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NYISO Expresses Support For LIPA Turbine Plan

- Electric Grid Operator Says Plans Supported By Projections -

(Guilderland, NY, November 1, 2001) – Citing projections for another tight summer next year for electricity supplies in New York City and on Long Island, the New York Independent System Operator (NYISO) today expressed its support for the Long Island Power Authority's (LIPA's) recently-announced plan to install 10 new turbine generators within its service territory by next summer.

Under the terms of LIPA's recently-announced plan, the utility would contract with private energy companies, Calpine Corporation, PPL, KeySpan and FPL Energy to develop, own and operate a total of 9 state-of-the-art General Electric LM 6000s and one Pratt and Whitney turbine. Combined, the 10 new turbine units will be capable of generating a total of 407.6 MW of electricity.

"Based on our current projections and installed capacity requirements, Long Island is looking at a deficiency of 318 MW at peak load next summer under normal weather conditions," said William J. Museler, NYISO President and CEO. "This means that LIPA must secure additional sources of energy or face the unwelcome prospect of rolling blackouts. We believe the development of these new generation sources is a prudent move to help continue the high degree of electric reliability New Yorkers have enjoyed."

In its special "*Power Alert*" report released in March of 2001, the NYISO recommended that Long Island should be one of the primary areas of focus for siting new power plants and moreover emphasized the critical nature of the short-term situation saying: "With demand for electricity increasing and generating reserves dwindling, even if the new plants this report recommends are expeditiously licensed and constructed, it will be difficult in the short run to avoid disruptions in service. This will be true particularly in New York City and on Long Island..."(NYISO *Power Alert*, Page 4)

"We are pleased that LIPA is involving the private sector in this effort," said Museler. "With LIPA's strong backing and the private sector's expertise in developing plants like this, it makes it a win-win situation."

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The New York Independent System Operator ("NYISO")—www.nyiso.com—is a not-for-profit corporation established in 1999 to facilitate the restructuring of New York State's electric industry. Based in New York's Capital Region, in addition to administering the State's wholesale energy markets, the NYISO operates the State's high voltage electric transmission system. Last year, the NYISO's market volume exceeded \$5.2 billion, more than all of the other Northeast markets combined.