The Energy Economics of Falling Oil Prices, Fracking and Renewables

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Abstract
The dramatic decline in oil prices, from around $110 per barrel in June 2014 to less than $50 in January 2015, highlights the importance of competition between different energy sources. Indeed, the price drop has been primarily attributed to OPEC's strategic decision not to curb its oil production in the face of increased supply of shale gas and oil in the U.S., which itself arises from the innovation of fracking technology. This follows similar declines in natural gas prices that led to a reduction in coal use for electricity production and an unexpected resulting decline in carbon emissions in the U.S. Many questions arise. How long is this sustainable? What are the economics behind it? How does increasing supply of fossil fuels impact investment in renewable energy R&D? What are the consequences for consumers, the environment and energy security? The panel brings perspectives from economists, utility providers and energy market experts.