



News Release

For Immediate Release

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ISO New England and New York ISO Expand Short-Term Reserve Sharing

Effort Intended to Enhance Power Grid Reliability

Albany, NY/Holyoke, MA -- June 18, 2001 -- In an effort to improve the reliability of the bulk electric power systems that extend from western New York to northeastern New England, the independent system operators for the two regions have agreed to an expanded reserve sharing procedure during short-term periods of generation or transmission line interruptions.

ISO New England Inc. (ISO-NE) and the New York Independent System Operator (NYISO), operators of their region's bulk power grids, have agreed to share operating reserves. There are two types of bulk power reserve, designed to meet real-time power grid interruptions in 10 minutes or less and provide additional back-up power in case of a second event. An industry standard, reserve generation is required to be available at all times to protect against an online power plant or transmission facility that suddenly trips off-line and stops supporting the bulk power grid. This type of bulk system event does not typically impact the consumer. Total operating reserve requirements will not be reduced for either region.

"As independent system operators, both ISO New England and the New York ISO are striving to improve the effectiveness of system operating procedures," said Gordon van Welie, ISO-NE's President and Chief Executive Officer. "This extension to our reserve sharing procedure is yet another step toward furthering inter-regional coordination under the Northeast ISO's Memorandum of Understanding."

The expanded reserve sharing procedure allows each region to count on operating reserves to be made available by the other region following a system interruption. This procedure is intended to provide flexibility in committing resources to recover lost generation and help maintain continuous system operations through a facility interruption.

"This newly-expanded procedure directly addresses the pledges our respective Boards made in January to enhance interregional coordination. New England and New York's power systems will benefit immediately from this procedure while leading the region in demonstrating the successful application of reserve sharing procedures, " said William J. Museler, President and CEO of the NYISO. "Our shared reserve procedure not only assists both ISOs to better manage short-term facility interruptions, but positions us for broader interregional reserve sharing agreements among all of the Northeast ISOs."

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ISO-NE is the not-for-profit corporation responsible for the day-to-day reliable operation of New England's bulk power grid, as well as administrator of the region's wholesale electricity marketplace. ISO New England, www.iso-ne.com, is based in Holyoke, Massachusetts.

The NYISO, located outside Albany, New York (www.nyiso.com), is a not-for-profit corporation established in 1999 to facilitate the restructuring of New York State's electric industry. In addition to administering the State's wholesale energy markets, the NYISO operates the State's high voltage electric transmission system. Last year, the NYISO's market volume exceeded \$5.2 billion.