



November 18, 2010

Commissioner Cheryl A. LaFleur

STATEMENT

Statement of Commissioner Cheryl A. LaFleur on Integration of Variable Energy Resources NOPR

"I would like to thank the team for your hard work on the NOPR. I know you have been working together as a cross-functional team for some time, and have spent considerable time in outreach with people across the country on these issues.

I believe today's rulemaking reflects the increasing importance of variable energy resources in the nation's power supply, and their impact on energy markets and grid operations. As stated in the NOPR, the U.S. has 35 GW of wind energy installed, with another 85 GW projected by the end of 2012. Solar already provides 2 GW. Not surprisingly, issues of how variable energy resources fit into both market rules and grid operations have come before the Commission more and more frequently in specific cases from different regions of the country. We recognized that it is more equitable and efficient to address some of these issues as a rulemaking rather than continuing to address them on an ad hoc basis.

Today's rulemaking seeks to adapt certain market and grid rules to ensure just and reasonable treatment of variable energy resources. However, at the same time, it would place obligations on those variable resources to ensure that their operation does not affect other resources in an unjust or unreasonable manner. This reflects the maturation of variable energy resources. To use a sports analogy: renewables are no longer just pilot projects playing at the intramural level; they are now playing at the varsity level, and have to step up and follow the varsity rules. This is important for efficient operation of markets, fair treatment of all types of resources, and especially for system reliability. As the number of variable energy resources grows, it is important that they fit into grid operations without operators having to take special actions for every project.

I look forward to the comments on this NOPR, and continuing to work to update our rules to reflect changes to the resource mix and new technologies."