STATE OF NEW YORK
# Public Service Commission
Garry A. Brown, Chairman

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## CONSERVATION EFFORTS TOOK STING OFF SUMMER HEAT WAVE
**— Planned Steps To Reduce Energy Usage Helped Avoid Over-Stressing Electric Grid —**

Albany, NY—8/18/11— The New York State Public Service Commission (Commission) today received a report from Department of Public Service staff regarding how well New York's electric grid performed during the record-breaking heat wave in late July.

"Had it not been for the host of energy conservation programs that are now in place to encourage large energy customers to cut back energy use, we would have undoubtedly surged past the all-time peak load reached in 2006," said Commission Chairman Garry Brown. "Overall, the generators and utilities performed well and they should be commended for their efforts. The concrete steps that were taken to reduce electricity usage helped lower consumer electricity bills and reduced environmental pollution."

Existing and newly enacted demand response programs, which request that certain industrial and commercial customers voluntarily reduce their electricity consumption, were called upon during the heat wave of July 21-23. The New York Independent System Operator (NYISO), which oversees the electric grid, invoked its demand response programs initially in the downstate area and later virtually in the whole state. Consolidated Edison Company of New York, Inc., the state's largest electricity utility, also invoked localized demand response initiatives that were approved by the Commission earlier this year. For its part, the Commission invoked the New York State agency load reduction program; state agencies reduced load by an estimated 60 megawatts (MW). A megawatt is enough power to supply electricity to 1,000 homes.

The requests to decrease load played a critically important role in helping reduce peak energy consumption. If the load had not been reduced, the system peak load this year would have soared to a record 35,261 MW; 1.8 percent higher than the all-time peak of 34,629 MW (if voluntary load reductions were also excluded) set in 2006.

Overall the state dodged setting an all-time electricity peak in July; however, the three major upstate utilities — National Grid, York State Electric and Gas Corporation (NYSEG) and Rochester Gas and Electric Corporation — reached individual utility all-time peak loads on July 21; downstate utilities Con Edison and the Long Island Power Authority (LIPA) reached their all-time utility peak loads on July 22. Con Edison also registered an all-time peak load for a weekend on July 23. Meanwhile, neighboring electric grids in New England and the mid-Atlantic also either hit new all-time peaks or reached levels close to the past ones.

In addition to invoking its own demand response programs, Con Edison also used voltage reduction in some load areas as a precautionary measure to reduce stress on equipment. The utility mobilized internal and external crews for repairs and deployed mobile generators in several locations.

As expected, energy prices increased significantly during the period. However, given utility hedging practices, utility full service retail customers will not see the full brunt of the price increases. Statewide day-ahead average energy prices for July 21 and 22 averaged approximately $131/MWh, up from approximately $75/MWh during the previous three days. Statewide real-time average energy prices for July 21 and 22 averaged approximately $181/MWh, up from approximately $73/MWh during the previous three days.

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