

March 17, 2011

VIA HAND DELIVERY AND EMAIL

Ms. Karen Antion
Chair of the Board
c/o Stephen G. Whitley
President & CEO
New York Independent System Operator
10 Krey Boulevard
Rensselaer, NY 12144

RE: Appeal of MC's February 24, 2011 Rejection of Motion #4

Dear Ms. Antion,

The Alliance for Clean Energy New York, joined by EnerNOC, respectfully submits this letter in support of the appeal to the NYISO Board of Directors filed by the NYS Consumer Protection Board regarding the authorization of funding for a consumer consultant to assist the End Use Sector of the NYISO governance structure.

The NYS Consumer Protection Board (CPB) has filed an appeal of the rejection by the NYISO Management Committee on February 24, 2011 of a motion to amend the NYISO's tariffs to provide a structure and funding mechanism for an End Use Consumer Sector Consultant. The motion was rejected because it did not receive support from the sectors that dominate the NYISO governance process and whose interests do not necessarily coincide with those of consumers. The motion did appear to receive full support from the end use representatives, demand response providers and environmental organizations.

The NYISO states its mission is "to serve the public interest and provide benefit to consumers" through the planning and operation of a reliable grid and competitive wholesale markets and by providing factual information. The NYISO's shared governance structure, and the time demands this involves, is making it increasingly difficult for the public interest, in the form of consumers and the environment, to be adequately represented even though the NYISO's mission is expressly to ensure the end result meshes with these parties' interests. The number of working group and committee meetings has increased and the discussion grows ever more technical, hampering the ability of the end use and environmental parties to keep up. This inability seriously compromises the notion of balanced representation in the governance structure and threatens to undermine the ability of the NYISO to fulfill its mission of serving the public interest. Approval of funding for a consultant to assist with the workload should help rectify this situation.

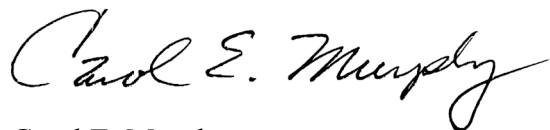
We also note that the rejection of the motion was done by secret ballot. This lack of transparency on an issue of adequate representation in furtherance of the core mission of the NYISO could undermine the credibility of the organization. Secret ballots are rarely used (other

than for electing committee chairs), even for contentious issues at the NYISO, and we do not believe it was appropriate in this case. We believe governance sector representatives should vote on the merits of proposals before them and be held accountable for their votes.

The End User and Environmental parties involved in the shared governance structure do not have the resources to devote full-time attention to NYISO activities nor to engage experts. In contrast, members of the other sectors of the governance structure have staff assigned to the NYISO full time and have access to experts. The proposal for a consumer consultant is entirely reasonable, costing approximately \$.00002 per kWh. It would raise rates by five thousandths of one percent (.005%) to fund a function intended to help protect the interests of 16 million New York energy consumers. This amount is trivial compared to the revenues of the transmission owners and the NYISO's budget, while the benefits are quite large and include improved consumer representation, more knowledgeable and balanced discussions and support for the NYISO's institutional integrity.

We fully support the appeal of the CPB and respectfully request that the NYISO Board of Directors approve funding for a consumer consultant as soon as possible.

Respectfully Submitted,



Carol E. Murphy,
Executive Director
Alliance for Clean Energy New York, Inc.



Aaron Briedenbaugh,
Director of Regulatory Affairs
EnerNOC, Inc.