

Strengthening the Reliability and Security of the United States Electric Grid

Administration Policy:

President Trump issued an executive order (EO) titled <u>Strengthening the Reliability and</u> <u>Security of the United States Electrical Grid</u> which makes it the policy of the United States to "ensure reliability, resilience, and security of the electric power grid," to address increased electricity demand due to technological advancements.

This EO requires the Secretary of Energy to streamline the Department of Energy's processes for using emergency authorities under the <u>Federal Power Act</u> to safeguard the power grid during periods of temporary interruption in electricity supply.

Within 90 days, this EO required the Secretary of Energy to develop a uniform methodology for analyzing reserve margins for power systems regulated by the Federal Energy Regulatory Commission, and use this methodology to anticipate where reserve margins will fall below "acceptable thresholds."

The EO also requires the Secretary of Energy to establish a protocol for determining which generation methods are critical to system reliability in each region. This protocol must include mechanisms to ensure critical methods are maintained within the "at-risk region."

Background:

- <u>Section 202 (c)</u> of the <u>Federal Power Act (FPA)</u> says that "when an emergency exists by reason of a sudden increase in the demand for electric energy, or a shortage of electrical energy," the Secretary of Energy may "require by order temporary connections of facilities, and generation, delivery, interchange, or transmission of electricity as the Secretary determines will best meet the emergency and serve the public interest."
- <u>The Federal Energy Regulatory Commission (FERC)</u> was established in 1977 by the Department of Energy Organization Act to manage the interstate transmission of electricity, natural gas, and oil, among other duties.
- According to <u>2024 United States Data Center Energy Usage Report</u>, energy demand from data centers has tripled over the last decade and is projected to at least double by 2028. The report attributes the increase in demand to artificial intelligence (AI) applications, domestic manufacturing growth, and electrification of different industries.
- A fact sheet from the White House can be found <u>here.</u>