



# FEDERAL ENERGY REGULATORY COMMISSION

**March 18, 2010**

**Commissioner John R. Norris**

**Docket Nos.** EL10-22-000 & ER10-396-000

**Item Nos.** E-11 & E-12

## **Statement of Commissioner John R. Norris on Tres Amigas**

"These two orders address the proposal of Tres Amigas LLC to construct an innovative new project, the Tres Amigas Superstation. If constructed, this project would link all three of the U.S. interconnections, potentially offering access to new renewable resources and greater opportunities for wholesale power trading.

Today's orders address two requests that Tres Amigas filed with the Commission: (1) a request that the Commission disclaim jurisdiction over prospective transmission lines that would interconnect the Electric Reliability Council of Texas (ERCOT) with the project, located in New Mexico, and (2) a request for authorization to sell transmission service on the project at negotiated rates.

Innovative proposals like the Tres Amigas Superstation are the kind of transmission infrastructure projects I believe we will need to construct to achieve our national energy policy goals. As our orders today make clear, the Commission is committed to supporting the development of the new transmission infrastructure that will be needed to access new renewable resources and meet our current and future energy needs. I strongly support this commitment.

Nonetheless, we have a responsibility under the Federal Power Act to ensure that rates are just and unreasonable, and not unduly discriminatory or preferential. Today's order on Tres Amigas' request for negotiated rate authority ensures that these standards are met by taking a hard look at the project's potential to exercise market power, and by placing requirements and conditions on the conduct of the open seasons that will be used to allocate capacity on the project. Our findings, requirements and conditions appropriately, in my view, balance the unique characteristics of this project, its need for flexibility to bring it to fruition, and our statutory responsibilities.

We do not, however, grant the request that the Commission disclaim jurisdiction over future transmission lines that may interconnect the Tres Amigas Superstation and ERCOT. While we find today that we do not currently have sufficient facts before us to disclaim jurisdiction, we provide significant guidance regarding the other procedural avenues that are available and the information the Commission will need before it can act under those avenues and authorize the project to proceed without conferring Commission jurisdiction.

These two orders, in sum, should provide a measure of certainty to allow this innovative proposal to move closer to reality. I am pleased to support them."

