



Private sector wisely acts to protect power grid

Matt A. Mayer

April 8, 2016 2:12 pm | *AEIdeas*

A recent initiative by a group of power companies to increase the resilience of the power grid represents an important step in letting market forces solve our problems instead of pushing for federal action.

Every American has dealt with the inconvenience of an electrical blackout. Typically, these blackouts range from a few hours to a few days and the number of people impacted decreases with each passing day, as the power companies repair lines. Americans have not had to deal with an extended loss of electricity in which a large number of people go without refrigeration, healthcare devices, and other vital needs for a week or more. Experts have warned about this possibility for several years, especially with the rise of cyber attacks and terrorist chatter.

Americans have not had to deal with an extended loss of electricity.



(http://www.aei.org/wp-content/uploads/2016/04/RTX12Y5P_powergrid-e1460138808881.jpg)

REUTERS/Brian Snyder.

As I [highlighted in an article](http://www.usnews.com/opinion/blogs/world-report/articles/2016-03-10/america-must-prepare-for-these-worrying-national-security-threats) (<http://www.usnews.com/opinion/blogs/world-report/articles/2016-03-10/america-must-prepare-for-these-worrying-national-security-threats>) about the top five threats to America, one threat is:

[A] cyberattack hitting our power grid in major population areas causing extended outages. Without power, we lose our ability to refrigerate and restock food supplies, administer health care, communicate once batteries die, and refuel our automobiles. With large, dense populations, evacuation becomes highly problematic and providing security nearly impossible. Surviving without power for a few days is doable; doing so for a week or longer is not.

It appears the power companies are responding to this and other warnings.

Specifically, a [group of power companies are launching a new entity, Grid Assurance](http://www.wsj.com/articles/utilities-look-to-stockpile-essential-parts-for-disasters-1460076194) (<http://www.wsj.com/articles/utilities-look-to-stockpile-essential-parts-for-disasters-1460076194>) that will “store circuit breakers, large transformers and other crucial parts at secure, unidentified locations, and sell them to participating utility companies who need them during emergencies.” Congress is considering creating a national stockpile, but this private sector response may render that action unnecessary. Part of the push for this new company comes from concerns over “coordinated attacks and natural disasters,” as demonstrated by the [still-unsolved gunmen attack on a substation in San](#)

[Jose, California, \(http://www.wsj.com/articles/SB10001424052702304851104579359141941621778\)](http://www.wsj.com/articles/SB10001424052702304851104579359141941621778) in April 2013. Though power supplies are expensive, the group believes this approach will be less costly than the costs of an extended blackout.

The federal government is fiscally broke. It makes little sense for it to create another program funded by deficit spending when the private sector can and does act.

This article was found online at:

<http://www.aei.org/publication/private-sector-wisely-acts-to-protect-power-grid/>