About IPPNY
The Independent Power Producers of New York, Inc. (IPP NY) is an Albany-based trade association representing the competitive power supply industry in New York State. IPP NY 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.

Energy and the Economy
Investing In New York’s Resources & Stimulating Growth

IPP NY's 23rd Annual
Spring Legislative Reception & Conference

Featured Speakers

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2009
NEW YORK’S
WORLD-CLASS ELECTRIC SYSTEM

www.ippny.org

One of 12 cleanest electric generating fleets in America by emission (US EPA)

Unsurpassed reliability

Renewable energy proving ground: 1,000 megawatts coincident wind power providing 5 percent of New York’s power supply (Feb 19, 2009).

Major electric system: Peak demand of 33,829 megawatts.

“The NYISO markets are at the forefront of market design and have been a model for market development in other areas.” - Peterman. (Econ.
Independent Market Monitoring Entity

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Dear NY State Officials & Citizens -

New York State's electricity system is a world-class combination of people, ideas, markets and hardware that efficiently deliver on average more than 20,000 megawatts — and as much as 35,000 megawatts — of instantaneous on-demand electricity to New Yorkers every day.

At the heart of this system are New York's independent power producers. Employing heat, wind and water to rotate turbines and push the flow of electrons. IPPNY Members work round-the-clock and the calendar to provide the power New Yorkers demand. New York State is currently focusing significant resources on Energy Planning: asking the question, "Where do we go from here?" Where do we go after spending the last decade building and refining what is arguably the most complex, yet refined electricity finance, production and delivery system in the world?

As the sector that provides the electricity that drives this entire system, we've developed "Energy Principles" (right) we believe are essential to adapt as guidelines for the future refinement of New York's electric system. These recommendations are based upon the collective knowledge and experience of IPPNY Member companies who work on electric systems across the continent and around the world.

We look forward to working with you to make New York's world-class electric system even better.

Sincerely,

Gavin
Gavin J. Donohue, President IPPNY

Seventy-nine percent of new renewable energy generation has occurred within regions of the country with competitive wholesale markets and open access to the system.

- ISO-RTO Council

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IPPNY’s Energy Principles:

1. Markets

The state should strongly reaffirm its commitment to the competitive market model as the most appropriate approach to satisfy the long-term needs for reliability of energy supply at the lowest possible cost, for the benefit of consumers in New York state. Additionally, the Energy Plan should advance new policies only after full consideration has been given to the potential impact that such policies may have on New York's competitive markets. The importance of regulatory certainty cannot be overstated in terms of attracting needed investment to New York.

2. Balance

Sound energy policy should reflect a three-legged balance that encourages adequate supplies of: 1) generation; 2) transmission and distribution; and 3) energy efficiency and demand response. Sound regulatory policy should be characterized by a balanced approach in pursuing the sometimes conflicting goals of efficient and reliable electric markets, environmental stewardship, and maintaining and improving the state's economic health.

3. Diversity

Fuel diversity is an essential element of a reliable generation portfolio, and New York’s Energy Plan should promote policies to maintain and expand New York’s diverse generation mix. The development of a comprehensive and efficient, fuel-neutral power generating facility siting statute is a critical component to fuel diversity and reliability.

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THE SUCCESS OF THE COMPETITIVE MARKET SYSTEM: THE PROOF IS IN THE NUMBERS

- Fleet Availability
  Improved from 87.5 percent to 94.4 percent (from 2001-2007). 2,400 MW savings equivalent to four major power facilities avoided.

- Generating Fleet Efficiency
  Increased by 21 percent since 2000, meaning more electricity was produced while consuming one-fifth less fuel.

- Renewable Energy Development
  1,274 MW of wind power now in commercial operation — all added since 2000. Contribution from these new sources has provided 1,000 MW of coincident power.

- Private Infrastructure Investment
  7,000 MW of private infrastructure investment since 2000, representing $3.5 billion investment in New York generating infrastructure.

- Dramatic Environmental Improvements
  U.S. Environmental Protection Agency data show a sharp decline in New York power plant emissions during the past decade. Between 1998 and 2008 in New York state, sulfur dioxide (SO2) emissions rates have declined by 77 percent, carbon dioxide (CO2) emissions rates have declined by 28 percent and nitrogen oxide rates (NOx) rates have declined by 61 percent.

- Demand Response
  Resources in demand response program have increased ten-fold since 2000, now totaling more than 2,000 MW.

- Lower Electricity Prices
  In 2008, New York State’s wholesale electricity prices, adjusted for fuel costs, were eighteen percent lower than prices in 2000, when the markets began operating in New York, a $2.23 billion reduction in wholesale electricity costs on a current annual basis.

New York must meet growing electricity demand over the next decade.

NY's Competitive Electricity Markets

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