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July 19, 2012

Commissioner Philip D. Moeller

**STATEMENT**

FEDERAL ENERGY REGULATORY COMMISSION

Docket Nos.: AD12-9-000, AD11-11-000

Item No. E-4

## Statement of Commissioner Philip D. Moeller on Policy Reforms on Capacity Allocation for Merchant Transmission Projects

"The issuance today of the *Proposed Policy Statement* is a further step in the Commission's effort to encourage construction of needed transmission facilities. The proposal makes clear that merchant and nontraditional transmission developers should have the flexibility to allocate up to 100 percent of their project's capacity through bilateral negotiations. This clarification responds to industry's request to eliminate the traditional open season process and grants transmission developers the flexibility to distinguish between prospective customers and negotiate on an individual basis the many issues inherent in developing any transmission project.

Today's proposal continues the longstanding Commission policy of open access and comparable treatment. It ensures transparency in the allocation of capacity and thus ensures that transmission service is provided on just and reasonable and not unduly discriminatory terms and conditions. I look forward to the comments this proposal solicits and am optimistic that this will go some way towards stimulating much needed transmission construction."