

THE BENEFITS OF RENEWABLES OUTWEIGH THEIR COSTS

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A doctoral thesis prepared at the [University of the Basque Country](#) by Telecommunications engineer Cristina Pizarro-Irizar has concluded that renewable energies introduced significant savings in the Spanish wholesale market, after analyzing the role of renewables in the electricity system in the period 2008-2013, a period in which renewable energy production grew by 69% The thesis, carried out at the Faculty of Economic and Business Sciences of the UPV/EHU, has also

concluded that "the role of energy regulation is crucial when it comes to making the electrical system sustainable".

Pizarro-Irizar has investigated the economic cost induced by incentive systems aimed at renewable energy from the point of view of the consumer, in addition to the effect of renewable energy on conventional producers from the point of view of supply market. It has also identified the possible pricing strategies that could lead to a reduction in costs according to the elasticity of demand, from the point of view of market demand.

The researcher concludes that "without a doubt, renewable energy in Spain has been worth the cost it has entailed" since "it has entailed more benefits than costs in the Spanish electricity system", but also shows that the cost "could have been less with a different incentive system". As an alternative to the tariff system, the thesis proposes a system of Green Certificates, in which each green energy producer is assigned certificates for the amount of renewables they can sell. Producers who do not have green energy or consumers could buy these certificates, in a system, which is argued that this way "would have less inefficiencies" since it would be self-regulating.

The thesis [points out](#) that with adequate energy policies, "Spain could become an exporter of renewable energy", warning that "retroactive measures in the electricity sector have been very harmful" having withdrawn international investment in renewables in Spain "because of the legal uncertainty that exists".

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