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NYISO RELEASES FINAL REPORT ON THE 2003 BLACKOUT

Review Confirms Findings of Interim Report and Recommends Improved Training and Communications.

Guilderland, N.Y. – The New York Independent System Operator (NYISO) today released its "Final Report on the August 14, 2003 Blackout." The Final Report reaffirmed the primary conclusions that were published in the NYISO's interim report – that New York did not initiate or contribute to the system disturbance.

The final report concludes that the control area operated by the NYISO was functioning normally and with appropriate reserves just prior to the Blackout, which affected 50 million people in the United States and Canada. The NYISO's operators had less than 10 seconds to respond to the sudden and severe power surge, which originated outside New York. The report confirms there was no time for human intervention. Full power was restored to New York within 30 hours.

The NYISO is responsible for operating the state's bulk electric system and administering its wholesale electricity markets. The Final Blackout Report follows independent studies by the North American Electric Reliability Council (NERC) and the U.S.-Canada Power System Outage Task Force (the Task Force), the latter of which concluded that the Blackout originated in the Midwest.

The NYISO report is the product of intense evaluation, computer simulations and analysis of event sequences prior to the system outage and throughout the massive restoration process that followed. In the report, the NYISO reinforces its endorsement of the recommendations made by the Task Force and NERC, while recommending improved emergency response communications and procedures within the New York Control Area, and the expansion of restoration training.

The NYISO continues to track and report its response to the Task Force's 46 recommendations, and continues to urge Congress to pass mandatory and enforceable reliability standards. Reliability standards have been mandatory in New York, and have exceeded the voluntary standards set by the North American Electric Reliability Council (NERC).

"The electric industry has learned a great deal in the past 18 months, but without national mandatory reliability standards that are strictly enforced, our chances for another major system failure will continue," said NYISO President and CEO William J. Museler. "To date, Congress has still not acted to establish such standards."

The NYISO report details how the power problems in the Midwest created a severe power surge – in excess of 3,500 megawatts (MW) – that entered New York from the Midwest through Pennsylvania, and continued into the Ontario system. Within seconds, power lines connecting New York and PJM tripped offline.

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These unusual circumstances created low frequencies and low voltages throughout the New York system. Automatic load shedding and protection equipment in New York immediately began functioning. The disruption caused 23,000 MW (or 80 percent of the New York load) to be lost.

The NYISO acknowledged the NYISO Restoration Working Group, the Transmission Owners, Generators, the New York Department of Public Service, the Northeast Power Coordinating Council, the New York State Reliability Council and NYISO staff for their work in evaluating and understanding the events that caused the Blackout, and for their work to publish this final report.

To view the full report, visit www.nyiso.com.

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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 \$7.2 billion in 2004.