

NEW GREEN FINANCIAL INSTRUMENTS (UNIVERSIDAD DE VALENCIA)

(Revision: 05.02.2020) Academic Year: 2019/2020

HOURS: 6 (four sessions of 1.5 hours)

COORDINATOR: JUAN IGNACIO PEÑA SANCHEZ DE RIVERA

GOALS:

The course focuses on new financial instruments designed to promote the sustainable energy transition.

PROGRAM:

Chapter 1. Green Investment Gap

Green Investment Gap (GIG)

GIG : Public sector initiatives

GIG: private markets

Sources of financing

Limitations of traditional instruments

Case 1: Lam&Law

Background material: Carbon Markets

Chapter 2. Power Purchase Agreements

Why PPA?

Physical PPA

Virtual PPA (VPPA)

Cash flows VPPA

VPPA as a Financial Swap

Pricing Fixed-for-floating Swaps

Pros and cons of VPPA

Case 2: Meadow Springs VPPA

Background material: Swaps

Chapter 3. Securitization and YieldCos

Securitization

Solar Securitization

Refinancing

Master Limited Partnerships (MLPs)

YieldCos structure

CAFD

Pros and Cons

A Viable model for YieldCos

Case 3: B&T Solar Securitization

REQUIREMENTS: (Previous courses taken)

Mathematics (Linear Algebra and Calculus), Statistics, Econometrics I and II, Microeconomics III, Financial Economics I and II, Corporate Finance, Financial Systems.

TIMETABLE

WEEK		SESSION	TOPICS
1	10/3/2020	1	Chapter 1
1	10/3/2020	2	Chapter 2
1	11/3/2020	3	Chapter 3
1	11/3/2020	4	Chapter 3

10/3

S1 12:30-14:30

14:30-15:30 Lunch break

S2 15:30-17:30

11/3

S3 12:30-14:30

14:30-15:30 Lunch break

S4 15:30-17:30

Venue of the course: Room 5P19