



2017-2018

Nom du cours / Name of the course:

Regulatory risk, investment decision & business model

Enseignant / Professor:

François Boisseleau

Contact de l'enseignant / Contact Information (Optional)

Email : Francois.Boisseleau@Engie.com

Langue d'enseignement / Language :

Français

Overview:

The course looks at the nature of economic regulation applied to the power sector and its impact in terms of investment and business model. The different types of regulation are briefly discussed before focusing on how they translate in terms of market design, investment and new business model.

Competitive activities and regulated activities across the value chain are considered. The different level of market design are described and in particular the specific measures required for the creation of effective and well-functioning power markets. This covers different types of markets, such as power pools, power exchanges, as well as bilateral and single buyer markets.

Regulated activities are also introduced through the review of the different forms of price (and quality) regulation. This covers rate of return regulation and incentive regulation (revenue caps,

price caps, yardstick competition). This also includes incentive-based regulation of the quality of supply.

Finally the course considers the issue of market and regulatory risk from the perspective of the investor. This is realized through different case study of traditional investment files and analyses of new business models.

Traditional investment files covers investment in thermal assets (Coal and Gas), wind assets and nuclear assets. New business models care introduced through the business model canvas approach and cover new activities such “Demand aggregator”, “Decentralized energy solution provider”, Green mobility providers.

Préquis / Prerequisites (optional)

XXX

Objectifs du cours / Course Objectives:

The objective of the course is to provide an overview of the role of “regulation” in a broad sense in the electricity industry and its impact in terms of risk in the context of investment decisions and new business model emerging today.

Mode d'évaluation / Mode of Assessment

10 pages report

Planning / Course Schedule

1	<ul style="list-style-type: none">• Introduction on regulation: →Who regulates/what ? Objectives, scope...• Market design level 1 – Industry structure
2	<ul style="list-style-type: none">• Market design level 2- Wholesale market design• Case study: fundamentals of power market price drivers
3	<ul style="list-style-type: none">• Market design level 3 – Spot market design• Case study: Gas power plant
4	<ul style="list-style-type: none">• Network - Price control & Quality regulation.• Case study: wind on shore investment
5	<ul style="list-style-type: none">• Why new business models? Role of regulation in new business models – part 1• Case study: Business model canvas basics
6	<ul style="list-style-type: none">• Why new business models? Role of regulation in new business models – part 2• Business model canvas applied to demand side management, Decentralized generation and Tesla

Bibliographie / Readings (optional):

XXX

MyCourse

This course is on MyCourse : **No**

Grading

The numerical grade distribution will dictate the final grade, according to the faculty's recommended grade distribution.

Class participation: Active class participation – this is what makes classes lively and instructive. Come on time and prepared. Class participation is based on quality of comments, not quantity.

Exam policy: In the exam, students will not be allowed to bring any document (except if allowed by the lecturer). Unexcused absences from exams or failure to submit cases will result in zero grades in the calculation of numerical averages. Exams are collected at the end of examination periods.

Academic integrity

Soyez conscient des règles de l'Université Paris Dauphine sur le plagiat et la triche aux examens. Be aware of the rules in Université Paris dauphine about plagiarism and cheating during exams. All work turned in for this course must be your own work, or that of your own group. Working as part of a group implies that you are an active participant and fully contributed to the output produced by that group. When you use the web, please state your sources.