



**Federal Energy Regulatory Commission
September 20, 2007
Open Commission Meeting
Statement of
Chairman Joseph T. Kelliher**

Office of Energy Reliability

"Today, I announce the establishment of a new major Commission program office, the Office of Electric Reliability, effective October 1, 2007. The Division of Reliability in the Office of Energy Markets and Reliability will become its own program office.

This action reflects the growing importance of the reliability mission here at the Commission. Currently, the Commission has five principal missions: economic regulation, energy infrastructure, enforcement, safety, and reliability. There are distinctions among these missions, and this reorganization recognizes the differences between the reliability mission and traditional economic regulation, which is otherwise the province of the Office of Energy Markets and Reliability.

The Commission has made tremendous progress on reliability over the past two years. We issued rules underpinning our reliability program and certified an Electric Reliability Organization. We conducted a critical assessment of proposed reliability standards, approved standards that we determined would assure reliability, and acted to assure reliability standards are improved over time. We approved delegation agreements to provide for regional enforcement of approved reliability standards, and are working closely with the regional entities to strengthen enforcement. We accelerated the schedule for establishment of mandatory reliability standards, setting an ambitious target of having mandatory standards in place by the summer of 2007. We met that target, and the summer of 2007 was the first summer where the interstate power grid was governed by mandatory and enforceable reliability standards.

The Director of the new Office of Electric Reliability will be Joe McClelland, the current head of the reliability division. Joe is a dedicated public servant who has built the reliability division from the ground up, and led our efforts on reliability since Congress gave us this new mission two years ago. You are doing something incredibly important for the Nation, and you have discharged your responsibilities admirably. I want to honor Joe for his past service, and express my complete confidence in him.

I understand Joe's family is here today, and I would like to recognize them. Here today are Joe's wife Cindy and his three sons Joe, Danny, and Tommy.

The new Deputy Director of the Office of Electric Reliability will be Mike McLaughlin from the Office of Energy Markets and Reliability. I want to congratulate Mike, and express my trust and confidence in him as well.

As a final note, in a related change, the name of OEMR will change from Office of Energy Markets and Reliability to the Office of Energy Market Regulation. The new name more accurately describes the mission of OEMR. The Commission relies on both competition and regulation to police wholesale power and gas markets, and OEMR is the principal program office charged with development of market rules and regulation."