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The New York Independent System Operator Celebrates Five Years of Accomplishments

(Guilderland, NY) – Today the New York Independent System Operator (NYISO) observed its first five years of service and acknowledged the significant progress made in the state’s wholesale electric markets and bulk electric power system.

Formed as part of the deregulation and restructuring of the electric industry in New York, the NYISO is responsible for administering the state’s energy markets and operating the power grid safely and reliably.

The NYISO management congratulated staff members at a morning meeting, calling attention to a half-decade of accomplishments in operations, customer service, information technology, market services, planning, regulatory and government affairs, risk management, communications and employee training.

In five years, the NYISO has grown from serving 112 Market Participant customers to 239. Market volume has increased from \$5.2 billion in 2000 to a projected \$7.5 billion in 2004. The cumulative market volume over five years has been more than \$30 billion. In that time, the NYISO workforce has grown from 140 employees to nearly 400.

William J. Museler, NYISO President and CEO, said, “In the past five years, the road to success has not been without some major bumps, but through the dedication of the employees, the cooperation of Market Participants and a proactive Board of Directors, the NYISO has become one of the premier markets in the world.”

Museler noted the following highlights:

- 2000: Issues from start-up are addressed, including the exercising of market power.
- 2001: First Power Alert white paper is issued. It warns of potential capacity shortages downstate; power maintained after September 11 attacks take out two New York City substations.
- 2002: First Demand Response Programs; the Automated Mitigation Procedure (AMP) to prevent abuse of market power is introduced, and price convergence on the Day-Ahead and Real-Time markets is significantly improved.
- 2003: The Management Committee approves \$50 million Standard Market Design (SMD2) project; August 14 Blackout requires the NYISO to restore the New York grid. Operator response and training receives high praise; Demand Curve is used to provide proper price signals for generation; Scarcity pricing protocols implemented; Enterprise Risk Management (ERM) program created.
- 2004: Work on SMD2 continued; phase I of the 10-year Comprehensive Planning Process for Reliability is complete; major seams issues with New England are resolved.

With more than 90 percent of New York’s generators independently owned, the NYISO electric markets are considered the most comprehensive in the United States and Canada. In addition to the two energy markets (both Day-Ahead and Real-Time), the NYISO also offers markets for installed capacity, transmission congestion contracts, operating reserves and regulation.

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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. The NYISO’s market volume was nearly \$7 billion in 2003.

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