

**Statement of Commissioner Nora Mead Brownell
on the Electric Reliability Organization Final Rule, Issued February 2, 2006**

At a time when our infrastructure is stressed because of under-investment coupled with escalating demand, at a time when the security of infrastructure is of growing concern, at a time when reliability is more critical than ever because of our economic and social well-being, this rule is the most important rule the Commission is undertaking. Change is difficult, particularly in an industry that is risk-adverse; however, Congress recognized that our country is owed a stronger, independent ERO with consistent and measurable rules. I thank Congress for giving us this responsibility – and we take it very seriously.

I also thank EEI, NRECA, APPA, and EPSA, and their respective members, for their leadership, their vision, and their commitment to ensuring we all get this rule right. Their comments and their willingness to be change agents bodes well for our new efforts to achieve certainty, accountability, and transparency. They recognize their members' obligation to ensure public safety. They too believe that the lowest common denominator with no accountability is no longer enough. Pursuit of excellence is the goal and the ERO and Reliability Standards will be judged by how high they set the bar.

The final rule issued today codifies the roles of the ERO and Regional Entities and their respective authorities in the process of developing, monitoring and enforcing mandatory reliability standards, as Congress intended. While the Commission oversees the ERO, the ERO in turn oversees the Regional Entities – thus we foresee a strong, top-down reliability enforcement regime. All users, owners and operators will be held accountable, including municipals, electric cooperatives, and federal power marketing agencies.

Additionally, it is clear that reliability and competition may be intrinsically linked at times – however, they are not incompatible. Competition and reliability can coexist, and ultimately, reinforce one another.

When reviewing applications, the Commission will not only be assessing the applicant's ability and processes to not only design and develop reliability standards, but we are also going to look hard at the applicant's proposal for resources and staffing for reliability monitoring and enforcement. Getting the rules in place is not enough – how the applicant ensures compliance day-to-day is paramount.

As we continue to improve and enhance the ERO, its rules, the mandatory Reliability Standards, and subsequent enforcement, I look forward to working with the ERO, stakeholders, and our counterparts in Canada and Mexico, to ensure a strong, independent ERO and a markedly improved and reliable energy infrastructure.