

STATE OF NEW YORK

Public Service Commission

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REPOWERING ALTERNATIVES EXAMINED

— National Grid, NYSEG to Analyze Repowering of Dunkirk and Cayuga Plants —

Albany, NY – 01/17/13 – The New York State Public Service Commission (Commission) today instituted a proceeding to examine repowering alternatives to utility power plant reinforcements and directed National Grid and New York State Electric and Gas Corporation (NYSEG) to work with generation owners to evaluate repowering of two power plants in upstate New York.

“Evaluating repowering is consistent with the New York Energy Highway Task Force Blueprint which cited the potential benefits of repowering and recommends that electric utilities be required to analyze repowering as an alternative to transmission system upgrades when a facility needed for reliability proposes to retire,” said Commission Chairman Garry Brown.

The Commission directed National Grid to evaluate repowering as an alternative outcome for the Dunkirk generating station and NYSEG to do the same for the Cayuga generating stations. The closing of the power plants could cause reliability concerns. The companies will examine the relative costs and benefits of repowering the plants at their existing sites compared to alternative transmission upgrades over the long term. The benefits to be evaluated include the reliability, environmental, and customer impacts associated with the repowering and transmission solutions.

The coal-fired Dunkirk generating station located in Chautauqua County, New York, consists of four units with combined nameplate rating of over 635 megawatts (MW). Units 1 and 2 are each rated at 100 MW and Units 3 and 4 are each rated 217.6 MW. The Cayuga facility located in Lansing, New York, consists of two coal-fired units with a combined capacity of over 312 MW. Unit 1 has a net capacity rating of 154 MW and Unit 2 of 158.7 MW.

As part of this evaluation, the companies will file with Department of Public Service staff projected costs of the transmission alternatives that they propose to evaluate, solicit bids from the current owners of the Dunkirk and Cayuga plants for the level of support required to finance repowering of their respective facilities, and file reports analyzing repowering alternatives in terms of reliability and other impacts and make recommendations to the Commission.

The Commission's decision today, when issued, may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 12-E-0577 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission orders may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.