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# FEDERAL ENERGY REGULATORY COMMISSION



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## NEWS RELEASE

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### FOR IMMEDIATE RELEASE

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### **FERC, NARUC RESUME DIALOGUE ON COMPETITIVE PROCUREMENT**

Federal and state electric utility regulators will resume a collaborative joint dialogue on cross-jurisdictional issues related to competitive power procurement, officials with the Federal Energy Regulatory Commission (FERC) and the National Association of Regulatory Utility Commissioners (NARUC) announced today.

The discussions will address an issue that cuts across both federal and state jurisdictional authorities, and will be similar to an ongoing collaborative dialogue between FERC and NARUC officials regarding demand response issues.

FERC Chairman Joseph T. Kelliher and NARUC President Jim Kerr of the North Carolina Utilities Commission said the discussions aim to meet the challenge of developing new generation in the best interests of ratepayers.

“I am pleased that we have another issue with which to engage our state colleagues,” FERC Chairman Kelliher said.

“Both federal and state regulators use competitive solicitation, but for different purposes and to accomplish different objectives. FERC uses competitive solicitation as a means of preventing undue discrimination and preference in affiliate transactions. States use competitive solicitation to assure state regulated utilities procure electricity supply at reasonable cost. Cooperation between state and federal regulators will bring benefits to consumers by helping us accomplish both goals,” Chairman Kelliher said.

“There are few issues as crucial to both state and federal regulators as procuring power, and we commend our federal colleagues for helping us highlight this issue,” NARUC President Kerr said. “Our jurisdictional responsibilities are different, but in the end we both serve the same end-use customers and our responsibilities are the same – to protect the consumer and ensure them reliable power at the lowest possible cost. Exploring ways to cooperatively drive value for our constituents is a laudable and important responsibility.”

The pending dialogue is a resumption of discussions begun in 2005 to explore the issue, define solutions and to suggest best practices to meet the challenges of developing new and economical power supplies. After a joint meeting of FERC and NARUC Commissioners in May 2005, subsequent meetings were held at the staff level. The renewed effort will again involve FERC and NARUC Commissioners.

Chairman Kelliher designated FERC Commissioner Marc Spitzer as the federal representative, and NARUC President Kerr named Georgia Public Service Commission Chairman Stan Wise and Arizona Corporation Commission Chairman Jeff Hatch-Miller as the state commission representatives.

“Our nation is confronted with challenges to meet growing national demand for energy. Resource procurement with respect to new electricity generation is again a pressing issue before state commissions and federal regulators,” said FERC Commissioner Spitzer.

“Resuming this discussion is of critical importance for both state and federal regulators,” said Chairman Wise. “As we move forward, we must ensure that, as regulators, we understand the issues that we all face and I believe this forum will help lead us in the right direction.”

“I look forward to working with my state and federal colleagues as we respond to the growing demand for electricity and balancing our different jurisdictional needs in this area,” said Chairman Hatch-Miller. “We have many issues to discuss and I am grateful that we are addressing these issues collaboratively.”

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