

Electric Reliability

- The American Public Power Association (APPA) supports legislation, H.R. 3616, the Reliable Power Act, that would give the Federal Energy Regulatory Commission (FERC) the authority to determine and mitigate significant reliability impacts of major federal regulations.
- APPA supports higher standards for delivery, notification, and transparency from the natural gas industry, whether the industry adopts and implements those standards voluntarily or through increased government oversight.
- APPA believes that interconnection processes should meet the needs of load-serving entities to obtain needed resources for their communities.

Background

Electric reliability is the number one priority for public power utilities, and despite new challenges, public power utilities remain committed to meeting this demand while maintaining reliable, affordable, and secure electricity for the millions of Americans they serve. After decades of relatively low load growth for the electric industry, utilities are now facing unprecedented demand growth from manufacturing, electrification, and data centers. Many factors, including federal policies, overly burdensome permitting processes, increased reliance on natural gas for electricity generation, and supply chain constraints, are resulting in the premature retirement of existing generation resources at a faster rate than they can be replaced by new generation with equivalent reliability attributes. This has created challenges for public power utilities as they work to maintain current reliability and meet growing demand. Experts predict that this extraordinary demand will continue for decades to come.

Reliability Impacts of Federal Regulations

Public power utilities currently use and support the continued use of diverse generating resources, even as they work to reduce emissions. Grid reliability and electricity affordability are not only essential to individual public power utilities but are also central to national security, economic development, and public safety. For these reasons, APPA believes that FERC must have the authority to determine and mitigate significant reliability impacts of major federal regulations. This would allow electric utilities, including public power utilities, to comply with such regulations without adversely affecting regional or local electric system reliability. APPA supports efforts in Congress to enact legislation that would provide FERC with a formal role in determining the potential reliability impacts of federal regulations, including supporting H.R. 3616, the Reliable Power Act, introduced by Representative Troy Balderson (R-OH). Should FERC determine that a proposed federal regulation would adversely impact bulk power system reliability, the bill would require the issuing agency to make necessary modifications. Given the critical responsibility of FERC to assist electric customers in obtaining reliable, safe, secure, and economically efficient energy services at a reasonable cost, APPA believes FERC must also have the appropriate authority to determine and mitigate the significant reliability impacts of major regulations.

¹ EIA 2023 <https://www.eia.gov/electricity/data/eia923/>

Coordination of Gas and Electric Sectors

Natural gas has grown significantly as an electric generation fuel source in recent years, and natural gas-fired generation is expected to continue to play an important role in the nation's resource mix for the foreseeable future. Many public power utilities rely on natural gas-fired electric generation, either owned or contracted through bilateral or organized wholesale electric markets. As stated by the North American Electric Reliability Corporation (NERC) in its 2023 Long-Term Reliability Assessment, "Natural gas-fired generators are essential for meeting demand; they are dispatchable at any hour and provide a consistent rated output under a wide range of conditions." However, in that same assessment, NERC wrote, "sufficient natural gas fuel supplies cannot be assured without better reliability measures and the effective coordination between the operators and planners of both electricity and natural gas infrastructures." The 2024 Long-Term Reliability Assessment reiterated these same points.

Need for Gas Standards. As the reliability of the electric grid depends ever more on the reliability of the natural gas system, APPA supports higher standards for delivery, notification, and transparency from the natural gas industry. These standards could be voluntarily adopted and implemented by industry or mandated through increased government oversight, including but not limited to, the establishment of a natural gas reliability organization, that carries out similar functions in the natural gas business as NERC does for electric reliability, as proposed by the 2023 North American Energy Standards Board Gas Electric Harmonization Forum Report. Given the critical role natural gas will continue to play in the electric system, both to maintain current reliability and to manage increased load, standards are needed to ensure public power utilities and other electric utilities have access to a reliable and affordable supply of natural gas.

Protect Against Price Gauging. Extreme weather events in recent years, notably Winter Storm Uri, demonstrated not only the risks to electric reliability, but also the devastating economic consequences of extreme natural gas spikes and the related increases in wholesale electric costs. Extreme increases in wholesale electric costs ultimately increase the cost for public power utilities and their customers, including fixed and low-income individuals. A reliable and affordable supply of natural gas is critical to ensuring a resilient and reliable power grid, without making costs unaffordable to customers. APPA supports federal legislation that would allow federal authorities to temporarily cap the price at which wholesale sales of natural gas may be made during periods of acute supply shortage or to otherwise limit excessive natural gas wholesale prices to protect customers.

Other Factors

Ensuring electric reliability is a multifaceted challenge that can be impacted by available resources, weather conditions, and demand. Despite abundant resources and potential projects to meet rapidly growing electricity demand, permitting red tape, needlessly burdensome regulations, and conflicts between state and federal priorities have slowed energy infrastructure development to a crawl. Unfortunately, utility customers ultimately pay the high cost of slow, cumbersome permitting rules. For these reasons, APPA continues to support efforts in Congress to enact infrastructure-neutral permitting reform (see APPA Issue Brief, "Streamlining Energy Infrastructure Permitting"), including necessary changes to environmental statutes, to give public power utilities the clarity and certainty needed to invest in the generation, distribution, and transmission infrastructure needed to meet demand and ensure reliability.

Even when a project has successfully overcome permitting challenges, public power utilities still contend with supply chain constraints for critical grid and electric generation components. These supply chain constraints and shortages, including those for transformers and gas turbines, threaten grid reliability by significantly slowing down the time it takes for utilities to build the energy infrastructure needed to meet rising electricity demand and maintain reliability. Congress, the Department of Energy, and other federal agencies should collaborate with public power utilities and the broader electric sector to ensure a robust supply chain of critical components is available and accessible to electric utilities.

As load-serving entities, most public power utilities have the responsibility of obtaining, by building or by purchasing, adequate generation resources to reliably serve their communities. With growing demand for electricity, many public power utilities are planning to interconnect new, reliable resources to the grid. In regions with organized markets, queues to interconnect new resources continue to be long. Some regional market operators have made proposals to FERC to expedite interconnection processes for certain resources, and FERC has approved many, but not all, such proposals. APPA believes that interconnection processes should meet the needs of load-serving entities to obtain needed resources for their communities.

Congressional Actions

Electric reliability is a major priority for the 119th Congress, with members on both sides of the aisle recognizing the impact of rising demand, especially from data centers and electrification, as well as the reliability challenges created by generation retirements without prompt replacements. In June 2025, the House Energy & Commerce Committee passed 13 bills related to grid reliability, including H.R. 3616, the Reliable Power Act, which would give FERC a formal role in determining, and mitigating, the potential reliability impacts of federal regulations, which APPA strongly supports. Other legislation passed by the committee includes H.R. 1047, the Guaranteeing Reliability through the Interconnection of Dispatchable Power (GRID Power) Act, which would require FERC to reform the interconnect queue process to allow transmission providers to specifically prioritize dispatchable power, and H.R. 3632, the Power Plant Reliability Act of 2025, which would require generating facilities to provide five-year advance notice for retiring electrical generating units and FERC to issue orders if any public utility interstate service is likely to become inadequate within five years. APPA is pleased to see Congress focused on ensuring resource adequacy and grid reliability and will continue to support efforts to enact policies that help public power utilities provide reliable electricity to their customers.

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The American Public Power Association is the voice of not-for-profit, community-owned utilities that power 2,000 towns and cities nationwide. We represent public power before the federal government and protect the interests of the more than 55 million people that public power utilities serve and the 100,000 people they employ.