

For Immediate Release:

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New York's Electric Grid is Prepared for Summer *Sufficient Resources Available to Meet Expected Demand*

Rensselaer, N.Y.—The New York Independent System Operator (NYISO) announced today that electricity supplies in New York state should be adequate to meet expected demand this summer.

“The current outlook for the supply of electricity is positive, and New York state is prepared for summer electricity demand,” said NYISO President and CEO Stephen G. Whitley. “The development of new demand response resources and the addition of generation and expansion of interstate transmission over the past several years have contributed to a more reliable system. As a result, the state has sufficient generating capacity and demand side resources to address expected peak usage this summer.”

“Sustained high heat and humidity are the dominant factors in producing very high demand for electricity,” Whitley explained. “However, growth in the demand for electricity has been trimmed by the effects of the recession and New York’s energy efficiency programs, contributing to a surplus of supply.”

Summer Forecast and Resource Requirements

The NYISO forecasts that New York’s summer 2012 peak demand will reach 33,295 megawatts (MW). The forecast is 1.7 percent (570 MW) lower than the 2011 summer peak of 33,865 MW and nearly 1.9 percent (644 MW) lower than the record system peak of 33,939 MW recorded on August 2, 2006.

Peak demand is a measurement of the average total electric demand by consumers for a one-hour period. One megawatt of electricity can serve approximately 800 to 1,000 homes.

Summer heat is responsible for electric power system peaks in New York, as cooling demand from air conditioners increases overall usage. While the electricity system must be prepared to address peak load conditions, average demand is typically far less. For example, the 2011 peak demand of 33,865 MW was 81 percent (15,220 MW) higher than the average demand of 18,645 MW.

The ability of New York’s power system to meet the needs of all electricity customers at all times is established by rigorous standards. The standard for resource adequacy sets requirements for reserves over and above the amount needed to meet forecasted peak demand. In 2012, the standard requires that 38,622 MW be available to serve New York, a reserve margin of 16 percent above the summer peak demand forecast.

The total capacity available to New York in 2012 is expected to be 43,686 MW, which includes 39,570 MW of existing in-state generation, 2,165 MW of demand response resources (programs under which consumers reduce usage) and 1,951 MW of import capability that could be used to supply energy from neighboring regions to New York. Therefore, absent unexpected generation unit outages, or extreme weather events, New York has adequate resources to meet demand this summer. The total capacity is available for the state as a whole, but transmission constraints narrow the margins of supply for downstate regions.

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.

New York Independent System Operator. 10 Krey Boulevard. Rensselaer, NY 12144

Building Reliability

In the past decade, the resources available to serve New York's electricity needs have expanded with the addition of more than 9,000 MW of new generation capacity, nearly 1,600 MW of new transmission capability and more than 2,000 MW of demand response resources.

The longer-term usage trend anticipates modest growth in peak demand and annual energy use. Over the coming 10-year period, the NYISO expects overall energy use to grow by 0.59 percent annually, up from the 0.41 percent forecast last year. The 2012 forecast is slightly higher due to a more optimistic economic forecast and refinements in projecting the impact of energy efficiency programs.

A copy of the NYISO's *Summer Outlook* report is available online at www.nyiso.com.

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