



BEFORE THE ESTABLISHMENT of independent transmission operators, electricity was a matter of local concern and was regulated strictly at the state level. The technology simply wasn't there to move electricity over great distances, which required power plants to be located close to customers. For this reason, the industry operated for years as a monopoly with one local utility providing generation, transmission and distribution services for local areas. When technology evolved to provide the ability to move electrons over many miles, plants could be located away from consumers and the introduction of competitive markets became viable.

Today, in **two-thirds of America, wholesale power grids are managed by entities called Independent System Operators (ISOs) or Regional Transmission Organizations (RTOs).**

Independent System Operators (ISOs) and Regional Transmission Organizations (RTOs), virtually unknown to most, were created following the 1992 passage of the Federal Energy Policy Act, which introduced competition to the wholesale side of the electricity business.

With the introduction of competition to the industry, federal policymakers recognized the need for an independent entity, without a stake in the outcome, to manage the power grid and make sure competitive generation flows to customers.

ISOs and RTOs are often compared to air traffic controllers. It would be grossly unfair for air traffic controllers to represent one airline and profit from allowing that company's planes to go through before others. In the same way, ISOs and RTOs operate independently—managing the electron traffic on a power grid they do not own—making sure electricity is safely delivered to utilities and consumers on time and reliably.