

**SESSION:** Session 3, Monday, 13 April 2015: Private Risk and Social Welfare in the Electric Sector

**FACULTY:** Forest Reinhardt

**READING:** “Colbún and the Future of Chile’s Power”

**STUDY QUESTIONS:**

- (1) Which of the generating options that Larrain is considering appears to have the lowest expected cost?
- (2) What are the principal risks that confront each of the generating options, and how can they be managed?
- (3) From a societal perspective, is it desirable that the dams be built? Do you expect that they will be built?
- (4) What advice would you offer to Larrain?