New York (NYISO) Electric Regions
New York Electric Market: Overview and Focal Points

Overview

Geography

State covered: New York

Reliability region: New York ISO (NYISO) sub-region of the Northeast Power Coordinating Council (NPCC)

Balancing authority: NYISO

Zones: Capital (Zone F), Central (Zone C), Dunwoodie (Zone I), Genesee (Zone B), Hudson Valley (Zone G), Long Island (Zone K), Millwood (Zone H), Mohawk Valley (Zone E), New York City (Zone J), North (Zone D), West (Zone A)

RTO/ISO

NYISO (established 1999) operates the region’s power grid and wholesale electric markets:

• Energy market: two-settlement (day ahead and real-time) spot market with locational marginal pricing,

• Regional and locational capacity market, and

• Financial transmission rights market.

NYISO 2006 State of the Markets Report

Market Monitor:
Nicole Bouchez – Manager, Internal Market Monitor, New York ISO
David Patton – Independent Market Advisor, New York ISO and President of Potomac Economics

Updated August 3, 2007
RTO/ISO (continued)

Also, market participants trade electricity bilaterally through brokers, the IntercontinentalExchange (ICE) and the New York Mercantile Exchange’s (Nymex) ClearPort, using Zone A (West) as a pricing point.

Generation/Supply

Marginal fuel type: natural gas

Generating capacity (summer 2006): 39,704 MW

Capacity reserve (summer 2006): 5,765 MW

Reserve margin (summer 2006): 17%

The New York City metropolitan area (NYC) and Long Island (LI) are areas of concentrated demand. Both localities have requirements for installed generating capacity that are more stringent than the rest of the region, to ensure reliability of service.

Demand

All time peak demand: 33,939 MW (set August 2, 2006)

In summer of 2006, demand reached record levels on several occasions due to extremely hot weather.

Peak demand growth: 5.6 % (2006-2005)


Load pockets: Zone J New York City and Zone K Long Island
Prices

Annual Average Day-Ahead Price

Zone J New York City
2004: $63.16/MWh
2005: $93.77/MWh
2006: $70.90/MWh

Zone K Long Island
2004: $63.20/MWh
2005: $99.32/MWh
2006: $86.15/MWh

Prices increased in 2005 as a result of disturbances to the natural gas market. Prices declined in 2006 as natural gas storage levels remained above historical ranges throughout the injection season (April through October).
## Supply and Demand Statistics for NYISO

<table>
<thead>
<tr>
<th>Supply Demand Statistics</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summer Generating Capacity (MW)</td>
<td>38,111</td>
<td>37,548</td>
<td>39,704</td>
</tr>
<tr>
<td>Summer Peak Demand (MW)</td>
<td>28,433</td>
<td>32,075</td>
<td>33,939</td>
</tr>
<tr>
<td>Summer Reserves (MW)</td>
<td>9,678</td>
<td>5,473</td>
<td>5,765</td>
</tr>
<tr>
<td>Summer Reserve Margin</td>
<td>34%</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>Annual Load (GWh)</td>
<td>160,211</td>
<td>167,208</td>
<td>166,893</td>
</tr>
<tr>
<td>Annual Net Generation (GWh)</td>
<td>147,170</td>
<td>153,264</td>
<td>NA</td>
</tr>
</tbody>
</table>

Source: Derived from FERC staff discussions with NYISO.
### Annual Average Bilateral Prices

**New York Electric Market: Annual Bilateral Prices**

#### Annual Average Day Ahead On Peak Prices ($/MWh)

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>5-Year Avg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mass Hub</td>
<td>$61.47</td>
<td>$89.87</td>
<td>$69.85</td>
<td>$77.39</td>
<td>$91.55</td>
<td>$78.01</td>
</tr>
<tr>
<td>Ny Zone G</td>
<td>$61.74</td>
<td>$92.46</td>
<td>$75.95</td>
<td>$83.51</td>
<td>$100.99</td>
<td>$82.91</td>
</tr>
<tr>
<td>NY Zone J</td>
<td>$76.67</td>
<td>$110.03</td>
<td>$85.96</td>
<td>$94.15</td>
<td>$112.63</td>
<td>$95.87</td>
</tr>
<tr>
<td>NY Zone A</td>
<td>$52.49</td>
<td>$76.04</td>
<td>$58.70</td>
<td>$64.02</td>
<td>$68.34</td>
<td>$63.91</td>
</tr>
<tr>
<td>PJM West</td>
<td>$51.10</td>
<td>$76.64</td>
<td>$61.90</td>
<td>$71.15</td>
<td>$83.70</td>
<td>$68.88</td>
</tr>
</tbody>
</table>

Source: Derived from Platts data. Updated February 6, 2009
New York Electric Market: Last Month's RTO Prices

Daily Average of NYISO Day-Ahead Prices - All Hours

Source: Derived by Bloomberg from NYISO data as reported by Bloomberg.

Updated May 7, 2009
New York Electric Market: RTO Prices

Daily Average of NYISO Day-Ahead Prices - All Hours

Source: Derived by Bloomberg from NYISO data as reported by Bloomberg.

Updated May 7, 2009
Eastern Daily Bilateral Day-Ahead On-Peak Prices

Source: Derived from Platts data.

Updated May 7, 2009
New York Electric Market: Last Month's Eastern Bilateral Prices

Eastern Daily Bilateral Day-Ahead On-Peak Prices

Source: Derived from Platts data.

Updated May 7, 2009
Implied Heat Rates at Eastern Trading Points
Weekly Averages

Source: Derived from Platts data

Updated May 7, 2009
Weekly Electric Generation Output and Temperatures
Mid Atlantic Region

Electric Generation (GWh)

Jan  Feb  Mar  Apr  May  Jun  Jul  Aug  Sep  Oct  Nov  Dec

0  2,000  4,000  6,000  8,000  10,000  12,000

2004-2008 Range
2009

Warmer Temperatures than Normal (Degree Days)

Source: Derived from EEI and NOAA data.

Updated May 7, 2009
New York Electric Forward Price Curves and Implied Heat Rates

Source: Derived from Nymex data.

Updated May 7, 2009
Weighted Average ICAP Clearing Prices and Volumes:
New York City

Source: Derived from NYISO data.

Updated April 7, 2009
Weighted Average ICAP Clearing Prices and Volumes: Long Island

Source: Derived from NYISO data.

Updated April 7, 2009
Weighted Average ICAP Clearing Prices and Volumes: Rest of New York State

Source: Derived from NYISO data.

Updated April 7, 2009
Note: PJM values are for Base Residual Auctions only.
ISO-NE results for 2010/2011 and 2011/2012 are based on preliminary FCM auction before pro-rationing and EAS adjustment.
Source: Derived from *PJM, NYISO and ISO-NE data*

Updated February 6, 2009
Various New York Swap Volumes

Source: Derived from ICE and Nymex ClearPort data. ICE on-peak swaps (financial) volume are for zones A, G and J and include monthly, dual monthly, quarterly, and calendar year contracts traded for each month. Nymex ClearPort on-peak swaps (financial) volume are for zones A, G and J and are traded by month.