NEWS RELEASE

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NYISO Receives Federal Stimulus Funds for Smart Grid

Funds to enhance electric system control and coordination

Rensselaer, N.Y. – The New York Independent System Operator (NYISO) has been awarded $37.4 million dollars in federal stimulus funds by the U.S. Department of Energy (DOE) to support a $75.7 million Smart Grid project in New York State.

The funds will be used for investments in grid technology that will enhance the reliability of the bulk electricity grid and provide the foundation for further development of smart grid infrastructure in New York State.

"These investments will help to energize New York's economy by introducing technology that will improve the efficiency and stability of the state's power grid," said Stephen G. Whitley, NYISO President & CEO.

Specifically, the project would involve the creation of a statewide Phasor Measurement Network and the installation of capacitor banks in various locations throughout the state.

Phasor Measurement Network

Deployment of a statewide Phasor Measurement Network will enhance the NYISO's ability to detect system vulnerabilities and avoid potential blackouts. The project involves installing 39 phasor measurement units (PMUs) at various locations across the high-voltage grid. PMUs transmit power system data 60 times each second, enabling faster responses to grid events and more effective mitigation of potential outages. Current monitoring systems sample conditions every two to six seconds.

Capacitor Banks

Installation of capacitors will improve the control and coordination of voltage on the New York power grid. Currently, ideal voltage levels cannot be maintained on many transmission lines, creating operating inefficiencies. As a result, power is literally "lost in transit" due to the extra effort required to overcome the reactance on the lines.

While generators typically provide voltage support to maintain a line's voltage, there are locations on the grid where no generators exist or could reasonably be sited. Thus, the installation of capacitors at these key locations is the best way to provide voltage support and increase system efficiency.

The NYISO estimates that the proposed capacitor project could save 48.7 gigawatt-hours of electricity annually, with a yearly savings of $9.7 million.

Congressman Paul Tonko, who wrote Secretary of Energy Steven Chu in support of the NYISO's application, said the funds will help provide the NYISO with "an open, flexible, interoperable, secure, and expandable communications system that will work in concert with the existing control and monitoring systems. This announcement is a huge leap towards advancing bold, progressive energy policy in our country."

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The NYISO submitted the application in cooperation with Central Hudson Gas and Electric Corporation, Consolidated Edison of New York, Long Island Power Authority, National Grid, New York State Electric and Gas, Rochester Gas and Electric, and New York Power Authority.

The proposed project will need the final approval of the New York State Public Service Commission (NYPSC) for rate recovery of matching funds under retail electric rate tariffs. In July, the NYPSC gave preliminary approval to an array of proposed smart grid projects, including the PMU network and capacitor bank project.

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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 planning for the state's bulk electricity system.