

**For Immediate Release:**

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**Contact:**

Ken Klapp (518) 356-6253

## NYISO Issues 2009 Comprehensive Reliability Plan

Rensselaer, N.Y. – The Board of Directors of the New York Independent System Operator (NYISO) has approved the *2009 Comprehensive Reliability Plan* for New York's bulk electricity grid.

The Reliability Plan is the product of the Comprehensive Reliability Planning Process conducted by the NYISO to provide a blueprint for meeting the reliability needs of the state's bulk electricity grid over a 10-year planning horizon.

In January, the NYISO issued the *2009 Reliability Needs Assessment*, which reported 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), assuming continued progress on planned resource additions.

The NYISO's findings indicate that anticipated capacity supply (42,536 MW) will exceed the forecasted peak load (35,658 MW) by 994 MW in 2018, after factoring in the presently required 16.5% Installed Reserve Margin.

The primary factors influencing these findings include reduction in peak load forecast due to projected energy efficiency gains and slower economic growth; an increase in generation additions and participation in demand-side management; and fewer planned retirements of generating facilities compared with the 2008 reliability assessment.

However, the *2009 Comprehensive Reliability Plan* does identify several risk scenarios that could adversely impact the current reliability assessment, including:

- **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 were not available to address the need.
- **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, the availability of up to 3,125 MW of capacity would be affected. In addition, there is uncertainty about the long-term impacts of Clean Air Interstate Rule (CAIR) on fossil generating units. In the near term, these impacts are not expected to degrade reliability to unacceptable levels.
- **Greenhouse Gas Emission Reductions** -- The Regional Greenhouse Gas Initiative (RGGI) program is not expected to have adverse impacts on electric reliability in the short term. However, if higher carbon allowance prices were to occur at the same time as the spread between fossil fuels and other generation resource costs decreases and as the cost of compliance with other environmental programs increase, fossil-fueled units might experience strain on whether, and the degree to which, they will continue to be able to operate. In addition, the RGGI market would be impacted by national cap and trade legislation, if enacted, as well as by the current economic downturn.

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The 2009 Reliability Plan also included several recommendations to address potential reliability concerns, including:

- Continued progress on initiatives to address issues and concerns with voltage performance on the bulk power system;
- Urging the New York State Energy Plan, which is scheduled to be finalized in October 2009, to call for the reenactment of a comprehensive siting process for major electric generating facilities in the state;
- Continued monitoring of the fuel diversity of the power supply system and changes to the fuel supply infrastructure; and
- Continued participation in regional and interregional planning efforts to maintain adequate models of its neighboring systems' emergency assistance.

Another significant feature of the 2009 planning process cycle is that this plan will be the starting point for a new economic planning process called the Congestion Assessment and Resource Integration Study (CARIS), which will commence in the summer of 2009. The new economic planning process will examine congestion on New York's transmission system and the relative costs and benefits of generic projects to alleviate that congestion.

The NYISO's newly expanded planning process was developed in response to Order 890 of the Federal Energy Regulatory Commission (FERC). It integrates a local planning process for each transmission owner with the existing reliability planning process and the CARIS into an extended two-year planning cycle.

More information about the *2009 Comprehensive Reliability Plan* 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 conducts comprehensive reliability and resource planning for the state's bulk electricity system.