



**Federal Energy Regulatory Commission**  
**March 15, 2007**  
**Open Commission Meeting**  
**Statement of**  
**Commissioner Philip D. Moeller**

**Items E-13: Mandatory Reliability Standards for the Bulk-Power System  
(Docket No. RM06-16-000)**

"As stated in FERC's [Strategic Plan](#), the Commission's Vision is to provide "Abundant and *Reliable* Energy in a Fair and Competitive Market". Today's Final Rule goes a long way towards ensuring that the reliability component of our Vision is improved, strengthened, and enforced; and I am proud to support this decision.

As the Final Rule explains, our action today marks the official departure from our reliance on the electric utility industry's voluntary compliance with reliability standards. Although some may argue that the voluntary regime has sufficed, the Northeast blackout and the subsequent recommendations that accompanied the Blackout Report have changed the way in which we view the interconnected nature of the grid, and forced us to recognize the need for clear and enforceable reliability standards.

Once the Final Rule takes effect, compliance with the reliability standards now become mandatory and there can be financial penalties for users, owners or operators of the bulk-power transmission grid who fail to comply with these standards.

The package of standards that we are approving in Order No. 693 define just exactly what is "acceptable performance" with regard to the operation, planning, and design of the North American Bulk-Power System. It is a simple concept for a complicated system, and I am confident that the nation, the public, and our economy will reap the benefits of a more reliable electric grid."