

For Immediate Release:

June 18, 2007

Contact:

Ken Klapp

518-356-6253

Electricity Supply Sufficient for Summer 2007

New generation, transmission and demand response expected to meet New York's needs

Rensselaer, N.Y. – New York State has adequate supplies of electricity to serve the expected needs of the 2007 summer season, according to the New York Independent System Operator (NYISO).

Last summer, New York State set a record-breaking peak of 33,939 megawatts (MW) on Aug. 2, 2006. The NYISO forecasts summer 2007 peak electricity usage to reach 33,447 MW, almost 500 MW lower than last year.

Nationally, the North American Electric Reliability Corporation (NERC) has forecast that summer 2007 peak demand in the U.S. will be one percent lower than last year. Weather forecasts indicate that this summer will be cooler nationwide than last summer, which was the second warmest on record since 1936.

The addition of new generation and transmission facilities, the implementation of the NYISO's successful Demand Response Programs and the availability of out-of-state generation capacity contribute to the forecast of sufficient electricity for the upcoming season, barring unexpected extremes in weather conditions.

“New York's bulk electricity grid can be expected to meet the demands of this summer's heat,” said NYISO President and CEO Mark S. Lynch. “New generation, including 120 MW of wind power, has been added since last summer. Transmission capacity has increased with expanded connections serving the state. Innovative demand response programs are assisting to maintain system reliability, by reducing electricity usage during peak demand periods.”

In keeping with reliability rules and standards, the NYISO is required to maintain 16.5 percent reserve capacity over the forecast peak load (Installed Reserve Margin). As a result, 38,966 of installed capacity must be maintained from May 1 through Oct. 31. Installed capacity refers to the total amount of electrical power that generation and demand response program participants commit to provide to the state.

The NYISO expects that the total availability of electricity to the bulk electricity grid will be 43,771 MW. That total includes 39,770 MW of in-state generation (existing generation and new capacity), 1,080 MW of Special Case Resources (one of the NYISO's Demand Response Programs) and 2,921 MW of out-of-state supply committed to New York State.

New York City and Long Island, where nearly half of New York State's summer load is located, are expected to have more than sufficient capacity to meet their needs. For New York City, the installed “in-city” capacity required is 9,424 MW for May 1 through Oct. 31. The city's total capacity is expected to be

10,343 MW. Long Island has an “on-island” capacity requirement of 5,368 MW. It will have 6,420 MW of capacity available to meet demand, according to the NYISO.

New York State’s average demand in 2006 was 18,523 MW. At 33,939 MW, the August 2, 2006 record peak demand was 83% higher than the average.

Peak demand is the year’s single highest demand for electricity for a one-hour period, and generally occurs on a late summer afternoon. It tends to occur several days into a heat wave, as electricity use tends to increase as tolerance for the heat lessens.

“The forecast of adequate electricity supplies for this summer should, in no way, be viewed by New Yorkers as a reason to be less efficient consumers of electricity. Energy efficiency is environmentally conscientious, economically sensible, and increasingly vital to the Empire State’s energy future,” Mr. Lynch noted.

Demand response programs

The NYISO’s Demand Response Programs played an important role in stabilizing electricity usage last summer. In 2006, heat waves pushed the demand for electricity to record levels three times in July and August. Over the course of last summer, demand response programs provided nearly 16,500 MW hours of load reduction – more than in any previous summer. Over 2,500 end-use customers, accounting for more than 1,600 MW, are registered to participate in the NYISO’s Demand Response Programs in 2007.

The NYISO will host a June 27 symposium, “The Future is Now: Energy Efficiency, Demand Response and Advanced Metering,” at The Desmond Hotel and Conference Center in Albany, N.Y. Information on the conference agenda and registration is available on the NYISO Web site at www.nyiso.com.

New generation and transmission

Since last summer, more than 800 MW of new supply has been added to the state’s bulk electricity grid, including 120 MW of wind power through continued expansion of the Maple Ridge wind farm in Lewis County (100 MW) and the Steel Winds array of wind turbines in Erie County (20 MW). The Neptune high-voltage direct current cable (660 MW), which links Long Island with the New Jersey bulk electricity grid, is scheduled to begin operation in July.

Meeting future needs

While sufficient resources are available to meet this summer’s expected requirements, the NYISO’s long-term projections indicate the need for additional supplies and demand management initiatives in the near future. According to the NYISO’s 2007 RNA the state will need system reinforcements of 250 MW of resources in New York City, or 500 MW of resources in the Hudson Valley, by 2011.

Among the more pressing issues identified by the NYISO, in its *Power Trends 2007* report is “the absence of a streamlined siting and permitting process for major power plants in New York State, which causes unnecessary risk, expense and uncertainty for potential investors at a time when the state needs that investment.”

The 2007 RNA and the *Power Trends 2007* report are available on the NYISO's Web site at www.nyiso.com.

Breaking Records

New York State Peak Loads* - 1997 to 2006

<u>Date</u>	<u>Megawatts</u>
Aug. 2, 2006	33,939 MW
Aug. 1, 2006	33,879 MW
July 17, 2006	32,624 MW
July 26, 2005	32,075 MW
Aug. 9, 2001	30,982 MW
July 6, 1999	30,311 MW
July 15, 1997	28,699 MW

*Record high average total electricity demand for a one-hour period.

Growing Demand

New York State Average Demand* - 1997 to 2006

<u>Year</u>	<u>Megawatts</u>
2006	18,523 MW
2005	19,088 MW
2004	18,239 MW
2003	18,083 MW
2002	18,122 MW
2001	17,900 MW
2000	17,831 MW
1999	17,849 MW
1998	17,280 MW
1997	16,997 MW

*Average hourly electricity demand for the year.

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The New York Independent System Operator (NYISO) – www.nyiso.com – is a federally regulated, 501(c) 3 nonprofit corporation that began operations in 1999 to facilitate the restructuring of New York's electric industry. The NYISO operates the state's bulk electricity grid and administers the state's wholesale electricity markets. The NYISO's market volume was \$8.6 billion in 2006.