A reliable and resilient electric grid is critical not only to our national and economic security, but also to the everyday lives of American families. As Secretary of Energy, it is my job to help ensure the electric grid and markets meet those needs now and in the future.

With that in mind, I directed my staff to develop a report including an assessment of the reliability and resilience of the electric grid and an overview of the evolution of electricity markets. This review is something that was long overdue. The industry has experienced massive change in recent years, and government has failed to keep pace. This report examines the evolution of markets that has occurred over the last fifteen years. Policy makers and regulators should be making decisions based on what the markets look like today, not what they looked like years ago.

This staff report examines the complexity of these topics and the very real implications they have for the American people. It was prepared by experts throughout the Department and several of our National Laboratories.

This study contains a comprehensive analysis and series of recommendations from the Department of Energy staff meant to inform and guide policy makers, regulators, and the general public in future conversations about the challenges we face.

The industry has experienced extraordinary technological and resource changes in recent years. While these changes are providing more choices for consumers, they are also challenging the regulatory paradigm that has guided the industry’s growth for decades. The core objective of electricity regulation has always been, and should continue to be, to ensure a reliable and resilient electric supply system that serves customers in an equitable manner.

It is apparent that in today’s competitive markets certain regulations and subsidies are having a large impact on the functioning of markets, and thereby challenging our power generation mix. It is important for policy makers to consider their intended and unintended effects. Federal and State policy makers must continue to work together in close consultation to address these important issues that have a deep impact on grid reliability and resilience.

America is blessed with ingenuity, technology, and millions of dedicated men and women in the industry who do a tremendous job of guiding the process of generating, transmitting, and distributing electricity. From engineers to miners and everyone else along the way, the process of providing the electricity required to power our homes and businesses is remarkable. The people who do this important work should be recognized for their dedication and success.
America is also fortunate to have a variety of fuel sources. We need to consider how to use each effectively while recognizing our differences and unique state and regional circumstances. We also need to recognize the relationship between resiliency and the price of energy. Customers should know that a resilient electric grid does come with a price. As the Secretary of Energy and a member of the National Security Council, I realize the broad security implications of our power supply. We must utilize the most effective combination of energy sources with an “all of the above” approach to achieve long-term, reliable American energy security.

When this report was initiated it received wide ranging stakeholder interest, which was welcome and underscores the importance and significance of the topic. I hope the report will serve as the starting point for an important conversation about the future reliability and resilience of our electric grid.

As Secretary of Energy, I am committed to ensuring that we provide American families and businesses an electric power system that is technologically advanced, resilient, and reliable for years to come.

Rick Perry

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