

Wonkblog

Bad news: The U.S. power grid is getting pricier, less reliable

By **Brad Plumer** March 8, 2013

U.S. electric customers are now paying 43 percent more to build and maintain local power grids than they did back in 2002. At the same time, the grid is also becoming less reliable, with blackouts now taking 20 percent longer to fix.

Those stats come from [this great AP story](#) by Jonathan Fahey, who points out that grid costs are rising "about twice as fast as the rate of inflation." Also note that the outage figures do *not* include blackouts after major storms — such as the 8.5 million who lost power after Hurricane Sandy. These are just smaller, mundane outages:

Here's Fahey: "[E]xperts say the combination is revealing: it suggests that the extra money from electric customers isn't being spent wisely — or that utilities aren't investing nearly enough to upgrade fragile equipment that is increasingly threatened by major storms."

There are a couple of other ways to look at the grid: Blackouts have become more common too. Between 2005 and 2009, there were 349 power outages in the United States that affected at least 50,000 people. That's up from just 149 outages between 2000 and 2004, [according](#) to Massoud Amin of the University of Minnesota. Problems with the power grid now cost the economy some \$150 billion per year.

In theory, this is solvable — though it wouldn't be cheap. A [recent study](#) from the Electric Power Research Institute estimated that it could cost up to \$476 billion over the next 20 years to establish a nationwide smart grid. But, the group argued, doing so could bring trillions in benefits. Sensors could allow grid operators to identify problems and avert or isolate outages and blackouts. Utilities could juggle demand more easily and lower their costs. Plus, it would be easier to integrate renewable power into the grid.

Right now, however, we seem to be getting the worst of both worlds. Costs are steadily rising each year, but reliability is getting worse.

