Press Release

The Cost of Upgrading Electricity Distribution

PAULINA ENCK | AUGUST 10, 2021

To fulfill the Biden Administration's commitment under the Paris Climate Agreement to produce carbon pollution-free electricity by 2035 while maintaining reliability in the face of projected consumer adoption of distributed energy resources, electric distribution systems will have to be modified. In new research, AAF's Director of Energy Policy Ewelina Czapla explains the strains on electric distribution systems and estimates the potential cost of modifications. The modifications necessary to accommodate growing numbers of electric vehicles and distributed solar panels alone will generate costs approaching $1 trillion, Czapla calculates.

Czapla concludes:

> The Biden Administration's commitment to attain carbon pollution-free electricity by 2035 will require expansion and modification of generation, transmission, and distribution infrastructure. These modifications are further complicated by the increasing adoption of DERs, such as PV solar panels and EVs. Distribution system modifications would require unprecedented amounts of investment, nearly $1 trillion, in ways similar to the generation and transmission systems. Together the three sectors could require over $3 trillion of investment over the next 15 years.

Read the analysis