

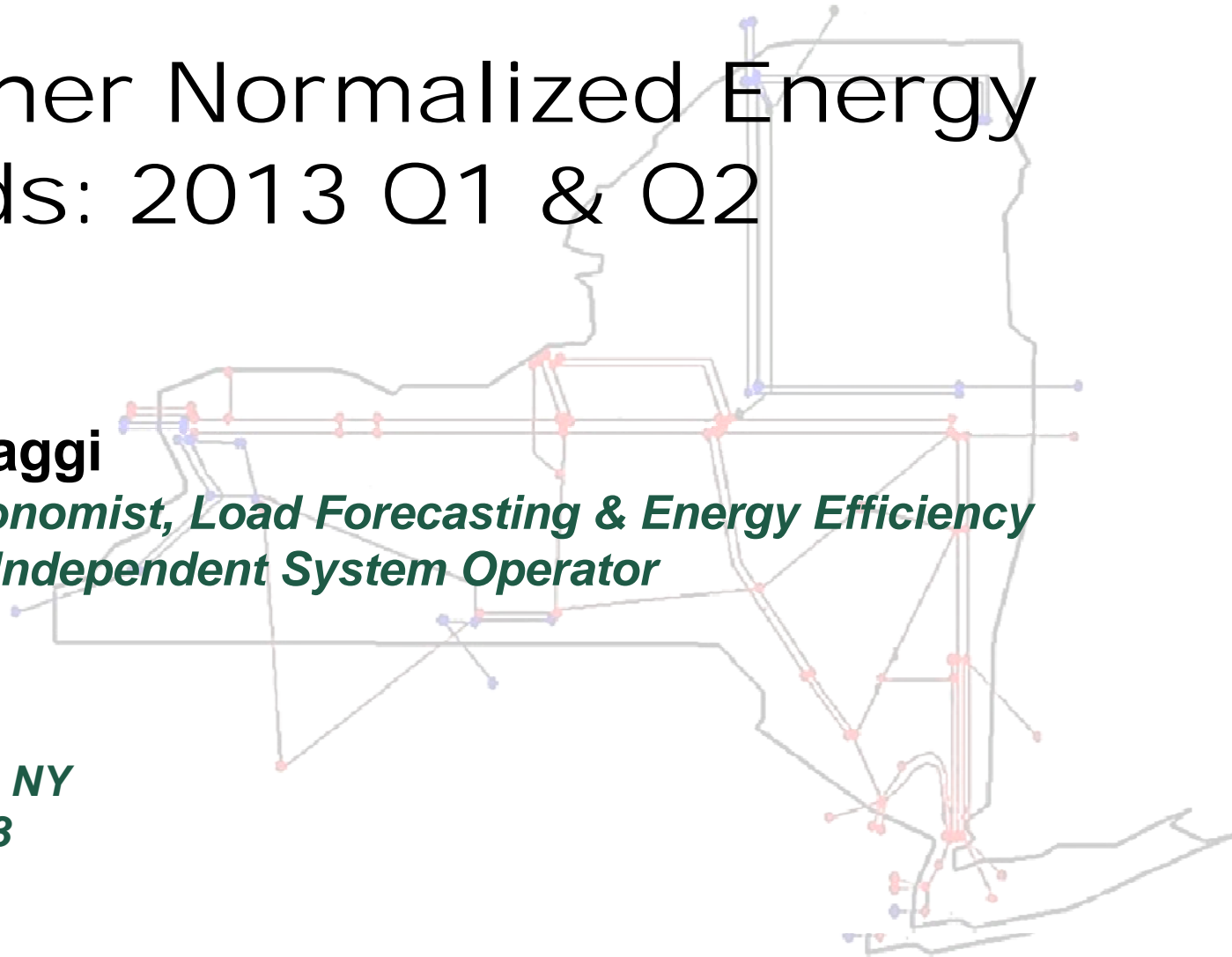
Weather Normalized Energy Trends: 2013 Q1 & Q2

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LFTF

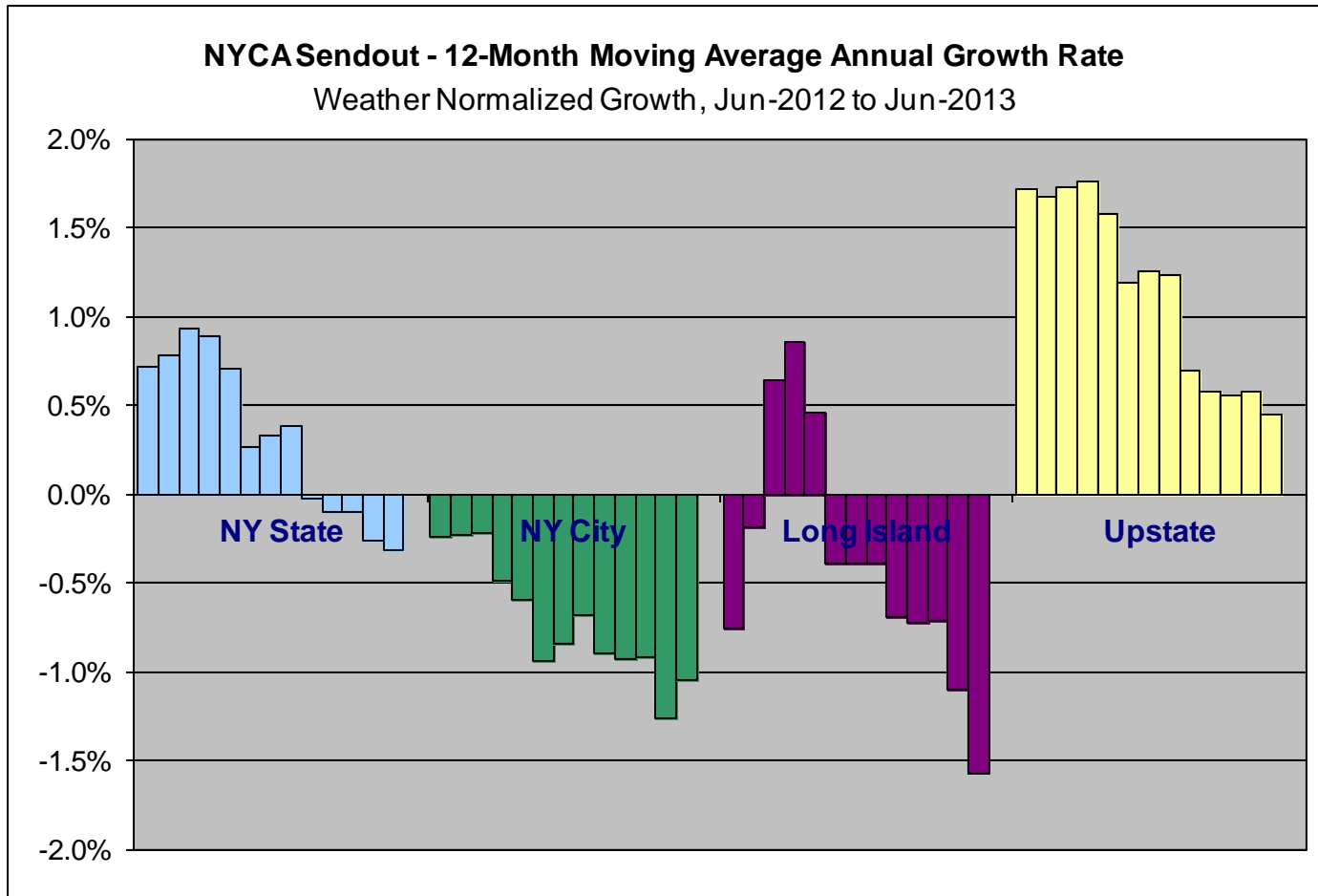
*Rensselaer, NY
Aug. 2, 2013*



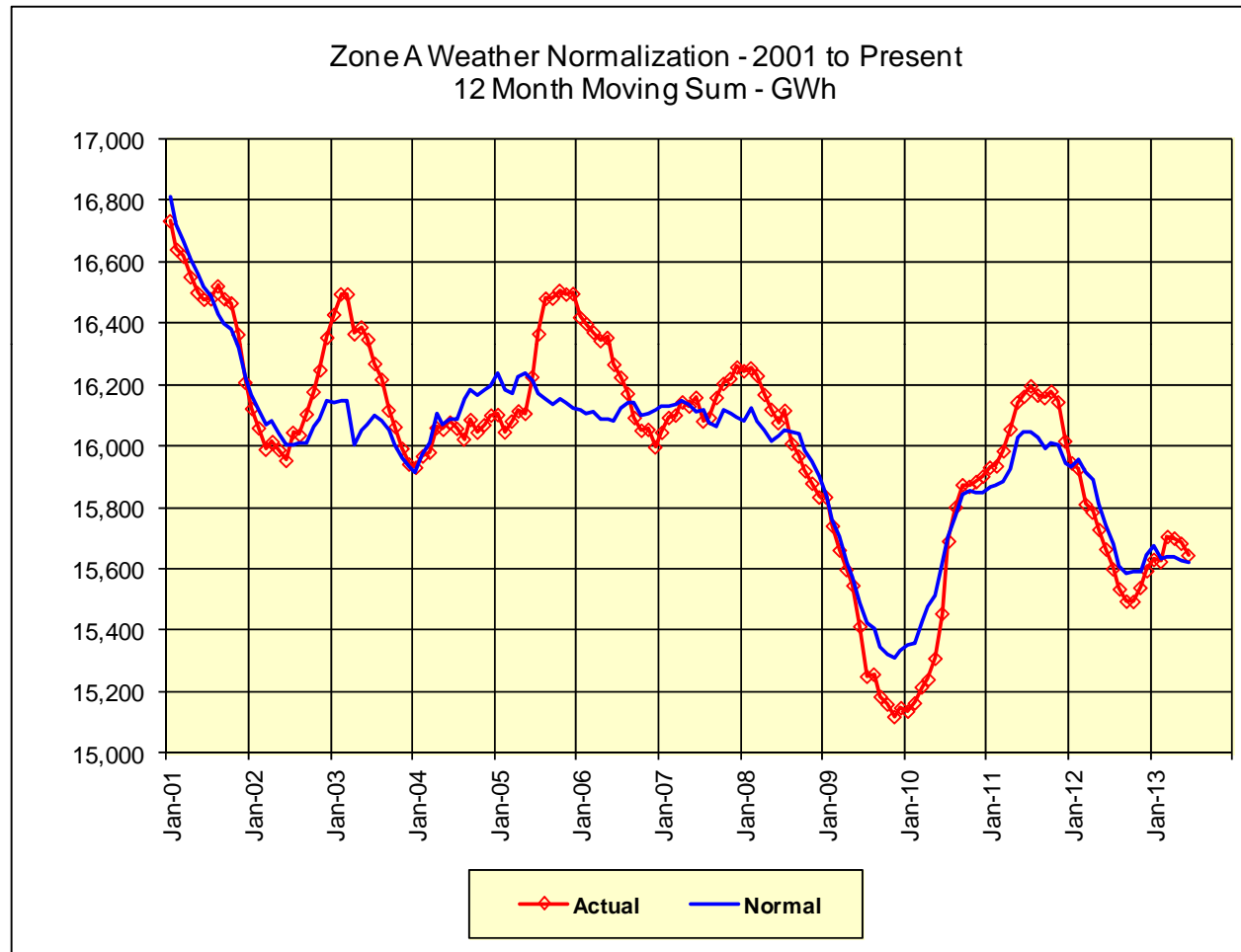
Overview

Noticeable slowdown in growth of Weather Normalized energy usage across the state during the last 6 months

- After steady positive growth through 2012, statewide growth has turned negative***
- Downstate zones are experiencing large declines***
- Upstate zones have also seen a decrease in growth during the previous 6 months***

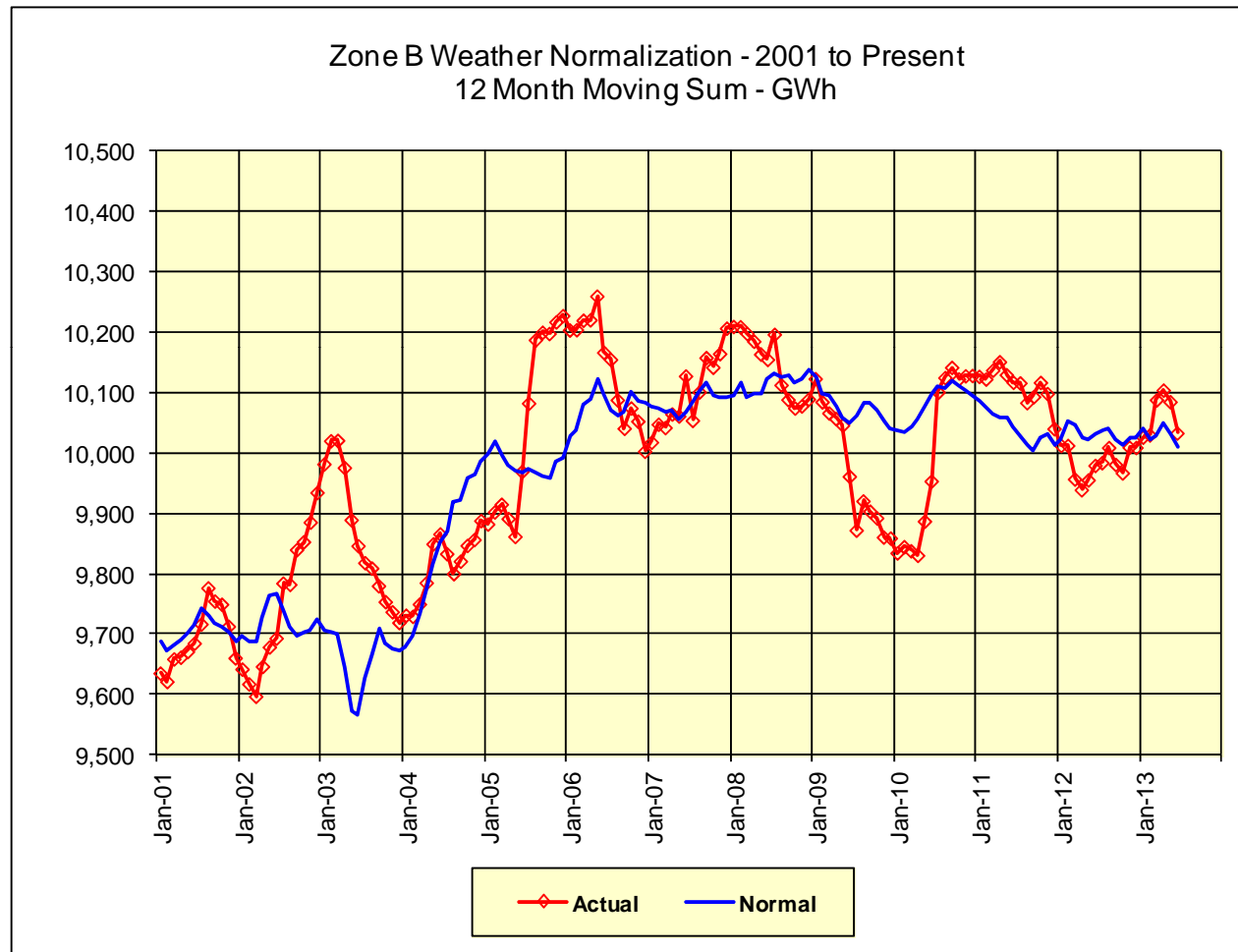


Weather Normalized Energy: Zone A



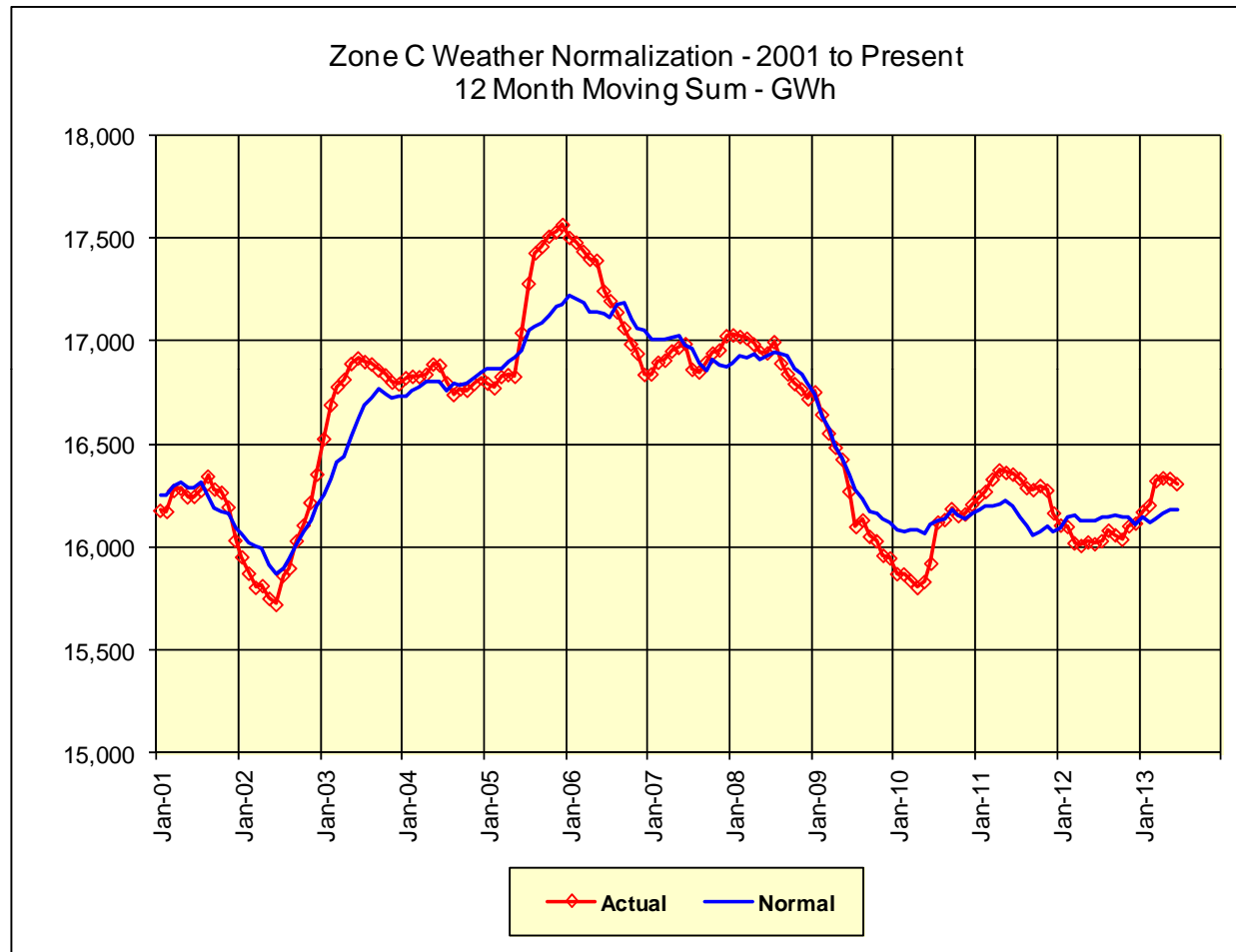
Stabilization after 2012 decline

Weather Normalized Energy: Zone B



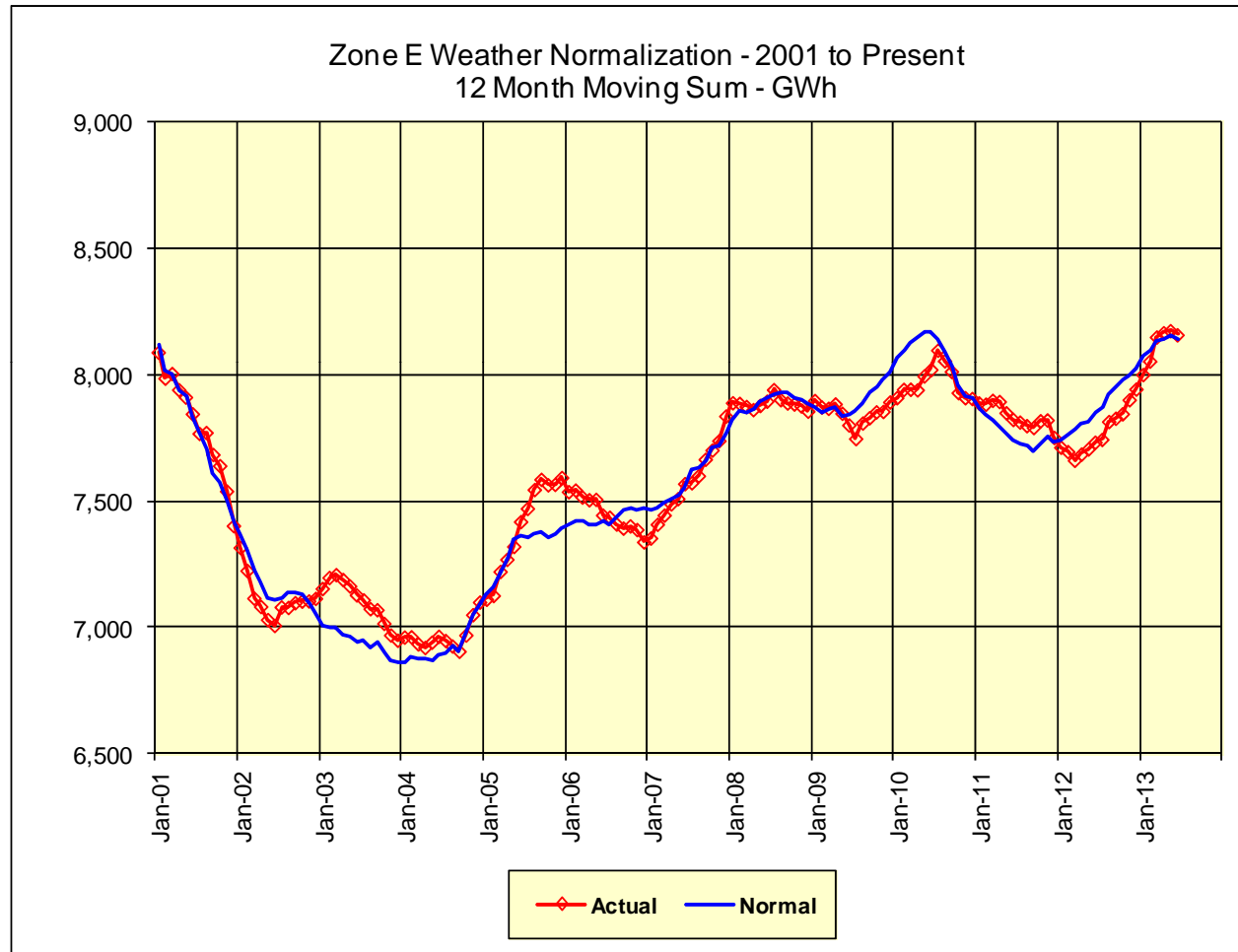
Continued flat pattern

Weather Normalized Energy: Zone C



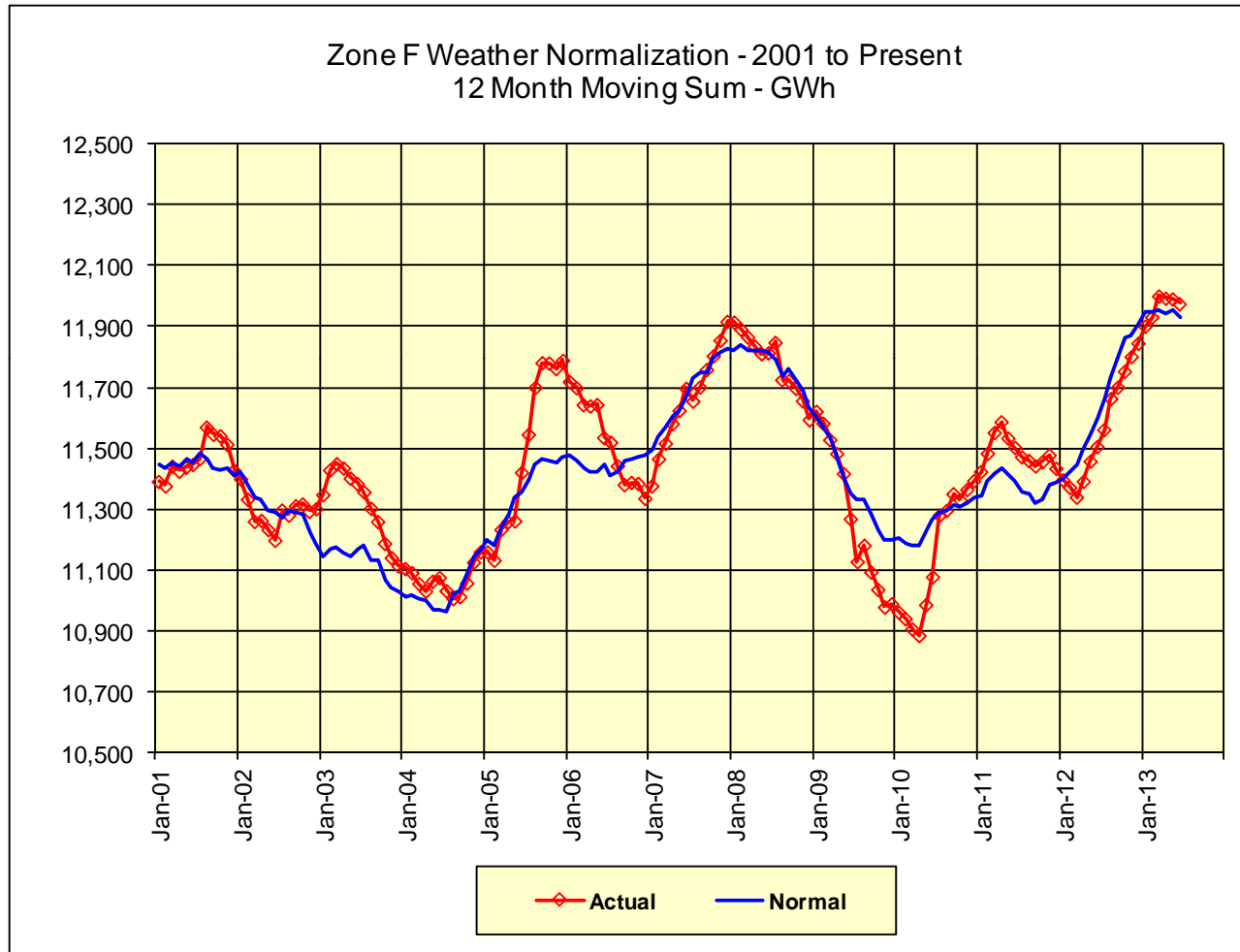
Continued flat trend

Weather Normalized Energy: Zone E



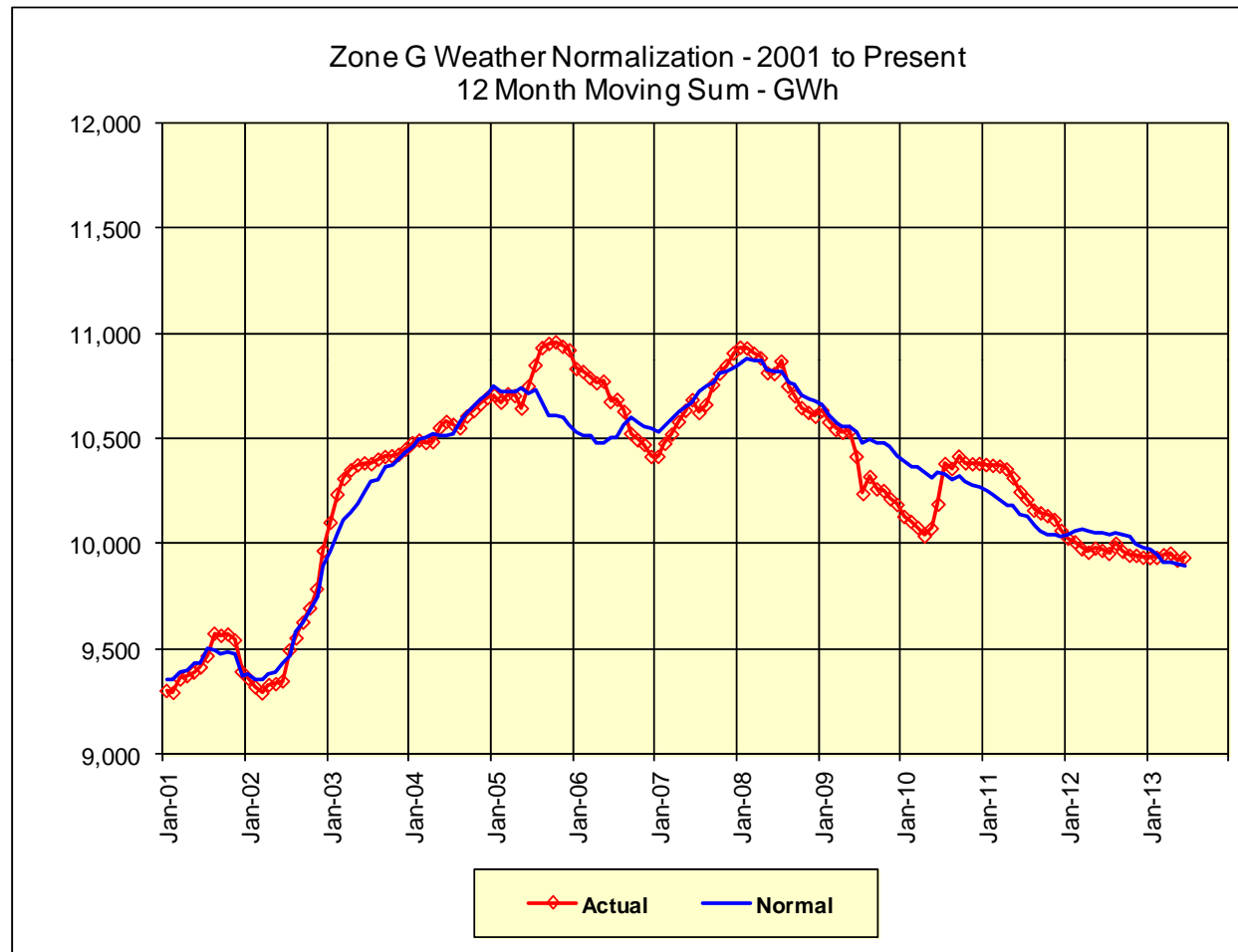
Stability after 2012 growth

Weather Normalized Energy: Zone F



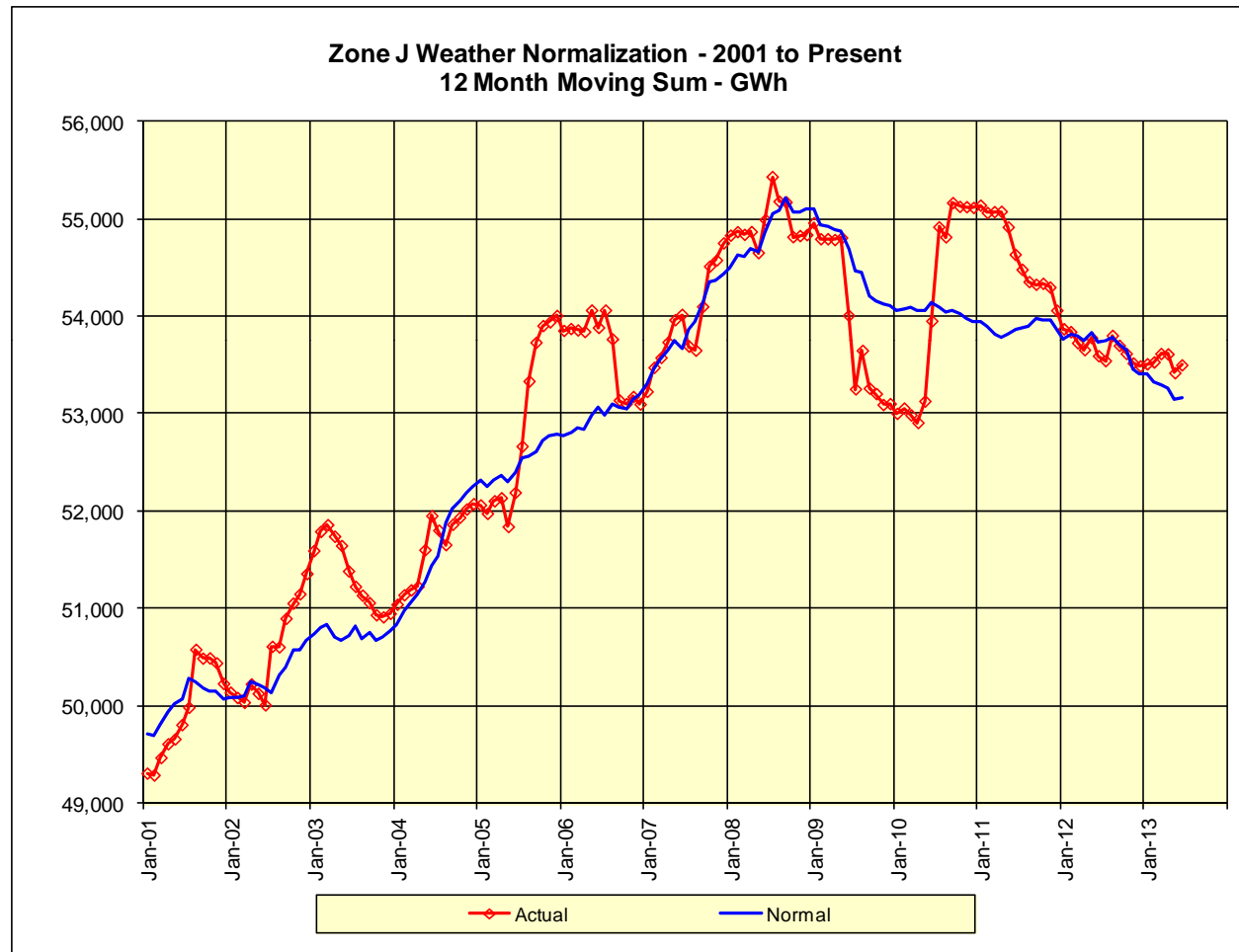
Stability after 2012 growth

Weather Normalized Energy: Zone G



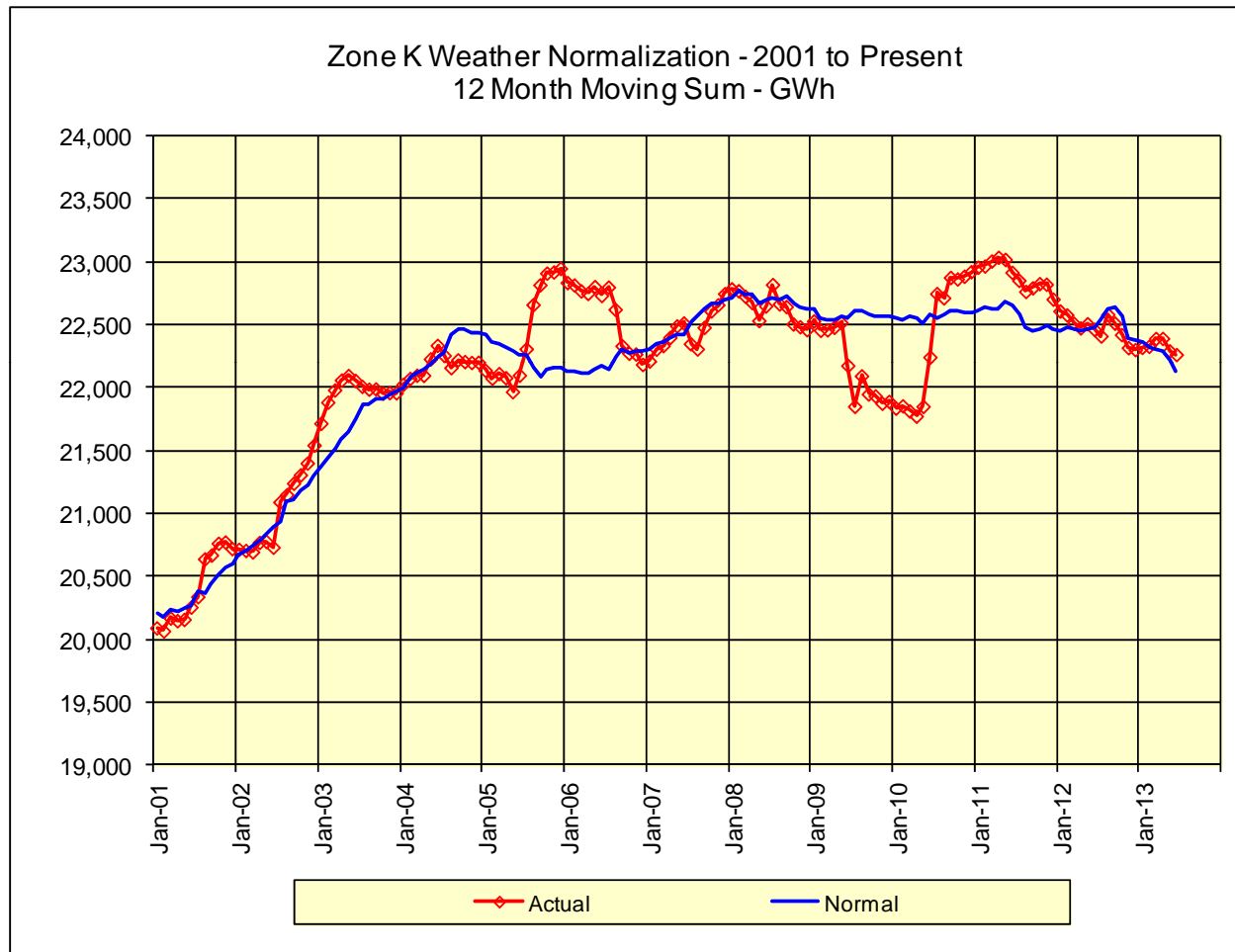
Continued Decline

Weather Normalized Energy: Zone J



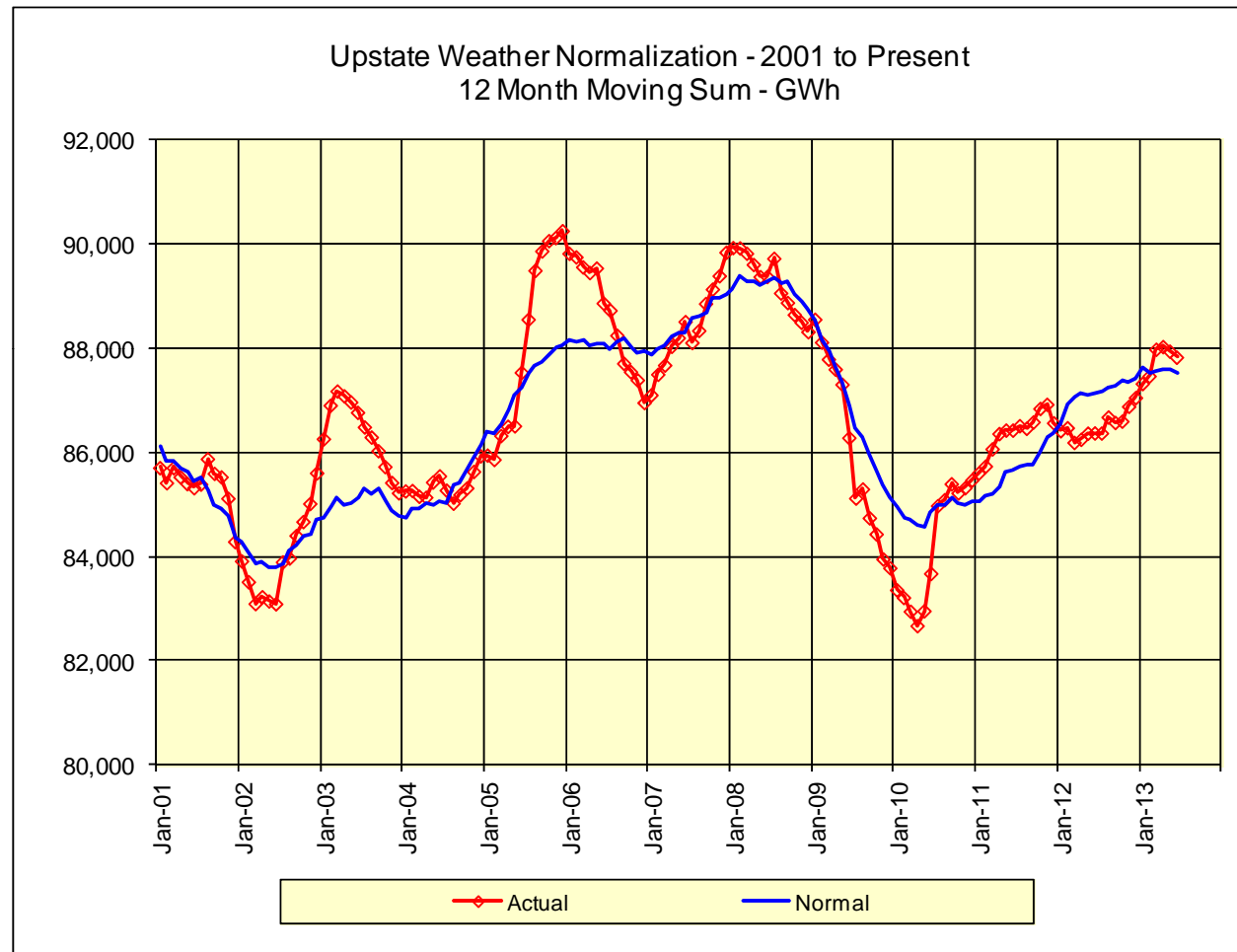
Continued Decline

Weather Normalized Energy: Zone K



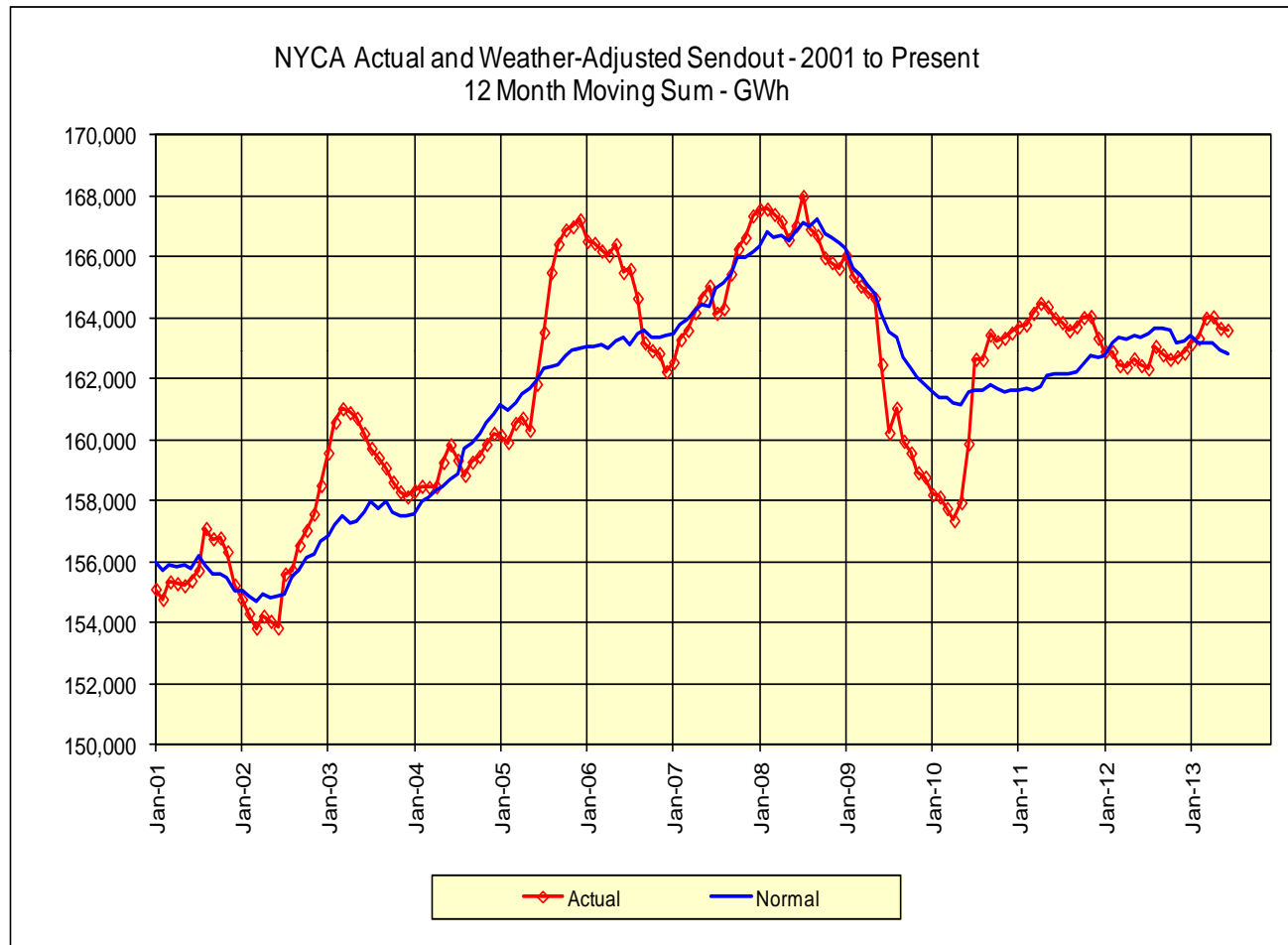
Beginning of Negative Trend

Weather Normalized Energy: Upstate



Slowdown after strong recovery

Weather Normalized Energy: Statewide



Downstate dragging the entire state

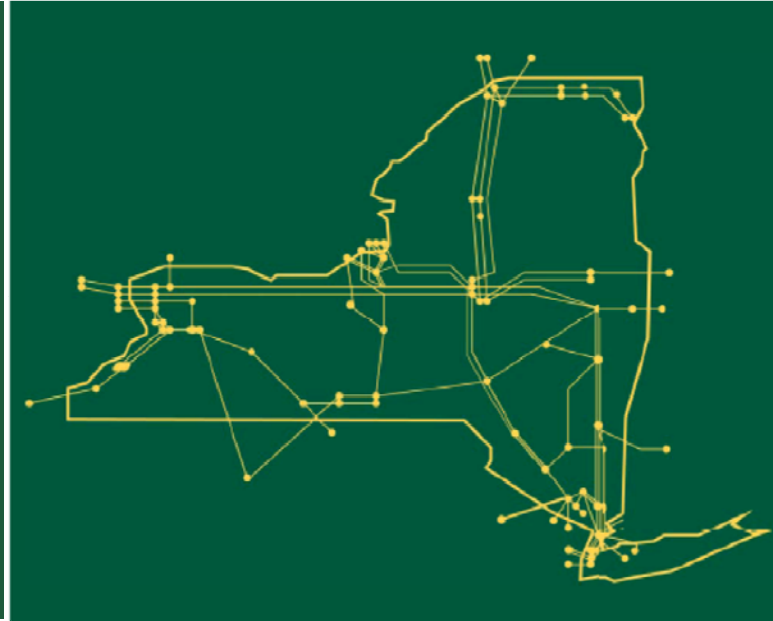
Slowdown despite improving economy

- ◆ ***Recovery from the Great Recession has been robust, especially downstate.***
- ◆ ***Moody's Coincident Indicator Index, NY Dept. of Labor's Index of Coincident Economic Indicators, and NY Fed's Coincident Economic Indicator all point to a strengthening macroeconomic environment.***
- ◆ ***Nevertheless, this has not translated into sustained electric energy growth. Factors include energy efficiency impacts and soft housing market.***

And housing growth remains weak

- ***Moody's data shows that unlike the steady rise in Housing Starts across the U.S. as a whole over the past 2 years, the State is ostensibly flat.***
- ***While New York City and some Upstate regions have shown growth in the housing sector, Nassau-Suffolk has exhibited a slow decline in new construction.***
- ***Even though slower Housing Starts might offer some explanation for anemic or declining Weather Normalized energy usage, there are clearly other factors (e.g. Energy Efficiency measures) that might be at play.***
- ***NYISO is currently reviewing average Residential and Commercial usage patterns and number of accounts.***

The New York Independent System Operator (NYISO) is a not-for-profit corporation responsible for operating the state's bulk electricity grid, administering New York's competitive wholesale electricity markets, conducting comprehensive long-term planning for the state's electric power system, and advancing the technological infrastructure of the electric system serving the Empire State.



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