



**For Immediate Release
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New York Continues 18% Installed Reserve Margin Requirement

The New York State Reliability Council L.L.C. ("NYSRC"), the entity responsible for the reliability standards to be used for electric power supply throughout the State of New York, has agreed to continue the 18% statewide installed reserve margin ("IRM") requirement for electric generating capacity for the period May 1, 2003 through April 30, 2004 ("Capability Year"). This equates to an installed capacity requirement of 1.18 times the forecasted New York Control Area ("NYCA") 2003 peak load for the same period.

The NYSRC's decision was based on a comprehensive study of load and capacity in New York State, dated January 10, 2003 ("Study"), which was conducted by the NYSRC's Installed Capacity Subcommittee. Factors considered in the completion of the Study included, but were not limited to, transmission transfer limits, load forecast uncertainty, installed capacity conditions in neighboring systems, emergency assistance available from neighboring control areas, the inclusion of special case resources ("SCR") and the emergency demand response program ("EDRP") in the New York Independent System Operator's ("NYISO") emergency operating procedure, and current availability rates of generating units in New York. The technical results of this Multi-Area Reliability Simulation study show that the statewide IRM required for the NYCA, during the capability year May 1, 2003 through April 30, 2004, is 17.5% under a base case set of assumptions. In light of the Study results, the modeling and assumption changes made to simulate actual operating conditions and system performance, the numerous sensitivity studies evaluated, and with due recognition that the current NYCA IRM requirement is 18%, the NYSRC agreed to maintain the IRM requirement at 18% for the Capability Year.

The Study continues a long history of such analyses, going back to the early years of the New York Power Pool ("NYPP") in the mid-1960s. Setting a statewide installed capacity requirement for New York was formerly the responsibility of the NYPP. After restructuring, the responsibility for setting the state-wide installed capacity requirement was assigned to the NYSRC, while the responsibility for defining the IRM requirement for Load Serving Entities, as well as the locational capacity requirements consistent with the state-wide requirement, was assigned to the NYISO. Both the NYSRC and the NYISO include representation from the various market participants in the deregulated electric power supply market in New York.

The complete Study report, which is the basis of the NYSRC's decision on the statewide installed capacity requirement, is available on the NYSRC's web site at www.nysrc.org. Go to the "Documents" page, under the heading, "Technical Reports," and click on "New York Control Area Installed Capacity Requirement for the Period May 2003 through April 2004 -- Final Report."

The purpose of the New York State Reliability Council is to promote and preserve the reliability of the New York State power system by developing, maintaining and, from time to time, updating the reliability rules which must be complied with by the New York Independent System Operator and all entities engaging in electric power transactions on the New York State power system. The New York State Reliability Council carries out its purpose to the benefit of the entire electric service industry, including consumers, with no intent to advantage or disadvantage any member or any market participant's commercial interest. The New York State Reliability Council is a not-for-profit entity. Visit our web site at www.nysrc.org."