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## **Decarbonization and New Designs for Long-Term Markets Focus of New *Insights* Paper**

**WASHINGTON** (October 27, 2021) — A new report published by the National Regulatory Research Institute looks at the need for new market designs to support the transition to clean energy. The report examines the way in which potential market designs can support decarbonization.

As part of the NRRI *Insights* series, authors Karl Hausker, PhD, and Karen Palmer, PhD, explore the role of decarbonization on power markets; specifically, the need for long-term market redesign. Although current market designs have adequately managed system operations and resource adequacy with a conventional generation mix, there is increasing concern that they are inadequate in an environment with substantial renewable generation and demand response. The growing mix of new technologies and the push for decarbonization have created challenges that necessitate a review of prevailing market design approaches.

“Power Market Design for an Era of Rapid Decarbonization” examines three different approaches to wholesale a redesign: energy-only markets, energy and capacity markets and the energy market plus state-level cost-of-service regulation. The paper focuses on detailed analyses of various designs for long-term markets. Considerations addressed in these analyses include resource planning, transmission needs, distributed resources, bid mechanisms and more.

Carl Pechman, NRRI direction notes that, “Electric markets are now faced with three new challenges, incorporation of renewables, electrification, and decarbonization. These challenges alter the fundamentals of the organized markets. It is time to investigate new approaches to wholesale market design. This paper will play an instrumental role in jump-starting that conversation.”

To learn more and download this new addition to the NRRI *Insights* library, visit [bit.ly/2XSYg3G](https://bit.ly/2XSYg3G).

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### ***About NRRI***

***The National Regulatory Research Institute (NRRI) was founded in 1976 by the National Association of Regulatory Utility Commissioners (NARUC). NRRI serves as a research arm to NARUC and its members, the utility regulatory commissions of the fifty states and the District of Columbia in the United States. NRRI's primary mission is to produce and disseminate relevant and applicable research for NARUC members.***