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The NYISO Issues Second Reliability Needs Assessment

Study pinpoints bulk electricity grid needs for the next 10 years.

RENSSELAER, N.Y. – The New York Independent System Operator (NYISO) Board of Directors has approved the state’s second Reliability Needs Assessment (RNA), which identifies bulk electricity grid needs from 2007 through 2016.

The study is the first half of the NYISO’s Comprehensive Reliability Planning Process (CRPP), which assesses generation adequacy and transmission reliability in New York over a 10-year planning period. The 2007 Comprehensive Reliability Plan (CRP), which will be published in the fall, will determine whether the reliability needs in the RNA can be satisfied through planned projects and market-driven system enhancements and, if necessary, whether any regulatory – or backstop – projects should be triggered to maintain system reliability.

“The Reliability Needs Assessment is an important tool to recognize potential shortcomings and future concerns about the bulk electricity grid,” said Mark S. Lynch, the NYISO’s President and CEO. “Identifying those problems and rectifying them now will help secure the reliable, safe supply of electricity to satisfy the needs of all New York consumers today and into the future.”

The RNA concludes that, generation and transmission resources on New York’s bulk electricity grid are expected to be adequate through 2010. Power deficiencies, primarily in the state’s southeast region, could occur by 2011 and become acute by 2016 if expected demand isn’t addressed by then.

The need in 2011 is being driven by growth in electricity demand – in excess of two percent per year – in the Lower Hudson Valley and the New York City area, as well as generator retirements and increasing congestion on the transmission system. The need for 2011 can be met by the addition of approximately 250 megawatts (MW) of new resources in New York City or about 500 MW of new resources in the lower Hudson Valley. These resources can come from a combination of generation and/or energy conservation measures located in these regions, or by resources in other areas combined with additional transmission capability into these downstate regions.

For 2012 through 2016, several alternatives outlined in the RNA show there is a need for between 1,750 and 2,000 MW of new resources, most of which would serve southeast New York. However, those resources could be located outside of that area if combined with a sufficient increase in transmission capability.

The NYISO has asked developers to submit market-based solutions to the reliability needs identified in the 2007 RNA. At the same time, the NYISO has requested from the Transmission Owners regulatory solutions that would be called upon only if market-based projects were not available to meet the need on a timely basis.

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In this RNA, the NYISO is forecasting the retirement of several power plants which provide approximately 1,675 MW of generating capacity between 2007 and 2009, including the 888 MW Charles Poletti generating facility in Queens, which is scheduled to retire on Feb. 1, 2009. During that period, the NYISO expects the addition of 1,204 MW of new generation, including 140 MW of wind power on Long Island in 2009.

The RNA was developed within the NYISO's joint stakeholder process, which assures input from regulators and those who supply, transmit and trade energy in New York's wholesale electricity markets. The studies were conducted in accordance with existing reliability criteria of the North American Electric Reliability Corp., Northeast Power Coordinating Council and the New York State Reliability Council.

The RNA will be updated and publicized annually. For a copy, please visit www.nyiso.com.

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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 \$8.6 billion in 2006.