NEWS RELEASE



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NYISO Issues 2010 Reliability Needs Assessment

Power Resources Anticipated to be Sufficient through 2020, but Risks Loom

Rensselaer, NY—The Board of Directors of the New York Independent System Operator (NYISO) has approved the 2010 Reliability Needs Assessment (RNA), a review of the reliability of the New York bulk power system over the next 10 years.

The 2010 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 through 2020, assuming energy efficiency programs and planned resource additions proceed as anticipated and no significant facilities are retired from service.

"Despite the 2010 RNA's finding that we can reasonably expect a reliable supply of electric energy for the foreseeable future, New York faces potential challenges including the need to carefully balance environmental policy objectives with the reliability requirements of the electric system," said Stephen G. Whitley, NYISO president & CEO.

The 2010 RNA looked at several risk scenarios that could adversely impact electric system reliability, including the following:

- A stronger than expected economic recovery could pose reliability risks in 2019, absent the projected impact
 of energy efficiency programs.
- The Indian Point retirement scenario showed reliability violations in 2016 if both units retired when their current licenses expire. Impacts would include loss of power supply and transmission voltage support affecting the metropolitan New York region.
- The combined impact of proposed environmental regulations including control technology requirements for nitrogen oxides (NO_x), as well as a proposed policy requiring power plants to utilize closed cycle cooling and other regulatory initiatives could result in unplanned plant retirements that may impact reliability.
- The assessment indicates that the retirement of more than 1,000 MW of generating capacity from the Long Island, New York City or Lower Hudson Valley regions would pose reliability risks. The assessment additionally notes that specific plant retirements could cause transmission problems.

The 2010 RNA also reviewed a scenario that indicates that full and effective implementation of New York State's 45x15 Clean Energy Strategy (a 15 percent reduction in electricity demand and supply of 30 percent of New York's electricity from renewable resources) would improve the adequacy of system resources.

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The New York Independent System Operator (NYISO) is a not-for-profit corporation responsible for operating the state's bulk electricity grid, administering New York's competitive wholesale electricity markets, conducting comprehensive long-term planning for the state's electric power system, and advancing the technological infrastructure of the electric system serving the Empire State.

The previous *RNA*, issued in January 2009, also identified no reliability needs. Since that analysis, New York has seen growth in projected generation and demand response resources while the economic recession and energy efficiency programs have lowered forecasted demand for electricity.

With the finding of no reliability needs, no request for reliability solutions will be issued this year. However, the NYISO will continue to monitor all developments that have the potential to impact reliability.

The 2010 RNA was developed within the NYISO's stakeholder process, which provides input from regulators and market participants who supply, use, transmit and trade energy in New York's wholesale electricity markets.

A copy of <u>2010 RNA</u> is available on the NYISO website—<u>www.nyiso.com</u>.

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