



## PRESS RELEASE

### For Immediate Release

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### **ISO NEW ENGLAND TO BEGIN OPERATION AS REGIONAL TRANSMISSION ORGANIZATION** *Move Will Enhance ISO's Independence, Strengthen System Reliability*

**Holyoke, MA – January 31, 2005** – ISO New England Inc. will begin operation as a Regional Transmission Organization (RTO) tomorrow, assuming broader authority over the day-to-day operation of the region's transmission system and possessing a greater level of independence to effectively manage the region's bulk electric power system and competitive wholesale electricity markets.

"Tomorrow will be an important day in the continued development of New England's wholesale electricity markets," said Gordon van Welie, President and CEO of ISO New England Inc. "Our mission has always been clear—to ensure that New England has a reliable bulk power system and efficient wholesale electricity markets. As an RTO, we will be better able to address the needs of today's power system and plan for the future, with strengthened independence and certainty in our role in the region's electricity industry."

"We expect the transition will be seamless to those who participate in the markets," van Welie said, adding that the organization will continue to operate under the name "ISO New England" and its headquarters will remain in Holyoke, Massachusetts.

As the RTO, ISO New England will continue to perform all of its current responsibilities and will also exercise day-to-day operational control of the transmission system under agreements with existing transmission companies. Equally important, ISO New England will be the single point-of-control to effectively maintain reliability and preserve the integrity of the bulk power system on a daily basis and in emergency situations.

Under the RTO structure, ISO New England will have the authority to file proposed market rule changes with the Federal Energy Regulatory Commission, but will continue to work closely with stakeholders, including participants in the marketplace and regulators, to develop enhancements and changes to the region's wholesale markets.

ISO New England will also enhance the regional system planning process that identifies New England's electricity needs and promotes infrastructure improvements where they are most needed, and will phase in a collaborative regional planning process that will expand to fourteen northeast states and the District of Columbia, in an effort to coordinate resources and determine needs.

The transition to an RTO is the culmination of a four-year effort that included a lengthy stakeholder process. FERC conditionally approved an RTO for New England in March 2004 and approved a settlement agreement reached among the stakeholders in November.

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*For more than seven years, ISO New England Inc. has been the not-for-profit corporation responsible for the day-to-day reliable operation of New England's bulk generation and transmission systems with an installed capacity of approximately 32,000 megawatts. In addition to operating the bulk power grid, ISO New England is the administrator of the region's wholesale electricity marketplace and the Open Access Transmission Tariff on behalf of the New England Power Pool.*