



FEDERAL ENERGY REGULATORY COMMISSION

Docket Nos. RM09-18-000

Item No. E-2

November 18, 2010

Commissioner Marc Spitzer

STATEMENT

Statement of Commissioner Marc Spitzer on Revision to Electric Reliability Organization Definition of Bulk Electric System

"I support today's order as a reasonable accommodation of the roles of the Commission and NERC in ensuring the reliable operation of the Nation's transmission grid.

Determining the proper definition of the bulk electric system is critical to attaining consistent and meaningful reliability standards. In today's order, the Commission delineates a proposal for a definition of the bulk electric system. Yet, the order makes clear that NERC and the stakeholders are free to develop another definition as long as it meets certain criteria. Specifically, the order provides that NERC has "the discretion to develop an alternative solution that is as effective as, or superior to, the Commission's proposed approach in addressing the identified technical and other concerns, and may not result in a reduction in reliability." Order P 74. In addition, the order maintains the right for regions to seek regional differences appropriate for their unique circumstances.

I also want to note that today's order differs from the NOPR we issued in March with regard to an exemption process. Today's order does not call for the Commission to rule on each and every exemption that NERC or a regional entity may grant. Instead, the order grants to NERC and the stakeholders the opportunity to develop and implement an exemption process and to the Commission a role in auditing the granting of exemptions.

I understand that some may maintain that the Commission has not achieved the proper balance between the respective roles of the Commission and NERC under Section 215 of the Federal Power Act. I disagree. The Commission has been tasked by the Congress to ensure the reliable and safe operation of our Nation's electric transmission grid. In today's order the Commission fulfills that mission while still leaving to NERC and the industry their critical roles.

Finally, I'd like to thank my colleagues for their work on this Rule. I also want to thank Joe McClelland, Mike Bardee and their staffs for their work on this Rule."