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POWER MOVES !

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A publication of the New York Energy Consumers Council (NYECC)

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NYECC CELEBRATES SECOND ANNUAL ENERGY NEW YORK AWARDS, "ENYA"

NOVEMBER 20, 2006

Recognizing commitment and innovation with respect to energy management issues, the following individuals have been nominated to receive our second annual, Energy New York, (ENYA) award:

Tony Cartagine, Jones Lang LaSalle
 Steven Castracane, Pathmark Stores
 Peter L. DiCapua, Atco Properties & Management
 Douglas & Jonathan Durst, The Durst Organization
 Gregg Popkin, CB Richard Ellis
 Larry A. Silverstein, Silverstein Properties, Inc.

The awards will be celebrated over cocktails at a reception to be held on Monday November 20th from 6:00—8:00pm. For information on how you can attend, please contact Executive Director, David Bomke at 212.356.0030.

ABOUT THE NYECC

New York Energy Consumers Council (NYECC) is the largest energy customer advocacy organization in New York State. NYECC works to minimize electric, gas and steam rates, pushes for the competition needed to get the best energy pricing, and works to expand incentive programs for energy efficiency and economic development programs.

Our heritage includes a half-century of successful regulatory intervention as the Owners' Committee on Electric Rates, Inc. and nearly two decades of education, regulatory intervention, and members' representation as the New York Energy Buyers Forum, Inc. Members of NYECC represent a broad spectrum of energy buyers, including hospitals, universities, financial institutions, residential and commercial property managers, public benefit corporations, energy service companies, and energy consumer or group of consumers in Con Edison's service territory.

Your Membership Is Important - for more information on how your organization can benefit from participation, please contact us or visit our website at www.nyecc.com

ENERGY MARKET TRENDS

Contributor: Daniel Levin, Ernst & Young Energy Trading & Risk Management Services

What Will 2007 Bring?

The past 12 months have seen some dramatic reversals in the energy markets. Only a year ago, Hurricanes Katrina and Rita wreaked havoc on the country's energy infrastructure, knocking out drilling platforms, pipelines and refineries for both oil and natural gas. For a period of about four months, oil and natural gas production from the Gulf of Mexico was reduced by more than 75%. The impact on market prices was equally dramatic. Natural gas prices rose from about \$6.50/MMBTU in July to well over \$15.00/MMBTU in December.

Fortunately, Mother Natural (or feel free to call it global warming) provided the energy markets a reprieve from the post hurricane prices, by providing the warmest winter on record. The unseasonably warm winter months of January and February greatly reduced natural gas demand and created a surplus of stored natural gas. By mid-April stored natural gas volumes were at more than 50% above the five year average. The surplus forced natural gas prices down to semi-acceptable levels (in the \$5.00 to \$7.00 range). The natural gas contract for the month of October closed at the almost unbelievable price of \$4.20/MMBTU. We had to go back to December 2003 to find a natural gas contract closing in the \$4.00 range. See the chart below (provided by our friends at Con Ed Solutions), tracking historic 12 month contract natural gas and electric prices

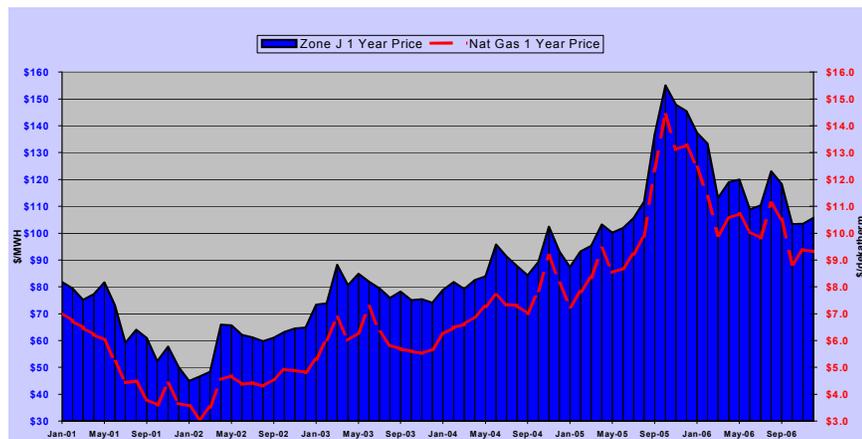
Oil also saw price reductions in 2006. Prices had reach over \$80.00 a barrel for short periods, but has now settled comfortably in the \$55 to \$60 per barrel range. While this is by no means cheap oil, it is a lot better than \$75/barrel and so most people are accepting this price range as one that they can live with.

As we prepare for 2007, the natural gas surplus stands at 7.4% above the five year average and prices for natural gas and electricity have become range bound. Nat gas is hovering between \$7.50/MMBTU and \$8.50/MMBTU while On Peak Zone J electricity is staying in the \$0.09/kwhr and \$0.10/kwhr range. The market is definitely poised for movement and the weather is the key.

At present we are in a mild El Niño weather pattern. If this holds or strengthens, this winter will have normal to above normal temperatures and the reduced natural gas demand will set us up for an very large surplus at the end of the winter withdrawal season. In that event, natural gas prices would likely have to drop to levels where the largest natural gas users (electric generators, for example) will select natural gas over oil. This price target is somewhere between \$4.50/MMBTU and \$5.20/MMBTU.

On the other hand, weather being always the most predictable of variables in our human lives, it may turn against us with colder than normal temperatures. Should that happen, storage surpluses may diminish and prices will rise. Cold weather for even short periods in December, January, and February would likely result in market prices in the \$10.00/MMBTU to \$11.00/MMBTU range.

Many people watching the energy markets at this time see it as a good time to buy and they have. While there is a risk premium built into the existing market of about 12% to 17% on a 12 month electric or natural gas contract, budget sensitive energy users have decided to lock in all or at least significant portions of their energy requirements for 2007. For those energy users, who have determined their risk appetite to be mildly ravenous, selective hedges (for either electricity or natural gas) have presented fine vehicles for controlling price volatility while planning on potential price decreases that may be available after a mild winter. Either way you interpret the market, 2007 seems to be coming in as anything but boring.



CON EDISON RELEASES 600-PAGE REPORT ON NORTHWEST QUEENS OUTAGE

Report Analyzes Causes & Presents Plan for Improvements

Con Edison released a comprehensive report on the causes of the July outage that affected 25,000 customers in northwest Queens and the actions the company plans to undertake to improve service, reliability and communication.

The report, intended to be a blueprint for strengthening reliability, explains the events that led to the failure of 10 of the Long Island City network's 22 feeder cables starting on July 17 and was widely covered in the media.

Since July, Con Edison engineers and other company experts have reviewed the northwest Queens outage to learn from the event. Using an exhaustive, scientific approach, they analyzed hundreds of components to find why they failed, resulting in recommendations to improve the company's already reliable delivery of electricity.

The 600-page report finds:

- An unprecedented series of events occurring in northwest Queens during a period of record electrical use, causing the outage.
- The decision to maintain the network prevented the outage from spreading to 90,000 additional customers in northwest Queens, and to hundreds of thousands who would have been affected by transportation shutdowns.
- Attempting to save components of the system resulted in delays to restoring electricity to some customers.

The report also outlines plans for reducing the potential for a similar outage, including:

- Upgrading equipment within the northern Queens substation, and at others around the system;
- Investing \$58 million in the Long Island City network;
- Studying advancing the construction of a new substation in northwest Queens, based on enhanced reliability to customers by the summer of 2007.

As with all significant events affecting power reliability in New York City and the surrounding area, the NYECC is covering progress on this issue very closely. To receive a full copy of this report, please contact the NYECC at 212.356.0030.



MORE LEADING ORGANIZATIONS RALLY TO MEET THE EPA'S BUILDING CHALLENGE

ENYA Nominee and NYECC Member Among Those Recognized

From schools to grocery stores to hotels to offices, 20 new organizations across the country are being recognized for rising to the challenge to reduce the energy they use, save money, and help the environment. As part of the Energy Star Building Challenge, these organizations joined 20 others as Energy Star Leaders for improving the energy efficiency of buildings.

Energy Star Leaders manage over 212 million square feet of building space -- more than the combined office space of Boston, San Francisco and Washington, D.C. These grocery stores, offices, hotels, and schools achieve significant energy savings with simple steps, such as turning off lights and computers while not in use, setting temperatures that balance comfort and efficiency, upgrading to more efficient lighting, and more. Energy Star Leaders also demonstrate a corporate commitment to energy efficiency, with involvement at all levels from students to executives.

EPA provides easy-to-use tools to help building owners and managers reduce energy use. The national building energy performance rating system helps building managers rate the efficiency of their buildings on a scale of 1 to 100 points, set goals for improving building efficiency, and document improvements. Energy Star Leaders have either documented a 10 point or greater improvement across all of the buildings within their organization or have earned an exemplary average rating across all buildings.

Announced in 2005, the Energy Star Challenge encourages building owners and managers to reduce energy use by 10 percent or more. Commercial and institutional buildings use about \$80 billion worth of energy each year and contribute about 20 percent of U.S. greenhouse gas emissions. EPA estimates that if each building owner met this challenge, by 2015 Americans would reduce greenhouse gas emissions equal to those from 15 million vehicles, while saving about \$10 billion.

The NYECC congratulates member, **The Durst Organization**, on their 2006 ENERGY STAR Leaders status. Durst was one of only ten organizations recognized for a top performing portfolio

For more information on how to get involved or be recognized as an ENERGY STAR Leader, please contact the NYECC at 212.356.0030.

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**Educating Energy Consumers
Toward Economical Energy**



A consolidation of the New York Energy Buyers Forum (NYEBF) and the Owners Committee on Electric Rates (OCER), NYECC is the largest major energy consumer advocacy group in New York. We continue to build on our nearly 60 year history and look forward to saving our members, as well as many other local energy users, another billion dollars thru intervention and education.

NYECC.com

WHAT IS THE POWER SAVINGS PARTNER PROGRAM?

The Power Savings Partner Program is a collaborative effort between NYSERDA and Con Edison to provide additional funds for load management, energy efficiency, and distributed generation programs to help manage and reduce energy usage especially during peak periods, and at other times. Programs through the Power Savings Partner collaboration are available to Con Edison electric distribution customers that pay the SBC and/or the Monthly Adjustment Clause (MAC).

The Collaboration builds upon and includes the **New York Energy \$martSM** programs which are aimed at lowering electricity costs across the State through a number of energy efficiency and demand reduction programs.

Goals of the Program

- Reduced energy and demand consumption
- Lower energy bills
- Electric system reliability
- Healthier and cleaner environment