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Audrey Zibelman, Chair

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## **Summer Electricity Prices Expected to Remain Flat**

**— Consumers Benefit as Electric Grid Ready to Provide Adequate and Reliable Service;  
Adequate Electricity Supplies Lead to Stable Prices —**

**ALBANY**—The New York State Public Service Commission (Commission) today received a staff report on steps the State’s power generators and utilities have taken to address the traditional upswing in demand for electricity this summer. The report indicated that generators and utilities are expected to have enough electricity on hand to meet demand this summer; as a result, wholesale electricity prices are expected to stay flat this summer, which is welcome news for consumers.

“The favorable summer electricity outlook in terms of adequate supply and stable prices is a direct result of steps New York has taken over the past few years to encourage electric utilities to better manage and meet peak load demands,” said Commission Chair Audrey Zibelman. “By instituting programs to lower demand, and using sophisticated hedging techniques to lessen the impact of market price changes, utilities help ensure immediate, as well as long term price stability for consumers.”

Based on current projections from the New York Mercantile Exchange (NYMEX) data, summer electric prices — June through September — are expected to be about the same as they were last summer. Actual prices can vary from the forecasts due to a number of factors such as weather and economic conditions.

Peak summer loads have been generally in the 33,000 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.

According to the New York Independent System Operator (NYISO), there are adequate generation and demand-side resources to provide necessary supplies of energy and reserves to meet the summer load projections. Transmission owners also report that their transmission facilities are prepared to meet peak projected load in each of their service territories.

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.

Furthermore, utilities have performed detailed load studies to determine where overloads and/or potential issues might occur on the distribution system this summer. As a result of the studies, a number of projects were identified, with completion dates prior to this summer, to alleviate the potential concerns. Overall, the utilities cite reduced load growth, mild summers, and the recent completion of a number of major capital projects throughout the service territories as factors that limited the required project workload on the distribution system.

Staff noted that given the dense population and unique characteristics of Con Edison's service territory, the company continually has the highest loads in its area during the summer months. To address this situation, the company continues to offer its electric load-relief programs available for deployment during high-load system conditions. The enrollment levels in 2015 are expected to be greater than in 2014 due to Commission-approved program changes intended to increase demand response benefits for both customers and the company.