NEWS RELEASE



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NYISO Issues 2013-2017 Strategic Plan

Sets Objectives for the next Five Years

RENSSELAER, N.Y.— Enhancement of electric grid reliability through improved power flows, market coordination, technological innovation and collaborative planning are key elements of the New York Independent System Operator (NYISO) <u>2013-2017 Strategic Plan</u>.

The five-year plan, approved by the NYISO Board of Directors, incorporates long-term objectives, financial discipline and operational priorities based on the board's review of the economic and regulatory outlook, economic and environmental factors affecting market participants and the growing interest in using competitive wholesale electricity markets to achieve public policy priorities.

"We see a growing need for interregional cooperation among markets to optimize grid operations, enhance market efficiency, implement comprehensive system planning and integrate technological advances into the grid to help consumers realize benefits from competitive wholesale markets," said NYISO Board Chair Robert Hiney.

At the center of the NYISO's strategic plan is a vision of broader regional markets based on collaborative efforts among neighboring grid operators to optimize system efficiency and preserve reliability through the shared use of grid resources. This strategic vision acknowledges that reliability and economic efficiencies will be enhanced through expanded planning and operational coordination among market administrators. Broadening the pool of grid resources through enhanced market design will expand competition and enable operators to better respond to dynamic market and operating conditions across market borders.

To achieve its regional strategy, the NYISO envisions:

- Optimizing the economic flow of electricity across borders through improved coordination of market rules and the increased flow of real-time data on system conditions;
- Coordinating planning processes that facilitate transmission investments in support of reliability, economic
 efficiency and public policy activities;
- Deploying smart grid technologies that maintain system balance through the use of robust data, communications and automated systems; and

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.

 Developing a shared understanding of regional gas delivery constraints for power generation as well as a commitment to address them collaboratively.

The strategic objectives guiding the initiatives outlined in the NYISO's Strategic Plan include maintaining its role as a leader in grid reliability, a leader in market design and performance, excellence in execution in all aspects of its work, maintaining robust planning processes, fostering technological innovation and serving as an authoritative source of information for policymakers, market participants and consumers. The NYISO plans to pursue these objectives through:

- Implementing Broader Regional Markets initiatives designed to enhance regional market efficiencies;
- Addressing the need for expanded coordination between the electric system and natural gas industry;
- Assessing the relationship of capacity markets and generator retirements to preserve reliability and market efficiency as older, less efficient generators seek to exit the market;
- Deploying smart grid technologies that increase situational awareness of conditions on the grid within and outside of New York's borders; and
- Enhancing demand response programs to further benefit consumers with improved market efficiencies and reduced wholesale prices during peak demand periods.

For more information, please see the <u>2013-2017 Strategic Plan</u>, which is available on the NYISO website, <u>www.nyiso.com</u>.

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