NY ISO ANNUAL MEETING

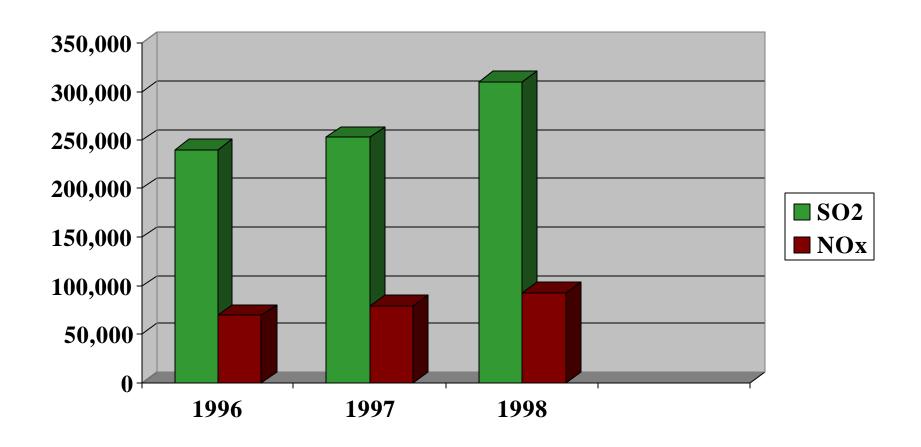
April 18, 2000

Presentation by the Environmental Parties

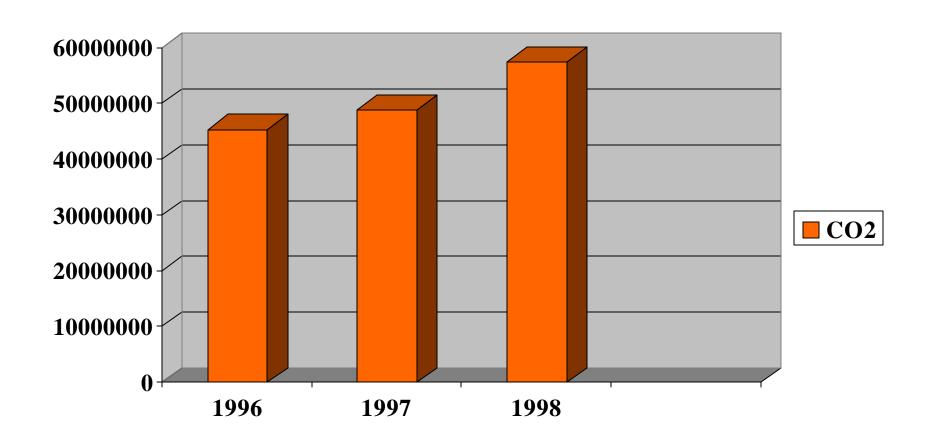
Sources of Air Pollution in the U.S. 1997

Pollutant	Source	Emissions (in	
		1000 tons and share)	
Sulfur dioxide	Utilities	13,082	(64%)
	Transportation	1,380	(7%)
Nitrogen	Utilities	6,178	(27%)
Oxides	Transportation	11,595	(50%)
Carbon	Utilities	583,400	(36%)
	Transportation	523,700	(32%)

Air emissions from NY utility plants



CO2 Emissions from NY utility plants



Create output based emissions profile (tons/MWH)

- HOW:
- Use ISO generator outputs
- Use NY DEC acid rain data on tons emitted per facility
- Use NY DEC data on MMBTU of fuel used

Use emissions profile

- To analyze design changes in dispatch
- To understand implications of out-of-merit dispatch
- To understand costs and benefits of transmission expansion
- To track environmental implications of wholesale competition over time

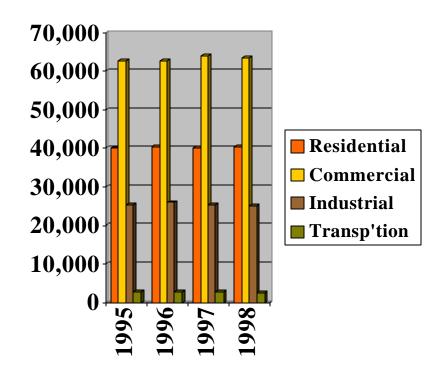
Issues of Concern

- Market Rule discrimination
 - intermittent renewables covered by waiver of imbalance penalties
 - no resolution to regulation penalty

- System Expansion
 - Need to manage the interconnection studies for new generation
 - Need to streamline the interconnection evaluation for small generation (<100MW)

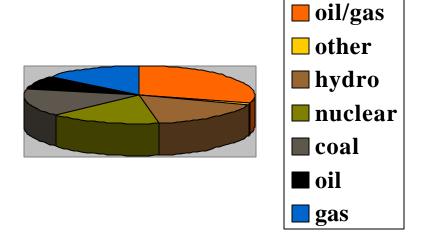
Issues of Concern

- Increase demand side opportunities
 - Develop rules to foster greater participation by commercial and residential customers
 - aggregation to one bus
 - I reduce 1 MW threshold for market participation
 - Allow reserves only bidding



Issues of Concern

- Non-hydro renewable forms of electric generation are less than 1% of the 1998 statewide mix (excluding municipal generation)
- Neutralize uneconomic market rules while preserving reliability



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The End