



**Federal Energy Regulatory Commission
June 21, 2007
Open Commission Meeting
Statement of
Commissioner Philip D. Moeller**

**Item E-3: Wholesale Competition in Regions with Organized Electric Markets
(Docket Nos. AD07-7-000 and RM07-19-000)**

"The challenges facing our competitive wholesale power markets in RTOs and ISOs are real, and the Commission, with the issuance of today's Advance Notice of Proposed Rulemaking (ANOPR), has taken a significant step in addressing certain issues that were raised during our recent technical conferences on wholesale competition, demand response, and market monitoring. The intent of our ANOPR is to address four separate and distinct areas where the Commission has received detailed testimony where improvements could be made.

Today's ANOPR represents a collection of four independent proposals, the purpose of which is to improve wholesale competition in regions with organized markets. Our decision to take action recognizes the challenges that the markets (and its participants) are encountering and our ANOPR solicits comments and proposes initial solutions to correct or improve upon current practices. Among the proposals under consideration and open for comment, the Commission will examine: (1) the role and ability of demand response to participate in organized markets; (2) methods to increase opportunities for long-term power contracting; (3) how RTOs/ISOs and their Boards can better respond to the concerns of market participants; and (4) whether our policies concerning the role and function of market monitors can be improved.

While this amalgamation of proposals is considerable in its breadth, I should emphasize that this ANOPR is just one of many actions that the Commission is taking to improve and strengthen competitive markets. Simply said, this is not the first action the Commission has taken, and it will likely not be the last action. I would also like to dispel the false implication that all of the problems are occurring in the competitive wholesale markets, because it is simply not true. And while today's ANOPR does not address potential reforms outside the organized market regions, the Commission is examining issues concerning the bilateral wholesale markets in other proceedings and is working towards making comparable improvements.

Ultimately, patience and a commitment towards improving our competitive markets will yield better functioning markets that send more accurate price signals, thereby driving more efficient economic decisions, and resulting in the construction of more transmission infrastructure to deliver reasonably priced energy and improved reliability to the benefit of all customers. With that, I look forward to interested parties sharing their comments and concerns with me and my fellow Commissioners."