

BROADER REGIONAL MARKETS



While interconnected, the various power grids and wholesale electricity markets serving the United States and Canada developed separately and reflect differences in geography, climate, reliability requirements, and available power resources.

These differences – seams in the overall fabric of grid – can lead to market inefficiencies and inhibit efficient coordination of grid operations.

The Broader Regional Markets initiative is an effort to mend seams, enhance efficiency of existing resources, and reduce costs for power consumers.

In addition to the New York Independent System Operator (NYISO), the regional initiative involves Ontario's Independent Electricity System Operator, the Midwest Independent Transmission System Operator, PJM Interconnection, ISO New England, and Hydro Québec.

A September 2010 analysis by Potomac Economics estimated regional savings at \$362 million a year and savings associated with New York at \$193 million annually.

The savings come from a number of different improvements, including reducing the need to use more expensive local power if less costly power is available from a neighboring grid operator; and shortening the time commitment for moving power into and out of the state – allowing faster responses to changing conditions.

The collaborative effort among the region's grid operators will help to optimize the use of existing resources and complement the development of new resources within New York and among the individual control areas.

The New York Independent System Operator (NYISO) is a not-for-profit corporation responsible for operating the state's bulk electricity grid, administering New York's competitive wholesale electricity markets, conducting comprehensive long-term planning for the state's electric power system, and advancing the technological infrastructure of the electric system serving the Empire State.

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