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New York Independent System Operator Announces Summer Electricity Forecast Review Shows Supplies are Adequate for a Normal Summer.

Guilderland, NY – The New York Independent System Operator (NYISO) — the organization responsible for operating the state’s bulk electric system and administering its wholesale electricity markets — today released its peak load forecast of 31,800 megawatts (MW) for the summer of 2004. The forecast is available at www.nyiso.com.

Because of the addition of new generation, the implementation of demand response programs and the purchase of out-of-state capacity, New York City, Long Island and upstate should have adequate power supplies during the summer months. However, NYISO engineers stressed that if extreme weather conditions prevail, the supply situation downstate will be tight, especially on Long Island.

Reliability rules require New York to maintain 37,524 of installed capacity for May through October, which includes an 18 percent reserve. Installed capacity refers to the total amount of electrical power that suppliers commit to provide to New York State.

Currently, 37,254 MW of installed capacity is available from in-state resources. Anticipated new generation, out-of-state suppliers and the capacity that demand response programs (in-state) provide, will increase the total available to 41,350 MW.

For New York City, the installed “in-city” capacity required for May through October is 8,920 MW. With the addition of new generation and capacity available from demand response programs, the total capacity will be 9,188 MW. Long Island has an “on-island” capacity requirement of 5,059 MW. It will have 5,177 MW available to meet it.

“While the outlook is considered more positive this summer, New York must remain focused on providing encouragement and stimulus to new generators to build as quickly as possible, and on encouraging effective demand side management programs downstate,” said William J. Museler, NYISO President and CEO.

“An extended heat wave could quickly deplete our in-state reserves this summer and cause us to rely on out-of-state supplies, which may not be as readily available to New York consumers,” Mr. Museler added. “Without seriously addressing the need for new generation and demand side resources, we risk the possibility of becoming overly dependent on external sources.” According to the forecast, more than seven percent of the NYISO’s capacity this summer will come from neighboring electric systems.

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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. The NYISO’s market volume was nearly \$7 billion in 2003.