Electricity is the lifeblood of New York. It is an essential element of all we do in our lives.

It used to be that most of the electricity demanded by New York’s businesses and consumers was generated by local utilities. That’s not true anymore since we’ve introduced wholesale competition in New York. During the past five years, Independent Power Producers (IPPs) have tripled their contribution to New York state’s electricity supply. Today, IPPs provide approximately 75 percent of all the electricity used in New York state.

To bring you this power, scores of New York IPP companies run hundreds of generators, all in perfect synchronization. This is an ongoing process, 24-hours-a-day, every day. At peak output, New York IPPs can produce 27,500 MW, enough electricity to power 24 million homes.

As a fleet, New York IPPs represent one of the cleanest and most diverse and dependable anywhere in the world. New York IPPs understand the premium New York places on balancing reliable power production with environmental stewardship. That balance was a key feature of New York’s power plant siting law, Article X which expired in 2002. If we are to continue our success in building New York’s economy and quality of life through world-class power generation, then we must place the renewal of Article X at the top of our legislative agenda.

While the electricity we produce is virtually everywhere driving businesses and supporting lives, most people don’t give the IPP industry a second thought. Over this and the next few pages, we’d like to take a moment to remind you of the crucial role we play in your life, and the lives of 19 million other New Yorkers every day.

You keep enjoying life. We’ll keep generating.

Regards,

Gavin J. Donohue
President & CEO
At work and at home, New Yorkers continue to use more electricity every year. Between 1993 and 2003 the electric generating capacity required to serve New York’s electric needs grew from under 31,000 MW to over 37,000 MW. This increase occurred while New Yorkers were rated among the most efficient users of electricity in the nation. It is not that New Yorkers are wasting energy, it’s that we are creating innovative new ways to use electricity at work and at home to enhance our lives.
At Work

From the medical centers in Buffalo, to the nano-tech labs in Albany, down New York’s Tech Valley, across the stages of Broadway and out to the lighthouses of Montauk, electrons pumped by New York’s IPPs help do the work of New York business every day.

When a doctor views an x-ray or a waitress heats-up your coffee, somewhere on the other end of the wire is an IPP helping make it possible.

Electricity enables us to achieve more than we ever imagined.

Electricity drives Wall Street and the markets of the world. It keeps New York streets lit and New York farms functioning. New Yorkers think about it infrequently, but use it almost always.

Today, business relies upon electricity as never before. The spread of computers and electricity-based communications systems makes the thought of doing business without electricity unthinkable. Today, even the local garage has a computer network.

Electricity is also enabling us to extend our vision of work and commerce out into the future. Major new development projects are proposed across New York. From the Olympic/Jets Stadium in Manhattan, to a major convention center in Albany or the nation’s largest mall in Syracuse, all of these projects will require intensive supplies of electricity to build and operate. New York looks ahead to a bright economic future because IPPs make certain the power is there.

At Home

New Yorkers are using electricity in their homes and lives as never before. From smart appliances, to home theaters, cameras, phones, home networks and more, we continue to explore the possibilities for doing more in our lives with electricity.

Electricity brings convenience. Like the convenience of coming home to a house that is perfectly climate controlled and air filtered. Or the convenience of having the oven turn itself on to cook the roast at 4:00 p.m. Or not having to get out of the car in a rainstorm to open the garage door.

New York’s IPPs are proud of the the way we make people’s work and lives better each day.
August 14, 2003:

New York Independent Power Producers Anchor Blackout Restoration Efforts

At a few minutes after 4:00 p.m. on August 14, 2003, a nice summer day not unlike many others, what has been called a “tsunami of electricity” bore down on New York. Events caused by a tree-branch-initiated power failure in the midwest cascaded through Canada and down into New York State knocking electric generators off-line and de-stabilizing New York’s electric grid.

The Great Blackout of 2003 presented New York’s Independent Power Producers with one of the greatest challenges they have ever faced: working with the grid operator and utilities to feed the electric power to restore a fragile 30,000 MW system as quickly and safely as possible.

Due to the hard work of thousands of people, including many Independent Power Producers, electric service was returned to parts of the state in as little as a two hours and the entire state was re-energized within about 30 hours. In fact, in some areas of New York where loads were located close to generating stations, people never lost power.

Below, are just a few of the stories from the many Independent Power Producers involved in the restoration effort the day the country’s worst blackout in history hit the Northeast.

“The Plant was operating at base load on the 14th. Shortly after 4:00 p.m. most of the plant personnel had left for the day when things started happening fast. There was no advance warning. Suddenly the turbine tripped and numerous plant alarms sounded. The Plant Manager quickly determined that the plant’s utility tie breaker had opened. Power Control told us that there had been a “statewide event.” Grid voltage and frequency were swinging wildly, and initial attempts were not successful. Many of the plant personnel who had just left for the day began to return to the plant. They had noticed the blackout and, realizing the extent and that the plant might be crucial to restoring electric service, had turned around on their own to go back to work. We ran, at Power Control’s direction, around the clock for the next six days in support of restoration efforts.”

Upstate Generator

“I’m looking at all the meters, and the voltage indicators I’m seeing are just ludicrous. The phones were dead. Cellphones produced busy signals. We were flying blind. At first we thought it was just our plant that was down. Finally we figured out the whole thing had collapsed like dominos.”

Senior Operations Supervisor at an Albany area power plant from story by the Christian Science Monitor.

(note - This plant was able to re-energize itself through an infrequently used circuit that connected it with a hydro-electric plant north of Saratoga Springs and pumped out power at a special frequency and voltage known as “megavars.” In that role, the 51-year-old plant provided vital support as the grid struggled to reboot. It also ran at nearly peak capacity for what is likely its last time, supplying energy for restoration.)

“We operate seven hydro projects in upstate New York. At the time of the blackout, all plants were tripped offline by utility-required system protection. Starting approximately 2.5 hours after the initial blackout, we were authorized by National Grid to restore generation from our stations. Within 4 hours, all plants were operating. This meant there was a significant amount of hydro generation available during the early hours of the restoration and continuing throughout the critical restoration period.”

New York City Generator

“The rapid collapse of the high voltage transmission grid, and corresponding rejection of customer load, caused our generating units to disconnect, or “trip,” off line. Dozens of employees returning home after their day shift turned around and reported back to their stations.

Many had worked through the 1977 Blackout and recognized the scope of the work that lay before them. Operators began implementing our “Black-start” contingency plans. Soon after 5:00 p.m., both facilities had begun self-supplying their own electric needs and stood ready to begin the restoration of the transmission system.”
New York’s electric generating fleet is diverse in the types of fuel used to generate electricity. In New York, we generate electricity from coal, oil, natural gas, wind, water, biomass and atoms, with a much more even distribution of fuel types than the country as a whole uses. (See two pie graphs for comparison). This type of diversity promotes safety and economic stability. If one fuel type for producing electricity is interrupted, whether for transportation, economic or even terrorist reasons, the remaining fuel types can take up the slack. This diversity also promotes economic competitiveness among fuel types. If one fuel type is consistently higher cost, other less-expensive fuel types will be chosen by the grid operator (NYISO) to provide the electricity New York needs.
Equivalent Forced Outage Rate (EFOR) is the portion of time an electric generating unit is not available to run if called upon by the grid operator. The electric industry views EFOR as its best indicator of how efficiently a fleet of electric generating plants are being operated.

The figure above (from the New York Independent Market Advisor’s “2003 Annual Report,” published April 2004) represents the trend in EFOR from the beginning of operation of the New York markets. As you can see, New York’s Independent Power Producers have driven EFOR rates down by more than half in the past five years. This means that New York’s Independent Power Producers are running the electric generating fleet more efficiently and more dependably than ever before.
Don’t Miss This Premier Energy Industry Event:

The ROAD TO SUCCESS

Planning for the Future of New York State’s Competitive Electric Markets

IPPNY’s 18th Annual Spring Legislative Conference
May 11-12, 2004
Desmond Hotel
Albany, New York

Keynote Address
Hon. Nora Mead Brownell
Commissioner, Federal Energy Regulatory Commission

Speakers include:
Eugene Zeltmann, President & CEO, New York Power Authority
Hon. James Wright, Senator & Chairman Senate Energy Committee
Hon. Paul Tonko, Member of Assembly and Chairman, Assembly Energy Committee
William Museler, President & CEO, New York ISO

...and much more

To register for this event contact IPPNY at:
(518) 436-3749
or visit: www.ippny.org
Below are some of New York’s leading power supply and associated companies that make this special supplement, and much of what we do with electricity in our lives, possible.