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FOR IMMEDIATE RELEASE

Northeast ISO's Seeks Proposals for a Feasibility Study for a Regional Day-ahead Wholesale Electric Market

"Day-ahead Market intended to add additional capability to buy and sell across a broader region"

August 28, 2000, Albany, NY... Three Northeast Independent System Operators (ISO), ISO New England (ISO-NE), the New York ISO (NYISO) and the Ontario Independent Electric Market Operator (IMO) have jointly issued a Request for Proposals (RFP) for a feasibility study for a regional Day-ahead electric market. A Day-ahead market establishes energy prices and schedules for the next day.

According to NYISO President & CEO, William Museler, "The purpose for exploring the development of a regional 'Day-ahead' market is to offer additional capability for Market Participants to buy and sell electricity across a broader region than is presently available in the ISO markets. It is essential to have the input of the Market Participants in the study process and the ISO's will work with their Market Participants in this regard." Last year the northeast ISOs agreed to address areas of mutual interest and pledged to focus on the issue of broader and more seamless markets. In addition, FERC has indicated, and as a part of Order 2000 calling for the formation of Regional Transmission Organizations (RTO), that it favors larger regional ISO markets in order to reduce or eliminate so-called "seams" issues between the existing markets.

Certain Market Participants who operate in more than one ISO market and have expressed a desire for more seamless markets across the three contiguous ISOs will participate in the study process. The study will address such issues as market rules, products offered and market timing. The RFP seeks a contractor(s) with the necessary background and resources to study various market options and to formulate a recommendation. "The study will provide a framework from which the ISOs can make solid business decisions as we move toward a more seamless marketplace," said Philip J. Pellegrino, President and CEO of ISO New England.

The complete study program would be comprised of three phases. The first phase would be an analysis of various options and a recommendation to be approved by the three ISO's. Upon acceptance of a first phase, the second phase would incorporate a system reliability study. Finally, the third phase would produce functional specifications based on the outcomes of the first two phases. Completion of the first phase, which is the only phase this RFP addresses, is expected on or before March 30, 2001. "This study will provide us with an opportunity to explore some of the international aspects of coordinating electricity markets, an area in which these markets must grow," added David Goulding, CEO of the IMO.

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ISO New England is the Independent System Operator for the six state New England region. Established in July 1997, it is responsible for the secure and reliable operation of the region's bulk electric power grid, administering the market-based wholesale energy and ancillary services markets in New England and administering the NEPOOL Open Access Transmission Tariff. The region has approximately 25,000 megawatts of generating capacity. ISO New England is located in Holyoke, Massachusetts.

The New York ISO began operation on November 18, 1999. It ensures the reliable, safe and efficient operation of New York State's major transmission system and administers an open, competitive and non-discriminatory wholesale market for electricity. The New York control area has a generating capacity of over 35,636 megawatts. The New York ISO is located just west of Albany, in the Town of Guilderland, New York.

The Independent Electricity Market Operator (IMO) is responsible for overseeing the operation of the Ontario bulk power system and will administer the competitive wholesale electricity market for the province when it opens next year. Ontario has a generating capacity of approximately 30,000 megawatts. The IMO is a not-for-profit, non-share capital corporation created by the Ontario Government through the 1998 Energy Competition Act. The IMO is headquartered in Toronto, Ontario.