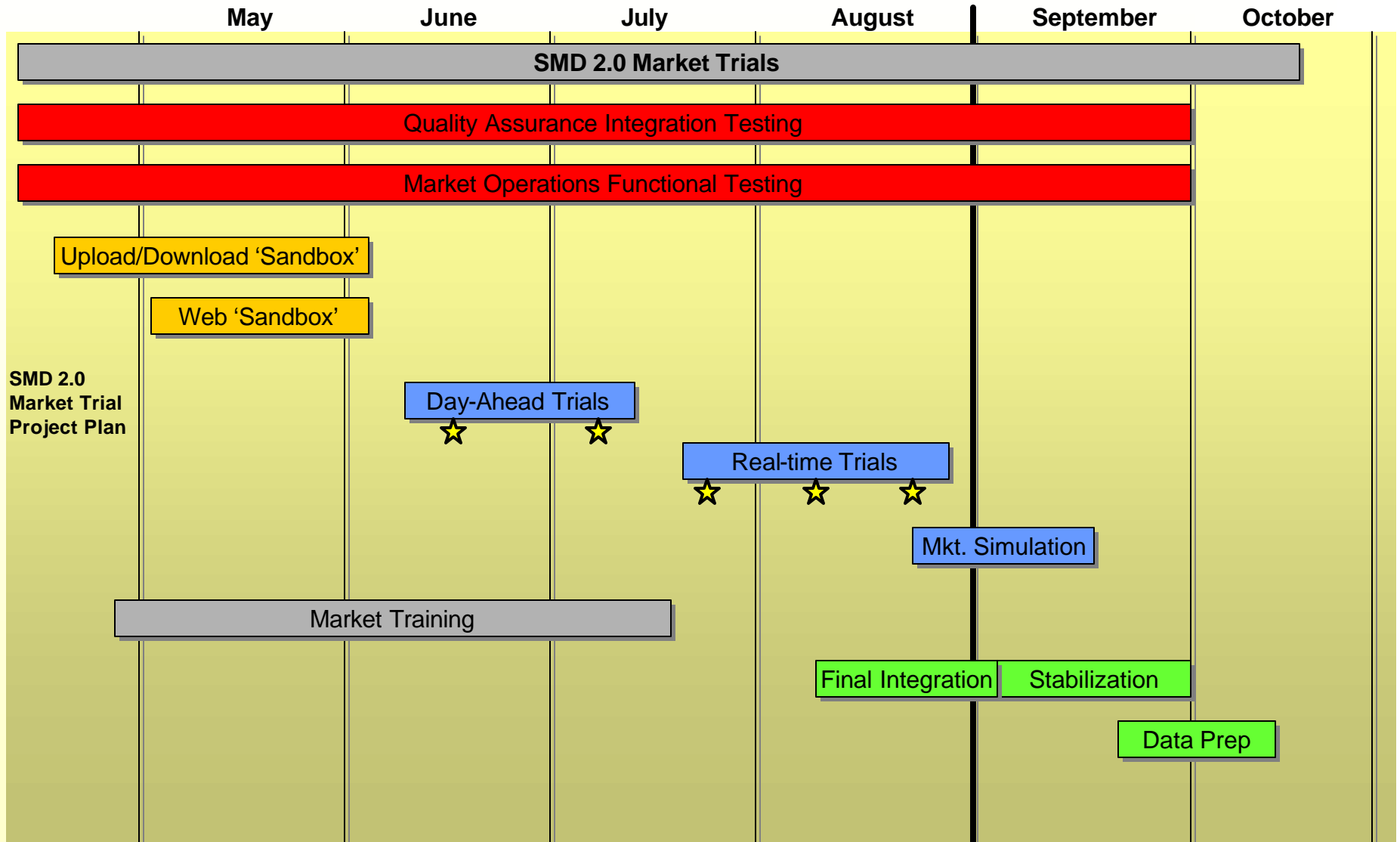
SMD2 Testing Methodology

- **Factory Acceptance Tests (FAT)**
 - *Validate that vendor deliverables meet requirements*
- **Internal Quality Assurance Testing**
 - *Validate NYISO-developed software*
- **Integrated Testing**
 - *Prove integrated Bid-to-Bill operation*
- **Business Owner / User Acceptance Tests**
 - *Functional validation by business experts; scenario testing*
- **Market Trials**
 - *Confirm Market Participant capabilities; demonstrate readiness*

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SMD2 Testing Schedule



SMD 2.0
Market Trial
Project Plan

Current Status

➤ Testing

- *Factory Acceptance Tests (FAT)*
 - ◆ **Complete**
- *Internal Quality Assurance Testing*
 - ◆ **On-Target**
- *Integrated Testing*
 - ◆ **On-Target**
- *Business Owner / User Acceptance Tests*
 - ◆ **On-Target**
- *Market Trials*
 - ◆ **Exercise #5 teleconference held 8/30 with additional LECG analysis in progress**
 - ◆ **Addition of Exercise #6 - Market Simulation**

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Market Trial #6 Plan

- **Conduct a Market Simulation using marketplace provided inputs from a historical day**
 - *Inputs entered into SMD2 system by NYISO staff*
- **Execute Day-Ahead Security Constrained Unit Commitment (SCUC)**
 - *Compare results to the current system*
- **Continue simulation for Real-Time 24 hour day**
 - *Real-Time market results validated by LECG*
- **Day-Ahead and Real-Time results**
 - *OASIS data posted on NYISO website*
 - *MP ability to review bids that were used and resulting schedules*
 - *Posting of day-ahead and real-time settlement*

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Market Readiness

- **Completed Detailed Fall-back Plan**
- **Departmental Readiness “Sign-off” – (some examples)**
 - *Customer Settlements*
 - ◆ **Billing system execution, Data Warehouse, Consolidated Invoice**
 - *Market Operations*
 - ◆ **Network model verification, Load forecaster operation, SCUC execution**
 - *Power System Operations*
 - ◆ **Operator Training, Real-Time Dispatch & Commitment Functions, Contingency analysis**
 - *Market Monitoring & Performance*
 - ◆ **Mitigation functions, Price correction and validation processes**
- **Satisfactory assessment of Market Trials/Simulation**
- **LECG/Patton Assessment**
- **Consultation with MPs prior to FERC notification**

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Next Steps

- **Ongoing Updates & MP Feedback**
 - *MSWG, Committees, Technical Conference*
- **Finalize Cutover & Fallback Plans**
- **Address MP issues list items**
- **Conduct Market Trial 6 – Market Simulation**
- **Complete LECG Market Trials Analysis**
- **Continue NYISO Testing & Training**
- **Departmental Readiness “Sign-off”**
- **Final Step - Prior to FERC notice of intent to “go-live” conduct MP conference call to review status of overall readiness**

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