

NEWS RELEASE



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FOR IMMEDIATE RELEASE

INDEPENDENT SYSTEM OPERATOR APPLAUDS NEW YORK POWER AUTHORITY GENERATION PLAN; NYISO Supports Move to Enhance Reliability, Market Competition

August 30, 2000, Albany, New York...The New York Independent System Operator, the organization responsible for operation of the bulk power system and administration of the wholesale electricity market, welcomed yesterday's decision by the New York Power Authority to purchase up to 520,000 kilowatts of electric generating capacity. On Tuesday, August 29, the Power Authority Trustees authorized the emergency purchase of up to eleven gas turbine generator sets.

"The Power Authority's action will make a significant contribution to system reliability, particularly in the critical New York City load area," stated NYISO President and CEO William J. Museler. "The introduction of as much as 520,000 kilowatts in new generating capacity will also have a beneficial impact on the wholesale electric markets, particularly if they can be located in southeastern New York," Museler added.

The Power Authority has not determined where the new turbines will be located, but the NYISO pledged its cooperation and support in assisting the Authority as plans for the new generating capacity move forward. This year has been the first year of operation of the newly deregulated electric market, and it has become apparent that demand is quickly overtaking supply. This has been a cause for concern on the part of the industry for future system reliability, and the tightly balanced supply has had an upward influence on wholesale electricity prices.

"The New York Power Authority, at the direction of Chairman Rappleyea and the Trustees, continues to build upon its history of service to New Yorkers with this most recent decision. The new capacity will be a welcome addition to the State's capacity as new, permanent merchant power plant proposals progress through the Article X process" Museler concluded.