



**Federal Energy Regulatory Commission
December 20, 2007
Open Commission Meeting
Statement of
Commissioner Philip D. Moeller**

**Item E-1, Preventing Undue Discrimination and Preference in Transmission Service
(Docket No. RM05-17-001)**

"Over ten years ago, this Commission took the revolutionary step to require open access to the nation's transmission grid through Order No. 888. And consumers reaped extensive benefits from this action, because consumers benefit when they have choices. Order No. 888 allowed wholesale consumers to have choices never available to them in the past.

And with the passage of over ten years since issuance of Order No. 888, the transmission grid has experienced unprecedented challenges as the demand for energy has grown at a pace that far exceeds the grid's available transmission capacity and the current rate of transmission investment. Our issuance of Order 890 in February has gone a long way in encouraging new investment. As I said last February, Order No. 890 was a significant step towards improving the efficiency, accessibility, and reliability of our nation's electric grid. The reforms contained in Order No. 890 were shaped by ten years of actual experiences and guided by the information provided to us in face-to-face meetings, technical conferences, and the thousands of pages of written comments submitted by interested parties.

After carefully reviewing the rehearing requests, today's order clarifies and largely reaffirms the findings and rulings that we made in February. We continue to provide for greater consistency and transparency in the calculation of Available Transfer Capability (ATC). We also continue to require coordinated, open, and transparent transmission planning on both a regional and sub-regional level. These planning reforms include protections to guard against undue discrimination in the transmission system planning processes and apply to every transmission provider. And we continue to require providers to offer "conditional firm" transmission service that allows customers to receive "firm-like" transmission service for most hours, but not all, when such customers request service.

As I said last February, Order No. 890 embodies my guiding principles of: (1) promoting reliability; (2) sending accurate market signals; and (3) encouraging the development of needed energy infrastructure. Today's order on rehearing on Order No. 890 continues to support those principles, allowing the Commission to continue moving in the direction of fully open, competitive, and reliable wholesale markets."