

Generation Strategies in an Era of Carbon Uncertainty

September 10, 2007
AED Conference Center, Washington DC

WORKING AGENDA

Rev 4/11,

Monday, Sept 10, 9am-12noon

Pre-Conference Workshop:

Asset Valuations and Making the Right Build vs. Buy Decisions in a Carbon-Constrained World

It is already clear that monetization of carbon will substantially, and maybe radically, alter the economics of power production. Some major utilities are out ahead and integrating a carbon value into their business plans. Major European utility RWE reportedly finds that pulverized coal is still economic at \$50/ton for carbon, while some US utilities find the \$20-30 range the cut-off. But setting realistic carbon prices is only half the equation in the coming carbon-constrained era. The other half is factoring that carbon price into complex, nested trade-offs between build vs. buy, renewables vs. fossil fuels, coal vs. natural gas, gasification vs. pulverized coal, not to mention the locational/grid/pipeline constraints and changing power price markets in different regions, *and* the option of investing in carbon offsets and trading on carbon markets

This workshop instructed by ICF's industry-leading experts on carbon economics, Steve Fine and Chris McCracken, will delve into the fine points of carbon price forecasting and the cross-over points where carbon prices swing fuel type, technology type and locational power sourcing decisions. The instructors will explore the interdependent components of these economic forecasting and risk management models, including:

- Optionality
- Dispatch
- The coal-gas "darkspread" – will it still be relevant in a carbon control regime?
- The role of offsets

This workshop will be an invaluable resource for economics and resource planners from major utilities to double-check and deepen their own analyses, as well as provide the fundamentals for smaller companies that may not have the time or expertise to have undertaken this mission-critical research on their own.

Steve Fine/Chris McCracken, ICF International