



The Daily Dish

April 8th Edition

DOUGLAS HOLTZ-EAKIN | APRIL 8, 2015

[A Texas judge has refused](#) the administration's request to lift a block on President Obama's executive order on immigration. The State of Texas alleges that the order allowing 4.7 million illegal immigrants to stay in the country without threat of deportation is beyond the power of the president.

The Obamacare glitches are back to haunt during tax season. Those who signed up on Nevada's own website prior to November 2014 have to correct the government's numbers before filing their taxes this year. Some people are even being told that they need to repay subsidies that they never received. According to [The Las Vegas Review Journal](#), state and federal governments had to reissue tax forms to 1 in 10 people due to problems with the exchange.

Eakinomics: Lights Out

The lights went out in DC yesterday — literally. It turned out to be a coincidence that it immediately followed Rand Paul's declaration that the “Washington machine must be stopped,” but it did raise the question: how reliable is the electric grid? As it turns out, the majority of power outages are weather-related, but there are two potential systemic threats on the horizon.

The first is cyber attacks on the grid. The potential for such attacks to bring down key sources of power has prompted the Federal Energy Regulatory Commission (FERC), which has the authority approve mandatory cybersecurity reliability standards, to designate the North American Electric Reliability Corporation (NERC) as the entity in charge of reliability and has tasked it with developing those cyber security reliability standards. This effort has been underway for nearly a decade. Only the possibility of a cyber attack disrupting the payments system — banks, credit cards, etc. — is a greater commercial threat. A good discussion can be found [here](#).

The second is the Obama Administration's [Clean Power Program](#) (CPP) — aka executive overreach in form of carbon policy. The very same NERC [evaluated](#) the program and noted:

- The CPP relies on a large reduction in coal-fired power plants and “developing suitable replacement generation resources to maintain adequate reserve margin levels may represent a significant reliability challenge”.
- There will be greater reliance on natural gas and weather-dependent sources like wind and solar. The former will require more pipelines and the latter cannot be relied upon to provide base-load power.
- The CPP is counting on gains in energy efficiency. If these don't develop, the demands for power and on grid reliability may be larger than expected.

The bottom line? “More time for CPP implementation may be needed to accommodate reliability enhancements.” That's agency-speak for “Houston, we have a problem.”

From the Forum

[Six Ways to Lead on Oil and Gas](#) by Catrina Rorke, AAF Director of Energy and Environmental Policy