

**For Immediate Release:**

January 12, 2009

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## **NYISO Issues 2009 Reliability Needs Assessment**

*Resources expected to meet New York's electricity needs through 2018*

**Rensselaer, NY** – The Board of Directors of the New York Independent System Operator (NYISO) has approved the *2009 Reliability Needs Assessment (RNA)*, a review of the resource adequacy of the New York bulk power system over a 10-year planning horizon.

The *2009 RNA* reports that New York State's electric power resources (generation, transmission, and demand-side programs) are expected to meet the state's electricity reliability needs for the next ten years (2009-2018).

New York currently has 42,077 megawatts (MW) of generation and demand-side resources, with a peak load of 34,059 MW forecast in 2009. The *2009 RNA* anticipates that New York's peak load will grow to 35,658 MW by 2018, while resources available to serve or offset this load are expected to increase to 42,536 MW.

"The addition of new generation, New York State's implementation of energy efficiency programs, and the growth of the demand response programs are combining to enhance reliability resources," said Stephen G. Whitley, NYISO President & CEO.

Last year's RNA had forecast that resources were only expected to be adequate through 2011. The primary factors influencing the *2009 RNA's* findings that have changed over the past year are:

- *New Generation – Over the past year, approximately 1,700 MW of new generating capacity has been proposed for development. The total includes approximately 800 MW of new wind capacity. In addition, there were fewer than previously estimated generation retirements.*
- *Increased Level of Energy Efficiency -- New York State has taken steps to initiate implementation of the Governor's "15X15" energy strategy (which aims to lower energy consumption on the electric system by 15% of the 2007 forecasted levels for 2015.) The NYISO estimates a reduction of approximately 5% of peak load from the previously forecasted levels by 2015 based upon NYS PSC currently authorized funding levels.*
- *Additional Demand Response -- The NYISO's Demand Response programs, which enlist electricity customers to conserve power use during times of peak demand, are effectively reducing the need for additional capacity. One of the NYISO's Demand Response programs, called Special Case Resources, currently has registrations of approximately 2,084 MW, an increase of 761 MW above last year's levels.*

"Despite the *2009 RNA's* assurance that there will be a reliable supply of electric energy to serve New York's consumers for the foreseeable future, our state still faces an array of emerging energy challenges. New York must maintain and enhance an aging bulk power system, develop ways to relieve its reliance on expensive fossil fuels, and address crucial environmental concerns," Whitley said.

The *2009 RNA* also identifies a series of potential risks to reliability, including the following:

- Emerging Air Quality Standards -- *Implementation of new programs to control smog-causing emissions from fossil-fueled power plants on high electric demand days could reduce the power available to meet peak energy needs. For example, if 25% of affected units do not retrofit to meet the emission-control requirements, 3,125 MW of capacity would be affected. If such circumstances arise, reliability concerns could develop as early as 2009.*
- Greenhouse Gas Emission Reductions -- *The Regional Greenhouse Gas Initiative (RGGI) is not anticipated to impact reliability if its allowance market operates as expected. However, the combination of RGGI allowance costs, fuel prices, and other environmental program compliance costs have an interrelated and cumulative effect on high carbon emitting units, which may, in turn, impact reliability.*
- Power Plant Retirements -- *Unexpected retirement of significant generation facilities could create reliability concerns and require new resources in New York. For example, due to its location in a constrained part of the system, retirement of one of the two Indian Point nuclear power plant units would cause an immediate violation of reliability standards if other resources are not available to address the need (The RNA scenario found a reliability need in 2014, based on the case of the Indian Point #2 operating license expiring in 2013. The scenario estimates a need for at least 1,020 MW in the Lower Hudson Valley, New York City, or Long Island zones with a 2014 retirement of Indian Point #2. With a 2016 retirement of Indian Point #3, which has a capacity of 1,040 MW, the total need would increase to at least 2060 MW.).*
- Energy Efficiency -- *Reliability needs will arise in 2017 without continued, effective implementation of New York State's "15X15" energy efficiency programs.*

"The crisis in the world financial markets, and its impact on the ability to raise capital to finance new investment, is a growing risk that has not been explicitly incorporated in the 2009 RNA," Whitley noted. "The NYISO will continue to monitor these and other relevant developments that could adversely impact the adequacy of the power system in the future and will continue to provide that information to state regulators and policy makers."

The 2009 RNA was developed within the NYISO's joint stakeholder process, which provides input from regulators and market participants who supply, use, transmit, and trade energy in New York's wholesale electricity markets. The studies were conducted in accordance with reliability criteria of the North American Electric Reliability Corporation, the Northeast Power Coordinating Council, and the New York State Reliability Council.

More information about the 2009 RNA is available on the NYISO website – [www.nyiso.com](http://www.nyiso.com).

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The New York Independent System Operator (NYISO) – [www.nyiso.com](http://www.nyiso.com) – is a not-for-profit corporation that began operations in 1999. The NYISO operates New York's bulk electricity grid, administers the state's wholesale electricity markets, and provides comprehensive reliability planning for state's bulk electricity system.