

IPPNY Critical of Flawed Report Attacking New York's Energy Markets

Report paints an incomplete and inaccurate picture; ignores benefits of competitive markets

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Albany, N.Y., 6/5/09 - The Independent Power Producers of New York, Inc. (IPPNY) today criticized both the content and timing of yet another report released by New York State Assemblyman Richard Brodsky that defies the facts. In this instance, he is standing behind a report that examines revenues earned by a small sub-section of New York State electricity generators, even though it distorts facts pertaining to the state's energy markets and ignores the numerous successes that have taken place under competitive markets.

"Since the implementation of competitive energy markets in New York State, wholesale energy prices have dropped 18% when adjusted for fuel costs and currently are at levels not seen since 2002, emission levels across the board from generating facilities have been reduced significantly, and a record level of wind energy has been added to our generation portfolio," said Gavin Donohue, President and CEO of IPPNY. "Yet Assemblyman Brodsky is more interested in a report that cherry picks revenues earned by a handful of generators during a short period of time to distort the realities of the entire market. The information he is using in his evaluation is the equivalent of looking at the sales made by a retailer during the holiday season and concluding that you can use those numbers to project earnings for the entire year, when, in reality, it obviously paints an unrealistic picture. He has chosen to ignore the billions of dollars spent by companies to ensure that our energy system is better now in every measurable way than during the days of utility monopolies and rate-based generation."

"During a time when our state is in an economic crisis and when energy prices are the lowest they have been in seven years, you have to question Assemblyman Brodsky's priorities and sense of timing. However, if he is truly interested in examining what contributes to energy prices in New York State, he should commission a study to examine the cost of every regulation, tax, fee, and other state-imposed cost driver, including those supported by the Assemblyman, that impacts generators the same as any other business and, in the case of environmental regulations, sometimes even more so," continued Donohue. "Considering the hostile atmosphere that has been created in this state for business, the accomplishments of generators are even more impressive."

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The Independent Power Producers of New York, Inc. (IPPNY) is an Albany-based trade association representing the competitive power supply industry in New York State. IPPNY Members generate over 75 percent of New York's electricity using a wide variety of generating technologies and fuels including hydro, nuclear, wind, coal, oil, natural gas and biomass.