

## Pushing the Electric Grid Over the Edge

Power companies, electric grid operators and the federal body charged with ensuring the reliability of the nation's electricity grid have all warned that this past winter provided the latest signal that the reliability and affordability of our nation's electricity is at grave risk. The Federal Energy Regulatory Commission's (FERC) chairman observed that the electric grid came "very close to the edge" of breaking. Another FERC commissioner concluded that the power grid is already "at the limit." The reason: Environmental Protection Agency (EPA) regulations are forcing the closure of coal-based electricity plants that supply the most and the lowest cost electricity for the country.

This winter wasn't even the coldest in recent memory. Nevertheless, power supplies were curtailed and electricity and natural gas prices spiked in many regions. The power system would have gone over the edge were it not for coal generated electricity that filled 92 percent of the additional demand. One of the nation's largest power providers reported that having the flexibility and reliability of coal electricity saved its customers more than \$100 million this winter. But much of this power and related savings came from power plants that will be forced to close over the next two years thanks in large part to EPA regulations issued two years ago.

At congressional hearings the common refrain was what would happen if we experience a similarly cold winter two years from now when these coal power plants are no longer available to generate electricity. A recent [study](#) answers that question and the outlook is very grim.

- Wholesale power prices would increase by an additional 24-55 percent across the [country](#).
- Natural gas demand would increase to record levels and consumers and businesses would pay an additional \$35 billion over and above the higher prices they paid this winter.
- If another cold winter is followed by a warmer than forecasted summer, consumers would pay \$100 billion more for both electricity and natural gas.
- In New England, power reserve margins would have been negative, requiring forced curtailments for 16 hours. In a 13-state region spanning the Mid-Atlantic and Midwest, power supplies would have been dangerously close to forcing power curtailments for 34 hours in January.

Despite rules already on the books that have brought the power grid close to the edge, EPA is now proposing additional regulations that will surely push the grid over the edge. EPA's newest rules on carbon dioxide emissions place each state on a strict energy budget and dictate the sources of electricity generation and the targets for reducing electricity use needed to keep the economy growing. Many of the EPA-chosen sources of electricity were the very ones that couldn't deliver power this winter. EPA's policies are designed to make our electricity supply less diverse, less reliable and more expensive—a result that forces Americans to live more dangerously.