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NYISO Marks 10-Year Anniversary

Making the grid smarter, greener, and more efficient

Rensselaer, N.Y.—The New York Independent System Operator (NYISO), a not-for-profit company created in 1999 to operate New York’s bulk electricity grid and administer the state’s wholesale electricity markets, is marking its 10th anniversary today.

Lighting the way for more than a decade, the NYISO has helped New York State become a national leader in the integration of renewable power resources, development of advanced energy technologies and improvements in the efficiency of the power system.

The NYISO is one of 10 independent system operators (ISOs) and regional transmission organizations (RTOs) in North America. Together, they serve two-thirds of electricity consumers in the United States and more than half of Canada’s population.

“We take great pride in how well we have accomplished our key responsibilities on behalf of all New Yorkers over the last 10 years,” said Stephen G. Whitley, NYISO president and CEO. “We have met New York’s power needs reliably and safely by managing its bulk electricity system, running fair, open, and competitive wholesale electricity markets, helping the state plan for its future power needs and supporting the installation of technology to create tomorrow’s smarter grid.”

More than 7,600 megawatts of new generation and over 1,000 megawatts of new transmission projects have been added to the New York system since the NYISO began operating in 1999. These resources include over 1,200 megawatts of wind turbines that help meet New York’s energy needs, reduce emissions, and achieve energy independence.

The most recent annual *State of the Markets* report issued by NYISO’s independent market advisor reported, “The NYISO markets are at the forefront of market design and have been a model for market development in other areas.” Over the years, more than 1,000 representatives from more than 50 nations have visited NYISO’s facilities to learn about its markets and how the NYISO operates New York’s complex electrical grid.

“As the NYISO completes its first decade of operation and looks ahead to the next 10 years, we are committed to making the grid smarter, greener and more efficient as we meet tomorrow’s challenges and continue to provide economic value to consumers,” said Karen Antion, NYISO Board Chair.

Evolution of NYISO

Prior to restructuring of the electric industry in the 1990s, New York’s private utilities and public power authorities owned and operated all aspects of New York’s electric system, including the generation and transmission of the electricity and the delivery of this power to customers.

In the 1990s, there was a nationwide movement to restructure the electrical industry, driven by the desire to address high electricity prices and stimulate competition in what had been a market dominated by regulated monopolies.

New York State and the federal government initiated an array of changes in the industry and, in 1996, the U.S. Federal Energy Regulatory Commission (FERC) issued orders that opened access to the nation’s transmission and grid systems while encouraging the creation of “independent” entities to administer wholesale electricity markets. These orders were followed in 1997 by an order from the New York State Public Service Commission (PSC) to “unbundle” the state’s electric supply and delivery systems, which strongly encouraged utilities to divest their generation assets and open up access to transmission of electricity to all qualified parties.

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This new approach shifted the financial risk of capital investment in the grid from individual ratepayers to private developers.

FERC authorized the creation of the NYISO as the “independent entity” in New York in 1998. By November 1999, New York State’s competitive wholesale electricity markets were opened to utility and non-utility suppliers as well as end users as NYISO began managing the bulk electricity grid. The formal transfer of the New York Power Pool’s responsibilities to the newly created NYISO took place on December 1, 1999.

At the outset, the NYISO’s core mission focused on the operation of the bulk electricity grid and the management of the new wholesale electricity markets. Reliable management of New York’s bulk electricity grid, consisting of hundreds of generating units and thousands of miles of high-voltage transmission lines, requires constant balancing of the electricity supply to meet consumer needs, on a moment-to-moment basis, 24 hours a day, 365 days a year.

Designing, administering and monitoring New York’s marketplace for wholesale electricity includes ongoing auctions that bring together buyers and sellers of energy and related products and services.

As the NYISO increased its capabilities and the need to anticipate emerging energy needs became more apparent, its responsibilities have grown. The NYISO now conducts short and long-term planning for future system reliability planning, economic planning to relieve congestion on the transmission system, and serves as an authoritative source of information on key energy issues for policy makers, regulators, and others.

“Our strategic objectives include the deployment of smart grid technologies and protocols to help consumers make more informed decisions about their energy use,” Whitley said. “We also support the development of broader regional markets to extend and expand the benefits of competition, the enhancement of interregional planning to provide a wider horizon for improvements in reliability, and the continued cultivation of ‘green power’ resources.”

New Look for NYISO Web Site

In conjunction with its 10-year anniversary, NYISO has launched an enhanced version of its Web site, which can be found at www.nyiso.com. The Web site’s new look is intended to ease user access to the diverse array of information and services provided by the NYISO.

More information on the NYISO’s history and goals is provided in its 10-year anniversary report, *Lighting the Way*, available for download at the Web site.

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The New York Independent System Operator (NYISO) 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.