Institute *for*
Policy Integrity
NEW YORK UNIVERSITY SCHOOL OF LAW

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STATEMENT ON THE DEPARTMENT OF ENERGY'S REPORT ON ELECTRIC GRID RELIABILITY

Today, as directed by President Trump's Executive Order on Strengthening the Reliability and Security of the United States Electric Grid, the Department of Energy (DOE) published a report using a uniform methodology to assess electric resource adequacy. Specifically, President Trump asked for a methodology to identify which regions are experiencing or will experience a shortage of electricity, to use as a basis for DOE exercising emergency authority under Section 202(c) of the Federal Power Act to prevent critical generators from retiring.

However, DOE concludes that all regions except Texas currently have sufficient electricity. This finding calls into question DOE's recent 202(c) orders in PJM and MISO. While the report identifies shortages in additional regions in 2030, a possible shortage five years from now is not a sudden emergency that should be addressed using a Section 202(c) order. Additionally, DOE finds these shortages based on conservative assumptions about new generation additions. Finally, DOE cautions that the projected shortfalls do not necessarily mean blackouts but rather indicate a potential inability to connect additional AI data centers to the grid.

The Institute for Policy Integrity at NYU School of Law will soon release a report that further examines DOE's modeling and best practices for resource adequacy planning.

Jennifer Danis, Federal Energy Policy Director at the Institute for Policy Integrity, released the following statement:

"This analysis doesn't support President Trump's strategy of using emergency declarations to stop power plants from carrying through with their plans to retire. The Trump administration's own study has found that no present emergency exists in the two regions where it already issued 202(c) orders. Reforms may be needed to ensure better planning for future resource adequacy to power AI, but they should focus on improving existing markets and planning standards, as well as speeding up new resource interconnection, rather than forcing customers to pay to keep old, inefficient plants online."

Danis and other Policy Integrity experts are available for interviews on these issues.

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