

A critical assessment of the different approaches aimed to secure electricity generation supply

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Abstract— Since the very beginning of the power systems reform process, one of the key questions posed has been whether the market, of its own accord, is able to provide satisfactory security of supply at the power generation level or if some additional regulatory mechanism needs to be introduced, and in the latter case, which is the most suitable approach to tackle the problem. This matter is undoubtedly gaining importance and it has taken a key role in the energy regulators' agendas.

In this paper, we critically review and categorize the different approaches regulators can opt for to deal with the problem of guaranteeing (or at least enhancing) security of supply in a market-oriented environment. We analyze the most relevant regulatory design elements throughout an updated assessment of the broad range of international experiences, highlighting the lessons we have learned so far in a variety of contexts. Based on the analysis, we conclude by providing a set of principles and criteria that should be considered by the regulator when designing a security of supply mechanism.

Index Terms— Electricity market rules; Security of supply; Regulatory intervention

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