

E-1 Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval and Enforcement of Electric Reliability Standards, Docket No. RM05-30-000

Electricity powers our economy and our way of life. It is critical to our national and individual well-being. The statutory provisions that we are implementing today emphasize the importance of a reliable transmission grid overseen by an independent, international Electric Reliability Organization (ERO) that will develop and enforce reliability standards that users, owners and operators of the bulk power system must comply with.

The flow of electricity does not recognize political boundaries. One hundred years ago, transmission existed within towns and cities in this country. Today, we have a transmission grid that not only spans across our nation, but is also interconnected with Canada and Mexico. As the Energy Policy Act of 2005 and this rule recognize, an effective ERO must operate in an international arena and seek recognition from the appropriate Canadian and Mexican authorities. The Commission will work with its Canadian and Mexican counterparts regarding the cooperative development of mandatory reliability standards.

The ERO is expected to play a significant role in helping to ensure the reliability of the North American bulk power system. I believe that this rule brings us closer to the goal of a healthy and vigorous transmission grid as we enter the 21st century.