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NYISO Releases Summer Electricity Forecast

A record for usage is anticipated, but supplies in New York will be adequate.

Rensselaer, N.Y. – The New York Independent System Operator (NYISO) expects New Yorkers to set a new peak for electricity usage this summer.

The NYISO, which is responsible for operating the state's bulk electric system and administering its wholesale electricity markets, released a peak load forecast of 33,295 megawatts (MW). If the record is achieved, it would be the first time since 1996 and 1997 that a new peak has been set in consecutive years. Last summer's load peaked at 32,075 MW on July 26, breaking a then week-old record of 31,741 MW.

New Yorkers should not be unduly alarmed, however. Because of the addition of new generation, the implementation of demand response programs and the availability of out-of-state capacity, New York City, Long Island and upstate should have adequate power supplies during the summer months.

“Economic growth, particularly in the southeastern portion of the state, coupled with increased air conditioning demands throughout the state, are helping to drive the summer peaks to these new levels,” said Michael Calimano, the NYISO's Vice President, Operations. “Last summer's peak surpassed the 2001 record by nearly 1,100 MW and we are forecasting another 1,200 MW increase this summer.”

Peaks are measurements of the average total electricity demand by consumers for a one-hour period. Generally, peak demand is reached in the late afternoon, regardless of the season. During a New York summer, usage climbs each day during a heat wave as tolerance for the heat wears thin. During these periods, and throughout the year, the NYISO works with power plants and transmission owners (utilities) to maintain reliable service to consumers.

While this forecast indicates there are sufficient supplies of electricity this summer, the NYISO continues to call on the state legislature to reinstate the Article X power plant siting law. Article X expired at the end of 2002, and according to the NYISO's 2005 Reliability Needs Assessment, the southeastern part of the state will need system reinforcements totaling 500 MW of capacity by 2008. Additionally, the region will need 1,250 MW of capacity by 2010 and 2,250 MW by 2015. These reinforcements could consist of new transmission, generation, demand side management, or a combination of the three.

“We strongly urge New York lawmakers to pass a power plant siting law to help avoid potential supply shortfalls in the future,” said NYISO President and CEO Mark S. Lynch. “Supplies could start becoming very tight in less than two years.”

In keeping with reliability rules and standards, the NYISO is required to maintain a year-round 18-percent reserve margin. It means that from May 1 through October of this year, 39,288 MW of installed capacity, including reserves, will have to be maintained. Installed capacity refers to the total amount of electrical power that generation plants commit to provide to New York State.

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The NYISO expects that 38,169 MW of installed capacity will be available from in-state resources this summer. That number will increase to 43,487 MW with the addition of new generation, out-of-state supply and the capacity that demand response programs (in-state) provide.

For New York City, the installed “in-city” capacity required for May through October is 9,304 MW. With the addition of 500 MW of new generation, as well as capacity available from demand response programs, the total capacity will be 10,404 MW. Long Island has an “on-island” capacity requirement of 5,295 MW. It will have 5,732 MW of capacity available to meet it, according to the NYISO.

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The New York Independent System Operator (NYISO) – www.nyiso.com – is a federally regulated, 501(c) 3 nonprofit corporation established in 1999 to facilitate the restructuring of New York’s electric industry. The NYISO operates the state’s high-voltage electric transmission system and administers the state’s wholesale energy markets. The NYISO’s market volume was \$10.7 billion in 2005.