



## BALANCING AUTHORITY OF NORTHERN CALIFORNIA

6001 S Street • MS D109 • SACRAMENTO • CA 95852 -1830

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Media Contact: media@smud.org

# BANC to move to CAISO for future Reliability Coordinator services

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At its July 25, 2018 meeting, the Commission of the Balancing Authority of Northern California (BANC) authorized staff to proceed with transitioning Reliability Coordinator (RC) services from Peak RC to the California Independent System Operator (CAISO).

As a Balancing Authority Area (BAA) under the North American Reliability Corporation (NERC) standards, BANC is required to be overseen by an RC. For the last four years BANC has received RC services from Peak RC, which was formed from bifurcation of functions at the Western Electricity Coordinating Council (WECC) in 2014. However, earlier in 2018 it became evident that major parties in the Western Interconnection were considering alternatives for RC services. These alternatives included services from the CAISO, Southwest Power Pool (SPP), or Peak RC. This in turn required all of the BAAs and Transmission Operators (TOPs) in the Western Interconnection to evaluate alternatives.

BANC's evaluation considered reliability of operations, capability of the RC service provider, cost, and alignment with BANC's regional goals. As a result, BANC staff recommended the CAISO as the RC service provider that best met this evaluation. It is anticipated that the transition from Peak RC to CAISO for RC services for BANC will occur in late 2019.

"This was not an easy decision for BANC and its members," said BANC General Manager Jim Shetler. "Like most of the entities in the Western Interconnection, BANC valued the single, interconnection-wide view that Peak RC offered from a reliability perspective. However, with the announcement by Peak RC on July 18, 2018, that it was proceeding to wind down operations by the end of 2019, we believed it was prudent to move forward with defining our transition plan for future RC services," said Shetler.

BANC's decision only involves obtaining RC services from the CAISO and does not indicate any decisions on participation by BANC and its members in CAISO markets. BANC has previously entered into agreements with the CAISO regarding participation in the Energy Imbalance Market (EIM) starting in early 2019.

**About BANC:** BANC began operations in May 2011. BANC is the third largest balancing authority in California and the 16th largest in the Western Electricity Coordinating Council. BANC's area currently extends from the Oregon border to Modesto and from Sacramento to the Sierra and includes the transmission grid of the Western Area Power Administration's Sierra Nevada Region and the U.S. Bureau of Reclamations' generation resources in California. BANC includes the California-Oregon Transmission Project (COTP), the MID system and the SMUD system. BANC is responsible to the Western Electricity Coordinating Council (WECC), the North American Electric Reliability Corporation (NERC) and the Federal Energy Regulatory Commission (FERC) for complying with mandatory reliability standards that began with the Energy Policy Act of 2005. BANC was formed from the SMUD Balancing Authority, which was created in 2002 to strengthen local control and improve the ability to serve customers. More information about BANC is available at [www.theBANC.org](http://www.theBANC.org)

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