No Arbitrage and Local Martingale Deflators

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Joint work with A. Kohatsu-Higa (Ritsumeikan University) and L. Li (New South Wales University)
Giselle Bueno and Mike D. Hardman.
A comparison principle for jetset effects with
problem: application to Bermudan options.

Hans Föllmer and Peter Leukert.
Quantile hedging.
Based on joint work with
A. Ismail, Natixis

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Solar panels are becoming cheaper. Consumers can now produce their own electricity and then buy in the market what they don't use.

We consider the point of view of:

- a representative consumer, who self-produces energy by solar panels and faces relevant installation costs. How many panels to install?
- a representative energy company, who needs to adapt its production strategy to the consumer's decisions. How much energy to produce?
- a social planner, who wants to minimize the global costs. Which strategies would he suggest to the consumer/company?
The term structures if and only if
\[ v(t) = \frac{1}{m} \sum_{i=1}^{m} A_i(t), \]
for all \( t \in [0, T] \),
\[ A_i(t), \]
for all \( t \in [0, T] \) and \( i = 1, \ldots, m \).

Noting the theoretical bond prices and spreads model \( (X, u, 0) \).