

For Immediate Release:

November 19, 2013

NYISO Reduces Annual Budget by \$1.1 Million

2014 Budget to Total \$160 Million

Rensselaer, N.Y.—The 2014 budget of the New York Independent System Operator (NYISO) will total \$160 million, a \$1.1 million reduction from its 2013 annual budget.

The NYISO's annual budget, consisting of operating expenses, capital requirements and debt service costs, is developed in collaboration with stakeholders through a shared governance process for review and approval by the board of directors. The NYISO board approved the 2014 annual budget at its November meeting.

The NYISO recovers its budgeted costs through an assessment paid by market participants pursuant to Rate Schedule 1 of the NYISO's FERC-approved tariffs. The charge is calculated by allocating annual budgeted costs over the forecasted energy volume for the year. The assessment is based on the actual energy that the market participant supplies or withdraws. In 2014, the charge will total \$0.956/megawatt hour, a reduction from \$0.964 in 2013.

To implement budget reductions in the 2014 budget, the NYISO lowered its capital expenditures, consulting fees and telecommunications costs. In addition, NYISO cost containment measures include holding external legal costs and corporate insurance premiums at 2013 levels and refinancing debt to reduce interest costs.

The NYISO's 2014 budget priorities comprise expenditures on projects and programs to address ongoing and emerging responsibilities, which include:

- Expanded coordination between the electric system and the natural gas industry as the electric system increases its use of natural gas to produce power.
- Continued deployment of the NYISO's pioneering Broader Regional Markets initiative to enhance collaboration and coordination among neighboring grid operations in the U.S. and Canada.
- Evolution of capacity markets to enhance the availability of power resources required to sustain electric system reliability.
- Enhancement and refinements to demand response programs and potential integration of distributed energy resources.
- Continued comprehensive electric system planning processes and incorporation of new federal standards relating to electric system projects required by public policy.
- Reinforcement and enhancements to cyber security protocols, practices and technology.

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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.

New York Independent System Operator. 10 Krey Boulevard. Rensselaer, NY 12144

For more information, please contact:

David Flanagan (518) 356-7325 [office]/(518) 727-1569 [mobile]/dflanagan@nyiso.com

Ken Klapp (518) 356-6253 [office]/(518) 461-3564 [mobile]/kkapp@nyiso.com

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