



October 21, 2010

Chairman Jon Wellinghoff

STATEMENT

Statement of Chairman Jon Wellinghoff on RTO Performance Metrics

"Thank you Jeff and Team for your work with the RTOs and interested parties to develop these performance metrics. I also want to thank the RTOS for voluntarily coming together to develop consistent definitions and metrics that will measure their key functions - maintaining reliability, administering competitive markets and planning for the future - and doing so at a reasonable cost to members. Further, I thank the many parties that submitted comments throughout the development process.

I believe that this is an opportunity for RTOs to demonstrate the value they provide for consumers. For example, the transparent prices formed in an RTO market - locational marginal prices- can be used by consumers to manage energy usage and by utilities and developers to plan for and invest in needed infrastructure. Consistent metrics on the competitiveness of the market that forms those prices and on how well RTOs are doing in managing congestion costs will allow consumers and other interested parties to assess the benefits and costs of the RTO structure and operation. This can have the corollary effect of demonstrating the value of joining or remaining in an RTO.

I also believe that the development of performance metrics will be an evolutionary process. RTOs can learn from each other about efficient and innovative ways to improve system and market operations. This improved efficiency will certainly benefit consumers.

Therefore, I look forward to the performance metrics reports that the RTOS will be submitting in a few months."