

For Immediate Release:

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NYISO Strengthens Consumer Impact Analysis

Rensselaer, N.Y. – Consistent with its commitment to an effective and responsive shared governance system, the New York Independent System Operator (NYISO) announced several improvements to its Consumer Impact Analysis process that evaluates the impact of market administration projects and rule changes. The changes announced today incorporate feedback received from end-use consumer representatives, other market participants and policymakers.

The Consumer Impact Analysis process will be enhanced to provide greater transparency and input into the NYISO's project selection process. This includes added time for evaluation and communication between the NYISO's Consumer Interest Liaison and the end-use consumer sector of market participants, governmental consumer protection agencies, and other stakeholders. The enhanced Consumer Impact Analysis process will provide consumer representatives and other market participants additional opportunities to receive greater detail on the reasons market design initiatives are undertaken, the anticipated benefits of these projects, and the short and long-term impacts of these initiatives. In addition, stakeholders will have greater opportunities to provide feedback on projects throughout the entire process.

"The new Consumer Impact Analysis process will strengthen our commitment to ensuring that the dynamic concerns of consumers and other stakeholders are factored into market rule changes and major projects," said NYISO President and CEO Stephen G. Whitley. "Our competitive wholesale markets are constantly evolving, and the NYISO welcomes this opportunity to improve our shared governance process and continue to be responsive to the needs of consumers."

The NYISO initiated a first-of-its-kind, multi-faceted consumer interest program in 2011, the components of which included the appointment of a Consumer Interest Liaison and development of the Consumer Impact Analysis process.

"As an association comprised of many of New York's largest energy consumers, Multiple Intervenors has long supported the role of the Consumer Interest Liaison and the importance of fair and independent Consumer Impact Analyses," said Michael Mager, counsel for Multiple Intervenors. "As a result of changes announced by the NYISO, end-use consumer representatives – and other stakeholders – now will be provided with enhanced information on the likely consumer impacts of various market rule changes under consideration and will receive such information earlier in the governance process. These changes should be helpful, and we applaud the NYISO for undertaking this initiative in response to stakeholders' feedback."

"We support transparency and collaboration within New York's energy industry, and congratulate the NYISO in its efforts to further enhance stakeholder feedback in areas that can affect markets," said James P. Laurito, President and Chief Executive Officer for Central Hudson Gas & Electric Corp. "Ensuring all participants are engaged throughout the entire process will better protect the best interests of customers."

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 NYISO's system of shared governance provides all market participants – from consumers to electric generators – an important voice in the operation and evolution of the marketplace. Market design initiatives, operating protocols and the NYISO budgets are developed through this collaborative process, which involves regular meetings of the major stakeholder committees, various subcommittees, task forces and working groups.

Tony Modafferi, Executive Director of the Municipal Electric Utilities Association (MEUA) said, "As the representative for consumers in many rural areas and municipalities throughout New York State, the MEUA appreciates the significant improvements to the Consumer Impact Analysis process that have been developed in response to input from the MEUA and a diverse group of stakeholders."

Paul Pallas, President of the New York Association of Public Power (NYAPP) commented: "We think the NYISO is taking a big step in the right direction by refining and strengthening the evaluation of consumer impacts in the design of new market rules. In addition, NYAPP views the changes as a significant improvement for all stakeholders."

The Consumer Impact Analysis process scrutinizes projects' potential impact within four areas: reliability; environment/new technology; cost impact/market efficiencies; and transparency. Based on the received feedback, the revised process will include the following:

- *Stakeholders will receive notice at the outset of a market design initiative whether a project is expected to have a major consumer impact*
- *Stakeholders will receive a description of the methodology to be used before the impact analysis is conducted as well as details on how estimates are computed*
- *The NYISO will present the final impact analysis at least 30 days prior to submission of the market design initiative for stakeholder approval*
- *Consumer Impact Analyses will provide a comprehensive overview of projects and market rule changes, including details on why the initiative is being undertaken, benefits of the project, estimates of short and long-term impacts, and countervailing views and differing assumptions*
- *Consumer Impact Analyses will clearly state all the assumptions underlying the impact analysis, and the NYISO will present evaluations of alternative implementation options for stakeholder consideration*

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