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New England's Power Grid Summer Outlook Announced

Supplies adequate for summer, but uncertainty regarding fuel supplies could create tight system conditions in Northeast Massachusetts/Greater Boston area during periods of heavy consumer demand

Holyoke, MA—May 4, 2012—Under normal weather and system conditions, New England's electric power supplies are expected to be adequate to meet regional demand this summer, according to ISO New England Inc., the operator of the region's bulk power system and wholesale electricity markets.

However, reduced and uncertain supplies of liquefied natural gas (LNG) to power generation in the Northeast Massachusetts/Greater Boston area during the summer could create local reliability challenges to that portion of the power grid if extreme summer weather conditions, with high consumer demand, occur or if unexpected resource outages occur. Under normal weather conditions, all areas of the region's grid should have adequate supply.

"On the regional level, the outlook for power system operations this summer is good," said Vamsi Chadalavada, executive vice president and chief operating officer of ISO New England. "To address the concerns about potential reliability challenges in the Northeast Massachusetts/Boston area, the ISO is working with local generation and transmission companies to develop special operating plans that we can use, if needed, to manage a shortage situation. In addition, the ISO has briefed the appropriate state and federal authorities and is continuously monitoring the situation in NEMA/Boston."

ISO New England has well-established procedures in place to bring the system back into balance if electricity supplies get tight as a result of an unexpected resource outage, or if an extended heat wave causes consumer demand for electricity to spike. These actions could include calling on demand-response resources to curtail their energy use, importing emergency power from neighboring regions, and asking businesses and residents to voluntarily conserve energy.

New England is a summer-peaking system, which means that consumer demand for electricity peaks during the hot summer months, largely because of air-conditioning use. ISO New England forecasts that demand could peak at 27,440 megawatts (MW) under normal summer weather conditions of about

90 degrees Fahrenheit.¹ This forecast reflects the impact of continued slow economic growth on consumer demand. Under extreme weather conditions, such as an extended heat wave with temperatures of 95 degrees or higher, consumer demand could reach 29,620 MW.² New England has about 32,800 MW of total capacity that includes generation, demand resources, and imports from neighboring areas.

Last year, an extended heat wave in the region pushed electricity demand up to 27,707 MW on July 22, just shy of the all-time record for peak demand of 28,130 MW set on August 2, 2006. In New England, one megawatt of electricity can power approximately 1,000 homes.

¹ When the impact of passive demand resources (energy-efficiency measures) is factored in, the forecasted peak under normal summer weather conditions is reduced to 26,462 MW.

² When the impact of passive demand resources is factored in, the forecasted peak under extreme summer weather conditions is reduced to 28,642 MW.