**Solution 1.CS**



*Solution:*

*There is no definitive answer to case study exercises. The following is only an example.*

**Renewable Energy Sources for Electricity Generation**

3. LCOE approximation uses 1/(1.05)11 = 0.5847 and LCOE last year = 0.1022.

Let X11 = I11 + M11 + F11

With the limited data, to estimate the value of X11 set the LCOE for year 11 equal to the

consumer cost for year 10.

(0.5847)X11

0.1027 = 0.1022 + ----------------------

(0.5847)(5.052 billion)

0.5847X11 = (0.0005)(2.9539 billion)

X11 = $2.526 million

If the sum of investments (I11), M&O (M11) and fuel (F11) is significantly different than $2.526 million, the breakeven value for year 11 may change. Next step is to find the values of I, M and F for year 11.