
FEDERAL ENERGY REGULATORY COMMISSION



WASHINGTON, D.C. 20426

AUGUST 15, 2003

STATEMENT OF PAT WOOD, III
CHAIRMAN, FEDERAL ENERGY REGULATORY COMMISSION
ON THE POWER FAILURE IN THE U.S. AND CANADA

"Today, while some areas unfortunately remain without electricity service, we owe a debt of gratitude to the hard work of thousands who have worked long hours through the night to restore power to millions of customers.

"The continued efforts to repair the situation underscore the importance of our multibillion-dollar electricity infrastructure. The degree to which we take this complex, highly interconnected machine for granted is a tribute to the past performance of the system.

"We at FERC and other government agencies are committed to understanding precisely what caused this problem. In the interim, the cascading nature of this blackout offers an object lesson of how the electricity grid requires regional coordination and planning, a challenge the nation is still striving to meet. It is regional coordination and cooperation that is contributing to the grid restoration now under way. Regional coordination and cooperation, with smart planning and investment, will be needed to prevent any recurrences.

"If we draw any conclusions from this blackout, it is the urgent need for more investment in the nation's transmission grid to serve broad regional needs. The Energy Department has projected that, over the next decade, transmission investment will grow only 6 percent as electricity demand grows 20 percent.

"Clearly, we need regulatory certainty and other incentives for investment.

"When Congress returns next month, a joint House and Senate conference committee will begin deliberating crucial legislation on national energy policy. We stand ready to help lawmakers in any way we can in the pending effort to craft a modern power-delivery system that best serves the public.

"Right now, there is no federal regulatory authority over reliability, but we can, as economic regulators, continue to intensely monitor the grid and markets to ensure that they are operating soundly.

"The Department of Energy has an office (202/586-1411) set up to address infrastructure issues and has developed a roadmap to create an ultra reliable and technologically advanced grid."

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