

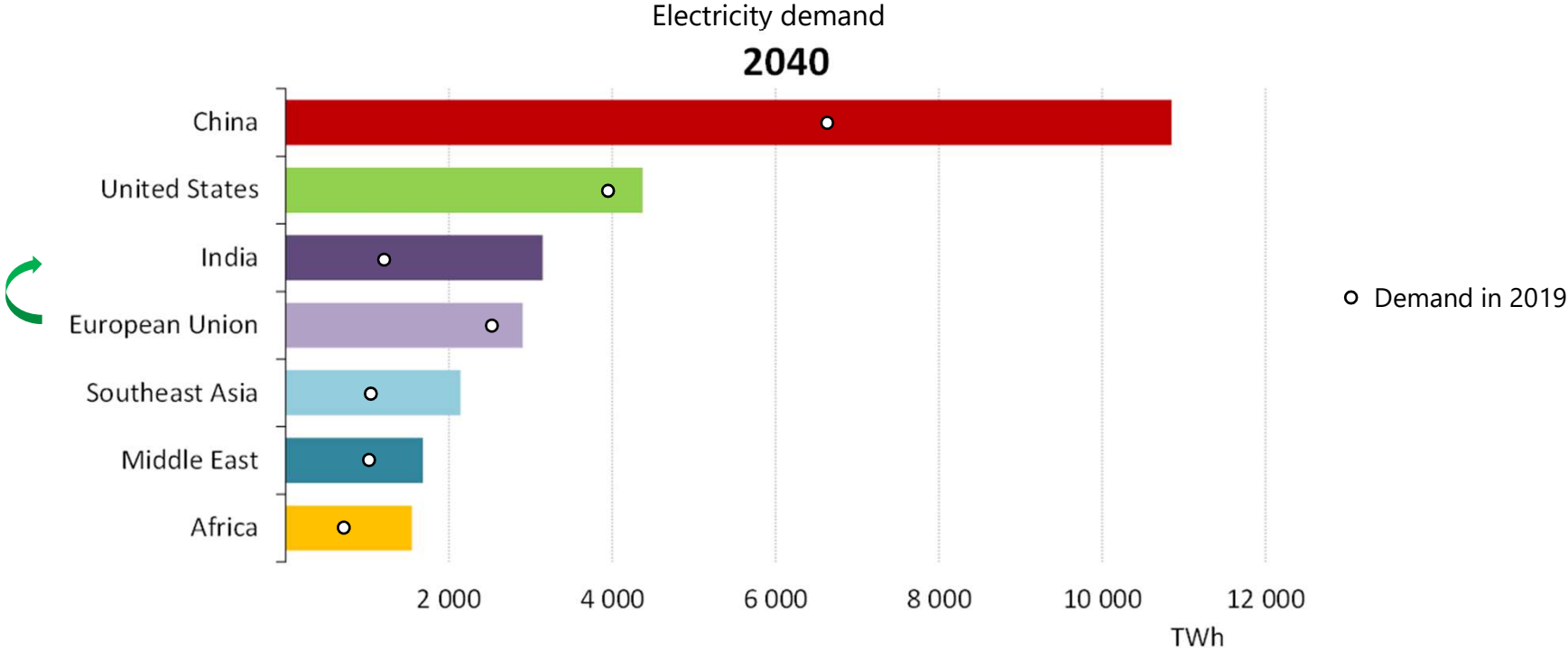


# WEO Week: The outlook for electricity

Yasmine Arsalane and Tim Goodson

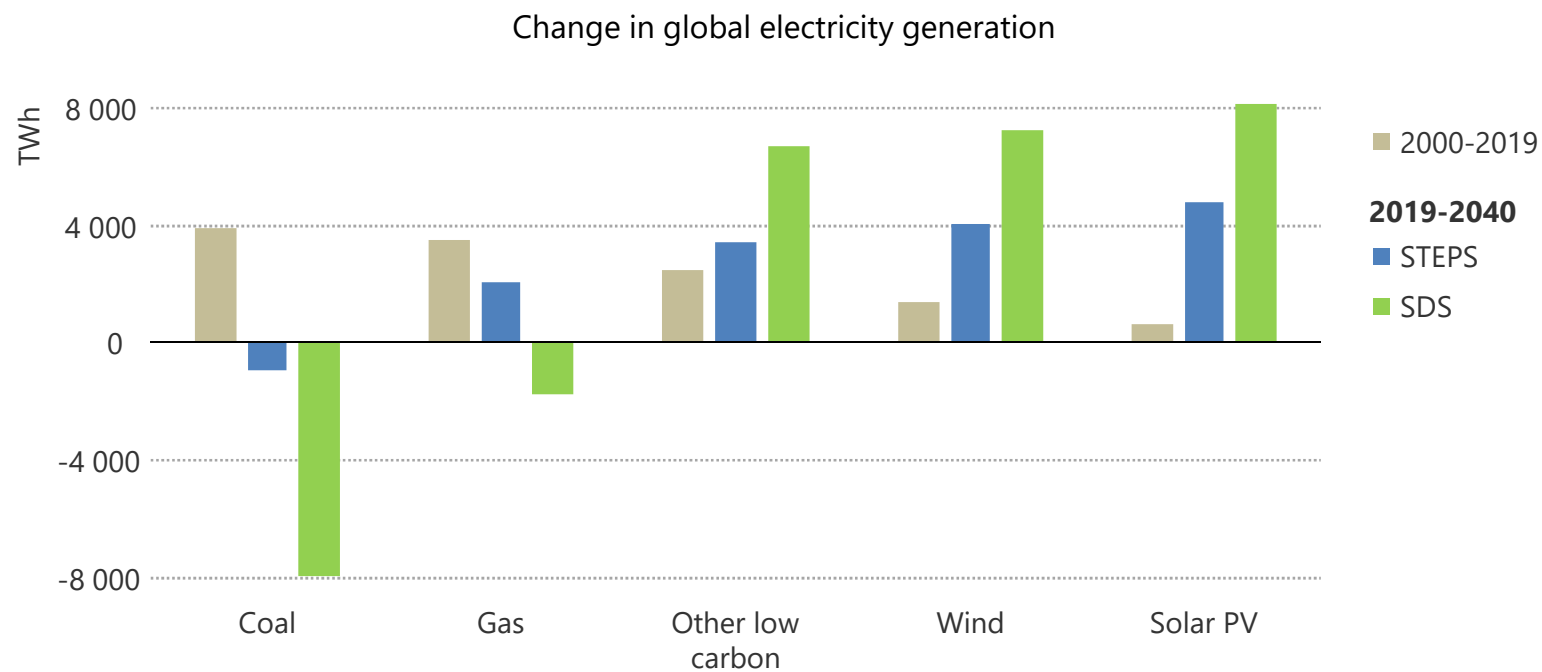
Paris, 17 November 2020

# The future is increasingly electric



Electricity demand proves resilient to the Covid-19 shock, as reliance on electricity increases. Future demand growth is concentrated in Asia, while the impact of electrification is increasingly visible in advanced economies.

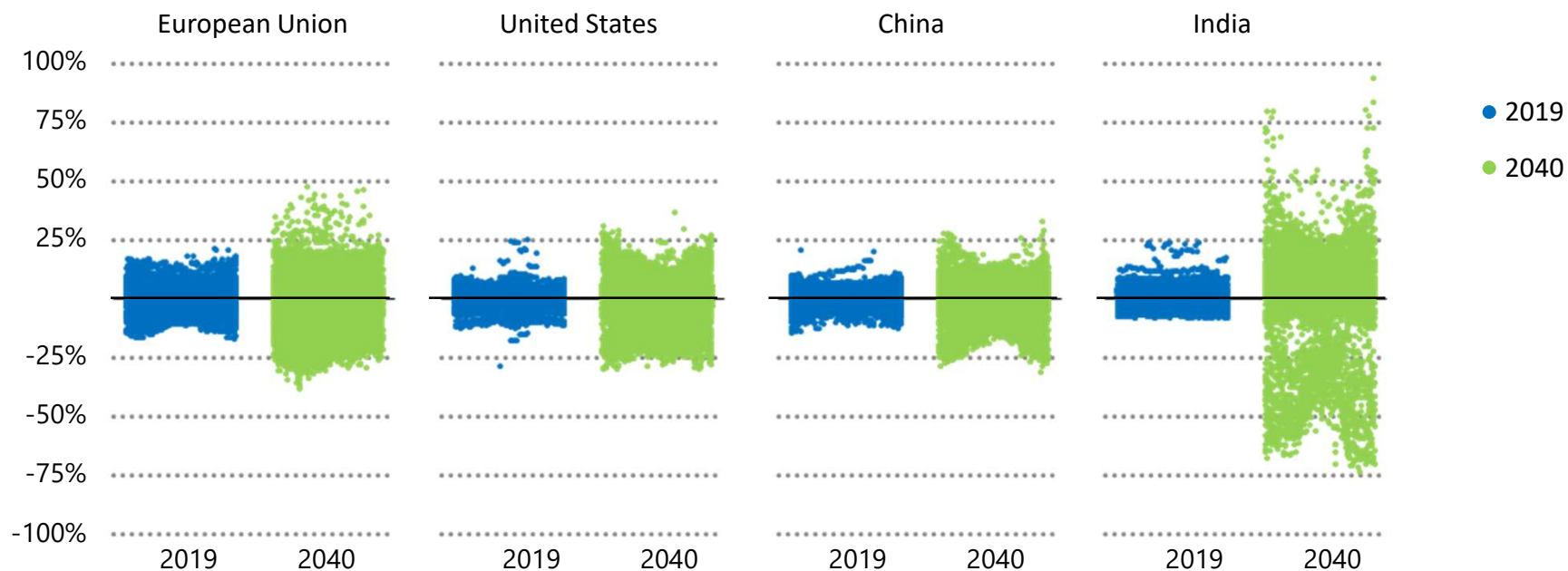
# Solar PV is becoming the 'new king' of electricity



Solar PV is now the cheapest source of electricity in most countries in part due to low cost financing and is set to triple before 2030 under current and proposed policies, with the potential to grow much faster

# Electricity moves to the heart of modern energy security

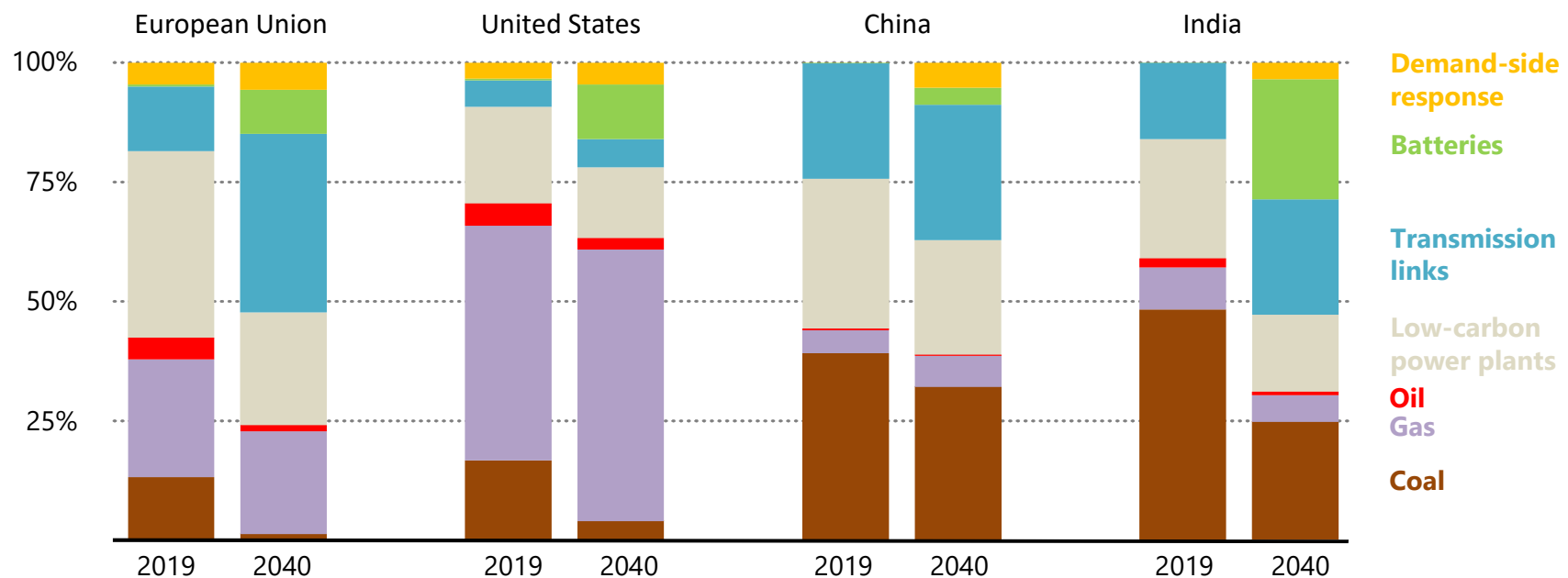
Hour-to-hour adjustments required in power systems due to variability in demand, wind and solar PV, in the Stated Policies Scenario



Global needs for flexibility double to 2040, but today's market designs may not bring sufficient investment, e.g. in power plants, networks, demand-side response and energy storage, including batteries

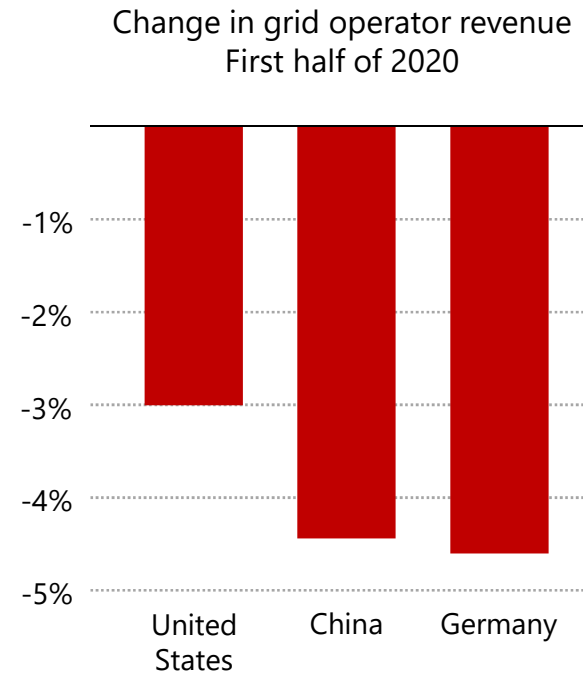
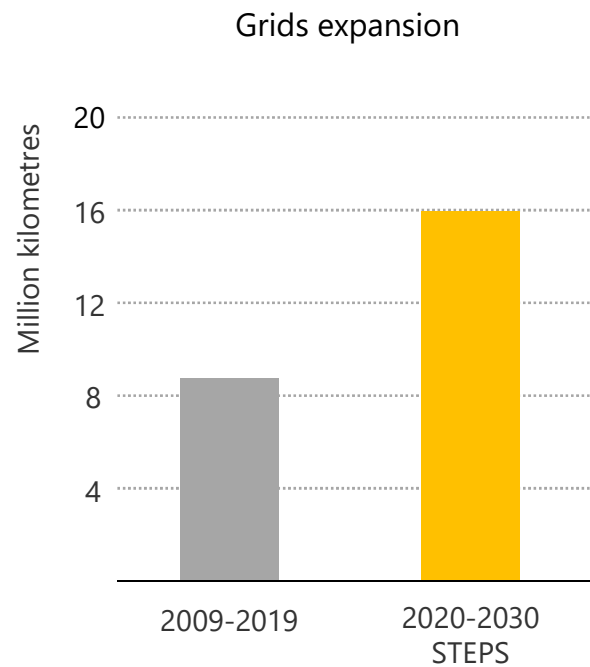
# Electricity moves to the heart of modern energy security

Sources of power system flexibility in the Stated Policies Scenario



Global needs for flexibility double to 2040, but today's market designs may not bring sufficient investment, e.g. in power plants, networks, demand-side response and energy storage, including batteries

# Grids are the bedrock of a clean & secure electricity future



Electricity transformations require a step up in grid expansion to ensure that electricity remains reliable, affordable and secure, however depressed revenues are creating risks for timely investment

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