

How will Energy Market Participants Protect Themselves from Ongoing Shifts in the Sources of Energy?

“The changes brought about by evolutions in renewable energy technologies, and in some cases aggravated by the impacts of COVID-19, are likely to up-end traditional relationships between different forms of energy and the customers that use them. These changes are significantly impacting not just competitors, but their contract counter-parties, the risks they face, their credit-worthiness and their customers,” posts Mark Sundback in *SheppardMullin’s Electrical Power*.

“Renewable generation equipment’s cost continues to decline. Output from solar and wind is available at \$0 short-term incremental dispatch cost. Battery research is identifying ways to lengthen the duration of output from that form of storage, and to lower its cost. But the location of renewable assets is not necessarily the same as the location of conventional thermal generation facilities, which typically have been located adjacent to sources of large amounts of water.”

Read the article.