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February 17, 2011

Commissioner Philip D. Moeller

STATEMENT

FEDERAL ENERGY REGULATORY COMMISSION

Docket Nos. RM11-7-000 and AD10-11-000

Item No. E-4

Statement of Commissioner Philip D. Moeller on Proposed New Compensation Method for Regulation Service

"Today's Notice of Proposed Rulemaking is an important step in considering how to compensate resources for their contribution to the reliability of the power grid. I attended the technical conference on faster-ramping resources on May 26, 2010, where various stakeholders, including representatives from the RTOs and ISOs, industry, and academia shared their views on the design of frequency regulation markets. At that conference, I was interested in how the frequency regulation markets reflect the value of the service provided, and whether the use of faster-ramping resources for frequency regulation has the potential to provide benefits to the organized markets. I continue to be interested in the potential for new resources to provide efficiency gains to these markets, and I look forward to the comments that will be filed in this proceeding."