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NYISO Electric System Planning Process Approved

(Guilderland, NY) – The New York Independent System Operator (NYISO), which is responsible for ensuring the reliability of the New York region bulk power system, will begin implementation of the initial phase of an electric system planning process just approved by Market Participants.

Currently, the NYISO conducts a series of reliability evaluations to ensure that the bulk power system is compliant with the reliability standards of the North American Electric Reliability Council, Northeast Power Coordinating Council and the New York State Reliability Council. The initial objective of the new planning process will be to consolidate these reliability assessments into a comprehensive look at the adequacy and security of the New York and neighboring bulk power systems. In addition, the initial process will extend the current assessment period from 5 years to 10 years and include a historical analysis of how transmission bottlenecks have affected the cost of electricity production. This represents the first step in meeting the Federal Energy Regulatory Commission's (FERC) requirements for Regional Transmission Organization (RTO) planning responsibilities.

On September 10, members of the NYISO Operating Committee voted unanimously to implement the first phase of the electric system planning process. The Initial Planning Process has three major benefits; it: 1) moves New York closer to meeting FERC RTO planning requirements; 2) combines past congestion reports with current data from various NYISO reports and Market Participants' supplemental information, which will help customers when making energy bids and transactions, as well as future investment decisions; and, 3) extends reliability assessments beyond five years to 10 years. Also, the process conducts additional analyses that will help the NYISO determine how robust the power system is in meeting system reliability standards.

At the same time, the NYISO and Market Participants will continue to develop a comprehensive electric system planning process. The comprehensive process will address important issues, such as identifying the need to expand the bulk power system to improve the economic performance of the system, determining how the cost of system expansion will be allocated, and outlining the obligations of the various parties to ensure crucial upgrades are constructed.

“A comprehensive reliability planning process is as important as having the plan itself. Events in the last few years, and the August 14 power outage, have reinforced the need for ISOs to have strong reliability plans. The purpose of this Initial Planning Process is to facilitate the exchange of information among the NYISO, Market Participants and other stakeholders that will aid the NYISO in meeting future reliability standards in New York,” said William J. Museler, President and CEO of the NYISO.

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The New York Independent System Operator (“NYISO”)—www.nyiso.com—is a not-for-profit corporation established in 1999 to facilitate the restructuring of New York State’s electric industry. Based in New York’s Capital Region, in addition to administering the State’s wholesale energy markets, the NYISO operates the State’s high voltage electric transmission system. Since 1999, the NYISO’s market volume exceeded \$16.2 billion, more than all of the other Northeast markets combined.