Independent Power Producers Of New York

Wholesale Energy Prices Drop in New York State

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Albany, N.Y., 12/11/08 - The Independent Power Producers of New York, Inc. (IPPNY) supports the findings released today by the New York Independent System Operator (NYISO) that indicate wholesale electricity prices over the past eight years have decreased by 11% in New York, when adjusted for fuel costs. That decrease in prices - due in large part to advancements made in existing and new generating facilities - translates into $1.2 billion savings for New York's consumers.

"Competitive markets have spurred private investment and innovation in New York, resulting in the most reliable and efficient generation fleet New York has ever had," said Gavin Donohue, President of IPPNY. "Independent power producers have upgraded existing facilities and built new, state-of-the-art facilities in their continued efforts to generate electricity when and where it is needed most and for the lowest cost possible - bringing significant benefits to businesses and residents throughout the state."

Fuel costs are the primary driver of energy costs, as reflected in the recent 54% drop of wholesale energy prices that corresponded with a 45% decrease in natural gas prices. New York State relies heavily on natural gas, but the state competitive wholesale markets have fostered development of a variety of power generating technologies, including renewable energy. New York State has added over 6,500 MW of new generation since 2000, with nearly 800 MW wind energy already developed and approximately 7,000 MW of green power projects in the NYISO's interconnection queue.

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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.