



**Jonathan Lesser and Leonardo Giacchino,
Bates White Partners, publish new book:**

Fundamentals of Energy Regulation

****Now Available****

Energy regulation experts, Jonathan Lesser, PhD, and Leonardo Giacchino, PhD, have teamed up to produce an important new reference guide for regulators, attorneys, rate analysts, economists, accountants, and students interested in this dynamic field.

In Part I, the authors of *Fundamentals of Energy Regulation* begin by explaining fundamental economic and regulatory concepts used in ratemaking and regulatory oversight worldwide. They explain how the revenue requirement concept underlies all forms of regulation, from traditional “cost-of-service” regulation to various types of “incentive” and performance-based regulation that are increasingly used in the United States and internationally. Using clear examples and case studies, the authors guide readers through the ways practitioners perform key—and often controversial—calculations that establish the baseline of revenues that regulated firms require to operate successfully. The authors carefully explain the methods used to measure and verify costs, determinations of the prudence of regulated investments, the role and calculation of depreciation costs, and the methods used to estimate regulated rates of return.

Drs. Lesser and Giacchino then tackle issues surrounding cost allocation, focusing especially on the methods used to allocate “joint and common” costs among different customer groups, as well as how those groups are themselves determined. The authors address the differences between short-run and long-run marginal costs, which often determine the overall structures of regulated rates and tariffs; conflicts between pricing for efficiency and pricing for equity, as well as broader “social policy” price goals; the establishment of “ready-to-serve” charges; the use of multipart price tariffs; and different methods to estimate tariffs. They conclude Part I by discussing different “pass-through” mechanisms that allow regulated companies to automatically adjust rates in response to changes in cost components over which they have no control.

In Part II, the authors present a wide range of topics, including the practical aspects of new regulatory structures, as well as a host of issues that have become increasingly critical, including: evaluation and prevention of market power in newly deregulated markets; the growing importance of environmental regulation, including regulation designed to address global climate change; investment decisions that can cope with increasingly volatile energy markets; methods to ensure reliable electric systems; and emerging issues in international energy regulation.

Fundamentals of Energy Regulation is available now at a special introductory price from the publisher, Virginia-based, Public Utilities Reports, Inc.: http://www.pur.com/view_news.cfm?id=66.

Fundamentals of Energy Regulation

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Written by two economists, *Fundamentals of Energy Regulation* will be useful to attorneys, students, and other professionals learning about or working in the field of energy regulation.¹ Among other things, Dr. Lesser is currently one of three deans for the Energy Bar Associations (EBA) Primer Program, and this text was suggested reference reading for the recent EBA Primer Series, *Electricity and Electric*.² The content is very up-to-date, which is a good thing in the fast evolving energy field.³ There is, for instance, an excellent and timely discussion of the Federal Energy Regulatory Commissions (FERC) natural gas pipeline discount rate policy and its ongoing effects, something not seen outside legal briefs on the matter.³ The authors in the Preface to the Second. Written by two economists, *Fundamentals of Energy Regulation* will be useful to attorneys, students, and other professionals learning about or working in the field of energy regulation. Among other things, Dr. Lesser is currently one of three deans for the Energy Bar Association's (EBA) Primer Program, and this text was suggested reference reading for the recent EBA Primer Series, *Electricity and Electric Rate Regulation: An Introduction*, held in Denver in December 2013. This is the second

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“Energy is a global issue, affecting world affairs, human welfare, pollution and climate. This book provides a guide to the fundamentals of this important subject: resources, technologies, economy and policy. Remarkable, refreshing, and so useful.” Jean-Michel Glachant - Loyola de Palacio Professor in Energy Policy and Director, Florence School of Regulation. “This book offers a concise, up-to-date, authoritative account of key features of the global energy system. Tagliapietra, a highly respected energy expert and academic researcher, places energy alternatives in the context of changing Energy Conservation Construction Code of New York State, as incorporated in Chapter 13 of the New York City Building Code Proposal developed by the Energy & Ventilation Committee. Summary. Issue: The Energy Code provides commercial buildings two major compliance paths with over a dozen sub-paths. This results in an excessively complex code structure, which creates loopholes and makes enforcement difficult. Recommendation: To simplify compliance and enforcement, require that all commercial buildings follow ASHRAE 90.1. Proposed Legislation, Rule or Study. Amendments to the Energy Conservati

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2-D Cluster Variation Method Free Energy: Fundamentals and Pragmatics. Alianna J. Maren Northwestern University School of Professional Studies. Master of Science in Data Science Program and.Â

The essential notion of the CVM is that we work with a more complex entropy expression within the free energy formalism for a system. In a simple Ising model, the entropy S can be computed based on only the relative fraction of active units in a bistate system. That is, there are only two kinds of units; active ones in state A, where the fraction of these units is denoted x_1 , and inactive ones in state B, where the fraction of these units is denoted x_2 .

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9.2. In 2014, US consumption of energy (electricity and all fuels including natural gas) to power industry, residential homes, commercial establishments, and all transportation was 98 quadrillion BTUs. Although the transportation sector has been served by competitive providers since the 1920s, electricity and natural gas service was deemed to be a natural monopoly because of economies of scale and the significant capital necessary to build power plants, transmission lines, and natural gas pipes and plants. Written by two economists, Fundamentals of Energy Regulation will be useful to attorneys, students, and other professionals learning about or working in the field of energy regulation. Among other things, Dr. Lesser is currently one of three deans for the Energy Bar Association's (EBA) Primer Program, and this text was suggested reference reading for the recent EBA Primer Series, Electricity and Electric Rate Regulation: An Introduction, held in Denver in December 2013. This is the second day of the series. Day 1. "Fundamentals of energy regulation. The scheduled time for each topic contains 10-15 minutes allocated for Q & A! 9,00 " 10,30 Role and Functions of the Regulator; Regulatory independence and perceived regulatory risk Peter Kaderjalk, Director, REKK 11,00 " 12,30 Restructuring of the Electricity and Gas Industries; Regulated Third Party Access (rTPA) concept and its consequences Peter Kaderjalk, Director, REKK (former regulator) " General market structure development paths and sector design aspects " Some typical market structure and operation model elements in the CEE and SEEE regions " Obstacles hindering effective competition in the region " Role of regulators under restructured market conditions