

Ramification of Oil Prices on Renewable Energy Deployment

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Abstract : This paper contributes to the literature by updating the analysis of the impact of the recent oil prices fall on the renewable energy (RE) industry and deployment. The research analysis uses the Renewable Energy Industrial Index (RENIXX), which tracks the world's 30 largest publicly traded companies and oil prices daily data from January 2003 to March 2016. RENIXX represents RE industries developing solar, wind, geothermal, bioenergy, hydropower and fuel cells technologies. This paper tests the hypothesis that claims high oil prices encourage the substitution of alternate energy sources for conventional energy sources. Furthermore, it discusses RENIXX performance behavior with respect to the governments' policies factor that investors should take into account. Moreover, the paper proposes a theoretical model that relates RE industry progress with oil prices and policies through the fuzzy logic system.

Keywords : Fuzzy logic, investment, policy, stock exchange index

Conference Title : ICEEP 2016 : International Conference on Energy Economics and Policy

Conference Location : San Francisco, United States

Conference Dates : June 09-10, 2016