



FEDERAL ENERGY REGULATORY COMMISSION

April 16, 2009

Chairman Jon Wellinghoff

Opening Statement of Chairman Jon Wellinghoff

"Today marks the first open meeting since President Obama designated me to serve as Chairman of the Federal Energy Regulatory Commission. I am deeply honored by President Obama's action, and I want to thank the President for the confidence he has expressed in asking me to take this role.

I also would like to thank my colleagues, who have been supportive and helpful during this transition. Finally, I would like to express my sincere appreciation to the highly professional staff of this agency. Without you, we could not carry out the Commission's important responsibilities. It is an honor to come to work every day with the best and brightest staff in the Federal government.

Before continuing, I want to announce that Shelton Cannon has decided that, after 29 years of service, he is retiring from the Commission. I want to extend my gratitude and admiration for his work here.

Shelton has been called an economist, an engineer, and an attorney. However, I think Shelton is best described as an exceptional public servant. Shelton's service at the Commission has been selfless, tireless, diligent, and focused.

On one level, Shelton has been involved with developing our major policy initiatives. His advice consistently reflects great expertise and judgment.

On another level, Shelton has excellent people skills. Within the Commission, he is known for taking the time to teach our developing analysts and, just as importantly, giving them opportunities to succeed. With state commissions, utilities, and many others, Shelton has built bridges and diplomatically provided information and perspective on what are sometimes contentious policy debates. The respect that Shelton has earned from all parties has enhanced the Commission's reputation as an agency that is recognized for leadership, respected for its expertise, and balanced in its decision-making.

Shelton, thank you for your service. I am pleased to recognize you with the Career Service Award.

I also would like to briefly discuss my priorities as Chairman. I intend to build upon the Commission's reputation as an agency that is efficient and timely in its decision-making, respected for its technical and legal expertise, and recognized for the leadership it brings to the energy issues confronting our nation. Toward that end, we will maintain our commitment to four fundamental Commission responsibilities: developing needed energy infrastructure, fostering competitive energy markets that produce just and reasonable rates, overseeing reliability standards, and effectively enforcing both market and reliability rules.

Since I joined the Commission in 2006, I have emphasized that fulfilling these responsibilities must involve action on issues that the Commission has only recently begun to pursue aggressively. Those issues include:





- (1) exploring how best to incorporate demand response and other demand resources into wholesale electric markets;
- (2) enhancing transmission planning and market rules and operations to allow reliable integration of renewable energy resources; and
- (3) pursuing continual improvements in operational and technical efficiency across all aspects of the industries we regulate.

We have made considerable progress on these issues in the past two-and-a-half years. Those achievements owe a great deal to the efforts of former Chairman Kelliher, as well as to the leadership of and collaboration among my fellow commissioners. For example, Commissioner Kelly has played a key role in the Commission's work on developing a Smart Grid. Commissioner Moeller has been a leading voice on the need for investment in infrastructure, particularly electric transmission facilities. Commissioner Spitzer has played a key role in the Commission's work on competitive power procurement and in highlighting the potential benefits associated with the development of plug-in hybrid electric vehicles.

However, there is more work to be done. We are at a critical juncture in the development of our nation's energy policies. Our existing infrastructure too often is inefficient and will not be capable of meeting our nation's future energy needs and challenges. We must develop the technologically vibrant systems that our nation's consumers deserve.

In addition, the intersection between environmental policy and energy policy is becoming increasingly important. Indeed, issues surrounding climate change, renewable resources, energy efficiency, and developing a smart grid are emerging as drivers for energy policy. These same issues are front and center in the emerging energy policies of the new Administration and are also the subject of a number of legislative initiatives currently being considered on Capitol Hill.

As we build on the Commission's experience and expertise to address these issues and challenges, I will be looking for ways to encourage and incorporate new ideas and fresh approaches into our decision-making process. I am pleased to announce the creation of the Office of Energy Policy and Innovation, effective May 4. I am also pleased that Jamie Simler has agreed to serve as the Director of this new office. Jamie has 23 years of experience in the energy industry, both public and private sector. She has been the Deputy Director of the Office of Energy Market Regulation since 2005. Prior to that role, she held several positions of increasing responsibility, including advisor to a commissioner.

With Shelton's retirement, Mike McLaughlin will become the Director of OEMR. Mike is a veteran regulator with 25 years of experience at the Commission. Mike began his career at the Commission as an advisor to a commissioner. He has held a number of senior management positions within the Commission, including as a Division Director in OEMR for a number of years. Most recently, he has been the Deputy Director of the Office of Electric Reliability. Thus, Mike will bring a unique combination of knowledge about economic and reliability regulation to his new position.

Anna Cochrane will become the Deputy Director of OEMR. She has 25 years of experience in the energy industry. Anna has worked both in the private sector and at the Commission. Since 2006, Anna has been Deputy Director of the Office of Enforcement.

These new office leaders are characterized by broad experience and outstanding achievement. They will do a great job.

Lastly, I would like to acknowledge the hard work of my personal staff during the past two-and-a-half years: Jim Pederson, David Morenoff, Mary Beth Tighe, and Mae Travers. As announced last week, Jim is taking on a new position as the Commission's Chief of Staff. David and Mary Beth will become,



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respectively, my senior legal and policy advisor and my senior technical and policy advisor. As my confidential assistant, Mae plays a vital role in the efficient operation of my office. Christy Walsh recently joined my staff as a legal and policy advisor. Finally, LaShonda Swann serves in my office as a visual information specialist.

I look forward to serving as Chairman of the Commission. I commit myself to working with my colleagues at this table, my friends and fellow regulators at the state level, other federal departments and agencies, the industries we regulate, and the many others who are interested in the Commission's proceedings, all in the interest of consumers."