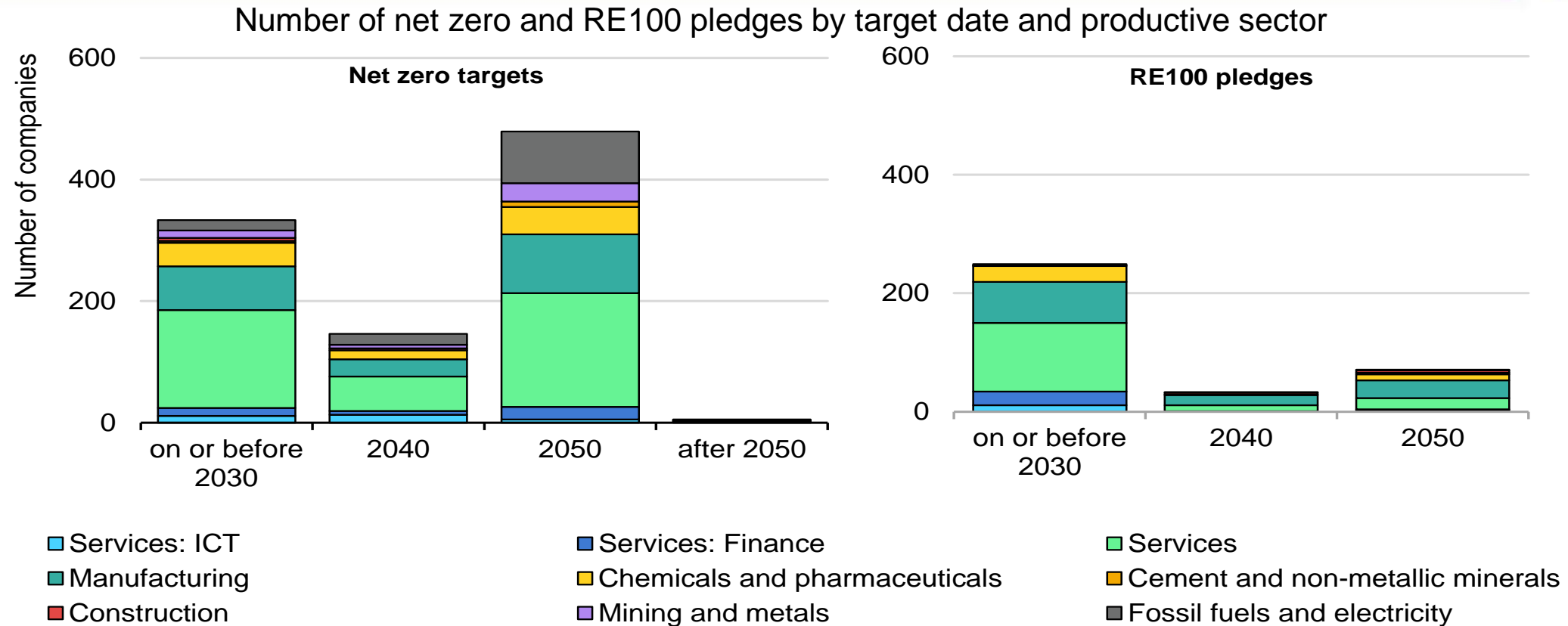


Accelerating Decarbonisation Through Regulatory Innovation: Emerging Models for Clean Electricity Procurement

Speaker : Enrique Gutierrez,
Project Lead Regulatory Energy Transition Accelerator,
International Energy Agency



There is an increasing number of decarbonisation targets



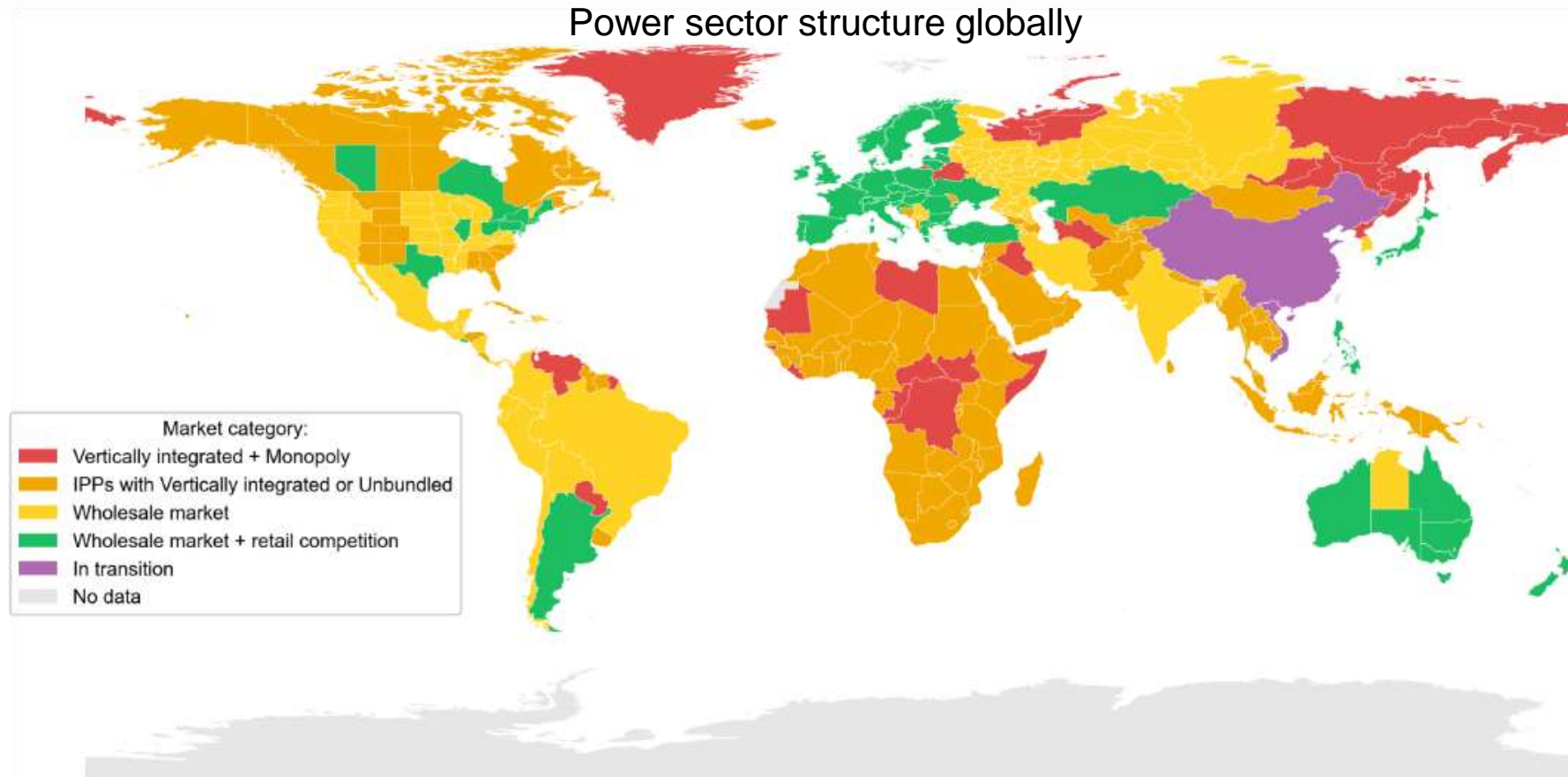
Source: IEA Analysis of Net Zero Tracker (accessed 28 September 2022) and RE100 (accessed 19 July 2022).

Corporate decarbonisation and clean electricity targets can contribute to strengthen the impact of government policies and create momentum for increased ambition

Across countries clean procurement is advancing decarbonisation

28 Feb – 04 March 2023 | New Delhi

Power sector structure globally

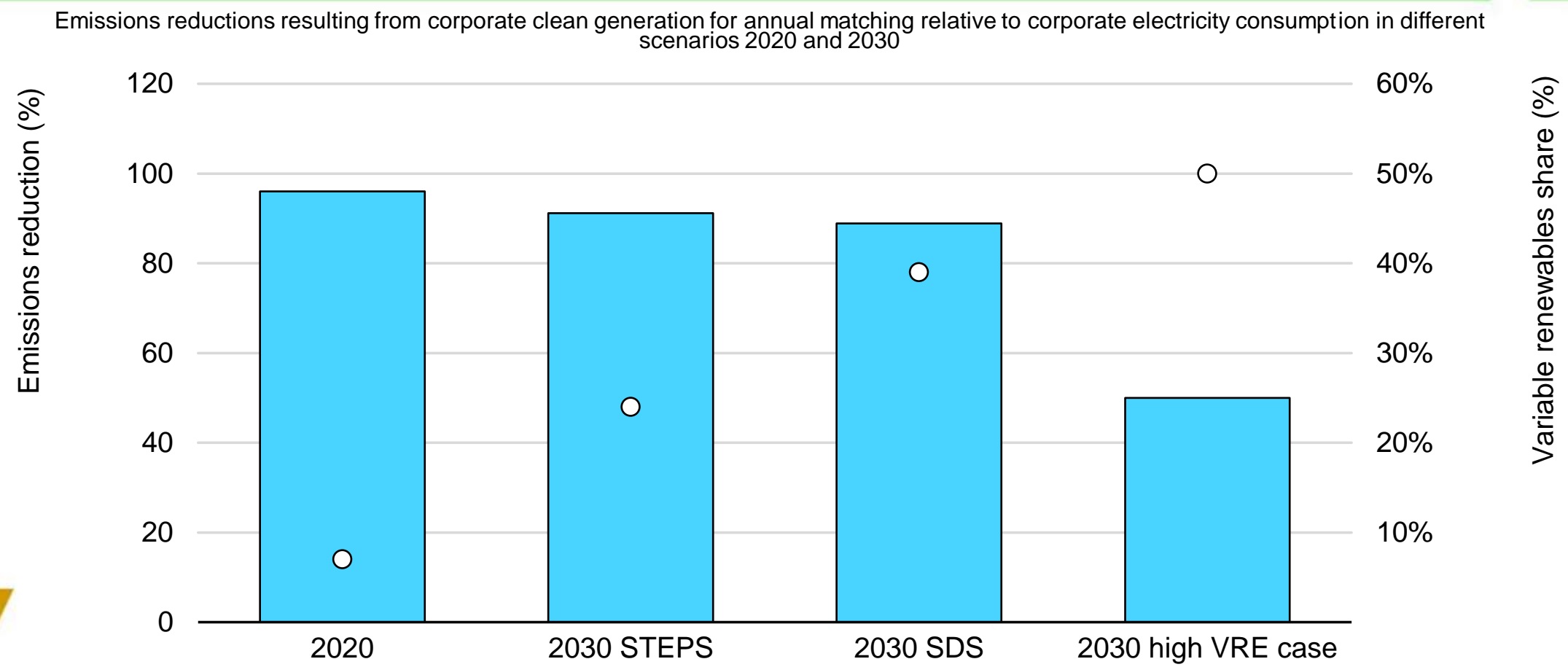


Source: IEA (2022), <https://www.iea.org/reports/steering-electricity-markets-towards-a-rapid-decarbonisation>

Policy makers should take action to enable the greatest array of options to companies wanting to procure clean electricity, including legal, regulatory or technical specification changes.

Annual matching has advantages at early stages of decarbonisation

28 Feb – 04 March 2023 | New Delhi

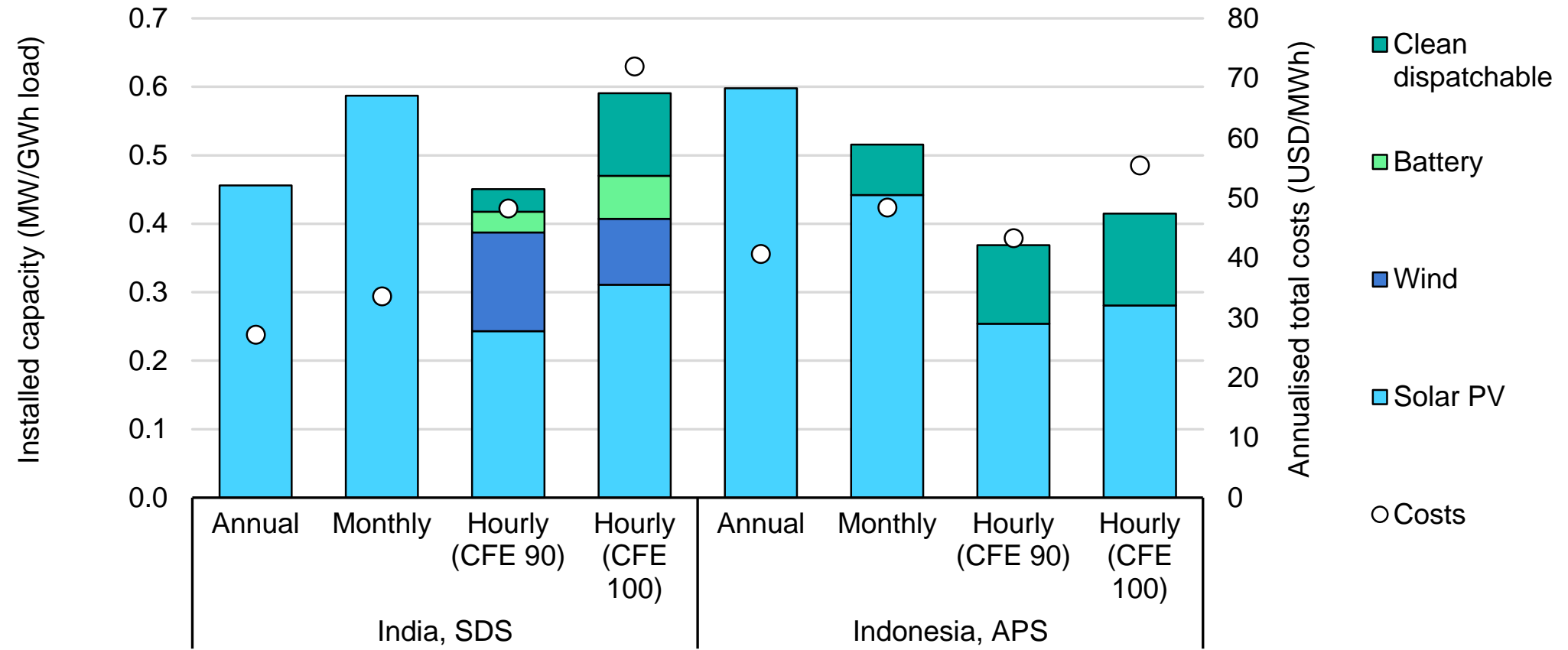


As power systems reach higher stages of decarbonisation the value of annual strategies reduces relative to, for example, greater deployment of demand response

Ambitious clean energy procurement goals are more conducive to net-zero ready power systems

28 Feb – 04 March 2023 | New Delhi

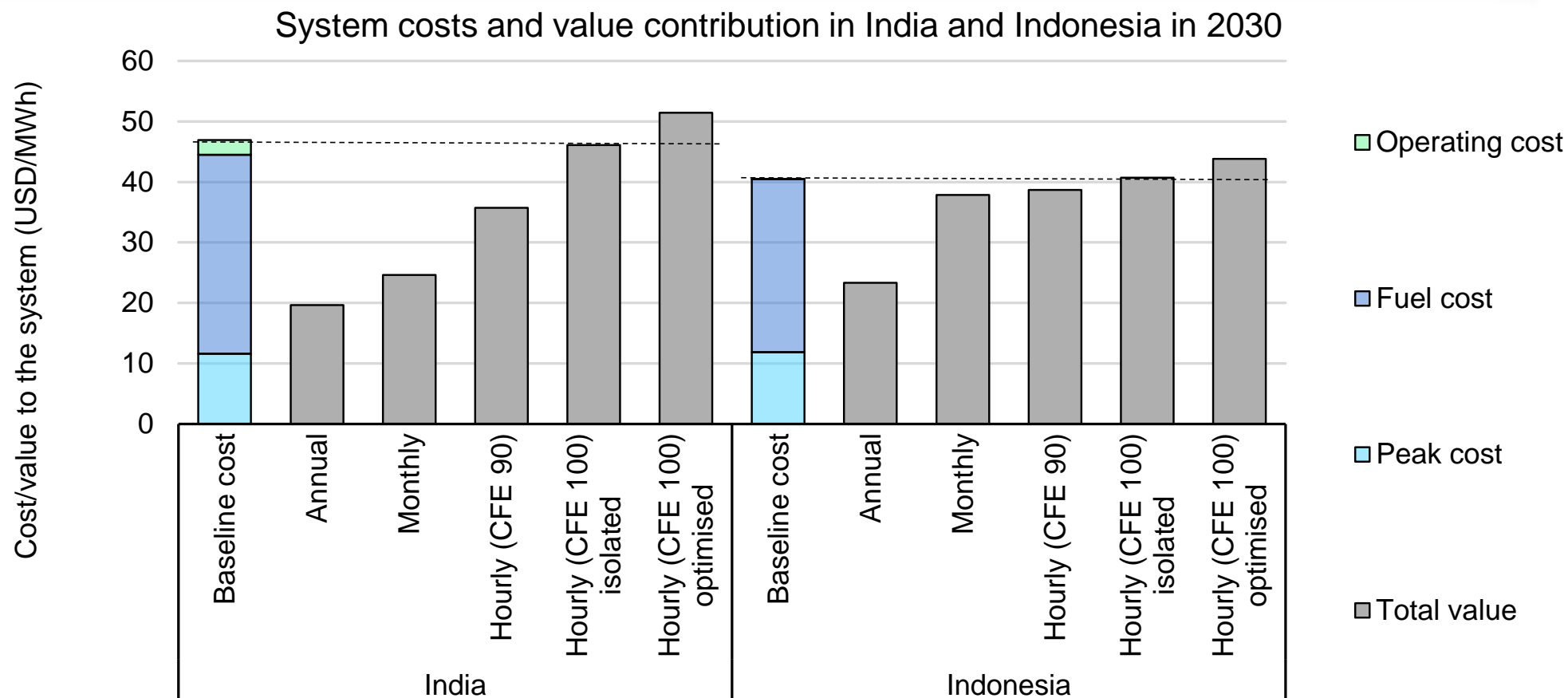
Procurement portfolios and procurement costs for annual and hourly demand matching in India and Indonesia, 2030



Companies setting hourly procurement goals can help lead net zero transitions by deploying more diverse assets which can contribute to flexibility and balancing

Power market integration of corporate procurement yields greater benefits

28 Feb – 04 March 2023 | New Delhi



Policy makers and regulators have a major role to play in ensuring a clear allocation of costs for operations and system support ensuring all parties contribute to reducing the costs to the system

However there are key barriers that need to be addressed by policy makers

- Licensing and **grid access**
- Interaction with **existing tariff structures**
- Ability to **report and monitor**
 - both nationally and internationally
- Compatibility with the **broader energy policies**
- **Clarity of data** requirements at different levels

Proactive policy-maker involvement is crucial to ensure that corporate procurement supports the achievement of broader policy goals

- Companies setting **clean electricity goals including annual and hourly-based approaches can help increase momentum in power system decarbonisation**
- Policy makers have a key role to play in **enabling the greatest availability of clean electricity procurement options** and **ensuring these add to the success of the existing policy frameworks**
- As power systems decarbonise, **shifting to explicit emissions accounting that captures the marginal impacts of procurement can ensure its effectiveness**
- **Hourly electricity goals that include a systems perspective** can help lead clean energy transitions and contribute to power system flexibility
- The IEA continues to **support both bilaterally or through platforms like RETA** where countries can learn from each other and new challenges can be identified and addressed.

Thank You

For further questions please contact Enrique Gutierrez enrique.gutierrez@iea.org or visit retatheaccelerator.org

www.isuw.in



iea

RE
TA
Regulatory
Energy Transition
Accelerator