



Legislation Text

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Res. No. 1743

Resolution calling upon the Federal Energy Regulatory Commission to take immediate action to protect the millions of New York City electric customers this summer by instituting the appropriate mechanisms to avoid price spikes.

By Council Members Fisher, Clarke, Malave-Dilan, Eisland, Freed, Marshall, Nelson and Abel; also Council Members Carrion, Dear, DiBrienza, Harrison, Koslowitz, McCaffrey, Michels, O'Donovan, Povman, Provenzano, Quinn and Fiala

Whereas, As a result of deregulation in the electric utility industry it is necessary for the Federal Energy Regulatory Commission ("FERC") to take immediate action to protect the millions of New York City electric customers from price spikes this summer; and

Whereas, FERC must institute the necessary measures to correct market flaws that permit power generators to exercise market power, thereby allowing them to utilize the market to their own advantage; and

Whereas, In order to avoid potential price spikes this summer changes must be made in the manner in which the New York Independent System Operator ("NYISO") administers the electric wholesale marketplace; and

Whereas, Such changes include a new "circuit breaker" mechanism in order to hold energy prices down when the wholesale electric market is not so competitive, which could occur when consumption is high and power supplies are tight; and

Whereas, The use of a "circuit breaker" mechanism could also be extremely helpful in preventing unreasonable price volatility; and

Whereas, Strong consumer protection tools need to be implemented also, including eligibility for retroactive funds in instances where a generator of power abuses the system and charges more than a competitive price; and

Whereas, FERC must institute a corrective action plan in order to ensure that customers for electricity throughout New York City are protected and that the markets for electricity are functioning efficiently and competitively; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the Federal Energy Regulatory Commission to take immediate action to protect the millions of New York City electric customers this summer by instituting the appropriate mechanisms to avoid price spikes.

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