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March 17, 2011

**VIA 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 Management Committee's February 24, 2011 Rejection of Motion # 4

Dear Ms. Antion:

Energy Curtailment Specialists, Inc. ("ECS") respectfully submits this letter in support of the appeal to the NYISO Board of Directors, which was filed by the New York State Consumer Protection Board ("CPB"), with regards to the authorization of funding for a consumer consultant to assist the End Use Sector in the NYISO governance structure.

The CPB filed an appeal to the NYISO's Management Committee's February 24, 2011 rejection of Motion #4, which would amend the NYISO's tariffs and provide a structure and funding mechanism for an End Use Consumer Sector Consultant. Motion #4 was rejected because it did not receive support from two sectors of the market. These two sectors not only dominate the NYISO governance process, but have business interests that do not necessarily coincide with consumer interests. However, the motion did receive full support from the end use sector, demand response providers, and environmental organizations.

ECS believes that the NYISO's shared governance structure demands significant time and resources, and thereby presents many financial issues for the end use sector of the market. It has become increasingly difficult for the public interest, in the form of consumers and the environment, to be adequately represented in the NYISO stakeholder process. The current number of NYISO committee and working group meetings is increasing and discussions grow ever more technical, thereby hampering the ability of the end use and environmental sectors of the market to keep up. This inability seriously compromises the concept of balanced representation in the governance structure. Approval of funding for a consumer consultant, to assist with the substantial NYISO committee and working group meetings would aid both the end use and environmental sectors and begin to rectify the situation.

What is even more troubling is the rejection to Motion #4 was conducted via secret ballot. This lack of transparency, on what ECS believes is a critical issue for the end use sector of the NYISO market, is troubling. The utilization of the secret ballot, on such a substantive issue (as opposed to, for example, electing Committee Chairs), and the

manner in which this vote occurred shows a lack of transparency as to what sectors of the NYISO market control the decisions and votes. In this case, New York retail consumers—who ultimately fund the NYISO's very existence—are kept in the dark as to who exactly is voting against funding a consumer consultant, a consultant that would ensure their interests (end use consumers) are adequately represented. In order to avoid undermining the credibility of the NYISO we believe the Board should consider changing the NYISO bylaws so that secret ballot voting can only be narrowly utilized. ECS believes the governance sector representatives should vote on the merits of a proposal and be held accountable for their votes.

ECS strongly believes that the End User and Environmental Sectors in the NYISO's governance structure do not have the resources to devote full-time attention to NYISO activities nor do they have the financial means to engage experts. However, other sectors of the governance structure have staff assigned to the NYISO on a full time basis. Not only are these other sectors adequately staffed they also have access to expert consultants and analyses, as well as vast resources to devote to advancing their agenda and interests. The resulting skewed playing field calls into question the integrity of the entire NYISO governance structure. The proposal for a consumer consultant is entirely reasonable, costing relatively little to end use consumers, the same consumers that would ultimately fund this position. This amount is trivial compared to the revenues other sectors of the market 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.

ECS fully supports the appeal filed by CPB and respectfully requests the NYISO Board of Directors approve funding for a consumer consultant as soon as possible.

Respectfully submitted,



B. Marie Pieniazek  
Chief Operating Officer  
Energy Curtailment Specialists, Inc.

cc: Rob Fernandez  
Diane Egan

NYISO Board of Directors

Ave M. Bie  
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