



FEDERAL ENERGY REGULATORY COMMISSION

March 18, 2010

Chairman Jon Wellinghoff

Docket Nos. RR09-6-000, RM06-16-009 and RM06-16-010

Item Nos. E-2 through E-10

Statement of Chairman Jon Wellinghoff on Reliability Orders

"I want to thank the teams for their hard work on the various reliability items. The Commission now has four years of experience implementing our authority over electric reliability. Based on that experience, the Commission is proposing changes to improve the processes at NERC. When NERC was first certified as the Electric Reliability Organization, the Commission expressed concern about the NERC definition of the term "bulk electric system." Over the last four years, the Commission has gained experience with the practical implications of the NERC definition of bulk electric system and evaluated events that have either caused or contributed to significant bulk electric system disturbances. Based on that information, it is appropriate that we are now reevaluating the definition of "bulk electric system." We are also seeking industry comment before we come to a final decision.

In addition, our experience has raised concerns about NERC's ability, under its current Rules of Procedure, to comply with certain Commission directives. It is appropriate that we reassess NERC's Rules of Procedure when necessary to meet a defined need. However, in directing NERC to revise its Standards Development Process, it is also important that we give NERC discretion to propose modifications that address the concerns identified by the Commission. Further, we will allow industry to comment on NERC's proposal before we come to a final decision on NERC's specific proposed modifications. In this way, we ensure that we are meeting our statutory obligation to protect reliability, but also to allow stakeholder input on how to best meet the concern we identify.

The Commission is also proposing to remand two Reliability Standards for the first time today. We do not use our remand authority lightly, but will do so when necessary to protect system reliability. I believe it is important to note that the Commission is seeking comment on the two proposed remands. This will allow the Commission the opportunity to hear from various interested stakeholders before taking final action.

I believe that the Office of Electric Reliability, Office of General Counsel, and the Office of Enforcement have done a remarkable job on the eleven reliability orders on today's agenda and I thank them for their hard work."