

For Immediate Release:

March 24, 2009

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NYISO Markets Evolving to Integrate New Energy Storage Systems *Flywheel and battery technologies will soon connect to the grid*

Rensselaer, NY – The evolution of the markets run by the New York Independent System Operator (NYISO) continues, as new energy storage technologies gear up to connect to the grid.

The NYISO is asking the Federal Energy Regulatory Commission (FERC) to allow Limited Energy Storage Resources (LESR) – which includes battery and flywheel technologies – to provide the “regulation” service needed to balance electrical supply and demand on the grid.

“These new resources are ideal for responding to the moment-to-moment adjustments needed to operate the bulk electricity grid,” said Stephen G. Whitley, NYISO President and CEO. “As energy technologies continue to advance, the NYISO’s wholesale electricity markets will evolve to integrate new solutions to New York’s energy needs.”

Energy storage devices offer complimentary technologies to the integration of renewable resources such as wind power. Flywheel and battery system devices store electricity as kinetic or chemical energy to provide power to the system when it is needed.

Regulation is now provided by power plants that increase or decrease output in response to system needs. LESRs can instantaneously switch from being a load to a generator, thus providing regulation service similar to that of a conventional power plant.

“Energy storage can play a valuable role in the continued development of New York’s wind power resources. The variable nature of wind generation poses special challenges to grid operators, such as the NYISO, who must constantly balance the supply of and demand for electricity on the grid. Flywheels, batteries and other energy storage systems expand our ability to address those needs,” Whitley noted

Demand for electricity fluctuates throughout the day and the power to serve the demand must be generated and transported instantaneously. By expanding the resources available to provide regulation service, market competition may positively influence the cost of providing this component of electric service.

The NYISO is requesting FERC to approve changes in the NYISO tariff to permit LESRs to provide regulation service by mid-May 2009.

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The New York Independent System Operator (NYISO) – www.nyiso.com – is a not-for-profit corporation that began operations in 1999. The NYISO operates New York’s bulk electricity grid, administers the state’s wholesale electricity markets, and conducts comprehensive reliability and resource planning for the state’s bulk electricity system.