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FEDERAL ENERGY REGULATORY COMMISSION

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December 16, 2010

Commissioner John R. Norris

STATEMENT

Statement of Commissioner John R. Norris on Reliability Issues and Upcoming February 8, 2011 Technical Conference

"The Commission is holding the next Commissioner-led reliability conference on February 8, 2011. I see this as another important step in the ongoing dialogue between FERC, NERC, international regulators, and industry about the reliability of the bulk power system.

A central policy issue up for discussion at the February technical conference is how FERC, NERC, and the industry can work together to determine priorities for addressing risks to reliability. I believe that the Commission orders we are issuing today highlight the need for a discussion of setting priorities going forward.

In some of the orders we issue today, the Commission proposes new directives on reliability matters. Since I came to FERC earlier this year, I have heard frustrations that it is hard to know how to prioritize new directives from the Commission. I know that NERC is working towards establishing a methodology for prioritizing its work on reliability standards and I commend them for their efforts.

It is my hope that the February conference will include a good dialogue about how priorities are set and what help the Commission can give in setting those priorities. This is especially important so that we do not issue directives that disrupt NERC's reliability standards development teams. As my colleague, Commissioner LaFleur, has noted, "when everything is a priority, nothing is a priority."

In my view, we need to find a balance: we do not want to set back the work of standard development teams every time the Commission issues a new order, nor do we want to be hesitant to issue a directive when necessary to ensure reliability. If we sit down together to discuss priorities, we can help ensure that we strike this balance in the future.

Finally, I also want to highlight the large number of reliability orders that we are issuing today - seven in all. Anybody who pays attention to reliability issues knows that the Commission has issued an increasing number of reliability orders over the last few months. I look at this as a very positive development. We are making serious efforts to address the reliability issues that are currently before the Commission, so that by the time of our February conference, we will have a good sense of the work before us that must be factored into a discussion of priorities. I want to commend Commission staff for their hard work addressing the complex reliability issues before the Commission.

I look forward to helping develop the agenda for the technical conference and the participation of key leaders from NERC, the industry, and consumers."

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