Federal Energy Regulatory Commission
April 24, 2006
FERC/NRC Joint Meeting
Statement of
Chairman Joseph T. Kelliher

"Welcome.

The Federal Energy Regulatory Commission and the Nuclear Regulatory Commission have a common interest in assuring the reliability of the bulk power system. That was the purpose of the Memorandum of Agreement between the two agencies. We recognize that the operations of the bulk power system and nuclear power plants are interdependent, and that nuclear plant operations are affected by the operations of the bulk power system. Likewise, the bulk power system is affected by the nuclear power plant's operations and shutdowns. In fact, the loss of a nuclear power plant can be the single largest contingency that the transmission grid operators face.

In addition to the day-to-day operational issues however, the President's "Advanced Energy Initiative" proposed significant new investments and policies in nuclear power. Considering their size, additional nuclear power plants can have substantial effects on the transmission grid, ultimately affecting its reliability and markets. My colleagues and I, as well as Commission staff, are very interested in information that the NRC can share concerning applications, permitting, and planned construction of new nuclear power plant facilities. Coordination between our agencies can help to ensure that there are no unforeseen regulatory hurdles to the planning and installation of transmission system improvements necessary to serve the new nuclear power plants.

We have a new responsibility at FERC to assure the reliability of the bulk power system. That responsibility was assigned to FERC by the Energy Policy Act of 2005, which represents the largest increase in FERC regulatory authority since the New Deal.

In the course of implementing the new law, we are facing some issues at FERC that are new to us, but that are not new to the NRC. How do we assure that grid operators are adequately trained to meet their responsibilities? How do we set standards to assure reliability of the bulk power system, while also promoting a culture that is oriented not just around compliance, but achieving excellence? What is the proper relationship between a federal agency charged with assuring compliance with federal standards, in our case reliability standards, and an industry self-regulatory organization? How do we track compliance, identify downward trends in performance and reverse those trends?

I am a believer in studying regulatory models and applying or adapting successful models in our regulatory program. I believe we can learn from the NRC's experience in these areas.

I look forward to the discussion today."