

COMMENTS OF FERC COMMISSIONER SUEDEEN G. KELLY

ON

NATIONAL RENEWABLE ENERGY LABORATORY (NREL) REPORT :

***20% WIND ENERGY BY 2030: INCREASING WIND ENERGY'S
CONTRIBUTION TO U.S. ELECTRICITY SUPPLY***

May 12, 2008
National Press Club

I am pleased to support the vision of the electric industry's future that is profiled in this report. I saw the difference wind made in my home state of New Mexico where I had a front seat to the development of what was then, in 2003, the largest wind farm in the country. I have been thrilled to see the industry triple in size in just 4 ½ years, and I believe wind power can continue on that trajectory in this country.

As a federal economic regulator, and former state utility regulator, charged with ensuring that rates for consumers are just and reasonable, I am acutely interested in cost-effective commercially ready technologies that the nation can deploy today to combat global warming and meet renewable portfolio requirements. The 20% wind scenario would only cost 2 percent more than the cost of the baseline scenario without wind. At 50 cents per month for the average ratepayer, that is a small price to pay for the benefits to our climate's health, water supplies, natural gas supplies and energy security that it would buy—and that does not even count the stability provided to consumers by eliminating fuel price risk.

As a regulator of the U.S. natural gas industry, I am also very interested in how we can use this relatively clean fuel optimally, while maintaining stable prices. The 20% wind scenario would use natural gas fired generators to provide electric system reliability, but would lower fuel use in those plants and reduce overall U.S. natural gas consumption by 11 percent. That would take some pressure off natural gas markets and provide downward pressure on natural gas prices.

To achieve these considerable benefits, one critical requirement identified in the report is an interstate transmission superhighway system. I am convinced this would bring many benefits to the nation. In addition to enabling 20% wind, it would also increase reliability and promote competition and consumer savings.