

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

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