

Key Issues

Exhibit “A”

Summer Readiness

(presentation from Edward Welz, EVP Power Supply)

Executive Summary

The New York Power Authority’s Power Supply Business Unit, which has operational responsibility for all of NYPA’s generating facilities, as well as NYPA’s transmission system, has prepared the following Summer Readiness Summary.

In general, NYPA’s Generation and Transmission facilities are well prepared to manage the expected summer load in New York State for the upcoming summer. Completed, scheduled, and ongoing maintenance activities, as well as summer system operational preparedness, will ensure that the NYPA power system is at its peak readiness for reliability.

The Summer 2010 NYISO forecasted Load was 33,025 MW and the actual peak for 2010 on July 6, was 33,452 MW.

The All-time NYISO Peak Load occurred on August 2nd, 2006, at 33,939 MW.

The NYISO Load Forecast for 2011 is 33,025 MW, which is the same as the 2010 forecast, and less than the 2006 peak by 914 MW.

The following is a summary of some specific steps and actions that have been taken within the NYPA wide Transmission System, as well as, within each of Power Supply’s four (4) operating regions:

Transmission (Energy Control Center, Clark Energy Center and Line Maintenance)

Summer outages have been minimized through long range planning, TBU has carried out personnel training, conducted restoration drills, completed high priority maintenance, and completed aerial and ground patrols.

Western Region - Niagara Power Project (Robert Moses and LPGP)

The NIA Operations Department will be monitoring plant conditions during the summer such as temperature sensitive equipment that is directly related to power production, and make adjustments as necessary.

The NIA Maintenance Departments have conducted both Corrective and Preventive Maintenance on plant systems in preparation for the upcoming warmer temperatures.

Northern Region – St. Lawrence Power Project

The STL Operations Department will be monitoring the water storage and flows on the St. Lawrence River. In addition, STL Operations will be monitoring local voltage support. If additional local voltage support is needed, the Synchronous Condensers, capacitor bank facilities, and the upgraded hydro units can manage this support if required.

The STL Maintenance Departments have conducted both Corrective and Preventive Maintenance on plant systems in preparation for the upcoming warmer temperatures.

Central Region – Blenheim-Gilboa Power Project (Including Small Hydro)

The Central Region's operating plants, transmission system, and operational staff, are prepared for the summer's peak energy demand. In preparation, resources have been deployed throughout the Central Region performing routing O&M activities to support NYPA's high level of generator reliability. As always, necessary resources can be re-directed in response to system emergencies as required.

All of BG's generating assets are expected to be in service and fully ready for the summer load. In addition, all Small Hydro generating facilities (Ashokan, Jarvis, Crescent, and Vischer Ferry) are operational and running as water is available.

Southeast NY Region – (Astoria 500MW, Flynn, and SCPP's)

Operations and Maintenance staff have been performing their usual annual PM program, which includes but is not limited to Air Chiller maintenance; start up of the air inlet chiller system, cleaning of the Air Cooled Condenser, as well as conducting boroscope inspections.

Outages have been taken at the 500 MW, Flynn, and the SCPP's to perform summer preparation preventative maintenance.

Attachment #1 – Regional Specific Preparations

Transmission (Energy Control Center, Clark Energy Center and Line Maintenance)

Energy Control Center (ECC)

Major Transmission outages are not normally scheduled in the summer. During Peak Load days, the NYISO has the discretion to cancel scheduled work.

Significant NYPA System Changes to note since Summer 2010:

- New Astoria Annex 345 kV station expected to be in service.
- Expected connection of Astoria Energy Unit 2.
- Harlem River Unit 1 expected return to service from transformer replacement.

ECC Staff Preparations:

- Meeting with Con Ed regarding the 500MW/SCPP.
- CSC series-mode tested following annual outage.
- All ECC Operators completed Spring NYISO SOTS training.
- Emergency ECC utilized.
- NYISO Interim Control Operation drill to be conducted in April.
- NYISO Restoration Drill to be conducted in April.

Clark Energy Center (CEC) – 345kV & 765kV Switchyard Preparations

- Maintenance of the yard's relay systems completed.
- Maintenance & testing of the yard's auxiliary systems up to date.
- Replaced all lighting arrestor counters on the auto banks, 765KV side.
- PCB 7223X factory refurbishment completed, breaker installed & tested.
- CT 7404 A-Phase, repaired damaged porcelain & energized.
- Thermal scan conducted & repairs made from the inspection.
- CSC/FACT maintenance completed.
- VU-19 relay replacement to be completed.
- PCB 3402 (Cap Bank 1), 6-Year maintenance to be completed.

Transmission Line Maintenance (CEC, BG, STL, NIA)

The following steps have taken place, or will take place, to ensure NYPA's Transmission Line readiness for the upcoming summer season:

- Annual Ground Patrol of the entire system completed.
- Bi-Annual Aerial Patrol of the entire system completed.
- On-going Vegetation Management, including side-trimming, of specific portions of the system.
- Bi-Annual Aerial Patrol of the entire system is scheduled May/June 2011

Western Region - Niagara Power Project (Robert Moses and LPGP)

The NIA Operations Department will be monitoring plant conditions during the summer such as:

- Stator temperatures during cooling season, and adjust output as necessary. This is balance with the relationship between water temp and air temp and usually does not happen until later in the summer season.
- Tunnel temperatures and work with HVAC to increase cooling capability through additional chillers.
- Unit trash rack differentials and respond with scrapping or clamming as needed.
- Water cooling for the Autobanks, and set up additional cooling which will be turned on manually during high temp conditions.

The NIA Maintenance Departments have conducted both Corrective and Preventive Maintenance on plant systems to be prepared for the upcoming warmer temperatures. Some examples are as follows:

- All Water Cooled Chiller Condenser tubes are brushed and flushed.
- Air Cooled Chillers in the S&R and Fan buildings will be washed.
- Damper PM's on Power Tunnel Fans/Air Handling Unit's are performed to insure proper operation.
- PM's are performed on both Chilled water and Condenser water pumps.
- Cooling Tower preparations are performed in the S&R bldg.
- Zebra mussel chlorination readiness.
- Chilled water line temperature sensors have been replaced as needed.

Northern Region – St. Lawrence Power Project

The STL Operations Department will be monitoring the following conditions during the summer such as:

- Water Storage - Currently there isn't any stored water on Lake Ontario. The board's current philosophy is not to store water while managing to the current regulation plan. If additional generation is required during a high load period in the summer, STL Operations can ask the board for a flow deviation from plan flow. In the past they have granted additional flows for critical power requirements. This is not expected to be an issue.
- Local voltage support – This is expected to not be an issue this summer. There are no specific planned outages of the Synchronous Condensers and capacitor bank facilities. In addition, our upgraded hydro units can also handle voltage support due to their increased cooler capacity if required.

The STL Maintenance Departments have conducted both Corrective and Preventive Maintenance on plant systems to be prepared for the upcoming warmer temperatures. Some significant maintenance activities which have been, or will be conducted are:

- All maintenance work associated with the Bulk Electric System (BES) was approved with the NYPA Energy Control Center in September 2010.
- The only significant summer Generator outage is for the Life Extension and Modernization of Generator Unit 19. This is scheduled to begin on June 16, 2011 following the completion of Generator Unit 24.
- The only significant Transmission outages for the summer involve half breakers on the L33P and L34P lines. All summer, at least one line will be running on a single breaker.
- The Battery Banks at Moses were load tested in March 2011. The Battery Banks are critical to the power system.

Central Region – Blenheim-Gilboa Power Project (Including Small Hydro)

- The BG1 starting motor rotor repair is progressing well, with actual damage found to be less severe than was feared. It is now expected to be returned to service as early as June 1, which will restore all of BG's generating assets to full readiness for the summer load.
- The BG3 scheduled maintenance outage for this spring had to be postponed until fall, due to the emergent outage on BG1. A short outage

will be performed in April or May to ensure its readiness for summer service.

- BG staff has completed repairs to the plant's main cooling water header which will add flexibility to keep the units operational while isolating, removing, and cleaning the filters.

Southeast NY Region – (Astoria 500MW, Flynn, and SCPP's)

SENY is planning a maintenance outage on the Astoria 500 MW Unit 7B. This outage is not directly related to summer preparedness, but it is due based on unit operational hours-