

For Immediate Release:

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NYISO Issues ‘Power Trends 2013’

Reviews ‘Alternating Currents’ of Issues Facing the Electric Grid

Rensselaer, N.Y.— The New York Independent System Operator (NYISO) today issued its annual review of the forces and factors affecting New York state’s electric system, [*“Power Trends 2013: Alternating Currents.”*](#)

“While the near-term outlook for New York’s electric system is positive, we face an array of emerging issues that will impact the long-range energy future of the Empire State. Economic trends, technological advances and public policy priorities need to be balanced as we strive to sustain and enhance the reliability of New York’s electric system,” said Stephen G. Whitley, NYISO president and CEO.

“New York’s electric system does not operate in isolation. Active collaboration among all power system stakeholders, both within New York state and across the region, is essential to the development of effective and equitable solutions,” Whitley said.

Power Trends 2013 is intended to enhance understanding and promote awareness of the key issues facing New York’s energy future. The challenges and opportunities include:

Power Resources

- Maintaining adequate supplies of power resources as older, less economic generation retires and new power technologies are developed.
 - *From 2000 to 2012, more than 10,000 megawatts (MW) of generating capacity were added in New York state. Over that period, older power plants with more than 5,800 MW of generating capacity retired or suspended operations.*
 - *Demand response programs, which encourage large power customers and aggregated sets of smaller consumers to reduce usage during times of peak demand, are expected to make 1,500 MW available in summer 2013.*

Natural Gas & Electricity

- Managing the impact of increased natural gas supplies and growing power system reliance on generating facilities fueled by natural gas.
 - *In New York, electricity generated by natural gas grew from about 27,000 gigawatt-hours (GWh) in 2004 to nearly 60,000 GWh in 2012.*
 - *Nearly 70 percent of proposed additions to electrical generating capacity in New York state is fueled by natural gas or produced by dual-fuel power plants capable of using natural gas or oil.*
 - *The expanding role of natural gas may prompt market designs to address the value of “fuel assurance” and provide incentives for power producers and natural gas providers to invest in the most efficient ways to sustain the availability of fuel supplies.*

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.

Transmission

- Upgrading the transmission system to address aging infrastructure and remedy limitations on power flows to high-demand regions of the state.
 - *Of the state's more than 11,000 circuit-miles of transmission lines, nearly 4,700 circuit-miles will require replacement within the next 30 years.*
 - *The devastating effects of Superstorm Sandy prompted renewed attention to the resilience of New York state's infrastructure, including upgrading and modernizing the power grid to provide a more resilient electric system.*

Environment & Electricity

- Integrating electric system reliability requirements with environmental quality objectives.
 - *From 2000 through 2012, New York state power plant emissions rates for carbon dioxide (CO₂) declined by 37 percent, nitrogen oxides (NO_x) were down by 80 percent and sulfur dioxide (SO₂) dropped by 94 percent.*
 - *Current and proposed environmental regulations are estimated to affect more than 80 percent of the installed generating capacity in New York state.*
 - *New York's wholesale electricity markets are evolving to integrate renewable resources, such as wind and solar, as well as complementary energy storage technologies.*

Regional Collaboration

- Expanding the horizons of power grid operations and wholesale electricity markets to enhance regional coordination and maximize available resources.
 - *Efforts to mend seams between regional electricity markets and enhance interregional planning can expand the availability of resources for power systems and make more efficient use of collective power assets.*
 - *In 2011, the Federal Energy Regulatory Commission issued Order 1000, which specifies that all transmission providers must have a regional transmission planning process in place that includes consideration of public policy requirements and allowing competitors to make new transmission system investments.*

Markets & Public Policy

- *Balancing the value of efficient electricity markets with public policy goals and objectives.*
 - *Policy initiatives seeking to assert control of decisions concerning the amount, type and location of new generating resources run the risk of returning the financial burden, which has been borne by investors and shareholders since the restructuring of the electric industry, to rate paying consumers.*
 - *Inclusive planning processes and shared governance systems offer forums to facilitate the cooperative, collaborative approaches that can optimize market/policy synergy as technology and market structures continue to evolve.*

The NYISO produced "[Power Trends 2013](#)" in tandem with its "[2013 Load and Capacity Data Report](#)," also known as the "[Gold Book](#)." Published annually by the NYISO, the "[Gold Book](#)" presents up-to-date transmission and generation data and load forecasts for the 2013–2023 period. Copies of the reports are available from the NYISO website www.nyiso.com.

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