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# FEDERAL ENERGY REGULATORY COMMISSION



WASHINGTON, D.C. 20426

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## NEWS RELEASE

FOR IMMEDIATE RELEASE

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### **FERC HIRES FORMER STATE OFFICIALS TO AID IN RTO MEDIATION**

The Federal Energy Regulatory Commission has hired two former state regulatory officials as consultants to help the Commission's administrative law judges who are overseeing settlement discussions aimed at creating single regional transmission organizations (RTOs) in the Northeast and Southeast.

Herbert Tate, former President of the New Jersey Board of Public Utilities, will advise on the formation of a southeastern RTO and Joe Garcia, former Chairman of the Florida Public Service Commission, will be involved in the formation of a Northeastern RTO. Mr. Tate is currently a professor of energy policy and research at New Jersey Institute of Technology in Newark, New Jersey. Mr. Garcia is Executive Director of the Cuban American National Foundation.

FERC's two administrative law judges working on the formation of the two regional RTOs started discussions July 17. They are due to file reports within ten days of the completion of the 45-day sessions. The reports will include outlines of proposals for the regional RTOs, milestones for the completion of intermediate steps, and a deadline for submitting a proposal. The Commission instructed the judges, in July 12 orders, to coordinate closely with the consultants, particularly regarding milestones and deadlines.

In a landmark decision in 1999, the Commission called on the owners of high voltage lines to join RTOs, umbrella groups that control the transmission facilities within a region but are independent of the companies that produce and sell electricity. If the transmission grid is operated openly and fairly, allowing multiple generators to compete for markets across wider regions, the result will be lower prices and more suppliers that can serve customers, even when electricity demand is unusually high.

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In accord with the July 12 FERC order, the Commission favors single RTOs for the Northeast and Southeast. This mediation procedure will allow industry and stakeholder groups the opportunity to move more quickly towards a wholesale transmission network that allows for the free flow of electricity, and identify any impediments to that goal.

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