



Invitation to a Seminar on:
Practical Strategic Economic Analysis of Renewable Energy Policies and
Investments from the Profitability Index Method

Preparing the 2010-2020 detailed renewable energy roadmaps and related large scale markets penetration at EU and member states levels in a context of economic, energy and climate change crisis requires to evaluate and to use the best practical and reliable economic approaches and tools. Beside works and results already available in these fields, this seminar will focus on the present and ongoing contribution of the Profitability Index Method (PIM) to the design of "fair and efficient market regulations" for renewables, on its advantages to assess the very differentiated impacts of conventional primary energy and CO2 escalating costs between fossil fuels based and renewable energy based power plants and finally on its advantages for investors to select optimal investment portfolios taking into account risks and both capital and carbon constraints.

Venue: Renewable Energy House, LMR

Date: July 16th, 2009

Time: 09 AM to 15 PM

MORNING: 09:00 – 12:00

09:00 1. OPENING, WELCOME AND PRESENTATION

- Why within ambitious sustainable energy policies, market regulation must be based on global economic profitability of projects.
- Main basis, characteristics and advantages of the Profitability Index (PI) method approach:
 - The "Universal linear model and graph $PI = f(\text{Tariff})$ ", where PI is the project Net Present Value divided by the project initial investment cost.
 - The "Universal PI scale of projects and programmes": its strategic advantages for investors and for market regulators.
 - Brief examples and case studies results: design of "fair and efficient tariffs" for wind and solar PV.
- Taking into account primary energy costs escalation and risks: quantifying advantages of renewables against fossil fuels on both regulated and de-regulated electricity markets.
- Taking into account carbon cost (carbon taxes) and opportunities (carbon credits): the "Tariff-Energy-Carbon Theorem" and its advantages to design a "wise carbon tax" and for the assessment of potential effective policies and regulation based on carbon credits. Its use to select an optimal investment portfolio for investors under double constraints: capital constraint and carbon constraint and opportunities.
- Taking account differentiated risks from fossil fuels and renewables:
 - Approach, differences and links with the financial approach (CAPM), formulas.
 - Example of results: assessing wind power feed-in tariffs versus fossil fuels and free market rules.

LUNCH: 13:00 – 14:00

14:15 2. CONCLUSIONS, DISCUSSION ON POTENTIAL FOLLOW-UP

END SESSION: 15:00