

“Renewable energy sources: social, economic & institutional considerations”

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In planning and deploying distributed renewable energy systems, it is critically important to consider and include those social, economic and institutional factors that can block or complicate the process.

- Large institutions, such as electric utilities, are subject to both bureaucratic procedures, regulatory policies and the embeddedness of material infrastructures that can constrain their ability and willingness to adopt and adapt to new technologies and ways of doing business.
- Fossil-fuel and nuclear-based generation tends to be subsidized and fail to include the various externalities that reduce their social costs and prices relative to renewables. Consumers respond to higher energy prices but incorporation of externality costs, through carbon and other taxes, could make renewables more economically attractive.
- Energy users tend to stick to established patterns and practices, and will not necessarily respond to new technologies or practices associated with renewables and energy efficiency. But people are less concerned about the form of energy they receive and more about the services energy provides them, which means that deployment of renewables needs to consider consumer expectations and practices.