



FACT SHEET

February, 2008

NYRI has proposed a project to the New York Public Service Commission (NYPSC) to construct and maintain a state-of-the-art 190-mile, 1200 megawatt electrical transmission line. The project would bring significant economic, environmental and electric system reliability benefits to the State of New York.

The Need

New York's ability to support vibrant communities and spur economic growth is threatened by an imbalance in the state's energy supply and its aging electrical transmission infrastructure.

Many industry analysts, including the U.S. Department of Energy and the New York Independent System Operators (NYISO), agree that the current infrastructure for transmission of electricity will have significant long-term deficiencies.

See The NYISO 2007 Reliability Needs Assessment (March 16, 2007) at: http://www.nyiso.com/public/webdocs/services/planning/reliability_assessments/2004_planning_trans_report/2007_RNA.pdf.

See The DOE National Electric Transmission Congestion Study (August 2006) at: http://www.oe.energy.gov/DocumentsandMedia/Congestion_Study_2006-10.3.pdf.

Disruptions in the supply of electricity, the lifeblood of modern economies, affect businesses, hospitals, schools and homes. New York City is already struggling with blackouts and brownouts (August 2003 and July 2006). Southern New York's demand for electricity is projected to grow an average of 1.5 percent each year, placing additional demands on the electrical grid. Beyond increases in the frequency and severity of brownouts and blackouts, New York also pays the third highest electricity rates in the country, behind Alaska and Hawaii. (Those states' costs can be attributed to their relative remoteness and need for additional infrastructure.)

In New York State, however, an abundant amount of power is currently available from a variety of sources, including renewable resources. Yet there are significant limitations on the ability of the existing transmission grid to transmit the additional power needed to consumers. No new transmission lines have been built between upstate and downstate in more than 20 years.

A Workable Solution

The New York Regional Interconnection Project (NYRI) would provide a needed new transmission path for electricity. NYRI would relieve current energy congestion by building a 190-mile 1200 megawatt electrical transmission line using direct current (DC) technology, the latest state-of-the-art technology for transmitting bulk power over long

distances efficiently, reliably and safely. After three years of analyzing possible routes and options, NYRI is confident that the proposed transmission line optimally addresses an urgent public need.

- Most of the proposed route is adjacent to existing utility or transportation infrastructure corridors minimizing the need to build in previously undeveloped areas. The use of existing rights of way is one reason why the proposed NYRI route has less environmental, land use and other impacts than other possible routes.
- NYRI will work with communities, property owners and environmental groups to be responsive to detailed issues and specific impacts along the route.
- Currently, very few plans exist to construct new generating capacity in the lower Hudson Valley and/or New York City metropolitan area. Any new plants that were to be considered there would, in all practical scenarios, be fueled with natural gas or oil, with their attendant problems of high siting costs, pollution and dependence on foreign fuel sources. Adding new plants fueled by natural gas or oil also reduces the diversity of our electricity supply, which will result in significant negative economic and reliability impacts. Plants using alternative and renewable fuels require large areas, which the New York City metropolitan area lacks. There are also significant barriers to constructing new power plants in the New York City metropolitan area because of high costs, limited space and lack of infrastructure.

Benefits of NYRI

Increased Reliability, Efficiency and Safety for Our Electrical Infrastructure

- NYRI would help alleviate some of the worst transmission bottlenecks in the country, increasing the availability of energy throughout the state.
- NYRI would benefit the entire state by enabling secure and reliable access to energy.
- NYRI would use direct current (DC) transmission, which has been documented as a safe and efficient technology with many technical features that enhance reliability.

Significant Economic Benefits for New York State

- By reducing existing transmission bottlenecks between upstate and downstate, NYRI would ultimately reduce wholesale electricity prices over a large area of New York State.
- NYRI would link an abundant energy supply upstate to a robust and growing market downstate, which would make other power transmission and generating projects, including renewable energy sources developed upstate, to be economically feasible and cost competitive.
- NYRI would continue to promote energy independence by reducing New York's reliance on non-renewable energy sources (oil and natural gas) in favor of renewable sources that can be generated upstate.
- A reliable, less expensive energy source would help attract new business and allow existing businesses to expand, particularly technology businesses concerned about the quality as well as quantity of their power supply.
- This project would be financed privately and would not require any taxes on New York residents or companies.

Significant Economic Benefits for Upstate and Host Communities

- NYRI would purchase rights of way at full or above market value. NYRI expects to invest more than \$73 million in direct payments to land owners to secure necessary rights to construct.
- The construction phase would create hundreds of construction jobs during the three-year construction phase.
- The construction phase would also entail NYRI's local procurement of materials and services, which will generate significant NY State sales tax revenue.
- NYRI would contribute a substantial amount to local communities in property taxes each year.

Environmental Benefits

- NYRI promotes a cleaner environment by reducing the dependence on older fossil-fuel/non-renewable sources of power.
- NYRI would be an important step towards reducing New York State's reliance on fossil fuels by increasing market access to more efficient and renewable technologies based upstate. Without access to the surplus energy, including hydroelectric and wind power generated upstate, downstate communities will be forced to consider the construction of new coal, oil and natural gas facilities.
- NYRI encourages the development of renewable sources upstate, such as wind power, by creating a way for this power to reach markets where it is in demand.
- Most of the proposed route would parallel existing utility and transportation rights of way, and would therefore limit changes to the current land use.
- NYRI will work with stakeholders to address any concerns about habitat protection and promote ways to control and maintain environmentally sound construction and operation methods.

NYRI Brings Experience and Commitment

NYRI would be built and maintained through the use of investors' capital only, at no cost to taxpayers. The NYRI Project development and financing team has extensive experience constructing and managing infrastructure projects throughout North America.

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