



# FEDERAL ENERGY REGULATORY COMMISSION

STATEMENT

**March 18, 2010**

**Commissioner John R. Norris**

**Docket No.** RR09-6-000, RM06-16-009 and RM06-16-010

**Item Nos.** E-2 through E-10

## **Statement of Commissioner John R. Norris on Reliability Orders**

"In response in part to the August 2003 blackout affecting the Midwest, Northeast and Canada, Congress authorized the Commission in EAct 2005 to oversee the development and enforcement of mandatory reliability standards, with the goal of ensuring the reliability of our nation's bulk power system. The package of reliability orders issued today represents our ongoing efforts to comply with this Congressional mandate.

As staff noted in their presentation, this package of reliability orders proposes a change in NERC's definition of the Bulk Electric System, and directs NERC to revise its Rules of Procedure and comply with three new deadlines. The package also proposes to remand one national and one regional standard back for further development – the first time the Commission is proposing to do so.

It is my understanding that some members in industry will view our actions today as heavy-handed. Be that as it may, we have an ultimate responsibility under law to ensure that the mandatory reliability standards are just, reasonable, not unduly discriminatory, and in the public interest. When taking actions like we do today, however, I believe it is important that we provide clarity and guidance on where the Commission stands with respect to the reliability standards we consider. This package of orders makes good progress in doing that.

Ultimately, Congress established a structure whereby the Commission, NERC and industry all share responsibility in the establishment of clear mandatory reliability standards that are effective in ensuring the reliability of the bulk power system. The Commission's responsibility is to be fair and reasonable in our findings and to be as clear as possible in our guidance. NERC and industry in turn have a responsibility to provide the Commission with solid recommendations that effectively maintain reliability.

Like our enforcement program, the enactment of mandatory reliability standards by Congress in 2005 was a major change for both the Commission and industry, and as a result, our overall reliability program has necessarily evolved over time. I look forward to working with my colleagues at the Commission and with NERC and industry as we continue this evolution and meet our shared responsibilities under Section 215 of the Federal Power Act. I will continue to reach out to industry and welcome their input as we work towards a common goal of maintaining a reliable and safe bulk power system."