

14 September 2017

Power markets in a low-carbon world: response

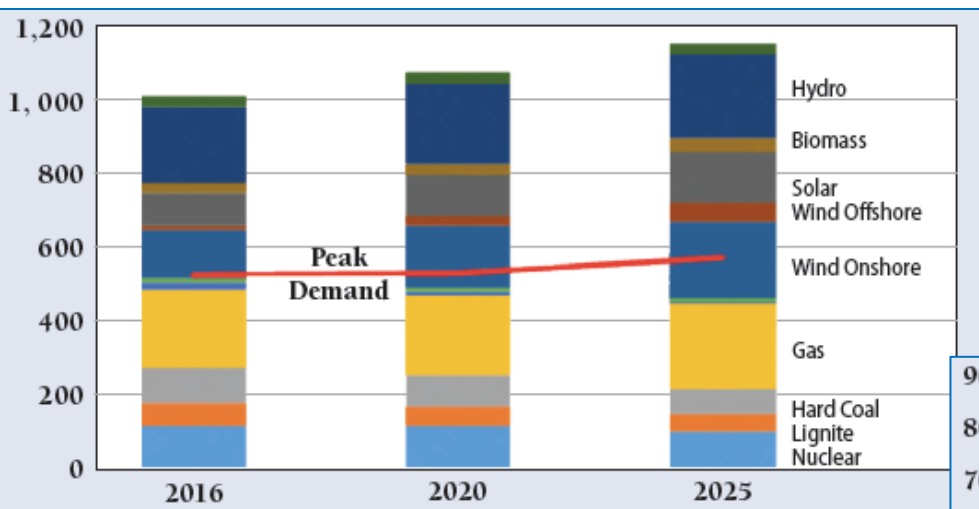
Resources for the Future/NREL meeting, Wash., D.C.

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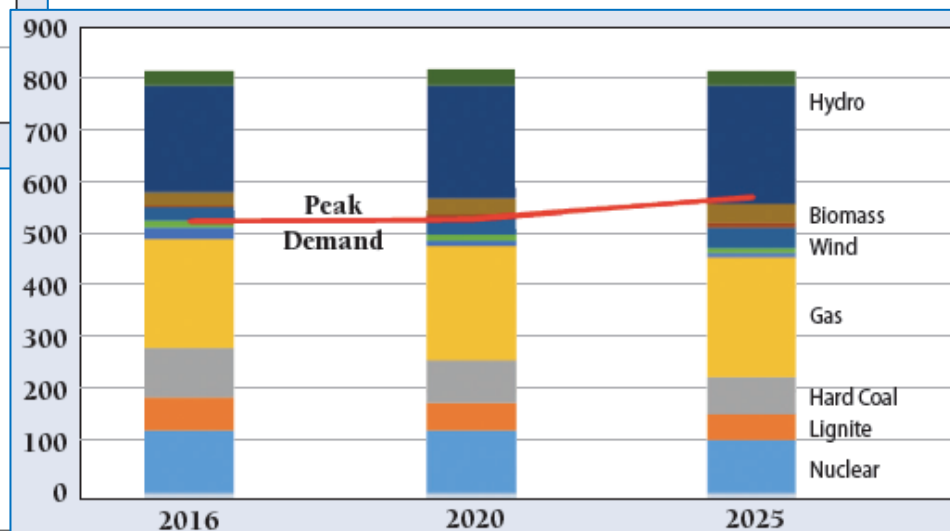
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raponline.org

Why are prices so low? It's not that complicated

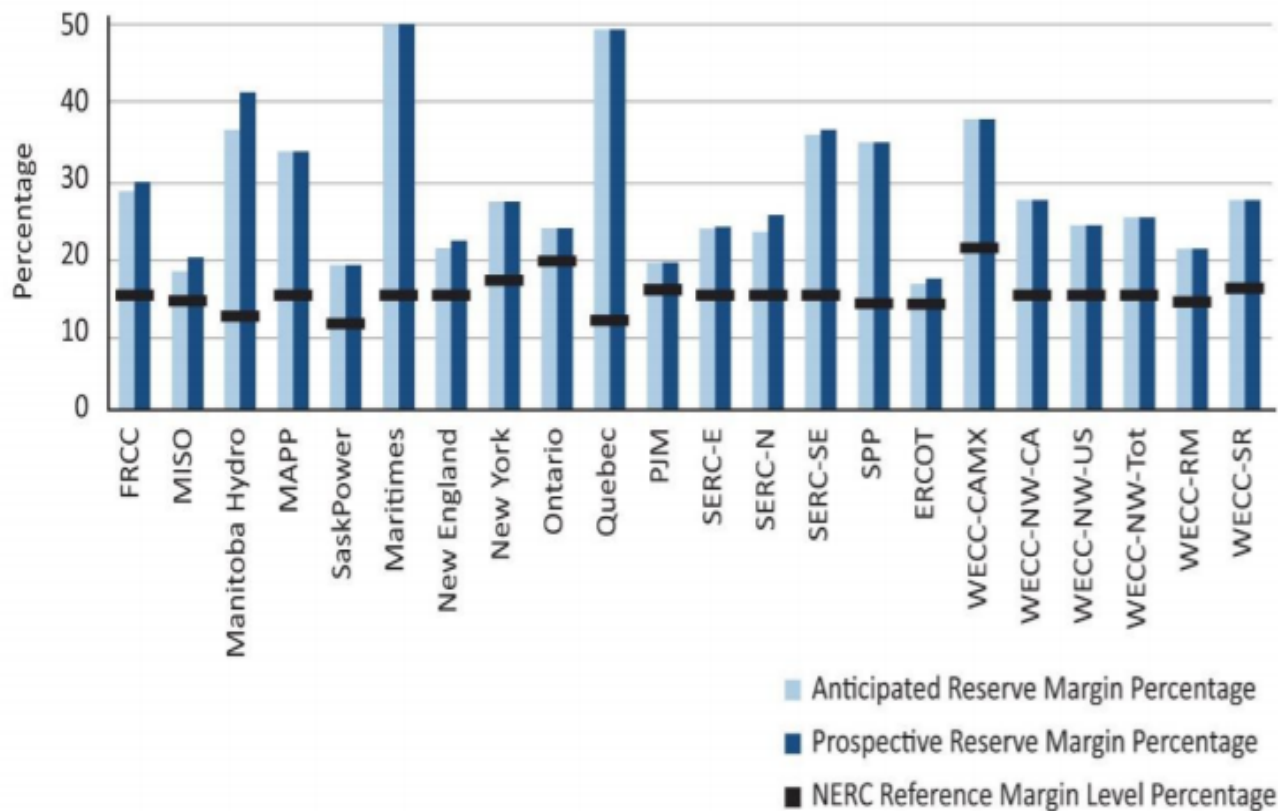


Surplus with installed nameplate capacities...

...and with 20% credit for wind, 0% for solar



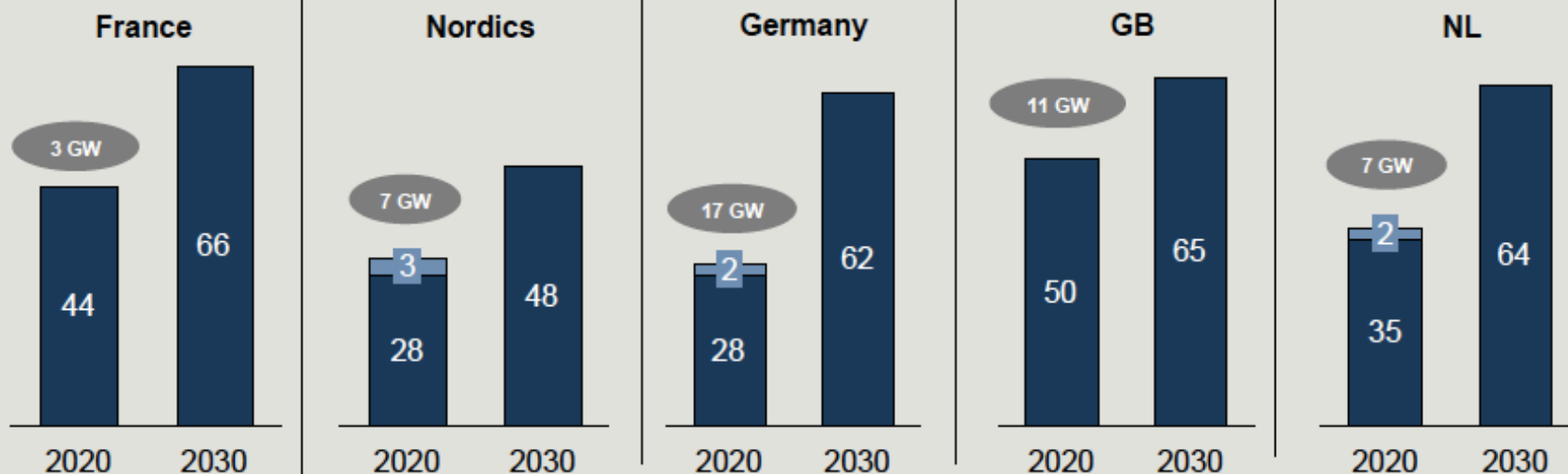
An embarrassment of riches



Benefit of capacity rationalization

Average day ahead prices (EUR15/MWh)

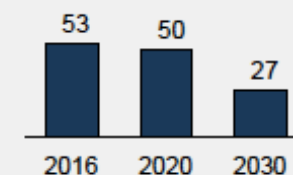
Price effect of decommissioning



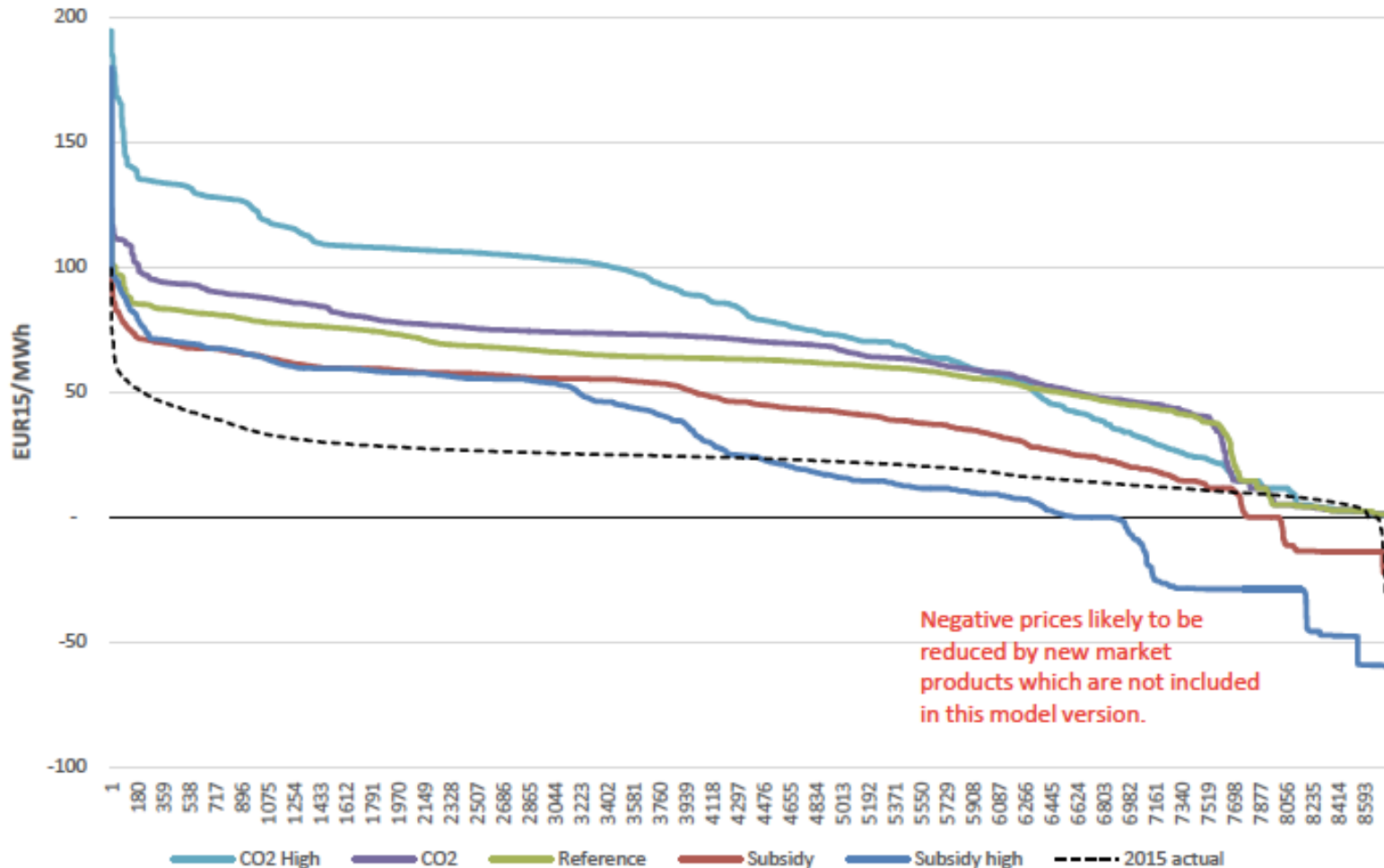
Coal in Germany

- Mainly gas decommissioned towards 2020 due to low CO2 price => limited electricity price impact
- Mainly coal decommissioned towards 2030 => doubling of electricity price
- Fast decommissioning of coal, through CO2 price or other measures is key to electricity price

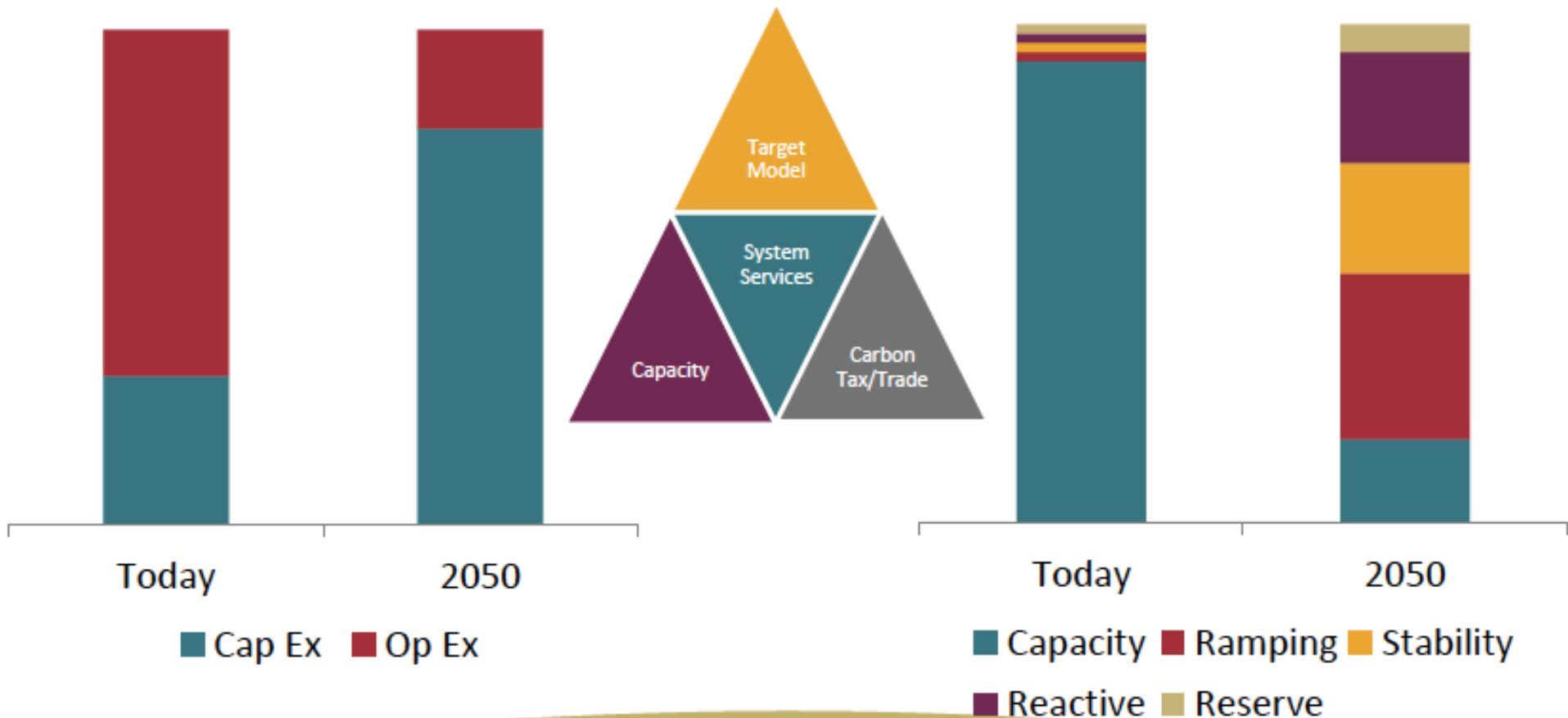
Installed coal capacity, GW



Future pricing in a 70% RES grid



Or you can try to do it yourself...but a capacity market won't cut it



About RAP

The Regulatory Assistance Project (RAP)® is an independent, non-partisan, non-governmental organization dedicated to accelerating the transition to a clean, reliable, and efficient energy future.

Learn more about our work at raponline.org



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