

# NEW GREEN FINANCIAL INSTRUMENTS (UNIVERSIDAD DE VALENCIA)

(Revision: 05.02.2020) Academic Year: 2019/2020

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**HOURS: 6 (four sessions of 1.5 hours)**

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## **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**

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

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