

For Immediate Release:

October 25, 2007

Contact:

Ken Klapp 518-356-6253
John Cordi 518-356-6044

NYISO Releases *Summer 2007 Electricity Review*

Report looks at electricity reliability and power supply

Rensselaer, N.Y. – It was hot in New York this past summer, just not hot enough to break the electricity use records set by the extreme temperatures of 2006.

According to the *Summer 2007 Electricity Review* released today by the New York Independent System Operator (NYISO), the Empire State's electricity reached its summer 2007 peak of 32,169 megawatts (MW) on August 8. This summer's peak was almost 2,000 MW short of New York State's record peak load record of 33,939 MW, set on August 2, 2006.

Summer 2007 peak loads for New York City and Long Island also occurred on August 8. The NYISO's review notes that Consolidated Edison reported a New York City peak of 11,100 MW for the hour beginning at 4 p.m. The Long Island Power Authority reported a peak load of 5,381 MW on Long Island for the hour beginning at 5 p.m.

"Once again, New York's bulk electricity grid showed that it can take the heat," said NYISO President and CEO Mark S. Lynch. "As we forecasted in May, there were adequate supplies of electricity to safely and reliably meet electricity demand in New York State this summer."

The addition of new generation and transmission facilities, as well as the availability of the NYISO's Demand Response Programs and out-of-state generation capacity, accounted for 43,771 MW of electricity committed to New York's bulk electricity grid this summer. That total included 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.

Hot days not hot enough

On average, this summer was about as hot as last summer, with one big difference – there were not enough excessively hot and humid days to cause electricity use to climb to record levels.

The six hottest days of the summer – which came in early August, mid-July and late June – were much closer to the normal high temperatures for those days than last year's hottest days, which were well above average.

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

The NYISO's new Targeted Demand Response Program was activated twice over the summer. Created this year by the NYISO and its Market Participants, the program allows Consolidated Edison (ConEd) to request the activation of Demand Response Program participants in specific areas of New York City to address local power supply situations.

The program was activated on July 19 in the Vernon/Greenwood sub-zone (J3) and on August 3 in the Farragut/Rainey sub-zone (J8). Enrolled end-use customers in the Vernon/Greenwood and Farragut/Rainey sub-zones accounted for 44 and 55 MW of Demand Response load reduction respectively.

The NYISO's reliability-invoked Demand Response Programs, which played an important role in stabilizing electricity usage in summer 2006, were not called on this year. Last summer, Demand Response Programs delivered nearly 16,500 MW hours of load reduction – more than in any previous summer. More than 2,500 end-use customers (accounting for more than 1,600 MW) are registered as Demand Response Programs participants.

Meeting future needs

The NYISO report notes that "...daily summer peaks in 2007 were slightly higher than in 2006 for the same weather conditions." Such data may be interpreted as an indication that New York's consumers are, on average, using more electricity on a daily basis.

While New York's summer electricity demands were satisfied, the NYISO's long-term projections show the need for additional supplies and demand management initiatives. The state will require system reinforcements of 250 MW of resources in New York City, or 500 MW of resources in the Hudson Valley, by 2011, according to the NYISO's 2007 Reliability Needs Assessment.

"The fact that no new record peak was reached this past summer should not be a cause for complacency about future needs. New York State must continue to address serious issues concerning the availability of power supply and the efficient, environmentally conscientious use of electricity," Mr. Lynch noted.

Among the issues identified by the NYISO planning process are the absence of a "one-stop" siting process for new power plants, the preference of many market-based generation developers for long-term contracts, fuel diversity concerns, dependence on capacity from neighboring regions, and the potential for additional plant retirements due to pending changes in environmental rules and regulations.

A copy of the report, *Summer 2007 Electricity Review*, is available at www.nyiso.com.

###

The New York Independent System Operator (NYISO) – www.nyiso.com – is a nonprofit corporation that began operations in 1999 to facilitate the restructuring of New York's electric industry. The NYISO operates the Empire State's bulk electricity grid and administers New York's wholesale electricity markets.