
FEDERAL ENERGY REGULATORY COMMISSION

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NEWS RELEASE

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FOR IMMEDIATE RELEASE

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CHAIRMAN WOOD ON DOE TRANSMISSION STUDY

Chairman Pat Wood, III today praised a Department of Energy study on the national electricity transmission grid, which calls for rapid modernization of the grid and notes that regional transmission organizations (RTOs) should be responsible for maintaining the reliability of the grid and ensuring that bottlenecks are addressed.

Chairman Wood said, "These findings, which give firm support to the central directions being taken by the Commission, should provide additional impetus for much needed improvements—improvements that will lead to better infrastructure and more balanced bulk power markets. The Commission will continue to work in close cooperation with all its stakeholders to maximize the desirable effects for both industry and the public that will result from our efforts and today's important DOE recommendations."

The Chairman added: "As the DOE study notes, the system has become congested because growth in electricity demand and investment in new generation facilities have not been matched by investment in new transmission facilities. And transmission problems have been compounded by the incomplete transition to fair and efficient competitive wholesale electricity markets. (Our national transmission system facilitates wholesale electricity markets that lower customers' bills by nearly \$13 billion annually.) At the same time, interregional transmission congestion costs customers hundreds of millions of dollars annually. Relieving bottlenecks alone could save customers about \$500 million annually. In fact, savings could be even greater because DOE's analysis does not capture all of the factors, such as impacts on reliability, that result from bottlenecks.

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"We will work closely with DOE and others to make sure that the tools needed to

address and evaluate the system are in place as we all seek a transmission grid worthy of the 21st century."

The DOE study, "National Transmission Grid Study," which runs to some 100 pages, is available on DOE's website at energy.gov.

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