



# International Journal of Sustainable Energy Planning and Management

## Energy markets, financing and accounting — special issue from 2017 international conference on energy & environment

Isabel Soares<sup>1\*</sup>, Paula Ferreira<sup>2</sup> and Poul Alberg Østergaard<sup>#</sup>

<sup>\*</sup>Faculty of Economics, University of Porto, R. Dr Roberto Frias, 4200-464, Porto, Portugal

<sup>2</sup>Research Centre, University of Minho, Campus Azurem, 4800-058 Guimarães, Portugal

<sup>#</sup>Department of Development and Planning, Aalborg University, Rendsburggade 14, 9000 Aalborg, Denmark

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### ABSTRACT

This editorial introduces the 15<sup>th</sup> volume of the International Journal of Sustainable Energy Planning and Management. The volume is a special issue from the 2017 *International Conference on Energy & Environment*, Porto, Portugal and it presents work on energy markets, energy financing and accounting of energy projects

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### 1. Energy and Environment - Bringing together Economics and Engineering

The 2017 *International Conference on Energy & Environment* organized by the School of Economics and Management, University of Porto (FEP), the Economics and Finance Research Centre, University of Porto (CEF.UP) and the ALGORITMI Research Centre, University of Minho (CGIT) took place at FEP on 29-30 June 2017.

The conference follows a previous conference also having a Special Issue in this journal [1].

This year, the main challenge was to grasp new issues in the frontier of energy economics and engineering. Among the papers presented in the conference, the International Journal of Sustainable Energy Planning and Management have selected one main topic: energy prices and financing. Large shares of renewable energy sources are decreasing energy prices in spot markets due to the merit order effect. This is good news for the consumer welfare. Notwithstanding,

it is widely recognised that marginal markets are compromising conventional generators' financial sustainability and, in the long term, that of renewable generators as well.

### 2. Financing models

New financing models, among them crowdfunding, have also become an important tool for energy planning particularly adequate to deal with renewable energy challenges in the aftermath of the 2008 financial crisis as De Broeck [2] demonstrates. Out of 23 active platforms, seven are German (30.4%), five are Dutch (21.7%), four are French (17.4%) and two are Austrian (8.7%). The United Kingdom, Sweden, Belgium and Finland each has one platform (4.3%). Germany and the Netherlands have the eldest active platforms.

Stable market premium schemes emerge, according to the author, as the policy instrument that most favours platform activity. From his empirical analysis it is clear that credit risk exposure for investors can be considered

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<sup>1</sup> Corresponding author e-mail: [isoares@fep.up.pt](mailto:isoares@fep.up.pt)

high, making platforms on their mitigation policy to reduce risk.

### 3. Accounting requirements

Rigot and Demaria [3] focus on the role of accounting requirements for financial intermediaries to be aware of their limitations and to underscore the need for reform in order long term and low carbon capital spending in Europe. The paper concludes that accounting standards affect different financial intermediaries in different ways. As accounting standards do not take into account environmental risks this remains a crucial, urgent factor for the development of a sustainable economy.

### 4. Energy markets

Figueiredo and Silva [4] conducted an analysis considering the Iberian Market. The article is a longer-term analysis than those currently available in the literature. It is a very important topic to consider as RES-E incentives promote producers' investments with long-term contracts having implications to the electricity market. They demonstrate that the wholesale consumer surplus increase is higher than the financial incentives provided to wind power generation.

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