



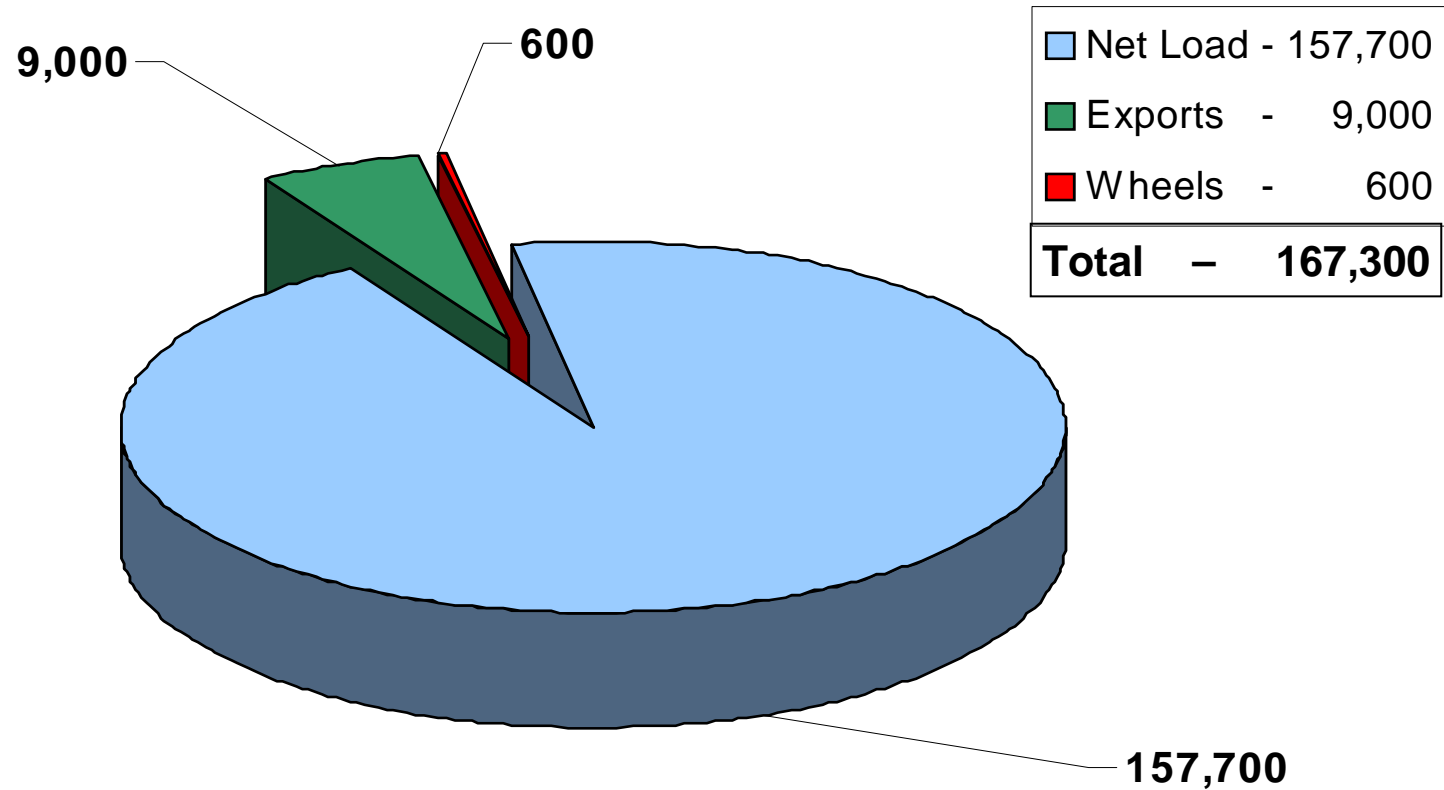
NYISO 2010-2014 Budget Forecast

**BPWG
September 22, 2009**

**Arthur Maniaci
System & Resource Planning
New York Independent System Operator**

Draft – for discussion only

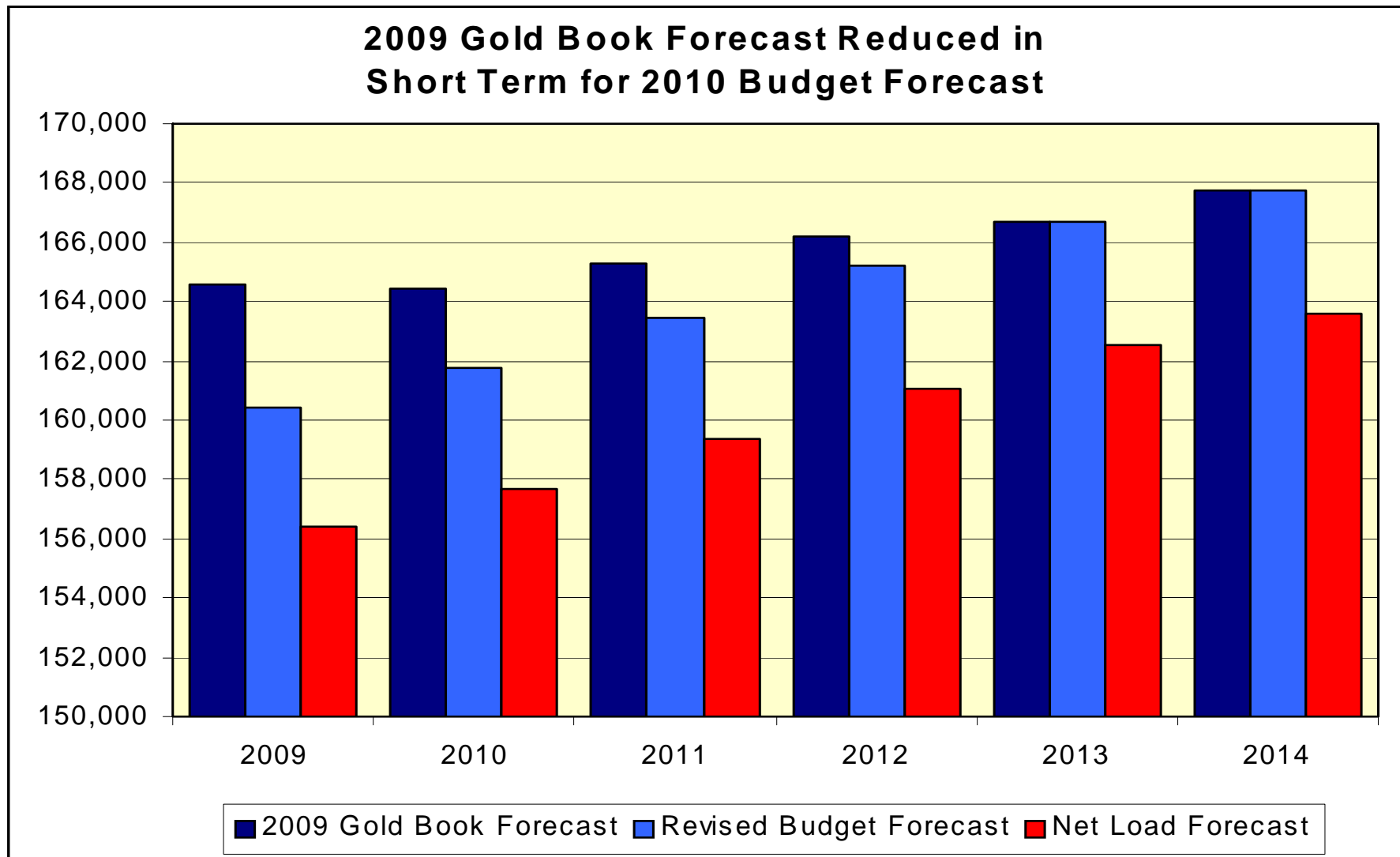
RS-1 Has Three Components



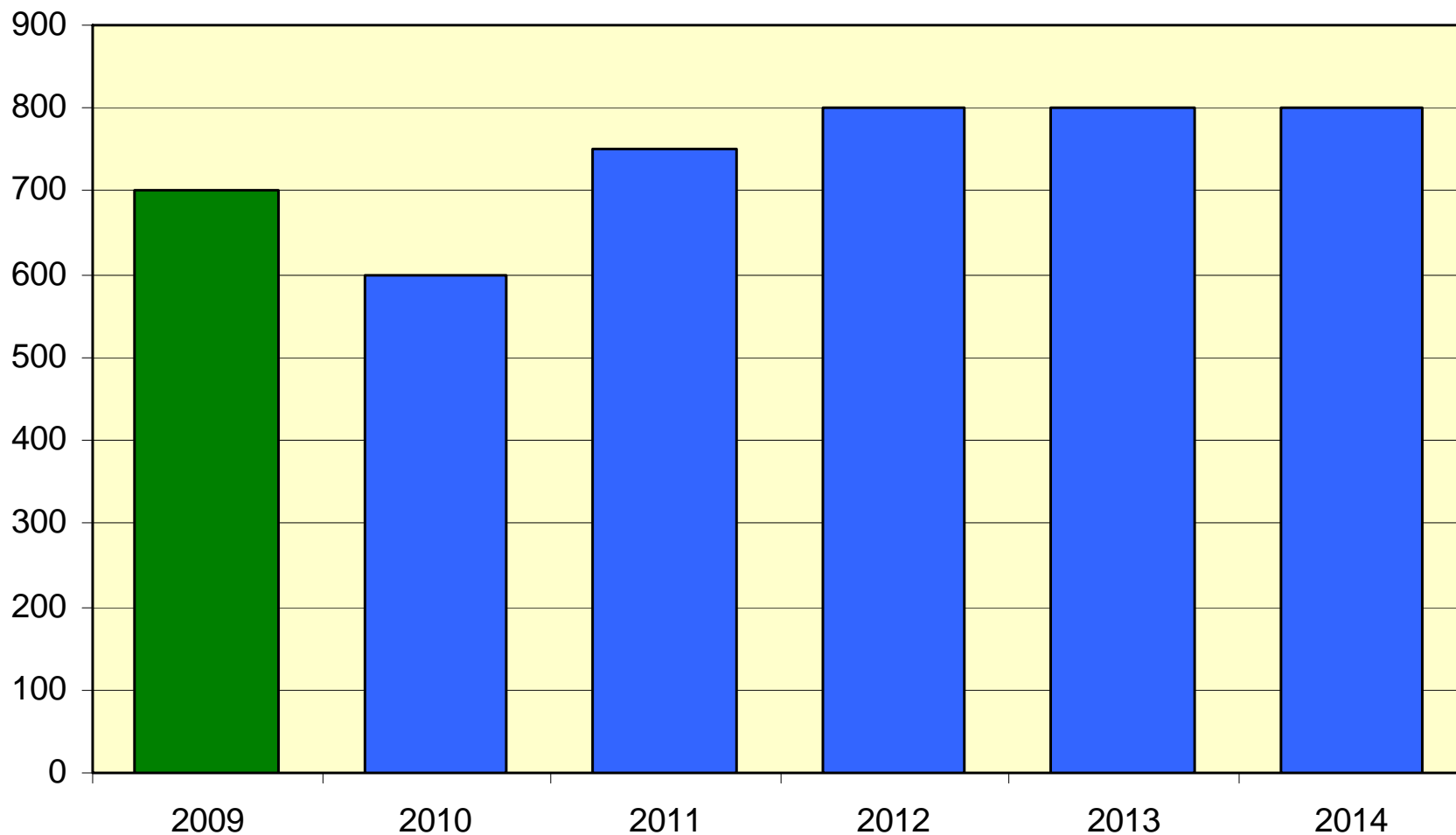
RS-1 Forecast Methodology

- ◆ **Net Energy** – Based on econometric models built up zone-by-zone, then subtract transmission losses.
 - ***NYISO Models:** NYISO develops its own models using economic projections prepared by Moody's Economy.com*
 - ***TO Input:** NYISO also discusses model results with TOs' load forecasters to obtain their outlook.*
 - ***EEPS Impact:** NYISO subtracts impact of energy efficiency programs from its forecast, based on expected realization rates of those programs, in consultation with ESPWG.*
- ◆ **Exports**
 - *Regression model based on external region forecasts and NYISO forecast of monthly New York natural gas prices, derived from EIA fuel price forecasts.*
- ◆ **Wheels**
 - *Trend forecast, based on recent history.*

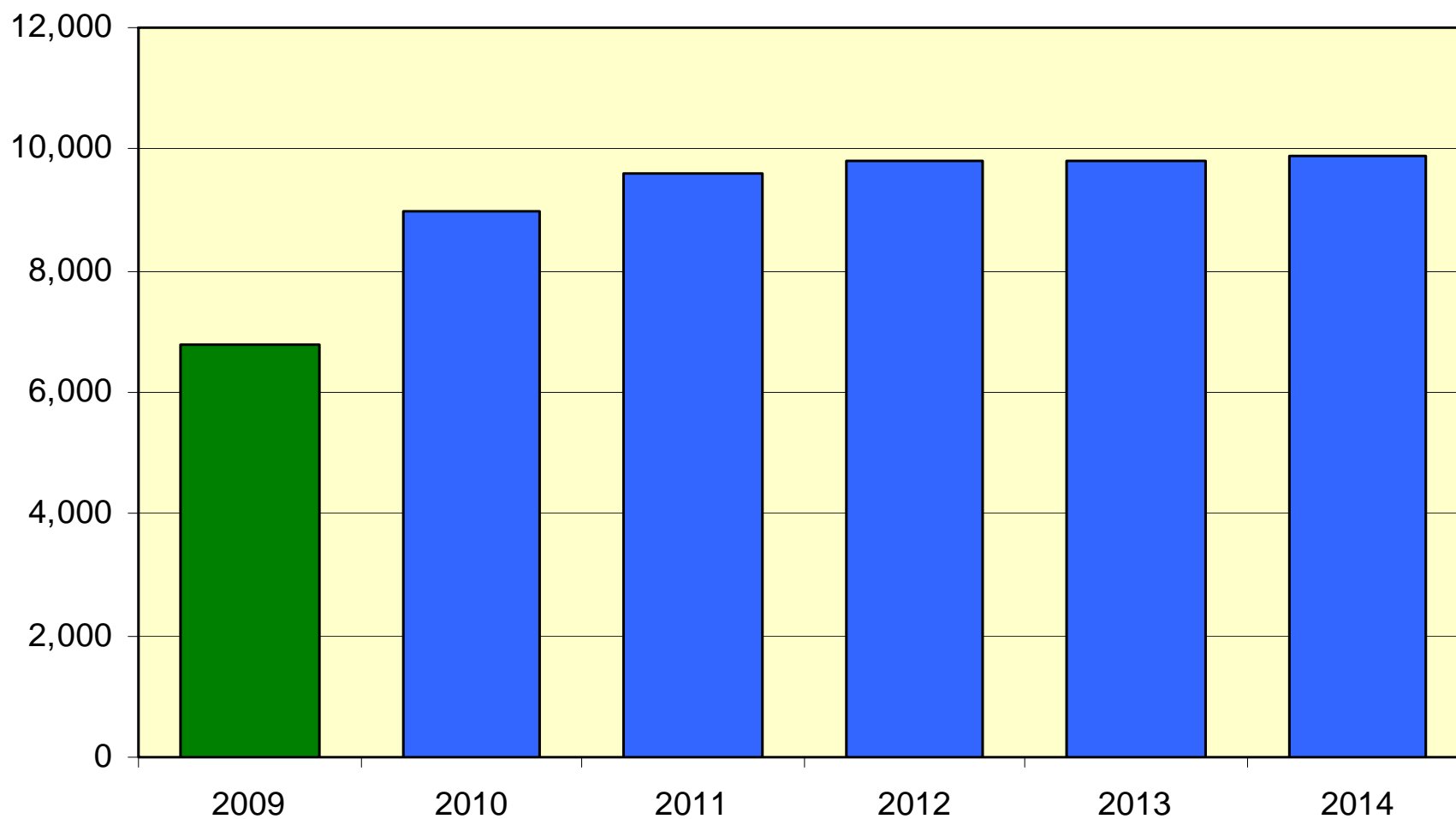
2010 Net Load Budget Forecast Uses 2009 Gold Book, Adjusted for 2009 Experience



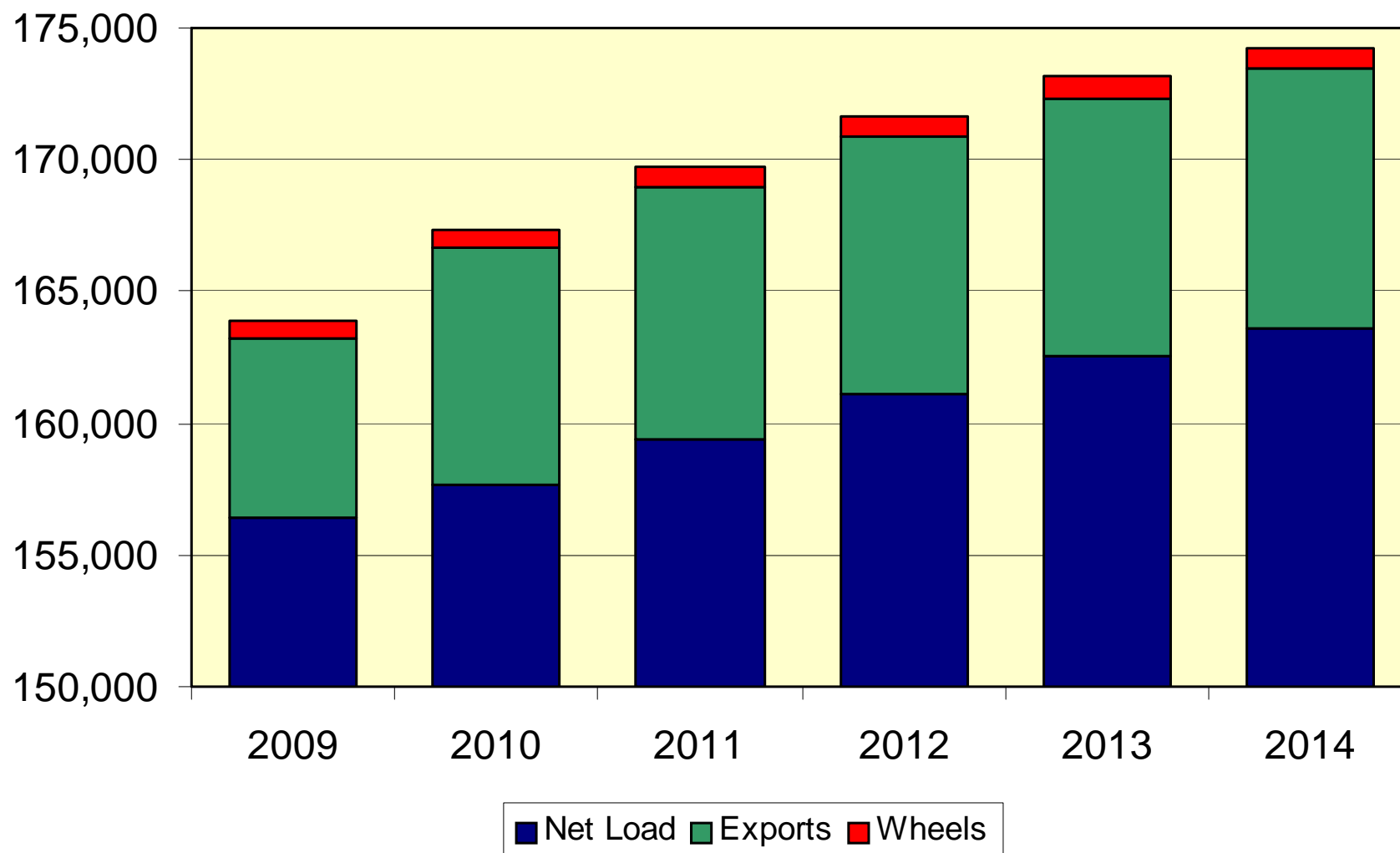
Wheels Forecast - 2010 to 2014 (GWh)



Exports Forecast - 2010 to 2014 (GWh)



RS-1 Energy Forecast - GWh

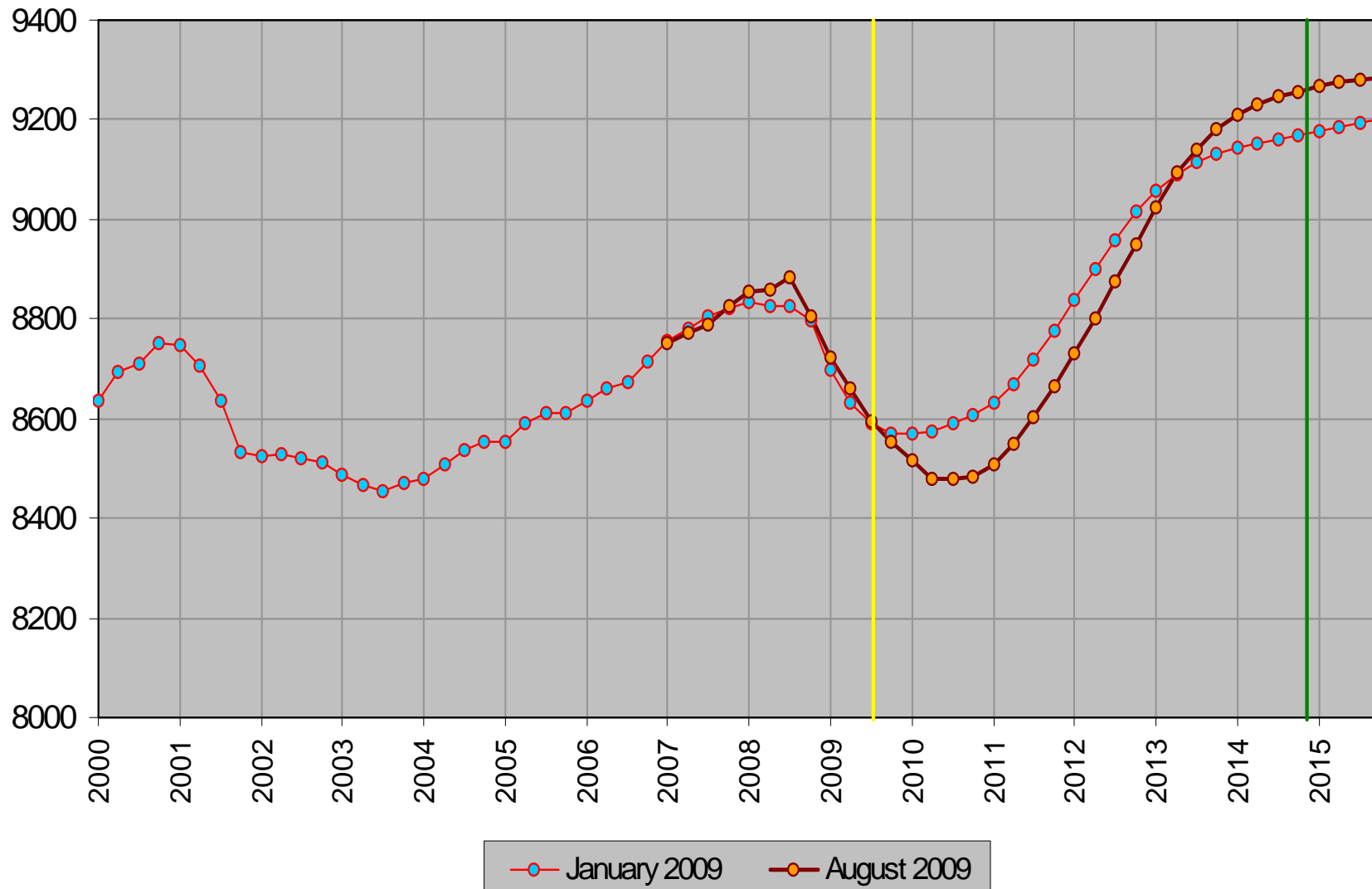


January vs August Economic Projections

- ◆ January economic projections were used to develop NYISO budget forecast
 - *Included impact of Federal stimulus dollars*
 - *Did not reflect the true depth of the recession*
 - *Therefore, the budget forecast was reduced compared to the April 2009 Gold Book forecast*
- ◆ August economic projections are now in hand
 - *Slower initial growth from 2010 to 2012*
 - *Faster growth in 2013 & 2014*

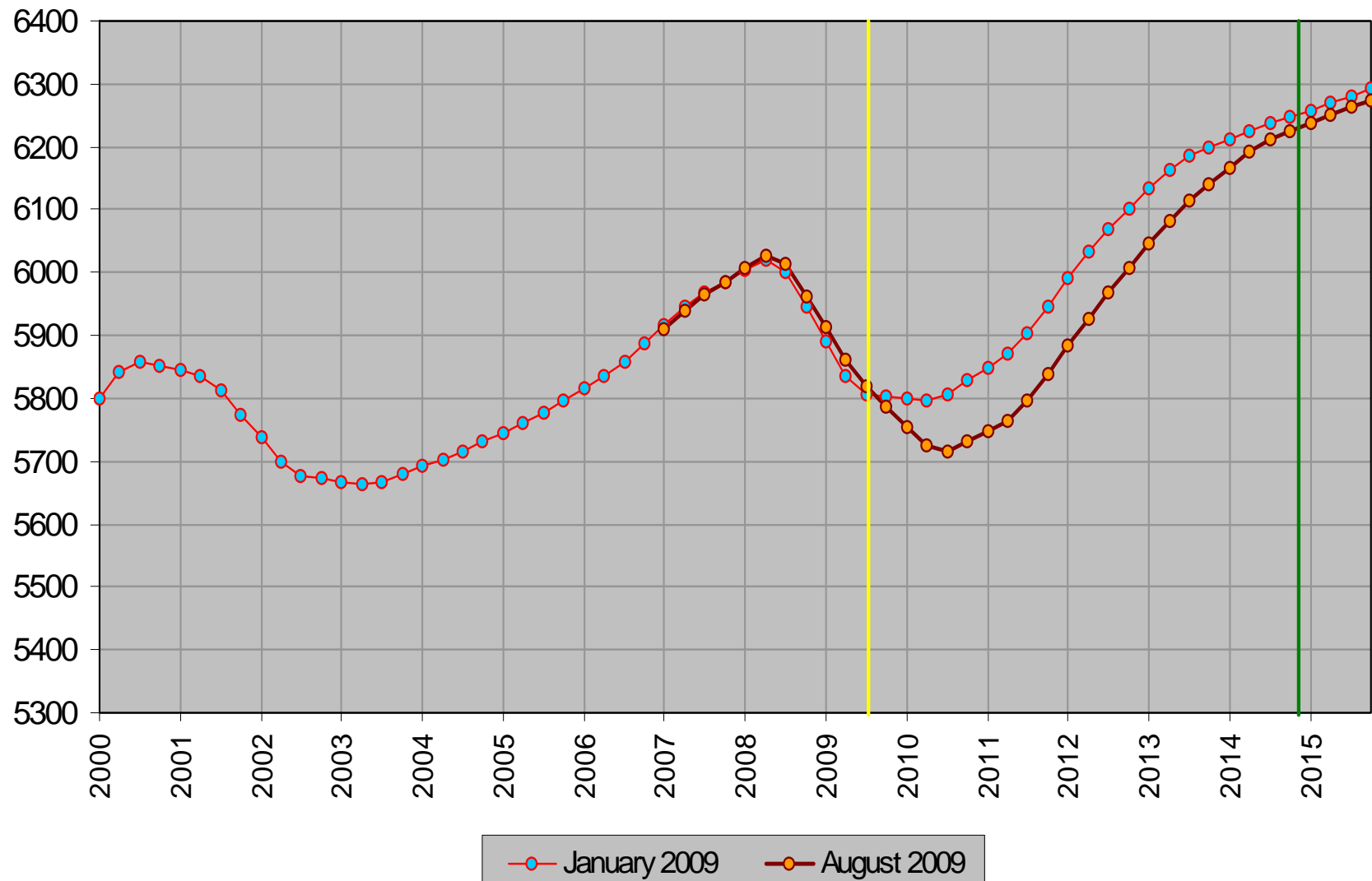
NY State

Employment - Total



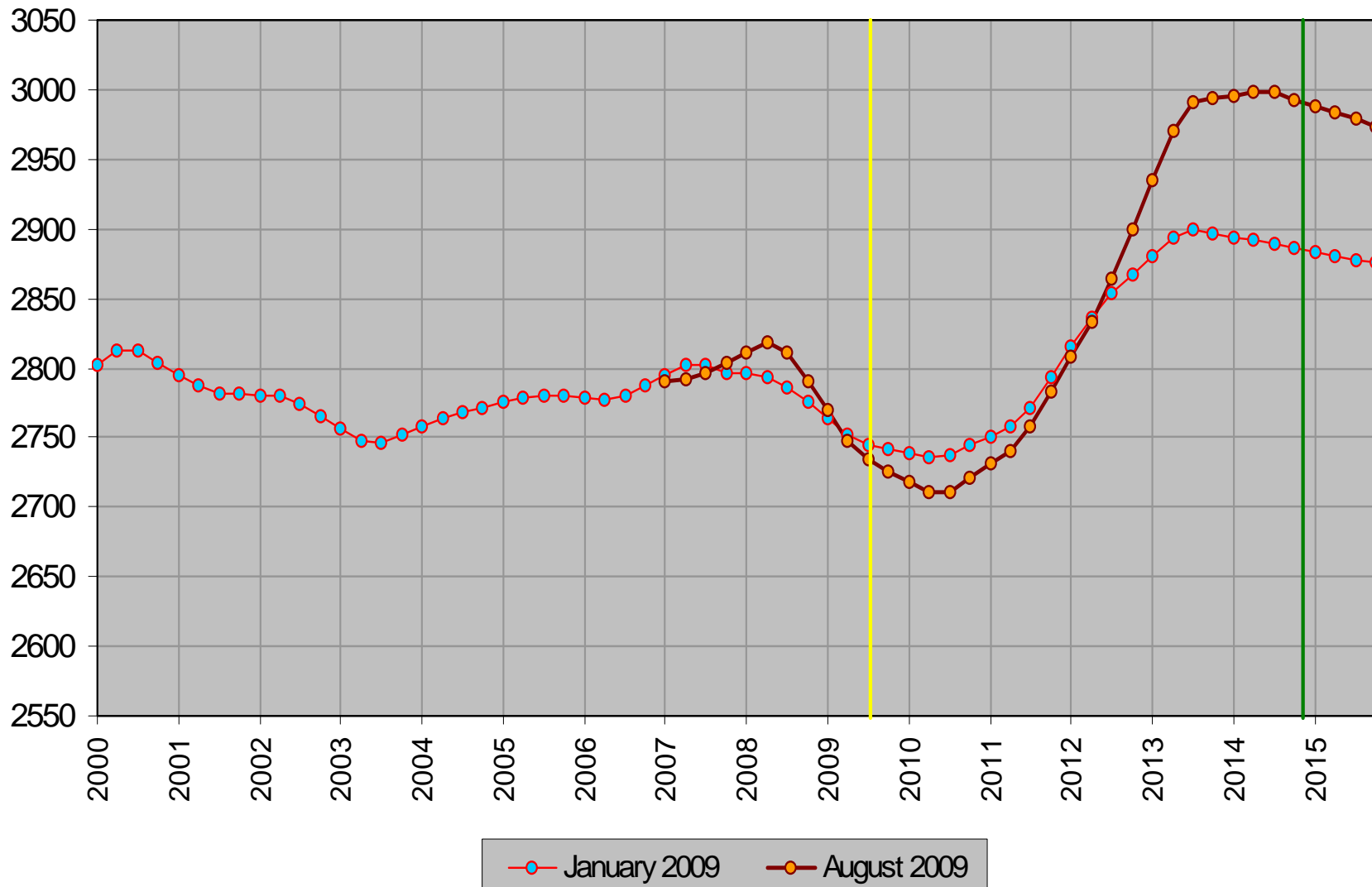
Downstate

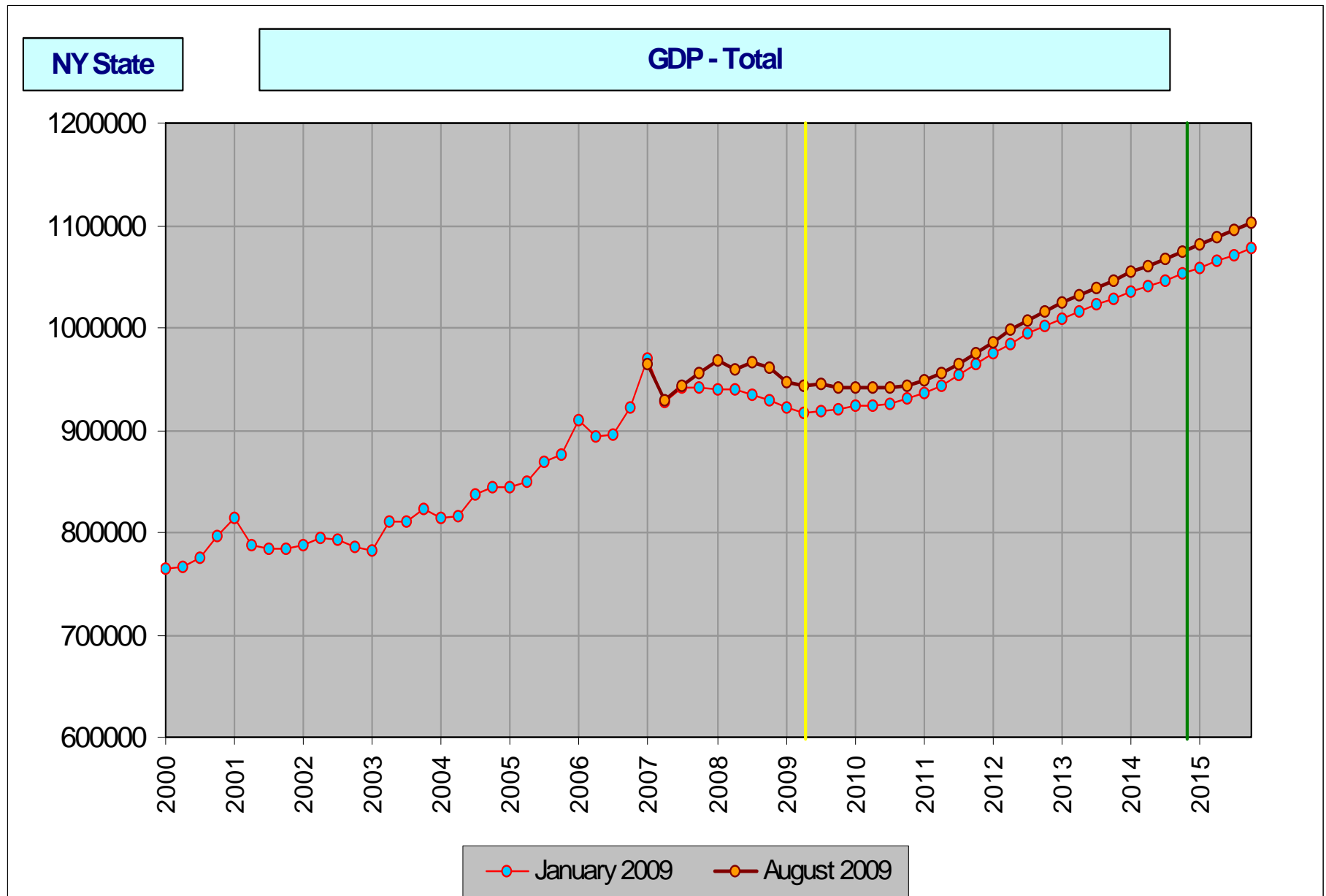
Employment - Total



Upstate

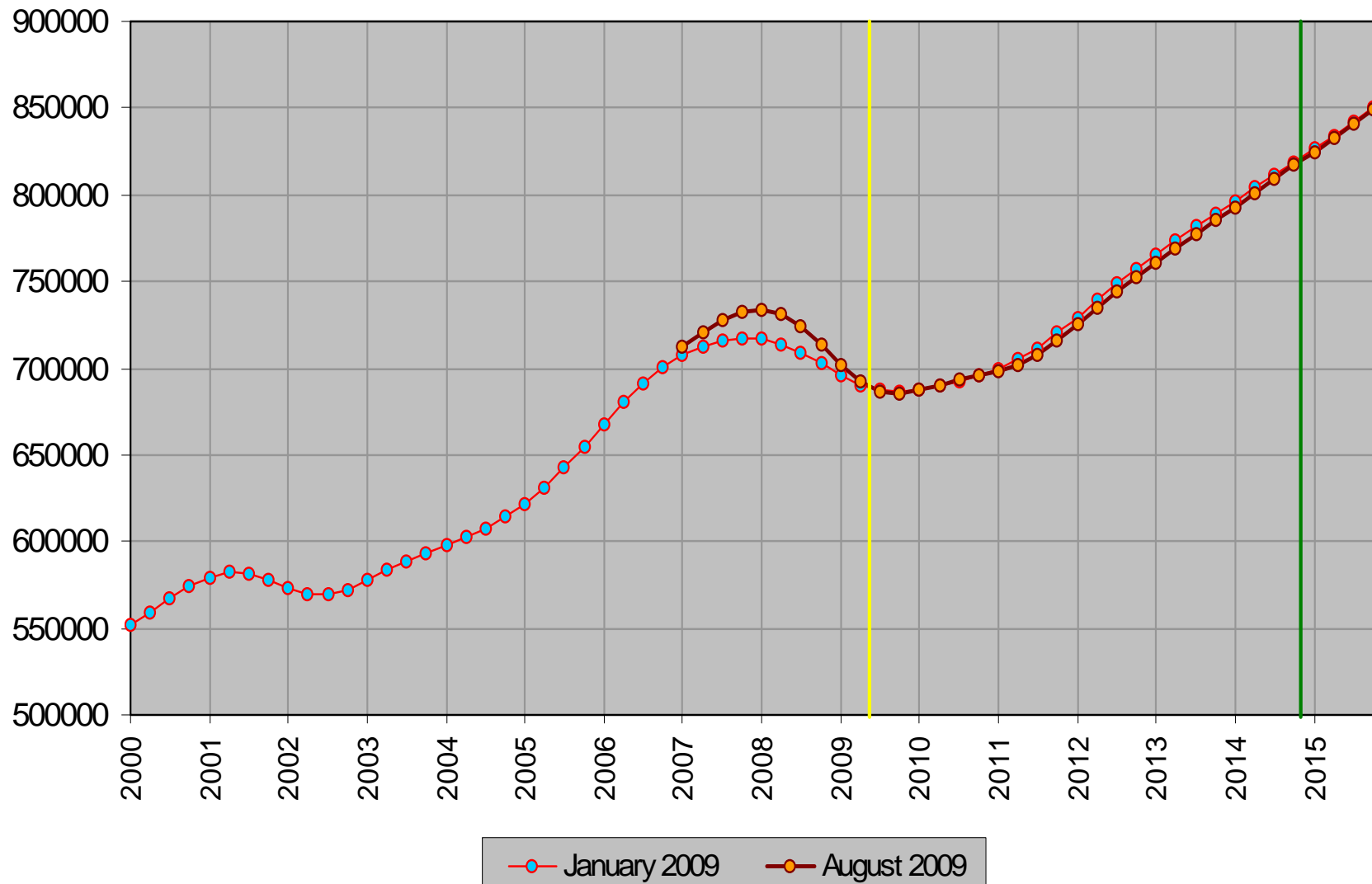
Employment - Total





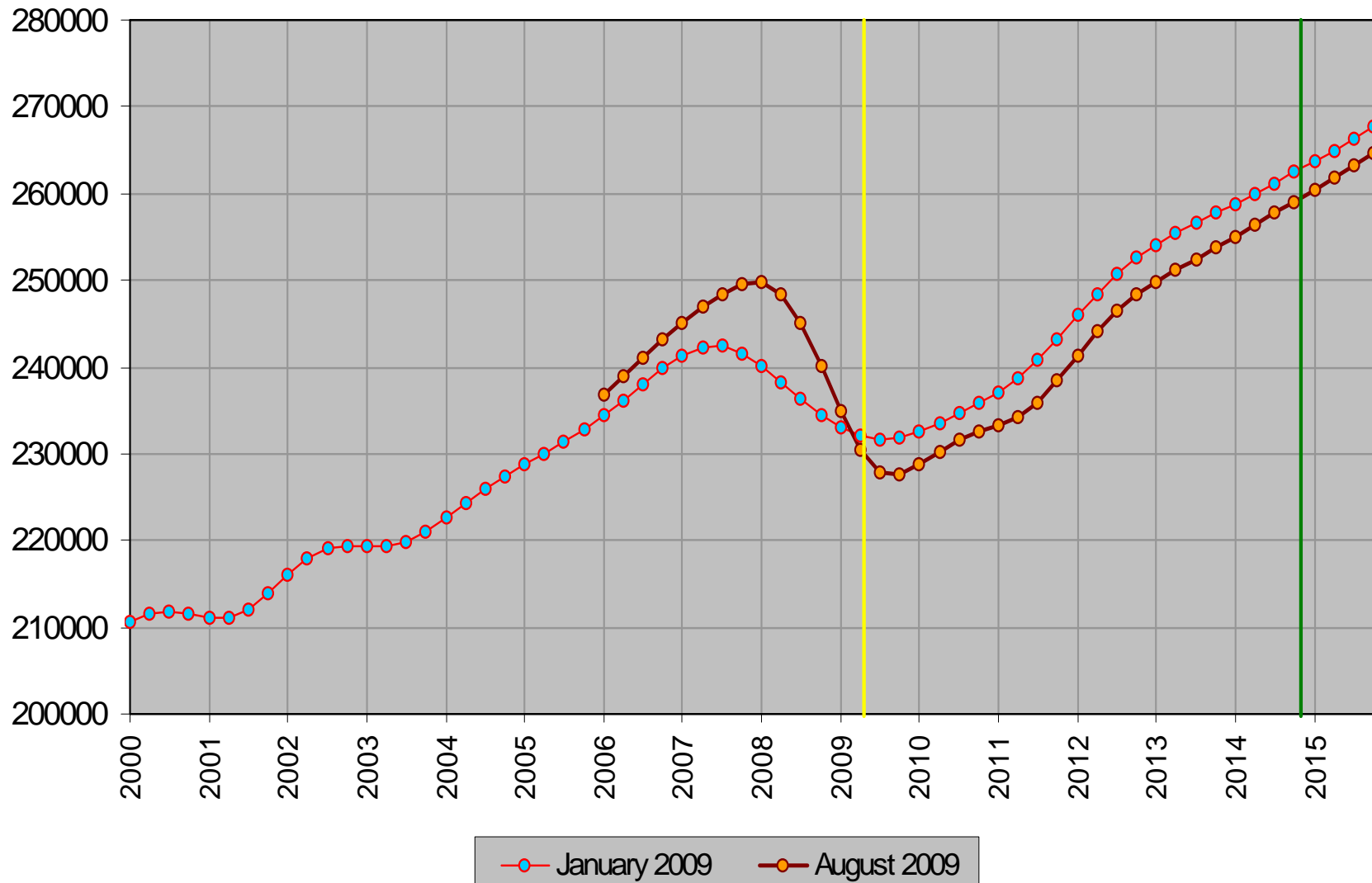
Downstate

GDP - Total



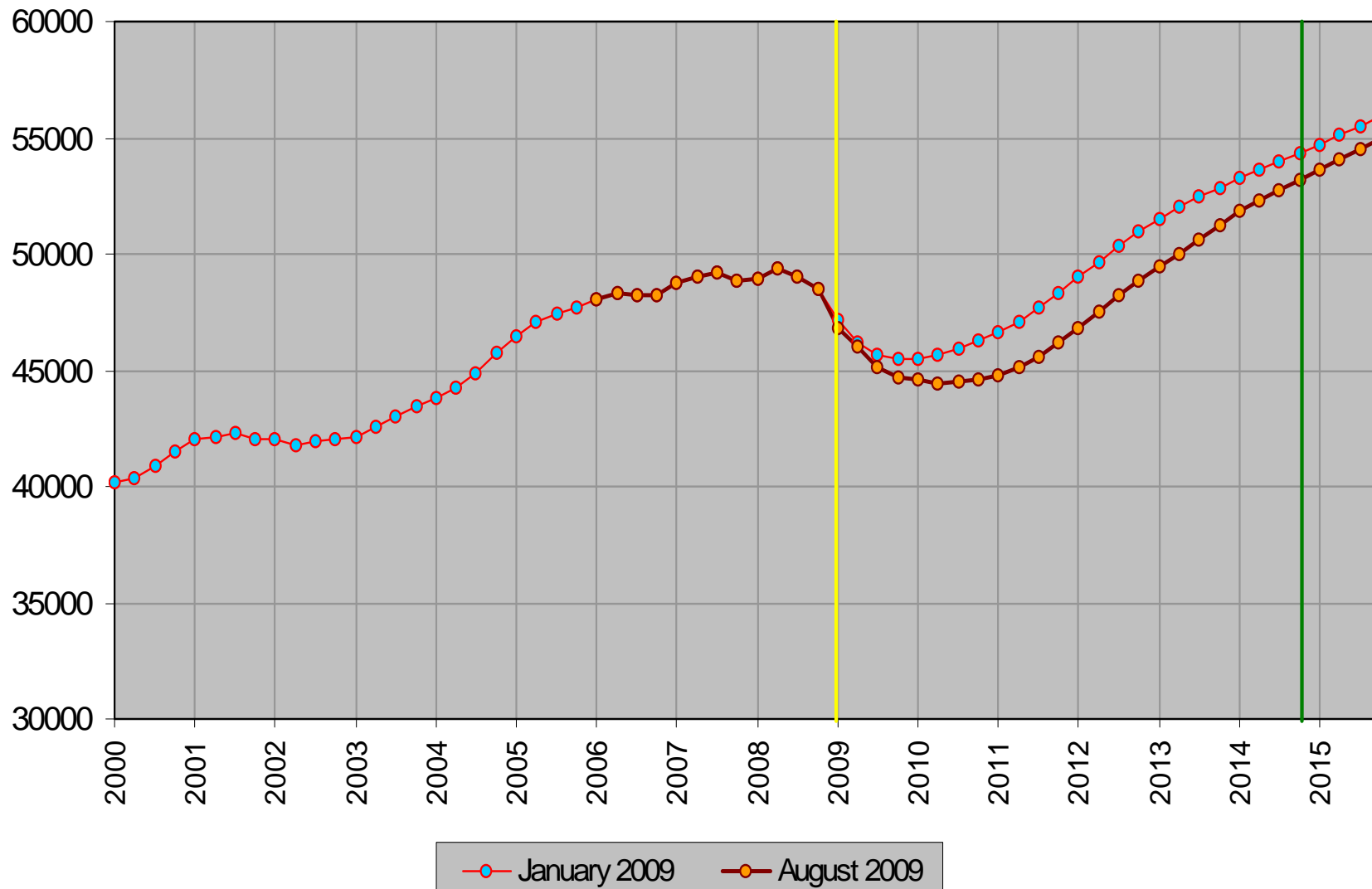
Upstate

GDP - Total



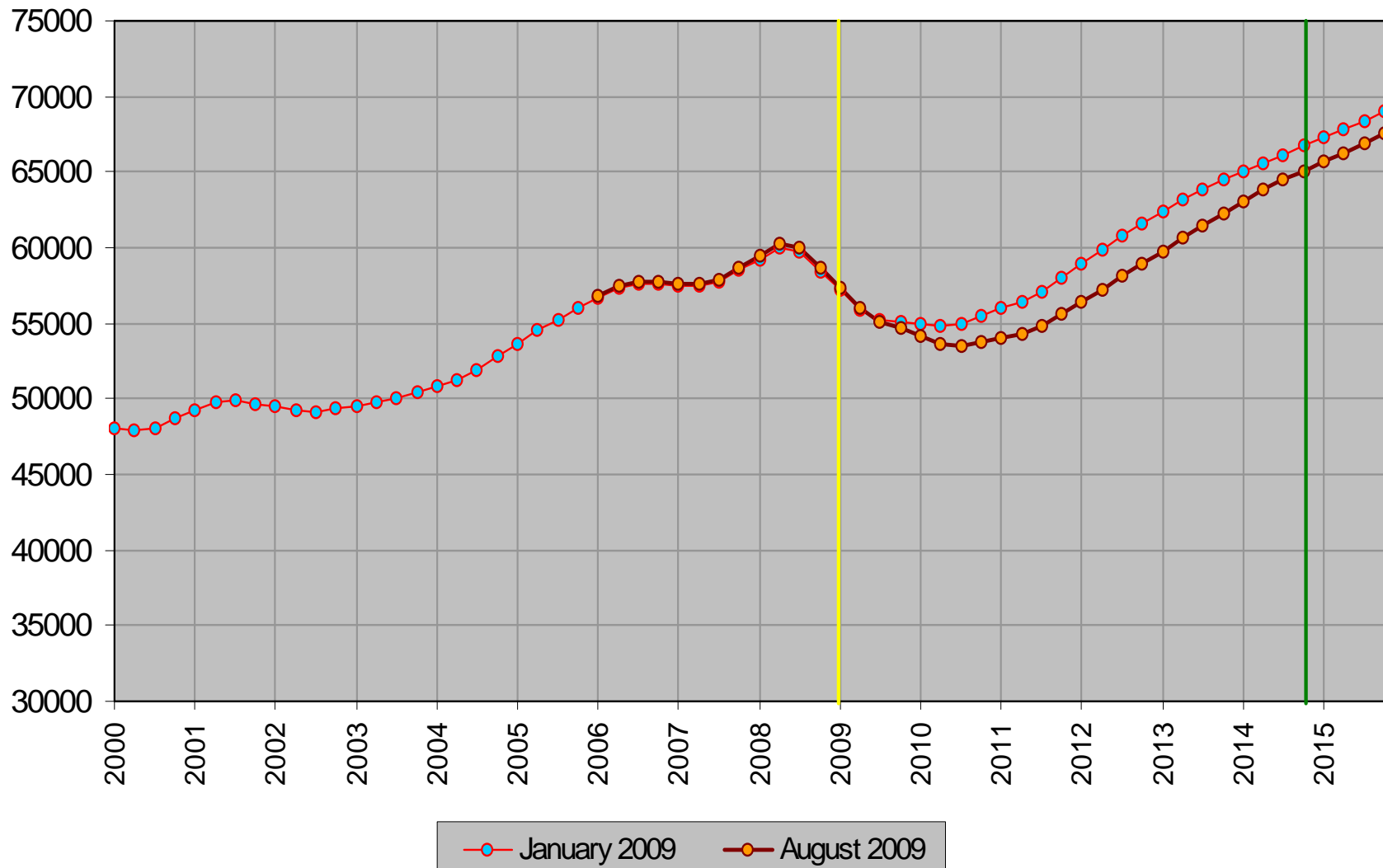
NY State

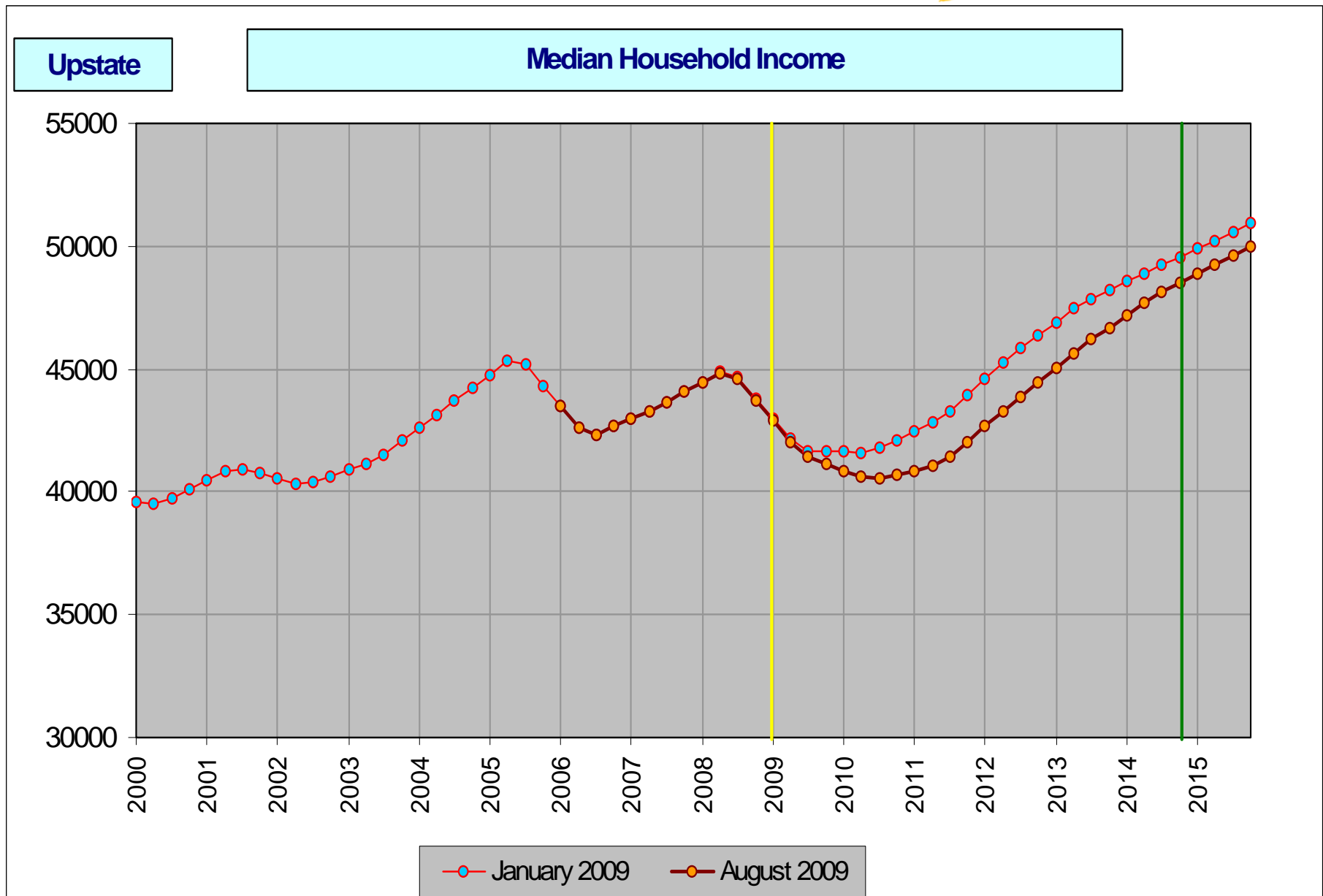
Median Household Income



Downstate

Median Household Income



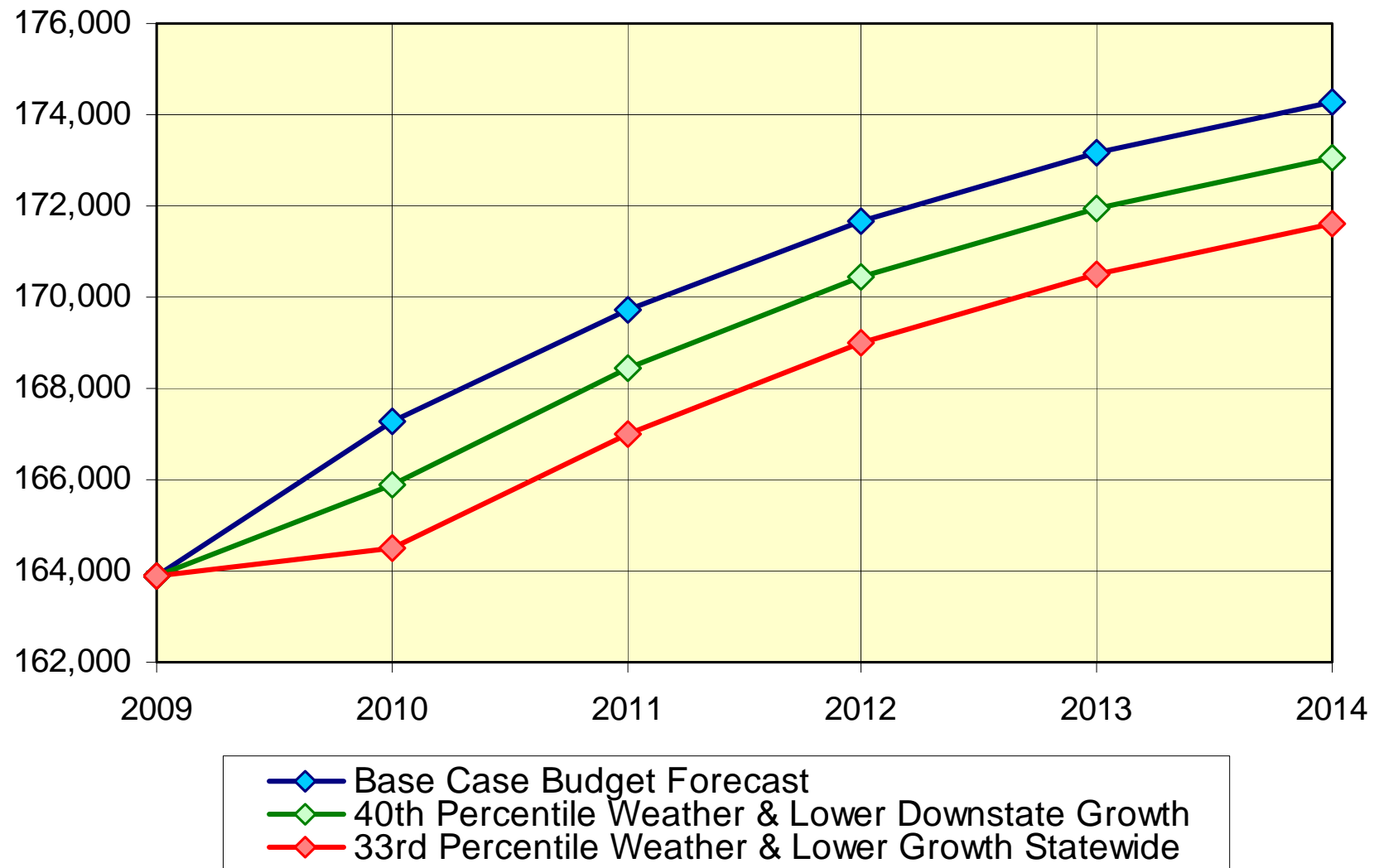


Two Forecast Scenarios

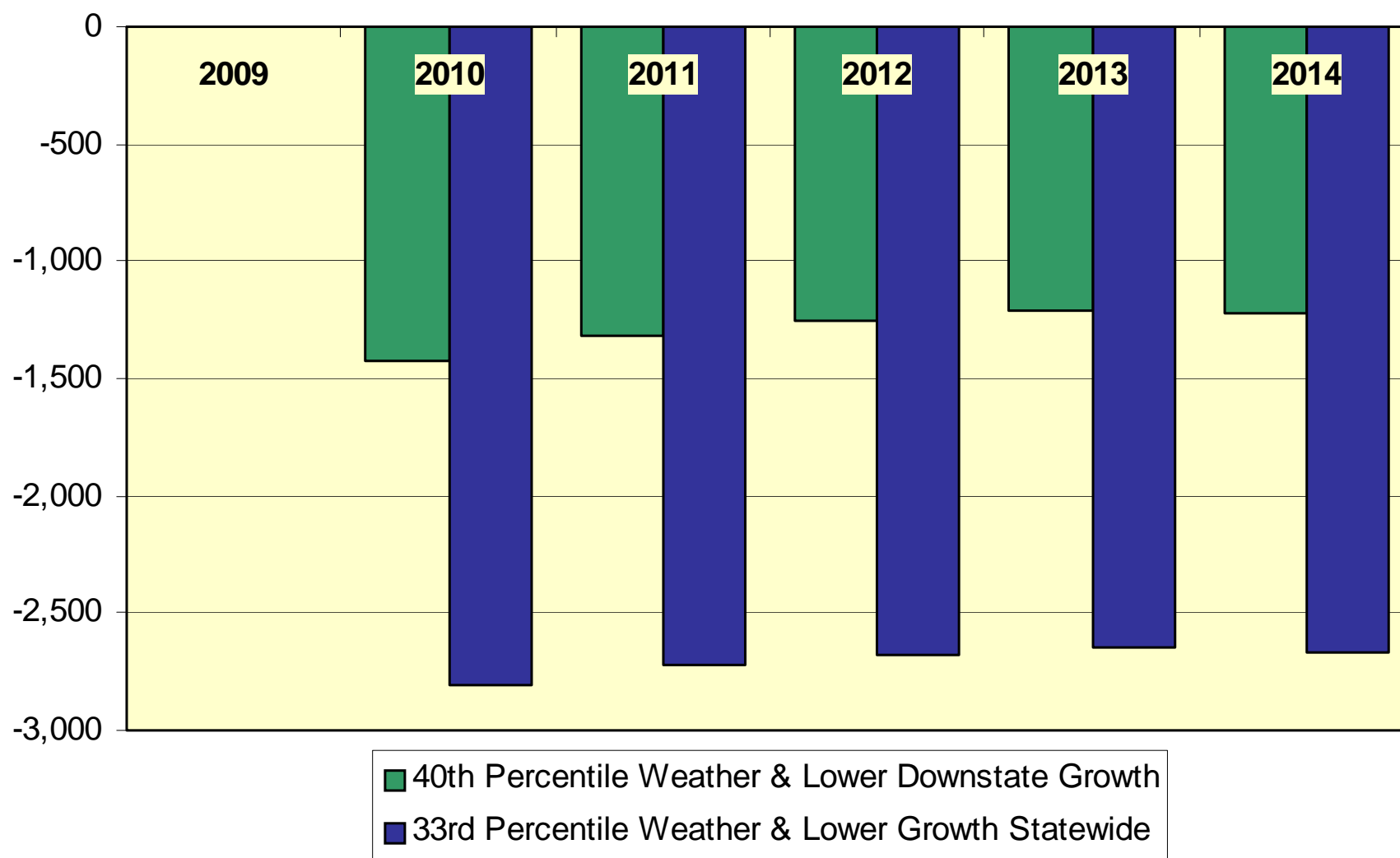
What if weather is below normal & economic growth is lower than expected?

- ◆ Case 1
 - *Consider the 40th percentile for weather instead of the 50th, and slower growth downstate.*
 - *Reduces 2010 RS-1 energy by 0.8% or 1,400 GWh*
- ◆ Case 2
 - *Consider the 33rd percentile for weather and slower growth over entire state.*
 - *Reduces 2010 RS-1 energy by 1.6%, 2,800 GWh*

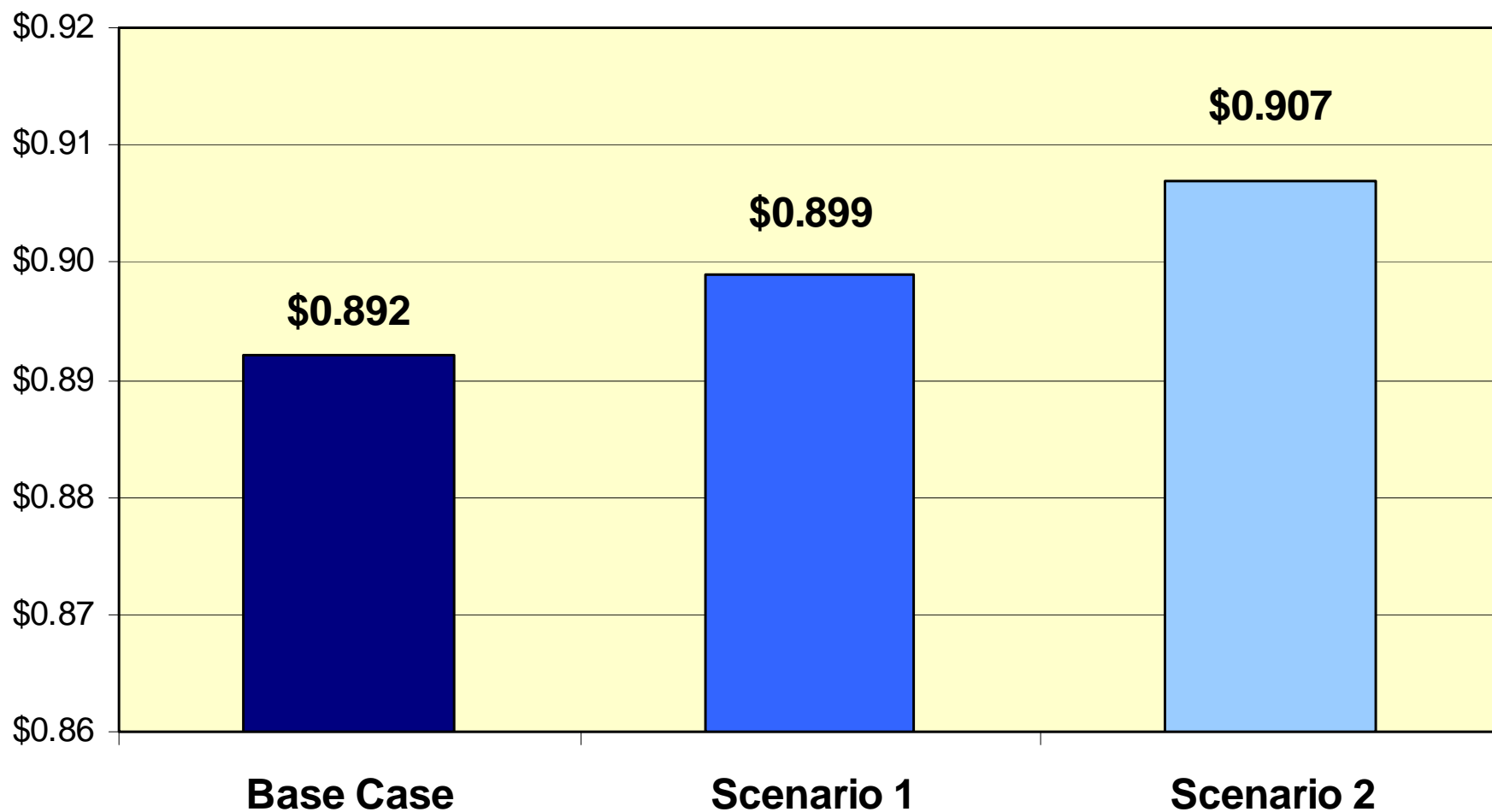
RS-1 Energy Scenarios



Energy Impact of Lower Usage Scenarios - GWh



Impact of Scenarios on 2010 RS-1 Rate - \$ per MWh





The New York Independent System Operator (NYISO) is a not-for-profit corporation that began operations in 1999. The NYISO operates New York's bulk electricity grid, administers the state's wholesale electricity markets, and performs comprehensive reliability and resource planning for the state's bulk electricity system.

www.nyiso.com