
FEDERAL ENERGY REGULATORY COMMISSION



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NEWS RELEASE

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COMMISSION SETS DIRECTION FOR RTO DEVELOPMENT; REGIONAL AFFAIRS TEAM TO BOLSTER FERC/STATE PARTNERSHIPS

The Federal Energy Regulatory Commission today provided additional guidance for the electric power industry and more detailed information to the public as it discussed its goals for the next phase in implementation of regional transmission organizations (RTOs). Much of today's discussion is an outgrowth from the Commission's week-long series of talks on key RTO issues held in mid-October.

In a separate action, the Commission discussed development of regional panels to create a more systematic foundation for working with the states. A new division within an existing FERC office would be created to coordinate outreach efforts with the states and act as a clearinghouse for information and inquiries from states within each region. One of the more immediate issues on which the Commission will use this regional affairs team is to coordinate activities with the states in development and ongoing oversight of RTOs.

The October discussions, on a broad range of critical RTO elements, helped to focus Commission activities and set clear goals for RTO development.

The Commission said today that it will move forward on two parallel tracks. The first track will be to finalize issues of geographic scope and governance of RTOs. These will be addressed in pending RTO dockets following consultation with state commissions.

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The second track for resolving RTO issues will be in the RM01-12-00 docket addressing transmission tariff and market design rulemaking for public utilities, including RTOs. This will help address business and process issues needed for organizations to accomplish the functions of Order No. 2000.

These efforts will move the nation toward a seamless national power network. RTOs coordinate movement of electric power on an interstate highway of transmission lines ensuring more reliable and efficient electric power markets.

In order to facilitate movement along these two tracks, the Commission has set several goals. These include:

- fulfillment of RTO functions;
- state participation; other outreach;
- cost/benefit studies;
- standardization of market rules; and
- timeline/status.

Today's discussion of a regional affairs team follows a proposal from at the October 24 Commission meeting to explore ways to enhance FERC/state partnerships. The Commission directed staff to consider the best way to establish regional panels with the goals of strengthening relationships with the states. The Commission encouraged development of these panels, noting that the panels will not only reap the benefits of states' contributions, but also reduce costs for states engaged in FERC issues and improve efficiency and problem solving.

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