

What are the key elements in market design to accelerate deployment?

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Setting the scene...

- The transformation of our energy systems to reach energy and climate goals is one of the most challenging tasks of our time
- Drivers affecting change include expansion of renewables, decentralization, and digitalization
- There is a need for acceleration



Market design is key

- Market designs differ greatly around the world – from centralized dispatch to exchange based markets – implying different starting points
- Important to recognise the differences between systems – there is no one-size fits all design to apply,
- But innovative market design is vital for developing and fast tracking clean, cost effective energy solutions – the technology is already up to speed
- Policy e.g. taxes and support schemes must be coordinated with sector regulation and be adapted to the new reality

Regulators...

- ...seek a market design that provides reliable electricity at least cost to consumers while maximizing market efficiency – well functioning markets
- ...work towards regulations that stimulate the right investments while managing customer interests
- ...need to manage trade offs between technical neutrality and the transformative acceleration of smart infrastructure
- ...need to reduce regulatory uncertainty and clarify possibilities within existing frameworks

Elements in market design to accelerate:

- Review and possibly adjust concession and license frameworks to avoid unnecessary barriers to e.g. new initiatives and local energy communities
- Increase customer awareness and knowledge on their role as active participants
- Reduce or remove incentive distortions between OPEX and CAPEX as these may create e.g. entry barriers for new technology and service providers and technological lock-in
- Review and implement regulatory sandboxes, continue to stimulate research and development

An aerial photograph of a city, likely Stockholm, Sweden, showing a dense urban area with numerous buildings, roads, and green spaces. A large body of water, possibly a bay or lake, is visible in the background, and the sky is a clear blue. The text "Thank you" is overlaid in the center of the image.

Thank you