



# FEDERAL ENERGY REGULATORY COMMISSION

October 14, 2008

**Docket No. AD08-13-000**

**Commissioner Marc Spitzer**

## **Statement of Commissioner Marc Spitzer on Technical conference regarding Transmission Barriers to Entry**

"The ultimate objective of this Conference is clear – the strength of the U.S. transmission grid will determine whether Americans receive reliable, affordable and environmentally responsible supply of electricity.

The financing, siting and construction of high voltage transmission is incredibly difficult. Even before the credit crisis, construction of backbone transmission was often arduous, lengthy and controversial. Citizens are reluctant to site and pay for projects even when benefits can be clearly articulated. From siting high voltage power lines (successfully) in Arizona, I learned there is no political constituency for transmission.

This Conference is to identify barriers to transmission created by pre-existing FERC Rules, Regulations and Orders and to discuss the elimination of these barriers consistent with FERC's obligations under the FPA.

This Conference is not to criticize transmission owners, who have been quite successful in many regions of the country. Nor is it wise to impose artificial barriers to displace transmission owners. Rather, given the urgent need, this Conference seeks to ensure all viable financial and business model strategies are considered to get transmission built in the U.S.

Joint ownership has been extraordinarily effective in financing and achieving political consensus to site large energy infrastructure projects in the west. Joint ownership is not a panacea, nor feasible in all cases. But someone needs to explain to me the indifference to the very concept of public/private ownership of power lines.

Merchant lines bear the prospect of increased investment from non-utility resources. The Staff has proposed a number of thematic questions. The over-arching issue is the principle of open access, and whether current FERC policies strike the proper balance between encouraging new investment and protection of third parties, particularly transmission customers.

I thank the Chairman for scheduling this Conference and to Staff for its able efforts today."