

Preserve Reliable and Affordable Electricity

Key Findings

- American families and businesses expect the lights to stay on at a price they can afford. Our national energy policies must embrace this fundamental promise.
- As electric cooperatives work to meet the changing demands of our communities and our consumer-members, prioritizing affordability and reliability is paramount.

Five Issues Impacting Reliability and Affordability

Electrifying the economy – As a nation, we are trending towards a future that depends on electricity to power more of the economy. Recent modeling by the Electric Power Research Institute concluded that achieving net-zero economywide emissions by 2050 could require generation capacity to increase by as much as 480 percent compared to what is in place today. This increased demand must be accounted for as we plan to meet tomorrow’s energy needs.

“Disorderly” retirement of existing generation – According to the North American Electric Reliability Corporation (NERC), a not-for-profit entity with regulatory authority over reliability and security of the grid, the “disorderly” retirement of existing generating assets is directly impacting reliability. Many generation assets taken off-line in recent years have been replaced with sources providing less capacity, no capacity, or capacity that's intermittent and not always available. Reliability has been threatened as a result. In the 15 U.S. states covered by the Midcontinent Independent System Operator (MISO), the number of warnings issued when electric supply is at risk of not meeting demand quadrupled from 2020 to 2021.

Permitting challenges – The current permitting process required to build, site, and maintain electric generation and transmission infrastructure is outdated and a significant impediment to meeting tomorrow’s energy needs. Electrifying other sectors of the economy could require a three-fold expansion of the transmission grid by 2050, according to the National Academies of Sciences. Just one new transmission project can take up to 10 years to complete due to regulatory hurdles. As an example, Dairyland Electric Cooperative’s Cardinal-Hickory Creek Transmission Line Project would connect 115 renewable generation projects in the Upper Midwest but has been stalled in costly litigation for years.

Supply chain - Supply chain delays are contributing to an unprecedented shortage of the basic machinery and grid components essential to ensuring continued reliability of the electric system. Prior to 2021, it took an average of 70 days for an electric co-op to receive a distribution transformer after placing an order. The same order today takes an average of 340 days to fulfill - nearly 5x as long. These components play a key role in keeping the lights on.

Availability of natural gas – The U.S. is increasingly reliant on natural gas for baseload power and as a backstop for intermittent generation sources. The availability of natural gas has been challenged by several recent extreme weather events. The extreme cold on the U.S. east coast during December 23 and 24 of last year revealed severe shortages when natural gas was not available for power plants.

Congress Should Act Today to Preserve Reliability Tomorrow

Reliably keeping the lights on is vital for local communities, the economy, and national security. Today's energy decisions will determine if there are enough resources to meet tomorrow's energy needs.

Rolling blackouts cannot become the new normal in America. Policymakers must recognize the need for time, technology development, and new transmission infrastructure before taking our nation down an energy path that prioritizes speed over practicality. And lawmakers must support policies that are inclusive of all energy sources to maintain reliability and affordability.