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September 17, 2015

Commissioner Cheryl A. LaFleur

STATEMENT

FEDERAL ENERGY REGULATORY COMMISSION

Docket No. RM15-24-000

Item No. E-1

Statement of Commissioner Cheryl A. LaFleur on Notice of Proposed Rulemaking on Settlement Intervals and Shortage Pricing

"Today's Notice of Proposed Rulemaking on settlement intervals and shortage pricing marks an important next step arising from the Commission's price formation proceeding. I strongly support this order. The reforms we propose today are intended to help ensure that real-time prices reflect the true value of providing energy at that time, and thus provide appropriate signals for resources to respond to the operating needs of the market. It is critically important that markets send proper price signals to compensate both new and existing resources, especially given the substantial changes underway in the nation's resource mix and the need for investment in new resources in several regions to sustain reliability.

"During the past year, Commission staff held three technical conferences and received numerous comments that identified opportunities to improve energy price formation in competitive energy markets. Those efforts gave rise to today's Notice of Proposed Rulemaking. In addition, as today's order indicates, the Commission expects to take further action addressing other price formation topics, including price caps, mitigation, uplift transparency, and uplift drivers. I appreciate all the work of Commission staff on today's order and the price formation inquiry more generally.

"I would also like to thank everyone who participated in our technical conferences and filed comments in the docket to help shape our thinking on energy market issues. I look forward to receiving comments from a wide range of parties on today's Notice of Proposed Rulemaking."