

20. Electric Markets

A.E.S. Ltd.

Dependence on market interventions versus allowing market dynamics to provide investment incentive will only slow market development and result in a longer than necessary transition to a mature stage of our market.

Independent Power Producers of New York, Inc. (IPPNY)

The electric markets in New York, as administered by the New York Independent System Operator, must be allowed to continue developing without undue government intervention.

During the transition to newer, more efficient generation sources, existing sources of electricity must not be forced out of business.

Response: The Energy Planning Board in the State Energy Plan supports long-term policies that allow market dynamics to provide investment incentives. To protect consumers, however, short-term market interventions are necessary, until sufficient numbers of new competitors enter the market and demand side programs have more fully developed. If done correctly, such intervention will not delay the maturation process, and the Planning Board believes that an approach that prevents price spikes for consumers will lead to the appropriate long-term result.

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.