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Title- Energy transition challenges for public policy & regulation

Defined as a long, politically driven, process of structural changes in the energy system aimed at drastically reducing greenhouse gas emissions, the energy transition constitutes a global challenge. It requires a societal transformation in the way we procure, produce and use energy. It implies the implementation of bold modernisation strategies with broad consequences for R&D, growth, and competitiveness. It is bound to lead to a changing energy landscape, in particular in terms of generation, operations, demand side, grids, cost structure and pricing. It will see the emergence of new players and require new governance structures. Achieving a right balance between the objectives of sustainability, affordability and security of supply, while contributing at the same time to the development of a competitive economy, will require a complex policy mix. This will include carbon pricing, innovation promotion, regulatory stability, citizens' involvement and cooperation with neighbours. Energy regulators are bound to play a more active role during the energy transition. They should, however, not be expected to be the driving force. The latter will emerge from a combination of political will and commitment, institutional design and innovation. Finally, an efficient, updated toolkit of regulatory instruments should include measures to promote innovative sources of energy, to develop adequate capacity remuneration mechanisms, to ensure affordability and to promote smart grids and smart homes. It should also come along with robust monitoring and reporting processes.