



September 16, 2010

Commissioner John R. Norris

**STATEMENT**

## Statement of Commissioner John R. Norris on NERC's 3-Year Assessment

"The Commission's responsibility to oversee the development of and compliance with mandatory electric Reliability Standards for the Bulk-Power System is one of the most significant jobs we have. It is also unique. Unlike other areas of our responsibility, Congress established a model whereby the public and private sectors share responsibility for ensuring Bulk-Power System reliability.

Today, the Commission provides a comprehensive response to NERC's three-year Performance Assessment Report, which NERC filed in 2009 in accordance with our regulations. Obviously, it took a long time for the Commission to respond to NERC's report - probably too long. I think the length of time it took us to provide this response is emblematic of the breakdown in communication that occurred as the relationship among the Commission, NERC, international regulators, and industry has evolved since NERC was certified as the ERO in 2006.

Over the last several months, I think we have all acknowledged this breakdown in communication and taken positive steps to improve relationships. In particular, the July 6 technical conference provided an excellent opportunity to collectively take a step back and assess the challenges we face in implementing mandatory Reliability Standards. Our conversations are now on the right track. We need to continue to make a concerted effort to engage in regular dialogues to ensure that we continue on this positive track.

Today's order on NERC's three-year assessment is positive in this regard. We announce in this order that we will convene two additional Commissioner-led technical conferences.

First, in November we will hold the technical conference on reliability monitoring, enforcement, and compliance that we first announced in June. This conference will give us an important opportunity to discuss in an open forum the sometimes difficult relationship between efforts to maintain and improve reliability, and the obligation under law to enforce compliance with the Reliability Standards.

Second, in January or February of next year, we will convene another technical conference to discuss high-level policy issues and high-level priorities with regard to reliability. As our order states, public dialogues on these high-level policy and priority issues should go a long way in helping to clarify expectations for the NERC Reliability Standards development process.

These open, inclusive public dialogues are extremely important to me. In my view, it is critical that we develop a clear public record on the decisions we make with respect to reliability. Policymakers and the public need to understand why we have made the decisions we have, and the considerations that went into those decisions. Conducting dialogues on key reliability policy issues and priorities in an open, inclusive forum will get us to the best decisions, and give us the best public record on which to support those decisions.

Moreover, the commitment we make in today's order to regular open dialogues is important to ensuring that NERC, industry, the Commission, and our international colleagues understand what we each view as the most critical priorities to reliability. This will help us all "get on the same page" when it comes to prioritizing and managing the large amount of Reliability Standards work that is ahead of us.



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I want to thank the staff for their excellent work on this comprehensive order. I think this order is another positive step in improving the working relationships among NERC, the Commission, international regulators, and the industry, and I am happy to support it."