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New York Electricity Consumers May See Lower Summer Prices

— Adequate Electricity Supplies Spell Good News for Consumers in Months Ahead —

ALBANY — The New York State Public Service Commission (Commission) today received a staff report on the State’s electric system preparedness to address the traditional upswing in demand for electricity this summer. The report indicates that there is adequate generation capacity and that transmission and distribution utility owners are prepared to meet expected customer demands this summer. In addition, wholesale electricity prices are expected to be lower or stable this summer, welcome news for millions of energy consumers in New York.

“The summer outlook in terms of adequate supply and potentially lower electricity prices is very good news for residential and business customers,” said Commission Chair Audrey Zibelman. “There are many factors that are helping drive prices down, including Commission-ordered programs to lower demand, requiring utilities to use policies to mitigate volatility in prices, all of which are helping to ensure price stability for consumers.”

Based on current projections from the New York Mercantile Exchange (NYMEX) data, summer wholesale electric prices — June through September — are expected to be lower or stable this summer when compared to last summer. This summer’s forecasted price for electricity is actually lower than prices predicted for last summer a year ago at this time. However, actual prices can vary from forecasts due to a number of unpredictable factors, such as weather and economic conditions.

Due in large part to the historic decline in natural gas prices, wholesale electricity prices have fallen significantly. In fact, statewide wholesale electricity spot prices have fallen about \$7 billion from their peak in 2008 — fantastic news for residential and commercial customers. In addition, the relative low cost of electricity and natural gas makes it a perfect time to invest to promote and strengthen clean energy initiatives.

Peak summer loads have been generally in the 33,300 MW range, compared to a winter peak of about 24,000 MW. However, in the summer of 2013, New York set a record peak load of 33,955 MW, surpassing the previous record of 33,939 MW set on August 2, 2006. One megawatt is enough electricity to power between 800 to 1,000 average-sized homes.

Peak load is expected to be 33,600 MW this summer. Over the next 10 years, peak load is expected to drop by 1,200 MWs, compared to the forecast from a year ago, equal to the production of two large power plants, or enough electricity to power more than 1 million average-sized homes. The decline is

partly due to energy efficiency and demand reduction efforts included in Reforming the Energy Vision (REV) strategy.

In addition to having adequate electricity supplies, electric and gas utilities have taken steps to strengthen the infrastructure prior to the start of the summer hurricane season, which begins June 1. Staff said they were satisfied with the preparations taken to meet expected system needs in the event of a hurricane or other abnormally severe weather. Staff will continue to track and monitor the utilities' efforts in preparation for the upcoming summer period, as well as any utility contingency plans, if necessary.

Staff noted that given the dense population and unique characteristics of Con Edison's service territory, the company has the highest loads during the summer months. To address this situation, the utility offers its electric load-relief programs during high-load system conditions. The Commission has approved a number of demand-reduction program changes at Con Edison, and as a result, enrollment is expected to be higher this year than in 2015.

Today's report, when issued, may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 16-E-0183 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.

About Reforming the Energy Vision

Reforming the Energy Vision (REV) is Governor Andrew M. Cuomo's strategy to lead on climate change and grow New York's economy. REV is building a cleaner, more resilient and affordable energy system for all New Yorkers by stimulating investment in clean technologies like solar, wind, and energy efficiency and generating 50% of the state's electricity needs from renewable energy by 2030. Already, REV has driven 600% growth in the statewide solar market, enabled over 105,000 low-income households to permanently cut their energy bills with energy efficiency, and created thousands of jobs in manufacturing, engineering, and other clean tech sectors. REV is ensuring New York State reduces statewide greenhouse gas emissions 40% by 2030 and achieves the internationally-recognized target of reducing emissions 80% by 2050. To learn more about REV, including the Governor's \$5 billion investment in clean energy technology and innovation, please visit www.ny.gov/REV4NY and follow us at @Rev4NY.