

PULP NETWORK

THE PUBLIC UTILITY LAW PROJECT OF NEW YORK (PULP) WORKS TO ADVANCE UNIVERSAL SERVICE, AFFORDABILITY, AND CUSTOMER PROTECTION FOR LOW AND FIXED INCOME ENERGY AND UTILITY CONSUMERS. VISIT PULP'S WEBSITE, WWW.PULP.TC

FRIDAY, MARCH 06, 2009

Assembly Committees Hold Hearing to Discuss NYISO Practices and High Electric Prices

A joint hearing by the Assembly Committee on Energy and the Committee on Corporations, Authorities, and Commissions was held on March 5th to discuss the practices of the New York Independent System Operator ("NYISO"). The NYISO is a not-for-profit corporation that began operations in 1999, operating New York's bulk electricity system and administering the wholesale electricity markets. The Assembly Corporations Committee, chaired by Richard Brodsky, held a press conference earlier in the week to release a study conducted by McCullough Research showing that due to the NYISO's spot market rules and practices, New Yorkers paid \$2.2 billion a year in artificial and unnecessary electricity rates on their electric bills.

One of the major issues that Brodsky and Energy Committee Chair Kevin Cahill (D-Dutchess) sought clarification on is the NYISO's practice of employing "Market-Clearing Price" auctions, which require the buyer to pay to all sellers the highest price calculated by a complex computer program at the NYISO. The Assemblymen are concerned that using Market-Clearing Price auctions require utilities to pay excessive amounts of money to generators, which yields excessive electric bills for ratepayers. They are also concerned about the secretiveness of the bidding process.

The hearing consisted of four panels.

The first included government and quasi-government personnel involved with running or overseeing the NYISO. The NYISO presented [testimony of its CEO](#) and of its "[Market Monitor](#)."

The second panel included Robert McCullough, Cornell Professor Timothy Mount, [Russ Haven](#), [Legislative Director of NYPIRG](#), the Working Families Party, APPA Counsel Sue Kelly, and PULP's [Executive Director](#), who discussed their concerns with the current

BLOG ARCHIVE

▼ [2009](#) (39)

▼ [March](#) (4)

[Niagara Mohawk Gas Rate Proposal Fails to Address ...](#)

[Assembly Committees Hold Hearing to Discuss NYISO ...](#)

[Governor's Budget Bill would Gut HEFPA Shared Mete...](#)

[Governor's Budget Bills Would Allow PSC to do More...](#)

▶ [February](#) (22)

▶ [January](#) (13)

▶ [2008](#) (161)

▶ [2007](#) (51)

▶ [2006](#) (27)

LINKS

[Public Utility Law Project Index to PULP Network Blog NASUCA](#)

[Consumer Federation of America National Consumer Law Center Public Citizen Energy Program Federal Energy Regulatory Commission](#)

[Federal Communications Commission](#)

[New York Public Service Commission](#)

market results and bidding processes and offered suggestions for reforms and alternative mechanisms.

[Google News](#)

The third panel included representatives from four distribution utilities that purchase electricity from the NYISO.

The fourth panel included speakers from the [Independent Power Producers of New York](#) and the Alliance for Clean Energy.

Legislators indicated that there would need to be more exploration of the impact of the NYISO markets and the need for reforms.

Lou Manuta

POSTED BY GERRY NORLANDER AT 3:49 PM 

0 COMMENTS:

[Post a Comment](#)

[Newer Post](#)

[Home](#)

[Older Post](#)

Subscribe to: [Post Comments \(Atom\)](#)