



Institute for
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NEW YORK UNIVERSITY SCHOOL OF LAW

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NEW REPORT ANALYZES ELECTRIC GRID RESILIENCE AND REVEALS FLAWS IN COAL BAILOUT PLAN

*Analysis shows how to define, measure, and monetize electricity system resilience without
picking winners and losers*

The Trump administration has floated taxpayer-funded bailouts for coal and nuclear power plants as a means of protecting the electric grid from threats, but a new report shows that this approach misunderstands basic facts about grid resilience. The electric grid's ability to handle high-impact, low-probability external shocks has been a concern for electric utilities and energy planners for decades. A [new report from the Institute for Policy Integrity at New York University School of Law](#) sheds light on how grid resilience can be measured and improved, and offers guidance for officials working on these efforts.

The report, "[Toward Resilience: Defining, Measuring, and Monetizing Resilience in the Electricity System](#)" was authored by Burcin Unel, Ph.D, and Avi Zevin of the Institute for Policy Integrity at New York University School of Law. The report provides resources and information for federal and state policymakers, and highlights the legal and economic flaws of subsidizing coal and nuclear plants in the name of grid resilience.

A resilient electric system is one that has the ability to (1) avoid or resist shocks, (2) manage disruption, (3) quickly respond to a shock that occurs, and (4) fully recover and adapt to mitigate the effects of future shocks. To create policies that will increase grid resilience, the Institute for Policy Integrity report recommends the following:

- Efforts to improve grid resilience should *focus on how various interventions will affect the performance of the electric system as a whole*, rather than merely focusing on individual components or attributes.
- Because most customer outages are the result of disruptions to the distribution system, *state policymakers, who have the authority to regulate distribution system investments, should play a prominent role in resilience improvements*.
- The Federal Energy Regulatory Commission (FERC) has the necessary legal tools to address any resilience challenges and should *rely on transmission investments, coordination and planning, and market-based solutions, rather than subsidies to specific resources*.
- Urgent action to compensate coal or nuclear plants under the Federal Power Act and/or Defense Production Act is not necessary or appropriate, because *there is currently no grid resilience emergency that threatens national security*.

The authors are available for interviews to discuss the report and related policy issues.

The report is available at: http://policyintegrity.org/files/publications/Toward_Resilience.pdf

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