



Ellen Foley
413-535-4139



Carol E. Murphy
518-356-7580



Ray E. Dotter
866-PJM-NEWS (756-6397)

FOR IMMEDIATE RELEASE

ISO-NE, NYISO, PJM TO COORDINATE ON NATURAL GAS SUPPLY CONDITIONS RELATED TO GENERATION

*Voluntary Initiative Will Enhance Electric Reliability in the Northeast
During Abnormal Gas Supply or Delivery Conditions*

(Holyoke, Mass.; Guilderland, N.Y.; Valley Forge, Pa. – June 23, 2005) – The three northeastern regional grid operators have agreed to collaborate to ensure electric power system reliability in the event of constraints on the natural gas supply system.

ISO New England, New York Independent System Operator and PJM Interconnection will coordinate operations and practices and share information and technology during periods of extreme cold weather and/or abnormal natural gas supply or delivery conditions. Natural gas-fired electric generation accounts for much of the generating capacity in the three regions.

“As the electricity industry grows more dependent on natural gas as a primary fuel source for generating resources, it’s critical the three northeast grid operators coordinate closely to ensure reliability is maintained when extraordinary power system conditions occur,” said Gordon van Welie, ISO-NE president and chief executive officer. “This memorandum of understanding provides the framework for this coordination.”

“The MOU will allow the northeast to show best practices to refine our operating procedures so we may verify natural gas supply availability for electric power production and take proactive measures within our respective regions,” said Mark S. Lynch, NYISO president and chief executive officer.

“The degree of coordination we are voluntarily initiating with this MOU is practical only through independent regional grid operations,” said Phillip G. Harris, PJM president and chief executive officer. “Consumers throughout our areas will benefit from enhanced system reliability, planning and efficient operations.”

Periods of extreme cold weather place heavy demands on both the electric and natural gas transmission systems as energy consumption increases. Sometimes, the resulting delivery restrictions on the gas pipeline system can limit the ability of gas-fired generation to produce electricity.

Much of the generation built in the Northeast in recent years is natural gas-fired. In 2004, gas-fired generation comprised 40 percent of the generation capacity in ISO-NE and 28.4 percent in PJM. Because a large percentage of New York's gas generators also use oil, it is estimated that 30 percent of electricity generated within the NYISO control area uses natural gas as its fuel source.

For almost eight years, ISO New England Inc. has been the not-for-profit corporation responsible for the day-to-day reliable operation of New England's bulk power generation and transmission system with an installed capacity of 32,000 megawatts; oversight and fair administration of the region's \$7 billion wholesale electricity marketplace, comprised of more than 260 market participants; and management of a comprehensive regional bulk power system planning process.

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 \$7.3 billion in 2004.

PJM Interconnection ensures the reliability of the high-voltage electric power system serving 51 million people in all or parts of Delaware, Indiana, Illinois, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia. PJM coordinates and directs the operation of the region's transmission grid; administers a competitive wholesale electricity market, the world's largest; and plans regional transmission expansion improvements to maintain grid reliability and relieve congestion. Visit PJM at www.pjm.com.

###