

# Structured and Project Finance

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With this issue we have changed our title from *The Journal of Project Finance* to *The Journal of Structured and Project Finance*. While retaining our commitment to project finance, we are recognizing an evolution resulting from the continuing process of financial innovation. Projects today are financed in more ways than pure, traditional project finance—both on and off the balance sheet. At the same time, recent articles in this journal have shown how cutting-edge project finance continually overlaps with other financial disciplines such as insurance, securitization, leasing, and derivatives-based risk management. We will continue to look for articles from top practitioners in the increasingly broad field of structured finance, of which project finance remains a vital segment.

The issue begins with an article by Jim Guidera, Daniel Gal, and Vincent Damas showing new ways to forecast power prices based on correlation with factors such as fuel prices, weather, forward markets, and heat-rate averages. Next, Fernanda C. Alem Freitas and Luciano de Freitas discuss possible solutions to current power shortage problems in Brazil. Then John Herrick describes the U.S. Department of Energy's efforts to finance the development of new technologies in fuel and power production. Michael Robinson follows with an article describing the importance of the independent engineering review for power and other projects. David Rode, Paul Fischbeck, and Steve Dean show how to use Monte Carlo simulations to help quantify various political, technical, and economic risks that are often hard to account for in the appraisal of large-scale, technically unique projects such as chemical and power plants. Bob Parra and M. Fouzul Kabir Khan provide a comprehensive review of the use of subordinated debt in project financing and, finally, Marc Bradford explores the application of private-finance-initiative and public-private-partnership techniques to defense-related projects. As always, we appreciate and continue to seek the contribution of top professionals on timely topics.

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