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PSC Approves Electric Reliability Standards to Meet Peak Summer Demand

Regulatory Action Ensures New York Has Enough Electricity Set Aside to Address Heat Waves and Other Emergencies

ALBANY — The New York State Public Service Commission (Commission) today approved an increase in the amount of electricity kept in reserve during the summer peak in New York State to ensure that adequate levels of electricity capacity are available to serve peak load and system emergency conditions.

“Ensuring reliability is a fundamental cornerstone of this agency,” **said Commission Chair John B. Howard.** “Nothing is more important than to make sure enough electricity is available to keep New York moving forward. Our action today is intended to ensure the adequacy of electric generating facilities in New York. As such, it is a key tool available to the Commission to foster the adequacy of generating resources.”

On December 4, 2020, the New York State Reliability Council, a not-for-profit group made up of large utilities, power generators, and large industrial consumers, amongst others, proposed an Installed Reserve Margin (IRM) for New York of 20.7 percent for the upcoming capability year beginning May 1, 2021 through April 30, 2022, a 1.8 percent increase from the previous year. The IRM represents the amount of installed capacity that must exist in New York to ensure that the applicable resource adequacy reliability criteria are met.

According to the analysis, peak summer load in New York this year is expected to be 32,243 MWs, only slightly higher than the comparable prediction for the summer of 2020. Actual summer peak load in 2020 was 30,450 MWs, over 5 percent lower than the initial prediction. Peak summer load has been steadily declining largely due to significant statewide energy efficiency gains.

Peak demand is a measurement of the average total electric demand by consumers for a one-hour period. One megawatt of electricity can serve approximately 800-1,000 homes. In July 2013, New York recorded a record peak of 33,956 MW at the end of a week-long heat wave.

While COVID-19 has led to a drop in overall electricity usage throughout New York State, the pandemic has not materially impacted summer peak load projections. This is due to a variety of factors, including a projected gradual increase in load due to gradual re-openings and greater in-home electricity use.

The action will not result in a significant impact on the environment since it is implementing an existing policy for ensuring the adequacy of resources by maintaining the probability of a loss of load due to a resource deficiency at no more than once in 10 years, on average. The recalibration of the IRM furthers this established policy, and accounts for changes in the modeling data.

The total capacity of power resources available to New York this summer is expected to be 40,307 MW. Available resources include 37,463 MW of generating capacity from power plants in New York State and 1,562 MW of net purchases and sales from neighboring regions capable of supplying energy to New York.

In addition to power plant generating capacity and the ability to import power from neighboring regions, 1,282 MW of demand response resources are available. Demand response programs enlist large users of electricity and aggregations of smaller power customers to reduce electricity consumption when called upon.

The effect of energy efficiency programs, distributed solar photovoltaics, and non-solar distributed resources are included in the forecast. These resources moderate the growth of peak load and reduce overall energy usage from the grid.

New York's rules are more stringent than other states to avoid severe consequences that may result from power interruptions in New York City and Long Island, given the geographic characteristics of those two markets. The Reliability Council is responsible for developing reliability rules in accordance with the standards, criteria and regulations set forth by the Commission, the North American Electric Reliability Corporation (NERC), the Northeast Power Coordinating Council (NPCC), the Federal Energy Regulatory Commission (FERC), and the Nuclear Regulatory Commission (NRC).

New York State's Nation-Leading Climate Plan

Governor Cuomo's nation-leading climate plan is the most aggressive climate and clean energy initiative in the nation, calling for an orderly and just transition to clean energy that creates jobs and continues fostering a green economy as New York State recovers from the COVID-19 pandemic. Enshrined into law through the CLCPA, New York is on a path to reach its mandated goals of economy-wide carbon neutrality and achieving a zero-carbon emissions electricity sector by 2040, faster than any other state. It builds on New York's unprecedented ramp-up of clean energy including a \$3.9 billion investment in 67 large-scale renewable projects across the state, the creation of more than 150,000 jobs in New York's clean energy sector, a commitment to develop over 1,800 megawatts of offshore wind by 2024, and 1,800 percent growth in the distributed solar sector since 2011. New York's Climate Action Council is working on a scoping plan to build on this progress and reduce greenhouse gas emissions by 85 percent from 1990 levels by 2050, while ensuring that at least 35 percent with a goal of 40 percent of the benefits of clean energy investments benefit disadvantaged communities, and advancing progress towards the state's 2025 energy efficiency target of reducing on-site energy consumption by 185 trillion BTUs of end-use energy savings.

Today's decision may be obtained by going to the Commission Documents section of the Commission's website at www.dps.ny.gov and entering Case Numbers 07-E-0088 or 05-E-1180 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.