

Conference on
**SUSTAINABLE FINANCE FOR INVESTING IN A
LOW-CARBON EUROPEAN ELECTRICITY SECTOR**
Optimising Market Designs, Risk Allocation, Reporting and Instruments

Monday, 23 September 2019, Université Paris-Dauphine, Salle Raymond Aron (2nd Floor)

A Conference of the Chaire European Electricity Markets (CEEM)
in Cooperation with the Chaire Économie du Climat (CEC)

Conference Objective

The decarbonisation of electricity generation as part of the European energy transition requires large and increasing amounts of low-carbon power generation. With their high capital-intensity low carbon technologies such as wind, solar PV, hydroelectricity or nuclear energy require even greater amounts of investment than would ordinarily be the case. This constitutes one of the defining challenges of the European power sector in the next decade. At the same time, an increasing number of investors and financial institutions are specifically seeking investment opportunities that satisfy a number of strict environmental and, to a lesser extent, social criteria. Carbon-free or low carbon power generation offers likely the most mature market for such investments. Due to the complexity and the rapidity of its transition, it remains, alas, also still a very risky market.

The objective of this conference is to bring together experts from both the electricity and the financial industries to explore avenues for improving opportunities for sustainable finance in the European electricity sector. This implies working both sides of the equation. In the electricity sector the task is to reduce financial risks through market designs that are appropriate for low-carbon generation. In the financial industry, the task is to develop metrics and products that create the necessary confidence in environmental integrity for both project and portfolio investors. On the basis of evidence from recent academic work and industrial experiences, this CEEM conference will offer the opportunity to take stock of the state of sustainable finance in the electricity sector and to identify the levers for maximizing its future potential.

Organisation Committee

Jan Horst Keppler (Scientific Director of the CEEM - Université Paris-Dauphine), **Fabien Roques** (Compass Lexecon and Scientific Counsellor of the CEEM), **Olivier David Zerbib** (Tilburg University and ISFA) and **Lamine Ducard Dake** (Researcher, Sustainable Finance, CEEM).

For more information, please contact the Coordinator of the CEEM:

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CONFERENCE PROGRAMME

9h00 to 10h10 **Session I Welcome and Keynote Speeches**

Jan Horst Keppler (Université Paris-Dauphine, CEEM), "Conference Objectives and Welcome"

Keynote 1: Sean Kidney (CEO, Climate Bonds Initiative), "The Current State of Green Finance in the Electricity Sector and Perspectives for the Future"

Keynote 2: Graham Weale (Faculty of Management and Economics, Ruhr Uni Bochum), "Optimised Market Design for the Energiewende – Reducing Risks to Lower the Cost of Capital"

10h10 to 11h00 **Session II Investment Needs for Zero-Net Emissions in the Electricity Sector**

Dr. Tom Rowlands-Rees (Bloomberg/BNEF), "European Energy Markets and Investment Opportunities in Different Asset Classes"

Thomas Veyrenc (RTE), "Infrastructure Investments in the European Electricity Sector to Realise Europe's Energy and Climate Objectives"

11h00 to 11h30 **Coffee Break**

11h30 to 12h45 **Session III Electricity Market Designs and Investor Risk**

Fabien Roques (Compass Lexecon and CEEM), "Attracting Financing in Infrastructure – Market Design for an Efficient Risk Allocation"

Fabienne Salaün (EDF), "Energy Markets and Energy-Climate Policies Are Changing: What about Market Designs?"

Julien Touati (Meridiam), "Risks in Electricity Markets: The Investor Perspective"

12h45 to 14h00 **Lunch**

14h00 to 15h15 **Session IV Framework Conditions for Low Carbon Investments**

Lise Moret (Axa IM), "The Regulatory Framework for Incentivising Long-Term Investment"

Clément Weber (Green Giraffe), "What Next after FITs: Project Finance in Renewables"

Olivier Bard (EDF), "New Nuclear: The Need for Long-term Arrangements"

15h15 to 16h30 **Session V Performance of Low Carbon Investment**

Monika Dutt (Vanguard), "ESG ETFs: Which Problem Are We Trying to Solve?"

Olivier David Zerbib (Tilburg University and ISFA), "A Sustainable Capital Asset Pricing Model: Evidence from Green Investing and Sin Stock Exclusion"

Peter Tankov (L. Bachelier Institute), "Green Finance and Scenario Generation for Electricity Markets"

16h30 to 17h00 **Coffee Break**

17h00 to 18h15 **Session VI Facilitating the Contribution of Sustainable Finance**

Mireille Martini (OECD), "International Coordination to Establish Transparent and Reliable Metrics to Foster Sustainable Finance in the Electricity Sector"

Jean-Guillaume Peladan (Sycomore AM), "The Electricity Value Chain as Screened by the NEC (Net Environmental Contribution) Open-Source Metric"

18h15 to 19h00 **Session VII Concluding Roundtable of CEEM Partners**

Thomas Veyrenc (RTE), Laurent Joudon (EDF), Philippe Vassilopoulos (EPEX Spot), Anna Creti (Université Paris-Dauphine and CEC) and Jan Horst Keppler (Chair, Université Paris-Dauphine and CEEM).

19h00 to 20h00 **CEEM Cocktail**