



# The Valuation of Clean Spread Options: Linking Electricity, Emissions and Fuels

Rene Carmona, Michael Coulon, Daniel Schwarz

(Submitted on 10 May 2012)

The purpose of the paper is to present a new pricing method for clean spread options, and to illustrate its main features on a set of numerical examples produced by a dedicated computer code. The novelty of the approach is embedded in the use of structural models as opposed to reduced-form models which fail to capture properly the fundamental dependencies between the economic factors entering the production process.

Subjects: **Pricing of Securities (q-fin.PR)**

Cite as: **arXiv:1205.2302 [q-fin.PR]**

(or **arXiv:1205.2302v1 [q-fin.PR]** for this version)

## Submission history

From: Daniel Schwarz [[view email](#)]

[v1] Thu, 10 May 2012 16:10:43 GMT (449kb,D)

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