

**For Immediate Release:**

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## **NYISO Announces Smart Grid Grant Agreement**

### ***\$37 Million in Federal Funds to Support \$75 Million Investment in New York***

**Rensselaer, N.Y.** – The New York Independent System Operator (NYISO) announced today that an agreement has been executed between the NYISO and the U.S. Department of Energy (DOE) through which the NYISO will receive \$37.8 million from DOE to deploy smart grid technologies on New York’s power grid.

The federal funds, provided under the Smart Grid Investment Grant (SGIG) program, will support a \$75.7 million smart grid project to enhance the reliability and efficiency of the New York State power grid.

The NYISO also signed an agreement with all eight of New York’s transmission owners to work together to implement the project. The transmission owners are Central Hudson Gas & Electric Corporation, Consolidated Edison of New York, Orange and Rockland, Long Island Power Authority, National Grid, New York State Electric & Gas, Rochester Gas and Electric and New York Power Authority.

The project involves the creation of a statewide Phasor Measurement Network and the installation of capacitor banks in various locations throughout the state. These investments will enhance the reliability and efficiency of the bulk electricity grid and provide the foundation for further development of smart grid infrastructure in New York State.

The agreements call for the work to be completed over a 3-year period starting July 1, 2010. The NYISO will continue to report to DOE on the results of the project for two additional years. The components of the SGIG project include:

- Deployment of a statewide Phasor Measurement Network to 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.
- Installation of capacitors to 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 are expected to be sited. Thus, the installation of capacitors at these key locations is the best way to provide voltage support and increase system efficiency.

“This is an important step in the effort to make New York’s electricity grid smarter and more efficient. It is the result of excellent cooperation and collaboration among federal and state officials and the owners and operator of New York’s high-voltage transmission system,” said Stephen G. Whitley, president and CEO of the NYISO. “With these investments on the way, New Yorkers will benefit from a more robust and reliable power system. This will create jobs for New Yorkers and ultimately help to make power more affordable and more reliable while paving the way for other advanced technologies to be deployed.”

The New York Independent System Operator (NYISO) is a not-for-profit corporation responsible for operating the state’s bulk electricity grid, administering New York’s competitive wholesale electricity markets, conducting comprehensive long-term planning for the state’s electric power system, and advancing the technological infrastructure of the electric system serving the Empire State.

"The grant agreement announced today supporting advanced smart grid technologies will bring us closer to realizing the renewable energy goals I set forth for the state as part of my '45 by 15' energy policy by providing electric grid optimization to enable interconnection of renewable energy resources, will provide direct benefits to energy consumers through grid operational efficiency and will create new jobs in New York to support the new clean energy economy," said Governor David A. Paterson. "I want to congratulate the New York Independent System Operator, the electric transmission owners in New York, as well as the New York State Public Service Commission, for their nimble and innovative work, which enabled New York to receive this Department of Energy smart grid award."

"This is an important investment that will lay the groundwork for a smart grid system that will lead to improvement in the reliability of our electrical infrastructure," said Congressman Paul Tonko. "It represents another milestone as we advance a new progressive national energy policy that will eventually reduce our reliance on fossil-based fuels."

"Central Hudson is pleased to be a partner in this collaborative project," said James P. Laurito, President of Central Hudson Gas & Electric Corporation. "These technologies will provide benefits to our electric customers as well as all New York State electric customers by improving the efficiency and enhancing operational control of the state's transmission system."

"As a leader in smart grid development, National Grid welcomes the opportunity to partner with the New York Independent System Operator to install new measurement units and capacitors," said Tom King, president of National Grid in the United States. "Together with our proposed distribution pilots and storage testing programs, these are important steps in building the electric system of the future."

"NYSEG and RG&E are pleased to participate in this project with NYISO and the other transmission owners," said Mark S. Lynch, president of NYSEG and RG&E. "Adding these smart grid technologies to the state's bulk power system will enable us to better monitor real-time operational data and better control system voltage. Both capabilities will help us enhance system reliability and continue to provide outstanding service to our customers."

"This is an important initiative to enhance the reliability, flexibility and efficiency of New York State's electric power grid through investments in smart-grid technologies for meeting the challenges of a 21<sup>st</sup> century economy," said Richard M. Kessel, president and chief executive officer, New York Power Authority. "The coordinated efforts by the New York Independent System Operator and New York transmission owners for applying federal stimulus funding for deployment of these technologies will help optimize the transmission system. The improvements, including advanced devices [PMUs] for measuring voltage and electricity flow, will support instantaneous information on transmission conditions, helping to ensure the system functions properly."

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**For more information, please contact:**

Ken Klapp (518) 356-6253 / [kklapp@nyiso.com](mailto:kklapp@nyiso.com)

Howard Masto (518) 786-6488 / [howard.masto@mastopr.com](mailto:howard.masto@mastopr.com)

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