



## VIDEO-LESSON

### **Title**

Energy costs and prices: renewables and electricity generation

### **Expert**

Prof Richard Schmalensee

### **Abstract**

Electricity generation refers to the process of generating electric power from other sources of primary energy. This lesson provides an overview on this issue with a particular focus on renewables. The main problem of electric power systems is the store of electricity. In electrical power generation, the ways of generating electricity incur significantly different costs and the standard method to compare such differences is the levelized cost of electricity (LCOE), a measure of a power source which attempts to compare different methods of electricity generation on a comparable basis. Prof Schmalensee analyses the LCOE, how it varies over time, from place to place and what key determinants it includes. Furthermore, he explains how to compare total costs of different technologies, with particular attention on renewable sources.