EPRG Winter Research Seminar 2006

Thursday 14 December    Corpus Christi College

19.00    Drinks    Bar

19.30    Dinner    New Combination Room

Friday 15 December    Judge Business School

09.00    Registration and Coffee

09.30    WELCOME by Arnoud de Meyer, Director of Judge Business School

09.40    THE EUROPEAN EMISSIONS TRADING SCHEME

Felix Matthes – Where are we?
- 2 years ETS - update
- State of the allocation for NAP2
- Quantity allocated and methods used
- Implications for investors and power generators

Michael Grubb – The wider picture
- The situation in USA, Australia and Japan
- What to expect from CDM and JI projects
- Where is the international process going?
- Implications from the Stern review

Karsten Neuhoff – Improving investment framework for low Carbon technologies
- Increased banking, and longer commitment periods
- Auctions – with price floor
- Financial option contracts
10.50 Coffee

11.20 MARKET DESIGN FOR LOW CARBON SYSTEMS

Janusz Bialek – *Why has it happened again? The European blackout of 4th November 2006*
- What has happened on 4th November 2006?
- What is the similarity to previous blackouts in 2003?
- What makes an interconnected power system vulnerable to wide-area failures?
- What were the common reasons for the blackouts?
- Why have not lessons been learned from the blackouts of 2003?

Angus Johnston – *Investment certainty for renewables – transition between support schemes*
- Energy review initiated review of Renewables Obligation in the UK
- Increasing empirical evidence allows comparing effectiveness of renewable support schemes
- Property rights, e.g. defined by European Human rights law, might facilitate transition between schemes

12.30 Lunch and informal discussion

14.00 CONTRACTING

Richard Green – *The length of contracts and collusion*
- This paper studies the impact of long-term contracts on the possibility of collusion in a spot market
- There are always ways in which contracts both help and hinder collusion and the paper describes how these effects balance out

David Newbery – *Merchant interconnectors*
- Strong pressure from EC to increase interconnection
  - Vertically integrated companies may resist
- Merchant interconnection as solution?
  - HVDC undersea links
  - Transit routes (e.g. through Switzerland)
- What are the economics?
- What are the regulatory issues?

15.10 Tea
15.30  

**EFFICIENCY ANALYSIS OF THE ENERGY SECTOR**

Hongliang Yang - *Eco-efficiency and eco-productivity growth of Chinese coal-fired power plants*
- Consideration of evolution of emissions in China
- Inclusion of emissions in efficiency analysis
- Calculation of total factor productivity growth of plants
- Analysis of emissions corrected efficiency growth in China

William Yu – *Incorporating the price of quality into benchmarking UK electricity distribution*
- Consideration of Quality of Service and Incentive Regulation in UK
- Overall Economic Efficiency measurement on 14 DNOs from 1990/91 - 2003/04
- Allocative Efficiency measurement with input price factor for quality based on individual measurement of WTP value for each DNO
- Compare changes in Technical & Allocative Efficiency of 14 DNOs over three price review periods
- Introduce Cost-Quality-Loss model by including Capex, Opex, CML and Energy Losses in benchmarking measures

Thomas Triebs – *Benchmarking gas transmission for tariff setting*
- Benchmarking of European companies using US data
- Relative performance of European companies
- Cross model/technique consistency of results
- Lessons for European Tariff setting

16.40  

**ROUND TABLE DISCUSSION OF CURRENT POLICY ISSUES**

Chair: David Newbery

17.30  

Close