

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

State Policies and Wholesale Markets Operated by ISO Docket No. AD17-11-000
New England Inc., New York Independent System
Operator, Inc., and PJM Interconnection, L.L.C.

(Issued March 3, 2017)

HONORABLE, Commissioner:

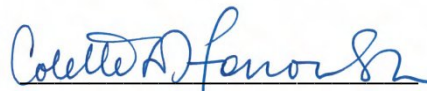
After numerous internal discussions and many meetings with stakeholders of diverse perspectives, I believe that it is necessary that we convene to address a number of issues associated with the intersection of the operation of wholesale markets and the development of state policy. Accordingly, I strongly support the step we are taking today as part of a broader initiative by the Commission to grapple with these challenging issues.

States have always pursued policies favorable to their interests, and as a former state regulator, I understand and respect the role states play. States have also taken different approaches in pursuing their policy goals. Some approaches have worked while others have encroached upon or interfered with the operation of wholesale markets. The Commission's whack-a-mole response to such state action is inefficient and prolongs uncertainty. Through this broader effort, we hope to work with stakeholders to find ways to advance various policy goals - fuel security, environmental, or otherwise - while preserving valuable price signals and consumer benefits provided by regional electricity markets.

It is important to stress that all options are on the table. There will likely not be a one-size-fits-all solution, *e.g.*, what works in PJM may not work in ISO-NE or NYISO. I am open to exploring any and all potential solutions, even those that may seem novel or unorthodox.

Finally, I would also like to recognize the time and effort many stakeholders have already spent attempting to address these issues. Staff's action here is meant to enhance existing conversations and provide another venue to arrive at a collaborative solution. There can be tension between federal and state policies, and sometimes that tension can be a good thing. It is my hope that we can work through this tension and provide opportunities that ensure that markets operate as intended, support appropriate policy objectives, and best serve consumers.

I look forward to the technical conference.



Colette D. Honorable
Commissioner

Document Content(s)

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