

# Meeting Electricity Demand Challenges to Support Economic Growth and National Security



## Overview

We rely on safe, reliable, affordable, and resilient clean energy to power our daily lives, run our nation's economy, and support national security. Today, demand for electricity is growing at the fastest pace in decades, creating challenges for our nation, as well as opportunities to ensure America is home to the industries, technologies, and jobs of tomorrow.

Across the country, America's investor-owned electric companies are hard at work on meeting today's energy challenges. Thanks to their skilled and dedicated workforce and their ability to access and to deploy large amounts of capital, they are uniquely positioned to meet growing demand and to address evolving risks, while working to keep customer bills as low as possible.

## Leading the Way to a Reliable, Secure Energy Future

Investor-owned electric companies have a long history of operational excellence and experience that is critical to meeting customer growth quickly, addressing market-driven challenges, combatting manmade threats, and responding to evolving natural hazards.

As a nation, it is critical that we have a public policy framework that allows electric companies to build more critical energy infrastructure more quickly so that we can maintain a diverse, domestic, and dispatchable energy mix that includes natural gas, renewables, storage, and new and existing nuclear.

We must streamline permitting requirements, align public policy goals, and encourage capital investment to rapidly build out the energy grid and other critical infrastructure needed to power data centers, bolster domestic manufacturing, and support the electrification of other sectors of the economy. Meeting these needs quickly is an economic and national security imperative.

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To ensure that they can meet customer needs now and in the future, electric companies are focused on expanding the use of and integrating new technologies on the energy grid, while they continue their work to get the energy they provide as clean as they can as fast as they can without compromising customer reliability and affordability. Electric companies also are focused on establishing clear and consistent regulatory frameworks, with a focus on accelerating the deployment of new infrastructure.

To accomplish these goals, EEI and our member companies will continue to advocate for **public policies and regulations** that:

- Support flexible demand or increase existing capacity.
- Streamline siting and permitting processes for critical infrastructure for both electric and natural gas projects and accelerate the deployment of new generation, transmission, and distribution assets.
- Protect energy tax credits and policies in the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA) that lower costs and benefit electricity customers, provide necessary funding and incentives for energy infrastructure upgrades and clean energy, and create American jobs.
- Provide certainty and flexibility (particularly for environmental regulatory approaches) to ensure they are consistent with electric company plans and existing technological capabilities and are durable to withstand inevitable challenges from stakeholders.
- Encourage planning and operational improvements across neighboring states and regions, as inconsistencies can lead to sub-optimal resource procurements.

**Market and regulatory structures** must be improved to:

- Ensure that system operators are able to prioritize firm, dispatchable resources to enhance reliability in all grid conditions. This includes valuing the capacity, energy, and flexibility attributes of specific resources.
- Support additional means of incentivizing new resources and/or retaining existing resources where regional markets fail to ensure sufficient resources to meet reliability needs.
- Implement mechanisms that appropriately value investments in grid resilience, such as those that improve infrastructure against extreme weather and security threats.
- Adopt multi-metric adequacy standards that move beyond the traditional “1-in-10” criterion to more comprehensive standards that consider the frequency, duration, depth, and timing of outages.

**Access to capital and strong, reliable supply chains** are critical, and EEI and our member companies will continue our work to:

- Encourage access to and utilization of federal loans and loan guarantees that are available for projects that retool, repower, repurpose, or replace energy infrastructure.
- Leverage programs like the Department of Energy’s (DOE’s) Energy Infrastructure Reinvestment program to support a variety of purposes, such as upgrading energy infrastructure, financing the building of needed new generation while protecting customers, and building new facilities for clean energy that use existing infrastructure.

- Advocate for trade policy, manufacturing efficiencies, and threat information sharing that bolster supply chains.
- Facilitate equipment sharing programs among electric companies to mitigate supply chain risks.

Through **strategic partnerships** and ongoing **outreach, education, and advocacy** with the Administration, federal and state regulators (including the Federal Energy Regulatory Commission and the National Association of Regulatory Utility Commissioners), other public policy officials, and industry stakeholders, EEI and our member companies will continue to:

- Emphasize the urgency of building new infrastructure to meet customer demand and enhance national security.
- Collaborate with DOE and the National Labs to advance cost-effective clean, dispatchable energy technologies, including storage, nuclear, and carbon capture, and highlight opportunities for DOE's Grid Deployment Office and National Lab work that supports grid growth and innovation.
- Forge stronger relationships with large customers, including working with these customers to integrate their long-term demand.
- Coordinate and convene opportunities to share expanded programs for customer engagement and affordability.

**We need a modern energy system for our modern age. Together, we can deliver an energy grid—and an energy future—that is reliable, weather-resilient, responsive, and ready for the demand arriving now.**



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