



Institute for  
**Policy Integrity**  
NEW YORK UNIVERSITY SCHOOL OF LAW

**FOR IMMEDIATE RELEASE – March 23, 2021**

Contact: Derek Sylvan | (614) 638-8282 | [derek.sylvan@nyu.edu](mailto:derek.sylvan@nyu.edu)

## **NEW REPORT SHOWS HOW RESOURCE ADEQUACY APPROACHES CAN WORK AS RENEWABLE ENERGY EXPANDS**

The widespread blackouts in Texas during February’s historic cold snap raised concerns about the stability of the power grid, causing consumers, regulators, and policymakers to focus on *resource adequacy*: the ability of utilities to meet customers’ electricity demand at any moment—through power generation, rules, and market mechanisms.

As climate variability intensifies and the United States ramps up its clean energy transition, many are wondering how resource adequacy will work when the grid relies more on renewable resources, especially since current approaches to resource adequacy were developed around conventional resources—fossil-fueled generators and hydropower.

A report released today by the Institute for Policy Integrity at NYU School of Law, “[Resource Adequacy in a Decarbonized Future: Wholesale Market Design Options and Considerations](#),” examines the relationship between resource adequacy and renewable energy. It explores the impacts of renewables on the functioning of resource adequacy mechanisms, and how different resource adequacy approaches affect renewable investment. The analysis, informed by the economics, engineering, and policy literature, focuses on two frequently applied resource adequacy approaches: *energy-only* markets, like the one used in ERCOT; and *energy-plus-capacity* markets, commonly used in the Northeast (NYISO, ISO-NE, PJM). It also examines the recent Texas blackouts and the role of both the resource adequacy approach and renewables.

The report finds that current approaches to resource adequacy—with certain adjustments—are capable of ensuring that the lights stay on during a future that is powered largely by renewable energy. At the same time, it points out that some approaches embody biases toward fossil-fueled generation, tilting the field against renewables. The report also provides recommendations for market design measures that can support the cost-effective provision of resource adequacy amid continued deployment of renewables.

The report is available at: <https://policyintegrity.org/publications/detail/resource-adequacy-in-a-decarbonized-future>

The authors are available for interviews on these issues.

###

*[The Institute for Policy Integrity](#) at New York University School of Law is a non-partisan think tank dedicated to improving the quality of government decisionmaking. The institute produces original scholarly research in the fields of economics, law, and regulatory policy; and advocates for reform before courts, legislatures, and executive agencies.*