
For Immediate Release:

September 17, 2014

NYISO Issues 2014 Reliability Needs Assessment

Report Identifies Transmission and Resource Needs for the Future

Rensselaer, N.Y.—New York state’s bulk power system is currently reliable, but continues to be pressed by various factors including generator retirements and demand growth, according to the New York Independent System Operator’s [2014 Reliability Needs Assessment](#) (RNA). Changes in supply and demand will require investments in resources and infrastructure to maintain reliability over the next decade.

“Our comprehensive, multi-phased planning process is a vital component of our most important responsibility—maintaining the reliability of New York’s electric system,” said NYISO President and CEO Stephen G. Whitley. “Electric system planning is an ongoing process of evaluating, monitoring and updating as conditions change.”

“The RNA is an important resource for investors, system planners, regulators and policymakers alike,” Whitley said. “This report provides an objective and thorough assessment of the reliability needs of the state’s electric grid over the next 10 years so that the market can respond with potential solutions.”

This first step in the NYISO’s comprehensive system planning process reviews the reliability of the New York bulk power system from 2015-2024. The *2014 RNA* identifies transmission security violations beginning in 2015, which will require either remedial actions by New York transmission owners or other solutions offered in response to the RNA. It also identifies resource adequacy violations, which begin in 2019 and increase through 2024, if new resources are not added to the bulk power system.

Transmission

The RNA finds that the ability of New York’s high-voltage electric system to transport power in certain regions of the state will be affected by the combination of recent and proposed retirements or mothballing of generators as well as growing demand for electricity.

Potential transmission security violations that could affect reliability were identified in the following four regions: Rochester; Western and Central New York; the Capital Region; and the Lower Hudson Valley/New York City region.

Transmission security is the ability of the power system to withstand disturbances such as the unanticipated loss of power system components without the need for interruption of power delivery to the utility service areas.

Resources

The supply, availability and deliverability of sufficient power resources to meet the demands of consumers also affect system reliability. The 2014 RNA indicates that unless certain measures are taken, the system will violate resource adequacy criteria beginning in 2019 due to inadequate resource capacity located in southeastern New York.

Resource adequacy—the ability of the electric system to reliably meet electrical demand based on the expected availability of sufficient resources during periods of peak power use—is a measure of system reliability.

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

While resource adequacy violations in southeastern New York also were identified in the *2012 RNA*, the *2014 RNA* projects a need for additional resources in 2019, one year sooner than the need identified in the 2012 report. The major driver of this change is a more than 2,000-megawatt decrease in the total capacity margin (total capacity less peak load forecast) for the New York Control Area in 2019.

By identifying future reliability needs every two years through its planning process, the NYISO sets the stage for market forces to respond. In addition, the NYISO expects its markets and recent market rule changes to encourage market participants to take actions that will help meet resource adequacy needs in southeastern New York.

For example, capacity owners and developers are responding to investment signals resulting from the creation of a new capacity zone in the Lower Hudson Valley by taking steps to return generating units to service, restore units to their full capability or build new facilities. If some or all of these units return to service or are developed, the need for additional resources may be postponed beyond 2019.

The New York State Public Service Commission (PSC) also is examining transmission development proposals to relieve the transmission constraints between upstate and the Lower Hudson Valley/New York City region. New transmission development combined with other measures, such as demand response to reduce peak customer demand, energy efficiency and combined heat and power projects, also could postpone the reliability need year beyond 2019.

The utilities serving regions where transmission security needs have been identified—National Grid, Rochester Gas & Electric, New York State Electric & Gas, Orange & Rockland, Central Hudson Gas & Electric, Con Edison and the Long Island Power Authority—must provide local transmission plans or regulated solutions to address these needs.

Possible Scenarios

To further inform market participants and policymakers, the *2014 RNA* also analyzes several possible scenarios that could benefit or pose additional reliability risks. This analysis includes scenarios such as unexpected generation retirements (Indian Point Energy Center in particular), fuel availability and other factors that could limit energy production or impact the load forecast.

Next Steps

The *2014 RNA* was developed through the NYISO's stakeholder process, which provides input from regulators and market participants who supply, use, transmit and trade energy in New York's competitive wholesale electricity markets.

Based on the finding of reliability needs in the *2014 RNA*, the next step in the NYISO's comprehensive system planning process will be to request market-based and regulated solutions. Following an analysis and evaluation of the solutions received, the NYISO will develop and issue a Comprehensive Reliability Plan (CRP) that will determine how the reliability needs identified in the RNA are resolved by the solutions.

While preparing the CRP, the NYISO will take into account the recently announced resource additions and exits from the market and will monitor and evaluate the progress of new market-based projects interconnecting to the system. The NYISO also will monitor the development and installation of local transmission facilities, the status of existing and mothballed generation units and the continued implementation of the state's energy efficiency programs. Participation in demand response programs and the impact of new and proposed environmental regulations on the existing generation fleet will factor into the CRP as well.

A copy of the [2014 RNA](http://www.nyiso.com) is available on the NYISO website—www.nyiso.com.

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Public Forum

On September 29, 2014, the NYISO will host a forum to present the results of the [2014 RNA](#). The meeting will begin at 10 a.m. in the Peter A.A. Berle Conference Center at the NYISO's Krey Corporate Center in Rensselaer. The public forum is free of charge, but registration must be received by noon on Wednesday, September 25 to participate in person. The proceedings also will be available via the Web. Interested attendees can register online by clicking the "RSVP here" link on the [NYISO Committee Calendar](#) of the NYISO website—www.nyiso.com.

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