



December 16, 2010

Commissioner John R. Norris

FEDERAL ENERGY REGULATORY COMMISSION

STATEMENT

Docket Nos. ER10-1791-000

Item No. E-1

Statement of Commissioner John R. Norris on Removing Barrier to Development of Needed Transmission in Midwest Region

"Similar to other areas of the country, public policy mandates, aging infrastructure and changing uses of the grid are creating a need for new transmission infrastructure in the Midwest. Today we approve a proposal developed by Midwest ISO and its stakeholders to facilitate the development of new transmission facilities to meet these needs and provide broad benefits to customers throughout the region.

As I have noted before, I believe the transmission grid is key piece of the puzzle that is our national energy future. As we ask that grid to do more and more - from supporting large regional wholesale energy markets to facilitating the use of more renewable energy and demand-side resources - existing transmission planning and cost allocation mechanisms may prove unworkable. For this reason, proposals to update and supplement those mechanisms like the one we approve today are critical to moving forward to address our energy challenges.

The Multi Value Projects (MVP) proposal approved in this order establishes a new transmission planning and cost allocation mechanism where it is needed most - to support large-scale transmission projects needed to meet regional public policy requirements, as well as large projects that provide broad reliability and economic benefits in the region. These are the kinds of projects that we have seen struggle to get off the drawing board under existing planning and cost allocation protocols.

I want to commend the Midwest ISO and all of the stakeholders in the region for their extensive efforts in developing and supporting this proposal. As I know from personal experience, the Midwest ISO covers a vast region of stakeholders with many interests. Reaching a compromise on any issue with such a large group can be challenging, let alone on an issue as difficult as cost allocation. I want to especially recognize and thank our state commission colleagues, under the leadership of Commissioner Lauren Azar, for their active role in helping move this process forward.

In some respects, approving a proposal this extensive is much like passing a major piece of legislation - it represents an important beginning to the work that needs to be done, not necessarily the end. The Midwest ISO, the stakeholders in the region, and the Commission will be working through planning and cost allocation issues under this new framework for the foreseeable future. I hope the spirit of compromise and mutual interest that led to this proposal will persevere as we go forward."