FOR IMMEDIATE RELEASE

PJM INTERCONNECTION AND NEW YORK ISO BOARDS COMMIT TO BROADER REGIONAL MARKETS INITIATIVE

Market-to-market coordination between systems to begin in January 2013

(Valley Forge, Pa. – Oct. 17, 2012) – The boards of both PJM Interconnection and the New York Independent System Operator (NYISO) today agreed to a long-term strategy to optimize the flow of electricity across their common border and reduce threats to reliability.

Elements of the strategy include:

- Coordinating planning processes to facilitate efficient transmission investments.
- Deploying smart grid technologies that maintain system balance through the use of robust data, communications and automated systems.
- Developing a shared understanding of regional gas delivery constraints for power generation.

The agreement on a long-term strategy is an outgrowth of extensive cooperation between the two organizations to improve management of transmission congestion across both markets. PJM and NYISO have been working to reach agreement on flow calculations, modeling approaches and procedures intended to reduce seams congestion. The new market-to-market software and processes will be operational January 2013.

“The significance of this agreement is that our organizations, which are structured differently, found common ground,” said Howard Schneider, chairman of the PJM Board. “The market coordination steps we’re taking will be the first of many cooperative steps intended to bolster the reliability and economic efficiency of both of our systems.”

“Our organizations are focusing on reducing market inefficiencies along our borders, which will provide immense value to consumers,” said Bob Hiney, chairman of the NYISO Board. “Implementing market solutions to optimize the use of existing resources before investing in new infrastructure is a significant value competitive markets provide.”

– MORE –
Currently, work is underway for an interregional study that will examine the impacts of natural gas expansion on PJM and the NYISO’s systems, both near and long-term. The study will look at existing and planned pipeline and generation facilities and identify contingencies on the regional natural gas system that could adversely affect reliability. The study also will evaluate the adequacy of the regional gas pipeline system to meet electricity system needs.

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.

PJM Interconnection, founded in 1927, ensures the reliability of the high-voltage electric power system serving 60 million people in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia. PJM coordinates and directs the operation of the region’s transmission grid, which includes 59,750 miles of transmission lines; administers a competitive wholesale electricity market; and plans regional transmission expansion improvements to maintain grid reliability and relieve congestion. Visit PJM at www.pjm.com.

###