

E348 Energy: Markets, Models & Strategies

This elective gives London Business School students the opportunity to work with industry participants taking the Competitive Electricity Markets short course, which has been successfully offered by the Energy Markets Group at London Business School for the past nine years. Previous students interested in this sector have found mixing with the industry specialists in this course to be particularly rewarding.

The course provides an introduction to an industrial sector of worldwide importance, and one in which there are now many business challenges through market restructuring and liberalisation. It focuses mainly upon electricity, but is also relevant to students wishing to be familiar with related issues affecting the oil and gas sectors.

The objective is to give an introduction to the basics of power system economics, a review of the structural and strategic changes affecting the industry, investment issues and technology choice, a basic understanding of how the competitive markets for electricity, both wholesale and retail, work and how to model their price implications.

Topics Covered

- Power system economics
- Competitive markets for electricity
- Understanding strategic behaviour and price evolution through the use of simulation and risk analysis models
- International comparisons
- Gas and power convergence, and their links to oil
- The emergence of carbon trading, and its pass-through into energy prices.

Format & Teaching Methods

Lectures, plus practical workshops using simulation and risk analysis models, together with several outside experts from industry

Pre-requisites & Input Required

The course does not make specific requirements, but pre-reading will be distributed.

Assignments & Assessments

Individual Summary of a market simulation exercise (50%). Group Paper due after the end of the block week (50%).

Class Make-up

Industry executives (usually around 20 in number) join the course on Day 2, which actively enriches the experience for all participants.