

**Comments of the Transmission Agency of Northern California
on the CAISO's Transmission Reliability Margin Proposal**

February 28, 2012

The Transmission Agency of Northern California (TANC) appreciates the opportunity to submit comments on the California Independent System Operator's (CAISO) stakeholder initiative to implement a Transmission Reliability Margin (TRM). TANC has monitored the stakeholder process for implementation of TRM. TANC supports the implementation of measures by the CAISO which improve system reliability. However, the use of a TRM by the CAISO should be applicable only to the California-Oregon Intertie (COI) transmission capacity under the operational control of the CAISO. The implementation of a TRM for non-CAISO controlled transmission capacity on COI is implemented by other transmission service providers through calculation of Available Transmission Capacity (ATC). Although the CAISO serves as the Path Operator for the COI, the CAISO's use of TRM should not impact transmission capacity on non-CAISO controlled transmission capacity. Any changes to the CAISO's function or services as Path Operator for COI must be addressed by the COI owners under the Second Amended COI Path Operating Agreement and Second Amended Owners Coordinated Operations Agreement (OCOIA).