

**COMMENTS OF THE
TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
ON THE ISO'S ENERGY IMBALANCE MARKET REVISED STRAW PROPOSAL**

June 14, 2013

The Transmission Agency of Northern California (TANC) appreciates the opportunity to provide its preliminary comments on the California Independent System Operator's (ISO) May 30, 2013 Energy Imbalance Market (EIM) Revised Straw Proposal (Revised Proposal). As TANC indicated in its March 15, 2013 letter to the ISO and its April 19, 2013 comments on the ISO's EIM Straw Proposal, TANC requires adequate information to review the details of the EIM to ascertain that the proposed EIM will not adversely affect the reliable operation of the California-Oregon Intertie (COI), including the ability to operate and schedule transmission.

Based upon the Revised Proposal and the ISO's June 4, 2013 responses to TANC's April 19, 2013 comments, TANC does not believe that the ISO has provided the requisite information. For instance, the ISO's June 4, 2013 response fails to confirm, as requested by TANC, that non-EIM participating transmission (e.g., the California-Oregon Transmission Project) will not be adversely impacted by the EIM or that the ISO is willing to enter into a mitigation agreement to resolve any such adverse impacts. In addition, the ISO has not proposed operating procedures to adequately address the issue of parallel flows and impacts that the EIM may have on non-EIM participating facilities. Furthermore, the Revised Proposal does not provide any mechanism for compensation for the use, intended or otherwise, of non-ISO transmission facilities.

TANC again requests the ISO to conduct appropriate studies and testing of the EIM, with the inclusion of impacted systems, before any EIM implementation to ensure that no adverse impacts occur on non-participating transmission systems or that mitigation measures and/or compensation occurs to resolve impacts.