

FACT SHEET: Strengthening the Southeast's Power Grid for a Reliable, Affordable Future

The Southeast's Power Grid Is at a Crossroads

-  Electricity demand is surging due to rapid industrial growth, new manufacturing, and data centers.
-  Extreme weather events—hurricanes, winter storms, and heat waves—are increasing the risk of blackouts and higher electricity costs.
-  The Southeast is the only major U.S. region that has not approved significant regional transmission projects, putting reliability and affordability at risk.

The Problem: An Outdated and Costly Planning Approach

- Utilities plan in isolation, leading to inefficiencies and missed cost savings.
- SERTP has not approved a single regional transmission project in over a decade, while other regions have moved forward with large-scale upgrades.
- Transmission investment in the Southeast has quadrupled from \$0.5 billion per year in the early 2000s to \$1.8 billion per year today, yet most of this spending goes toward inefficient local projects instead of cost-effective regional solutions.

! THE COST OF INACTION

Without action, the consequences for ratepayers, businesses, and reliability will be severe:



HIGHER ELECTRICITY COSTS

Without regional planning, utilities must rely on expensive, local fixes instead of efficient, coordinated solutions.



INCREASED RISK OF BLACKOUTS

The Southeast needs 80 GW of new power by 2035—enough to power Texas. Without a stronger grid, extreme weather could cause rolling blackouts.



LOST ECONOMIC OPPORTUNITIES

Manufacturers and data centers require reliable, affordable energy. If the Southeast does not act, major business investments will go to other regions.

The Solution: Regional Transmission Planning

A well-planned regional grid lowers costs by allowing utilities to “buy in bulk” rather than each building costly, isolated projects. An analysis of three 500 kV upgrades identified by SERTP in its 2024 process found:

-  **\$8 billion in benefits** compared to \$5 billion in costs, creating \$3 billion in net savings for ratepayers.
-  **\$3 billion in production cost savings** – Reducing energy generation costs by using the cheapest available power.
-  **Over \$3 billion in load diversity savings** – Lowering peak energy costs by sharing power across state lines.
-  **Over \$1.5 billion in resilience benefits** – Strengthening the grid against extreme weather and system disruptions.

Key Benefits of Regional Transmission Investments

- ✓ **Lower Energy Costs**
More efficient power flow reduces electricity bills.
- ✓ **Increased Capacity**
Expanding transmission ensures power can reach growing communities and businesses.
- ✓ **Improved Reliability**
Stronger regional connections reduce blackout risks by allowing utilities to share power.
- ✓ **Job Creation & Economic Growth**
Transmission investments support infrastructure jobs and attract industries.
- ✓ **Enhanced National Security**
A resilient grid ensures stable power for military bases and critical infrastructure.

The Role of State Regulators in Transmission Planning

In May 2024, FERC clarified the critical role of state regulators in regional transmission planning through Order No. 1920-A, which strengthens state involvement in:

- **Scenario Development** – States will help determine how future energy demand, policies, and reliability risks are modeled.
- **Cost Allocation Decisions** – Regulators will play a key role in ensuring fair cost-sharing agreements that protect ratepayers.
- **Long-Term Transmission Planning Oversight** – States must be actively engaged in planning discussions to ensure regional projects benefit local communities.
- ✓ **FERC’s clarification makes it clear:** Transmission planning is not just a federal issue—state regulators and Public Service Commissions (PSCs) must take an active role in shaping the Southeast’s energy future.

The 2025 Opportunity: The Time to Act Is Now

- ✓ FERC Order 1920-A ensures that state regulators have a voice in shaping cost-effective, long-term transmission solutions.
- ✓ SERTP has a chance to lead by aligning with successful planning models like MISO and Duke Energy.
- ✓ Delaying action will lead to higher costs, reliability risks, and economic disadvantages.
-  **State regulators, utilities, and policymakers must act in 2025 to modernize grid planning and ensure affordable, reliable power for decades to come.**

Learn more in the full Brattle report on regional transmission planning at www.southernrenewable.org