



## National Conference of State Legislatures Office of State-Federal Relations

### Department of Energy Releases Second Installment of the Quadrennial Energy Review

Jan. 9, 2017

On Jan. 6, the Department of Energy (DOE) released the [second](#) installment of the [Quadrennial Energy Review](#) (QER), titled “[Transforming the Nation’s Electricity System](#)” (QER 1.2). QER 1.2 both examines and analyzes trends and issues confronting the nation’s electricity sector through 2040 as well as provides an in-depth examination of the nation’s electricity system from generation to end use with three main intentions: enhancing economic competitiveness, promoting environmental responsibility and providing for national security.

The QER process resulted from a memorandum [issued](#) by President Obama in January 2014 with the intent of better aligning energy policies across the federal government. The [initial](#) QER (QER 1.1) contained 63 recommendations, and examined how to modernize the nation’s energy infrastructure to promote economic competitiveness, energy security and environmental responsibility. It was focused on energy transmission, storage and distribution. Of the [63 recommendations](#) made, 21 are fully or partially reflected in federal law and 29 have been fully implemented through administrative actions.

QER 1.2 [found](#) that it was a “strategic imperative” to protect and enhance the value of the electricity system, highlighting its growing and essential role in national security. Indicating that the “reliability of the electric system underpins virtually every sector of the modern U.S. economy,” and the role technological advances have on the definition of “reliability,” the report calls for the definitions and metrics of measuring reliability to evolve accordingly. Additionally, citing the vast array of threats to the grid, the report calls for increased “near-term and long-term risk management” to ensure the ongoing reliability of the electricity system.

Overall, the QER 1.2 includes [76 recommendations](#), including a recommendation to amend the [Federal Regulation and Development of Power Act](#) to grant DOE the ability to issue “grid-security emergency orders.” It also provides the Federal Energy Regulatory Commission (FERC) the “authority to modify North American Electric Reliability Corporation-proposed reliability standards—or to promulgate new standards directly—if it finds that expeditious action is needed to protect national security” from threats to the grid. Additionally, the report calls for increasing

federal support for state efforts to quantitatively value and incorporate energy efficiency, demand response, distributed storage, and distributed generation into resource planning.

For any further questions or concerns on QER 1.2, please contact NCSL staff [Ben Husch](#) (202-624-7779) or [Kristen Hildreth](#) (202-624-3597).