

PRESS RELEASE

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COMMERCIAL CONSUMER GROUPS CALL FOR FINANCIAL PROTECTION FROM EXPECTED TRANSMISSION RATE INCREASES FOLLOWING 2003 BLACKOUT, REPEAT CALLS FOR MORE IN-CITY GENERATION

The Owners' Committee on Electric Rates, Inc. ("OCER") and the New York Energy Buyers Forum ("NYEBF") are calling for customer electric rate protections to be implemented as part of any program to upgrade power transmission systems, especially those servicing the New York City and Westchester County areas. The groups also called for increased generation inside the City.

Some utility experts are already estimating the costs to upgrade the nation's electric transmission system in tens of billions of dollars. Consumers largely funded the grid protection systems put in place after the 1965 and 1977 blackouts in New York City for the purpose of preventing future blackouts. Those protections failed on a day in which electric loads were far below peak levels. The two consumer groups strongly believe that customers should not now be required to bear the full burden of paying a second time for the protections first promised over 25 years ago.

Although pundits appear ready to blame last week's failure on the ongoing deregulation of the electric utility industry, NYEBF and OCER maintain their strong support of electric deregulation as a means of lowering energy costs for consumers. NYEBF's founder, Lindsay Audin, warns, however, that inattention to the reliability of the transmission system will hamper efforts to develop the robust power market needed to contain and reduce power pricing.

The Federal Energy Regulatory Commission (FERC) has suggested that boosting the regulated rate-of-return for transmission systems could encourage their construction, but Peter L. DiCapua, president of OCER recently stated:

"Given our overriding interest here in New York for access to reliable electric power to run the office buildings which form the engine of the city's economy, we want guarantees that such price incentives given to transmission owners will indeed improve reliability, rather than simply raising our electric rates."

DiCapua further noted that the reliability problem is not one that will be adequately addressed solely through additional transmission capability. Load growth and plant retirements are outstripping available local generating and transmission capacity, he pointed out, and reiterated calls by the NY ISO, NY Building Congress, NYEBF, and others for installation of (at minimum) an additional 2,000 megawatts of in-City generating capacity by 2006.

OCER has represented the energy interests of commercial property owners and managers in New York City before State agencies for 50 years. OCER's membership is comprised of approximately 300 members and includes landmark member properties such as the Empire State Building and Rockefeller Center. NYEBF consists of 60 members and includes major commercial and institutional consumers of energy such as hospitals, colleges, state and city agencies, real estate firms, banks, housing company-ops, industrial companies, building owners and museums, among others and has acted as an advocate for its members before state and federal legislators and regulatory agencies since its founding in 1992. OCER and the NYEBF are examining consolidation of the two organizations into a single group to represent major energy users in the New York metropolitan area.