



FEDERAL ENERGY REGULATORY COMMISSION

Docket Nos. RM11-24-000 and AD10-13-000

Item No. E-9

June 16, 2011

Chairman Jon Wellinghoff

STATEMENT

Statement of Chairman Jon Wellinghoff on Policies for Ancillary Services, Electric Storage Technologies

"I'd like to make two brief points about the NOI we issue today.

First, although this document has important implications for the development of storage technologies, its scope and applicability are broader than that. The NOI asks some key questions that involve the development of vibrant markets for ancillary services - not just for storage resources, but for all potential providers of ancillary services. In particular, the NOI asks whether the Avista policy should be modified to allow greater competition in the provision of ancillary services. While the Avista policy serves an important role in addressing the potential for market power, this NOI asks whether alternative means exist to address those market power concerns and still allow ancillary services markets to develop and flourish.

Second, the latter part of this NOI focuses more particularly on storage. The proliferation of fast response storage technologies is important for the integration of renewable resources and the reliable and efficient functioning of the transmission grid and wholesale markets. To help encourage the development of storage resources, this NOI asks whether and how this Commission's reporting and accounting regulations should be modified to accommodate the varying services that storage can provide.

I look forward to the comments we receive in response to this NOI."