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## 10 Years Later, Power Outages Still Cost U.S. Billions Each Year

by [Mike Edmonds](#) on AUGUST 14, 2013



The Northeast power outage on August 14, 2003—which left 50 million people in the dark—brought new focus to the costs associated with power outages. The power outage affected major U.S. population centers and cost an estimated \$6 billion. Industry and government officials spent much time investigating and implementing changes to help prevent similar power outages in the future.



The 2003 outage was something of an unusual event, however. In the wake of this power outage, [the Lawrence Berkeley National Laboratory initiated a study to measure the economic impact of power outages](#). Their study included “typical” power outages that don’t make national headlines, but do have a very real cost. Their finding: Power outages cost the U.S. \$80 billion every year.

Momentum to improve power reliability has waned since 2003, with periodic spikes in interest following major storm-related power outages. To reduce the cost of power outages, however, what we need is a sustained commitment to improve the reliability of our electrical infrastructure, rather than sporadic bursts of activity following significant power disruptions. In fact, the urgency to make such a commitment is growing. Our electrical infrastructure is aging, which makes it more vulnerable to equipment malfunction and associated power disruptions. Many experts expect we’ll see an increase in storms and heat waves, which will further impact power reliability. Furthermore, the grid also faces the challenge of technological obsolescence, as it was not built to handle new technologies like electric vehicles or renewable energy resources.

New solutions are within our grasp. In a new video presentation, [S&C’s Executive Chairman John Estey shows how self-healing smart grids can reduce the cost of power outages](#). This type of technology is not mere hype or vaporware. S&C distributed intelligence-based systems have been working in the real world since the 1990s. Some communities have made big strides in grid modernization, and they are seeing greatly improved power reliability as a result—along with a reduction in the costs associated with power outages. [Chattanooga, Tennessee, for instance, has realized a more than 40% reduction in outage duration by implementing the most automated distribution grid of its size in the U.S.](#)

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Moreover, though these solutions do require an upfront investment, the payback is strong when you consider the total economic costs associated with power outages.

We encourage you to watch this video, and please share it with colleagues who may also find it of interest. And please use the comment form to share your thoughts and questions.



#### About Mike Edmonds

Mike Edmonds is the Vice President of the U.S. Business Unit for S&C. In this position, Edmond's primary responsibility is for business development, operating profit, customer support and sales growth within the U.S. Prior to joining S&C in April 2010 Edmonds was Vice President & General Manager of Siemens USA Energy Automation group, responsible for the real-time solutions business for energy management systems, market systems, substation automation and protection control. Edmonds' previous roles include VP & GM for PTI, whose products and services serve 130 countries in system planning including early adoption and endorsement of the common information model (CIM).

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