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MISO ancillary market launches as promised

The Midwest ISO successfully launched its ancillary services market (ASM) early yesterday morning as promised.

“Our customers across the Midwest will realize estimated net annual benefits of between \$115-205 million from the increased efficiencies that the ancillary services market brings,” said MISO CEO Graham Edwards.

“After significant preparation including intensive testing and rigorous training, we’re pleased to have these markets up and running.”

The ASM integrates the procurement and use of regulation and contingency services with existing energy markets. Regulation is the moment-to-moment changes in generation needed to meet demand.

Contingency reserves are added generation or DR that can be brought online within 10 minutes.

The ISO began accepting bids and offers for these products Dec 30, with those transactions settling yesterday.

MISO began acting as the region’s overall balancing authority, with its

regional balancing authorities becoming local balancing authorities -- and the ISO is now the largest balancing authority area in North America, stretching from Montana to Missouri and Michigan and beyond.

“We have a well-established history of close coordination and cooperation with our existing balancing authorities,” said MISO Vice President of Real-time Operations Roger Harszky.

“We expect that excellent working relationship to continue.”

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New York may tax marketers under new ‘utility assessment’

New York lawmakers and Gov David Paterson, D, are looking at preparing a balanced budget and some of the money may come from new taxes on ESCOs and marketers. The new tax is called a utility assessment and was initially aimed at utilities.

Due to the Wall Street crash, New York’s budget revenues declined drastically, thus Paterson is scrambling with what was in the neighborhood of a \$1 billion deficit ballooning to 10-times that or more.

Thus a major boost in the utility assessments is before the New York legislature in the budget, warned NEMA President Craig Goodman yesterday. “It could go up 600% through the year 2012,” he added, plus a permanent 300% boost could hit two fees including the utility assessment.

The public needs to know about this bill and how it’s written, said Goodman, and hopefully some will see the faults.

A utility assessment is calculated into utility rates -- not a separate line item. The idea dates back about 100 years to fund public service departments and to make sure monopoly utility rates were fair.

Utilities pay an assessment on the amount charged on utility bills of about

1/3 of 1% -- but in an effort to raise about \$136 million, Paterson wants to triple that to 1%. He wants to impose a 2% conservation fee that would appear as a line item.

The purpose of the fee is to pay the PSC budget and a 20% add-on factor for all the other state agencies that the PSC uses as resources in their duties.

The proposal would change who’s required to pay the assessments. The legislation would expand the definition of public utilities to include any entity that’s permitted to sell natural gas or power in New York.

By expanding the definition of utility entities to include ESCOs and energy marketers, lawmakers would be expanding the definition of utilities to include non utilities just before imposing a 2% tax on all utility receipts in the state.

Utilities can recover costs but ESCOs and marketers don’t share the advantages of the same regulatory framework.

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Abbreviations: To see a glossary of *Restructuring Today’s* abbreviations, go to www.restructuringtoday.com/glossary.

GridWise expects 50k new ‘smart grid’ jobs during roll-out

A federal investment of \$16 billion for the “smart grid” over four years could create 280,000 jobs, a report by the GridWise Alliance released yesterday found.

Almost half of those jobs would be permanent with the rest ending once the smart grid is deployed, said the report titled “[Smart Grid Jobs Report](#)” by KEMA, a GridWise member.

The figures include a loss of 32,000 positions made obsolete by the new technology such as meter readers.

Some of that federal investment could arrive soon in the looming stimulus package (RT, [Dec-11](#)).

“A smart grid is seen as a key enabler for the new energy economy and as such, is foundational for the millions of ‘green collar jobs’ President-Elect Obama is aiming for,” said Chairman of the GridWise Alliance Guido Bartels of IBM.

The \$16 billion would drive \$64 billion in investments from the private sector and create over 150,000 jobs by the end of this year, said KEMA Vice President of Energy Systems Consulting Ralph Masiello. Smart grid programs would create 48,500 jobs in