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NYISO tighter control urged

AARP says system's policies inflate electric prices, hurt consumers

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ALBANY -- The AARP, the advocacy group for people over 50, wants more oversight of the New York Independent System Operator, the North Greenbush nonprofit that oversees the state's wholesale electricity market and transmission system.

Saying the NYISO's policies inflate electric prices paid by consumers, the AARP published a report Thursday that calls for the state Legislature to impose new oversight measures on the organization.

That would include having its board of directors appointed by the Legislature and the governor and having the state Public Service Commission review its budget and approve fees passed onto consumers. The AARP is also asking for more transparency in the NYISO's electricity auctions.

"Ultimately, the ratepayers in the state fund the operations of the NYISO," said Bill Ferris, legislative representative for AARP New York State. "Right now, it's not accountable to anybody but itself."

Consumer advocates and members of the Legislature have been calling for changes at NYISO this year, arguing that the system's auction process and corporate structure cost New Yorkers \$2 billion in extra expenses every year.

The NYISO, which recently turned 10 years old, says that its policies have pushed down electric prices and developed new sources of renewable energy generation while also improving reliability in the state.

"It is simply inaccurate to suggest that the NYISO operates without serious government oversight," Thomas Rumsey, vice president of external affairs for the NYISO, said in a statement. "The NYISO is rigorously regulated by the federal government and its operations are overseen by state regulators, as well. Moreover, the NYISO operates under a system in which stakeholders from all sectors – consumers, producers, and others – share the governance of the NYISO."

Assemblyman Richard Brodsky, D-Westchester, the Legislature's most outspoken critic of the NYISO, says that the AARP recommendations fall short of what he would like to see. He had previously introduced legislation that would abolish the NYISO's auction structure.

"The AARP is terrific, but its recommendations don't go far enough," Brodsky said. "We need

to get rid of the NYISO. This has to be stopped. I'm not opposed to transparency, but all we're going to see is more rip-off."

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