



COMPETE

Electricity Competition **IS** the Public Interest

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THE NEW YORK COMPETITIVE ELECTRICITY MARKET: THE RESULTS ARE IN

THE NEW YORK MARKET BENEFITS CONSUMERS

- Wholesale electricity prices in New York State have dropped to their lowest levels in the 10 year history of the market. The average cost of wholesale electricity in the state was \$48.63 per megawatt hour (MWh) in 2009, 49% below the 2008 average of \$95.31/MWh. "Since 2000, competitive markets in New York have contributed to an 18% reduction in fuel-adjusted wholesale power costs."
NYISO press release, March 11, 2010
- By using fuel more efficiently, a generator can lower plant operating costs, giving it a greater competitive edge. Heat rate, a measure of how well a plant converts fuel to electricity, dropped 21% over the last ten years in the state, signaling that competitive markets are encouraging investment in better, more cost-effective plant technology, according to the New York Independent System Operator.
"NYISO: Power Plant Efficiency Improved with Competition," The New York System Operator Press Release, April 20, 2009
- Comparing changes in consolidation of control areas within New York, combined with reduced outage rates for nuclear and fossil generating units, resulted in between \$100 - \$200 million in annual savings for New York consumers.
"A Cost-Benefit Analysis of the New York Independent Systems Operator: The Initial Years," Analysis Group, March, 2007
- Approximately 625,000 or 11 percent of residential consumers are purchasing their electricity from competitive suppliers, a growth of 55 percent in one year. Offerings include fixed prices, indexed, blended, and green power. In aggregate, 41 percent of the total electricity usage in New York is currently provided by competitive suppliers.
"ARC's Baseline Assessment of Choices in the US," Alliance for Retail Choice, May, 2007
- Since 1999, over \$10 billion has been invested in to acquire, upgrade, and build New York power plants. Private investors have picked up the costs that New York customers were responsible for before competitive markets.
Independent Power Producers of New York Member Survey

THE NEW YORK MARKET IMPROVES SYSTEM RELIABILITY

- "Due to competition among suppliers, the average plant availability in New York increased from 87.5% between 1992 and 1999 to 94.4% between 2000 and 2007. This increase represents the equivalent of adding 2,400 mw in new capacity. These improvements have reduced power plant emissions in all categories and are consistent with what was expected with the restructuring of the generation sector of the electric industry and the competitive wholesale marketplace that developed thereafter."
"New York State Draft 2009 State Energy Plan"

- Since, 2000, over \$5.5 billion has been invested to build more than 6,000 MW of new generation, with more than 80 percent sited where demand is greatest (New York City, Long Island and the Hudson Valley). New transmission facilities, with investments of nearly \$1 Billion, have increased capacity connecting New York and neighboring markets by nearly 1,000 MW.
"Testimony before the New York State Assembly," The New York Independent System Operator, March 5, 2009
- Under competitive markets, plant owners have incentive to operate plants more efficiently, leading to increased average plant availability – from 87.5% (1992–1999) to 94.4% (2001–2007). This improvement in plant availability is equivalent to adding 2,400 MW of generation.
"Power Trends 2009," The New York Independent System Operator
- There are more than 2,000 MW in NYISO demand response programs, which provide incentives for electricity customers to reduce their power use during times of peak demand. The size of the programs, equivalent to four large power plants, has grown more than 10-fold since the inception of New York electricity markets.
"Testimony before the New York State Assembly," The New York Independent System Operator, March 5, 2009
- A 2007 Study determined that former utility-owned units now being run by independent power producers experienced an 11% improvement in output on average. Based on these findings, the study found that "the new owners were just better than the previous ones."
"A Cost-Benefit Analysis of the New York Independent Systems Operator: The Initial Years," Analysis Group, March, 2007

THE NEW YORK MARKET BENEFITS THE ENVIRONMENT

- Wind power in New York reach 1,000 megawatts for the first time according to the NYISO. Wind is now providing close to 5 percent of the 21,000 MW of total system demand. One MW powers about 1,000 homes. New York now has 1,274 MW of wind capacity and that number is expected to surge in the future. The NYISO is currently studying proposals for another 8,000 MW of wind power.
"Integration of Wind into System Dispatch," The New York System Operator, February 2009
- "Due to the availability of transparent price signals, over 7,600 mw in new, **more efficient and less polluting resources** have been added since 2000 with 80% of that located below the central-east interface where prices are higher and the resources are most needed."
"New York State Draft 2009 State Energy Plan"
- Unlike traditional regulation's "one-size-fits-all" tariff, consumers in New York can choose a contract period of one month to one, two or even three years to lock in today's prices; they can select "green power" that is backed by production from renewable resources such as wind and solar energy; they can bundle appliance maintenance costs into the electricity bill. Competitive markets are a mainstay of the U.S. economy precisely because retail suppliers respond to consumers who shop – consumers who choose among products, services and suppliers.
"ARC's Baseline Assessment of Choices in the US," Alliance for Retail Choice, May, 2007