

# The role of policy in energy transitions: lessons from the energy liberalisation era

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## Abstract

The aim of this paper is to discuss the period of energy privatisation and liberalisation which began in the 1980s within its wider historical context. The key issues are: what has been learned from this recent period, and; how significant is it in the light of an energy transition to low carbon energy system by 2050? Energy liberalisation has led to positive and globally widespread but modest efficiency gains but a lack of clearly visible direct benefits to households in many countries. It has significantly improved the governance of monopoly utilities (via independent regulators), the prospects for competition and innovation, and the quality of policy instruments for environmental emissions control (through the emergence of trading mechanisms). We conclude that it is not liberalisation per se that will determine the movement towards a low carbon energy transition, but the willingness of societies to bear the cost, which will be significant no matter what the extent of liberalisation.

**Keywords** energy liberalisation, energy privatisation, energy transition

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