



© Z/Yen Group
2013

EU Energy Policy 2030

"Zest for Enlightenment"

Friends & Foes Of Energy Investment 19 November 2013

Professor Michael Mainelli

www.zyen.com

Z/Yen Group Limited
90 Basinghall Street
London EC2V 5AY
tel: +44 (20) 7562-9562





© Z/Yen Group
2013

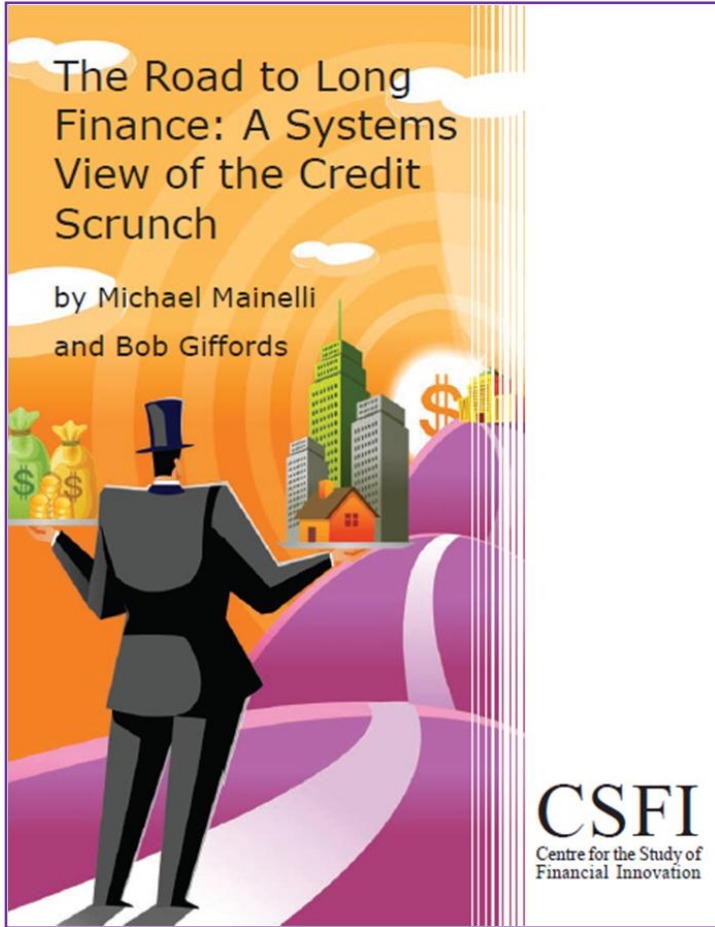
Introduction

Professor Michael Mainelli
Chairman, Z/Yen Group



© Z/Yen Group
2013

About LONG FINANCE



‘When would we know our financial system is working?’

Objectives:

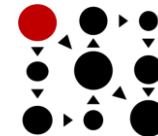
- ◆ Expand Frontiers
- ◆ Change Systems
- ◆ Deliver Services
- ◆ Build Communities



London Accord



Financial Centre Futures



Meta-Commerce

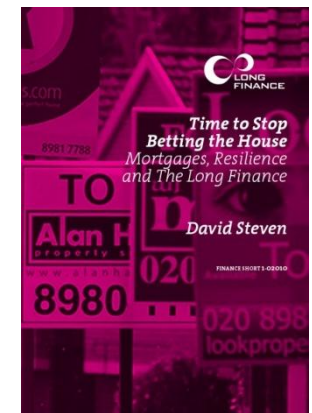
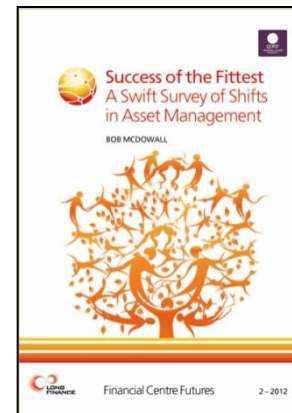
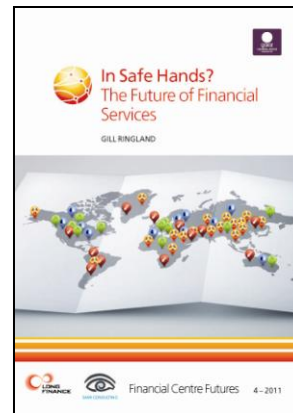
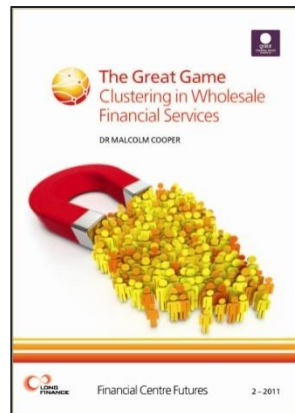
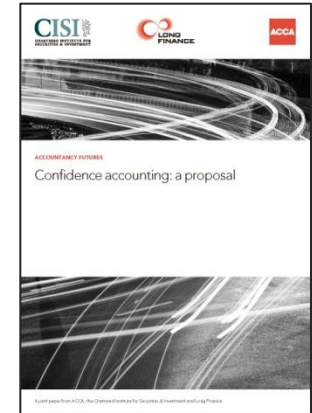
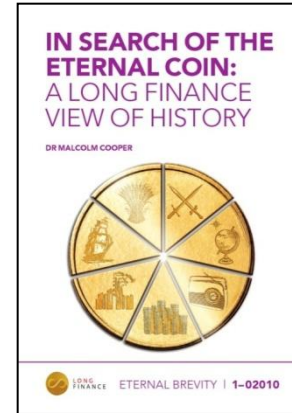
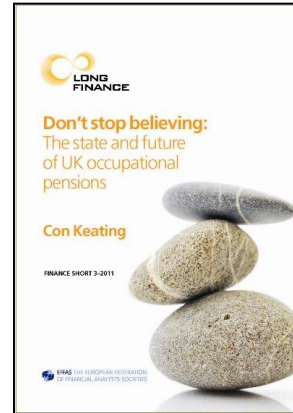
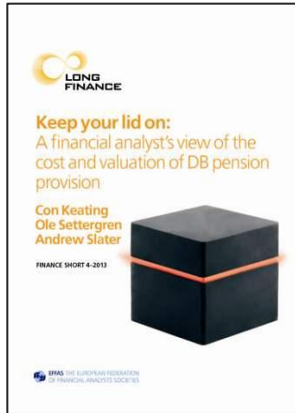


Eternal Coin



© Z/Yen Group
2013

Long Finance Publications

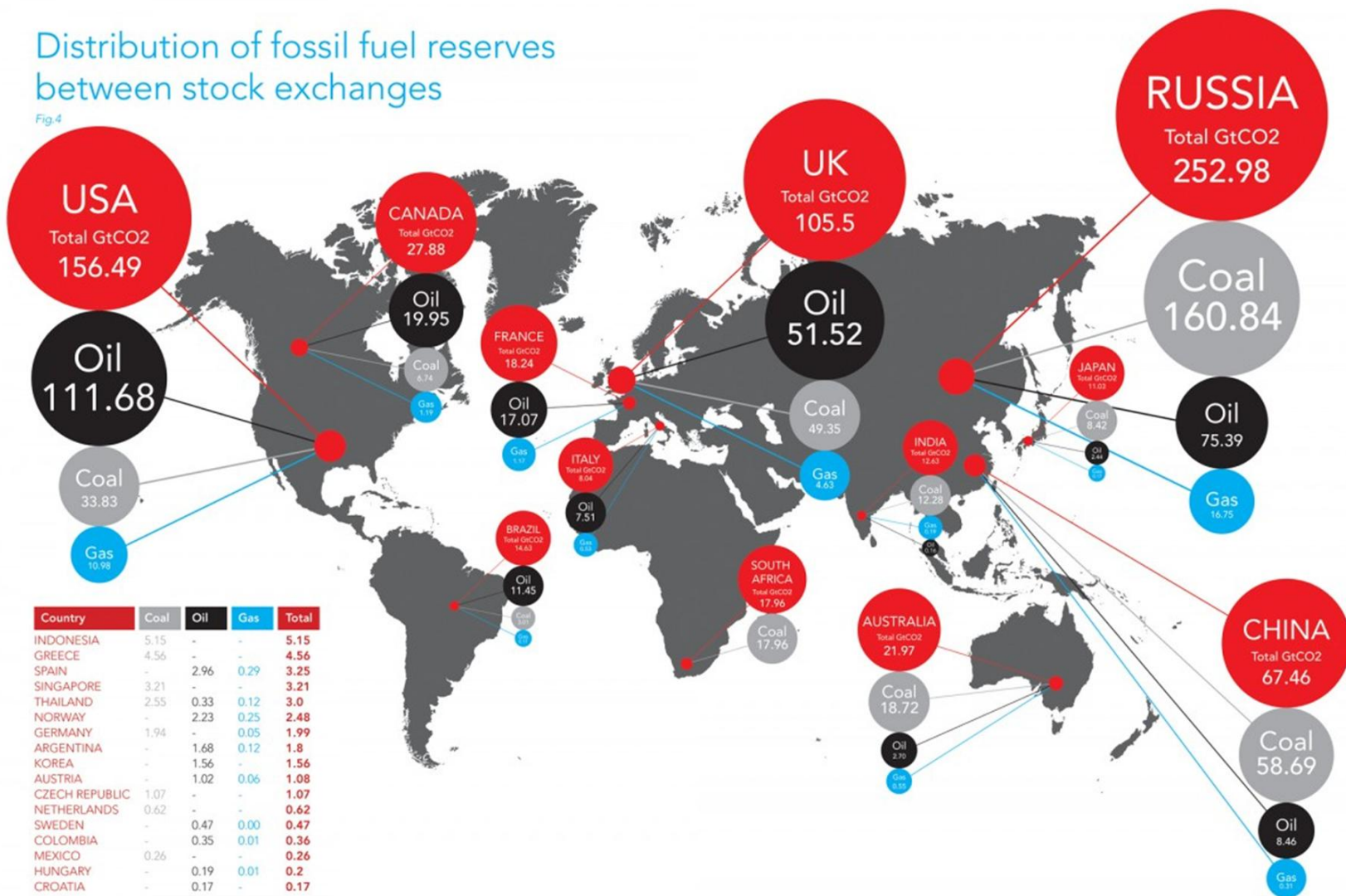




Unburnable Carbon

Distribution of fossil fuel reserves between stock exchanges

Fig.4





© Z/Yen Group
2013

Learning Curves Matter



[Source: IRENA (2012), "Renewable Energy Technologies: Cost Analysis Series"; IEA (2011), "Solar Energy Perspectives"
<http://www.sbc.slb.com/SBCInstitute/Publications/SolarPhotovoltaic.aspx>



© Z/Yen Group
2013

Trends

Economic trends:

- ◆ low energy costs correlate with growth and economic success
- ◆ energy security leans towards in-country production and a mixed portfolio
- ◆ greater policy stability on fossil fuels favours fossil fuel investment
- ◆ low carbon may be desirable, but difficult to sell
- ◆ Europe risks being high-cost in a low-cost energy world in 2020

Technological trends:

- ◆ local renewable generation will get better, but unlikely to be sufficient
- ◆ solar learning curve compelling, nuclear not so
- ◆ solar, and wind, and the market, would benefit from working storage technology



© Z/Yen Group
2013

Policy Implications

- ◆ Should Europe focus on large storage projects, comparable to the US National Strategic Oil Reserve, that might put a base price on daytime renewable and perhaps encourage exports of sunshine from south to north? Is the 'grid' for distribution (historic reason), or energy trading and emergency supply?
- ◆ Do we believe in open data and open, competitive markets?
- ◆ How should we 'internalise' sustainability into economic measurement and reporting?
- ◆ How do we 'prove' stability of policy?



© Z/Yen Group
2013

Open Data

[Finance, Biodiversity And Managed Ecosystems: Where's The Data?](#)

2011

Natural Environment Research Council, Financial Services Knowledge Transfer Network and Z/Yen Group

[Finance And Water: Where's The Data?](#)

2010

Natural Environment Research Council, Financial Services Knowledge Transfer Network and Z/Yen Group

[Finance And Forestry: Where's The Data?](#)


2010

Natural Environment Research Council, Financial Services Knowledge Transfer Network and Z/Yen Group




Confidence Accounting – Scientific Measurement


© Z/Yen Group
2013




CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT



LONG FINANCE




ACCA



ACCOUNTANCY FUTURES

Confidence accounting: a proposal



A joint paper from ACCA, the Chartered Institute for Securities & Investment and Long Finance

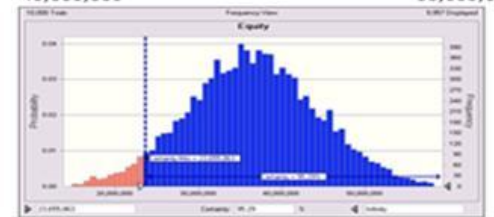
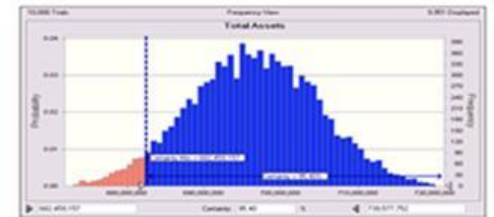
Balance Sheet as at T0
in millions

Assets	Nominal	Expected loss	Estimated value	
Loans and advances - banks	50,000,000	5E-04	25,000	49,975,000
Loans and advances - corporate customers	100,000,000	0.007	700,000	99,300,000
Loans and advances - retail customers	200,000,000	0.015	3,000,000	197,000,000
Debt securities				
Level 1 and 2	60,000,000	0.002	120,000	59,880,000
Level 3	10,000,000	0.002	20,000	9,980,000
Derivatives				
Level 1 and 2	150,000,000	3E-04	45,000	149,955,000
Level 3	10,000,000	5E-04	5,000	9,995,000
Other	120,000,000			120,000,000
Total	700,000,000		3,915,000	696,085,000

Liabilities

Deposits	350,000,000	350,000,000
Debt securities	75,000,000	75,000,000
Derivatives	150,000,000	150,000,000
Other (accruals, tax, short positions)	25,000,000	25,000,000
Subordinated debt	60,000,000	60,000,000
Total liabilities		

Equity



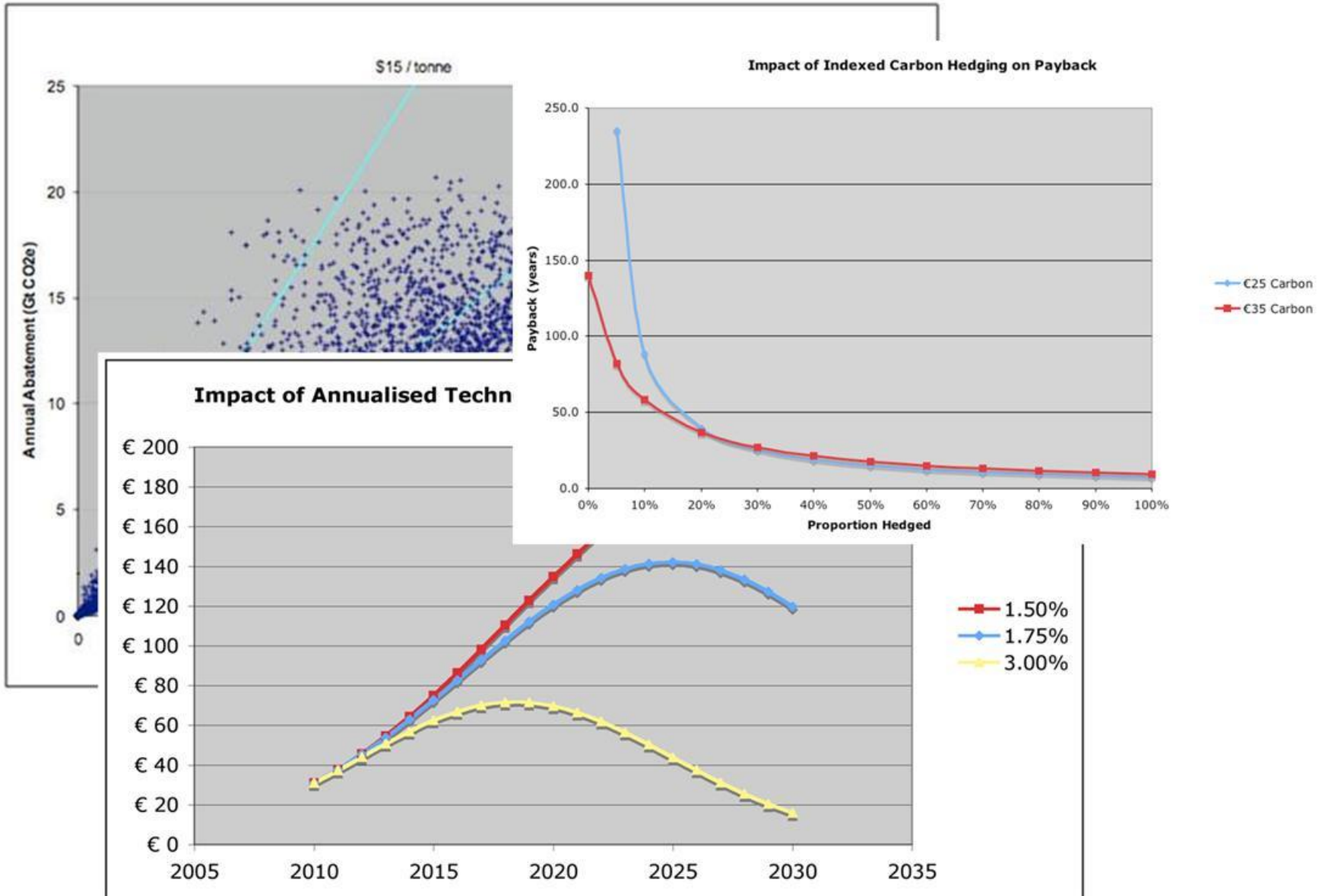
Total

700,000,000 696,085,000



© Z/Yen Group
2013

Policy Performance Bonds





© Z/Yen Group
2013

Policy Thoughts

- ◆ Open data
- ◆ Open, competitive markets – focus on storage, not carbon capture & sequestration?
- ◆ Confidence accounting for sustainability issues
- ◆ Policy performance bonds



© Z/Yen Group
2013

Speakers

Baroness Scott

Michael Wilshire

Matt Hinde

Neil Angell



© Z/en Group
2013

Film Interlude – www.ultrahedge.com

**COMING SOON TO A FINANCIAL MARKET NEAR YOU!
31 March 02010**

LONG FINANCE PRODUCTIONS • iBall TV

Just when you thought it was safe to go back
to the hedge of the Universe...

ULTRAHEDGE™

STARRING
Luminiferous Ether
as **ULTRAHEDGE™**

EQUATIONS BASED ON ORIGINAL WORK BY PAUL DIRAC AND ERWIN SCHRÖDINGER

$$\hat{H}\left[\frac{x}{L} \frac{\partial}{\partial x}\right] \Psi = m \Psi \left\{ \frac{\hbar}{2m} \right\}$$

SHOT ON LOCATION City Of London
QUANTUM FINANCE PROVIDED BY Z/en Group Limited
QUANTUM DEATH PROVIDED BY The World's Global Financial Markets

PRODUCED BY Steve McDowell EXECUTIVE PRODUCER Michael Mainelli
CO-PRODUCERS John Abbink • Gail Armstrong • Malcolm Cooper • Brandon Davies
• Bob Giffords • Trent Hardman • Ian Harris • Jonathan Howitt • Don Levett •
Charles Lucas-Clements • Richard D North • Gerald O'Mara • Jan-Peter Onstwedder •
Clive Roberts • Alexander Rose • Raj Thamootheram • Mark Yeandle •

www.ultrahedge.com

Design: Interall Illuminating & Sign

In Quantum Finance no one can hear you hedge!



© Z/Yen Group
2013

Outlook 2013-2014

◆ Events

- **Financing Tomorrow's Cities – Lord Mayor Fiona Woolf, Mukhtiar Tanda, Sir David King, Trevor Maynard, Roger Bayliss, Simon Mills, Michael Mainelli – 19 November 2013**
- **Evolution or Revolution? Democratising Money – Shann Turnbull – 16 January**
- **Measuring Up Cities – Lord Mayor, Tony Travers, and others – 30 January 2014**

◆ Publications

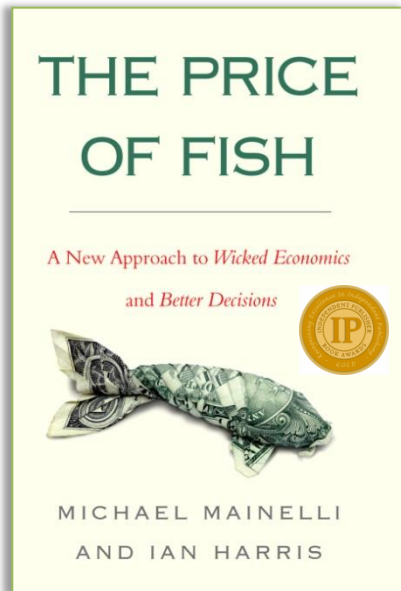
- **Uses & Abuses of Discount Rates**
- **Long Term Insurance Issues**
- **Euro Crisis and Emerging Economies**
- **Backing Market Forces: How To Make Voluntary Standards Markets Work For Financial Services Regulation**



© Z/Yen Group
2013

When Would We Know Our Commerce Is Working?

- ◆ When we're equitable - space?
- ◆ When we're sustainable - time?
- ◆ When we're happy?





© Z/Yen Group
2013

Thanks To Our Sponsors

