

# Understanding the Coevolution of Electricity Markets and Regulation

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Joint work with:  
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# Agenda

- Background
- Problem Statement
- Relevant Literature
- Elements of a Behavioral View
- Future Steps



Spain

Northwest African coast

# Problem Statement

Regulation?

Government  
Monopoly

- Overcapacity

- High deregulated buying price and low regulated selling price

# Relevant Literature

- Deregulation of Electricity markets

Stoft (2002), Teufel et al. (2013), Bunn & Larsen (1992), Ochoa (2007)

- Type of Regulation

Averch & Johnson (1962), Green & Newbery (1992), Dnes et al. (1998), Joskow (1997)

- Choosing policy mechanisms

Finon (2006), De Vries (2007), De Vries & Heijnen (2008)

- Market characteristics

Larsen & Bunn (1999), Larsen et al.(2004), Komendantova et al. (2012)

- Market restructuring

Vogel (1996), Larsen & Bunn (1999), Joskow (2008)

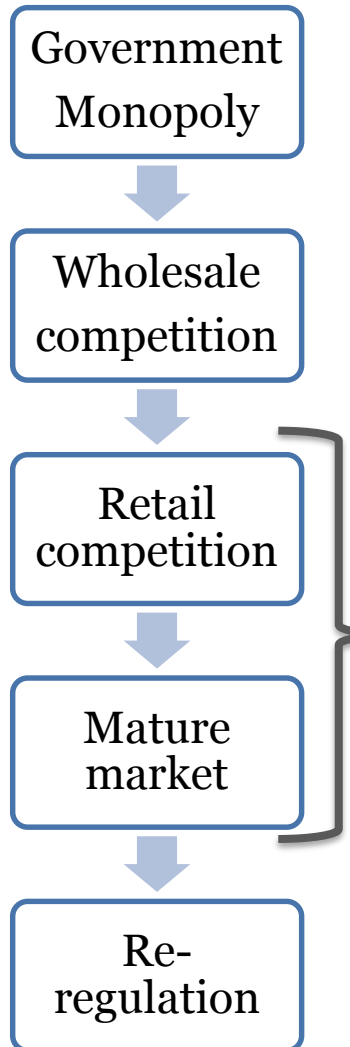
- Life cycle of Regulation

Bernstein (1955), Fukuyama (2008), Howlett & Newman (2013)

# Elements of a Behavioral View

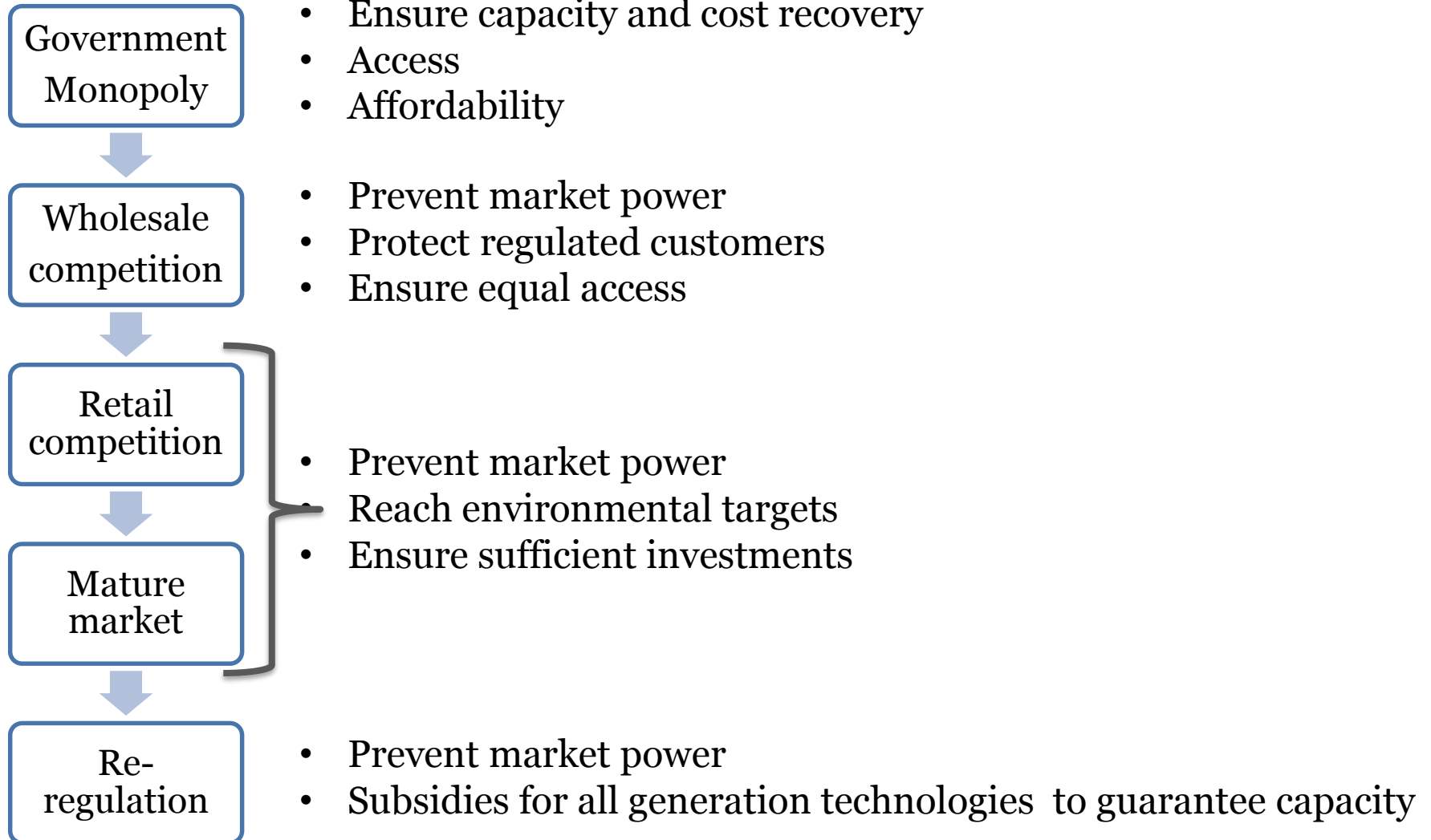
# Evolution of Electricity Markets

## *Problems*



# Evolution of Electricity Markets

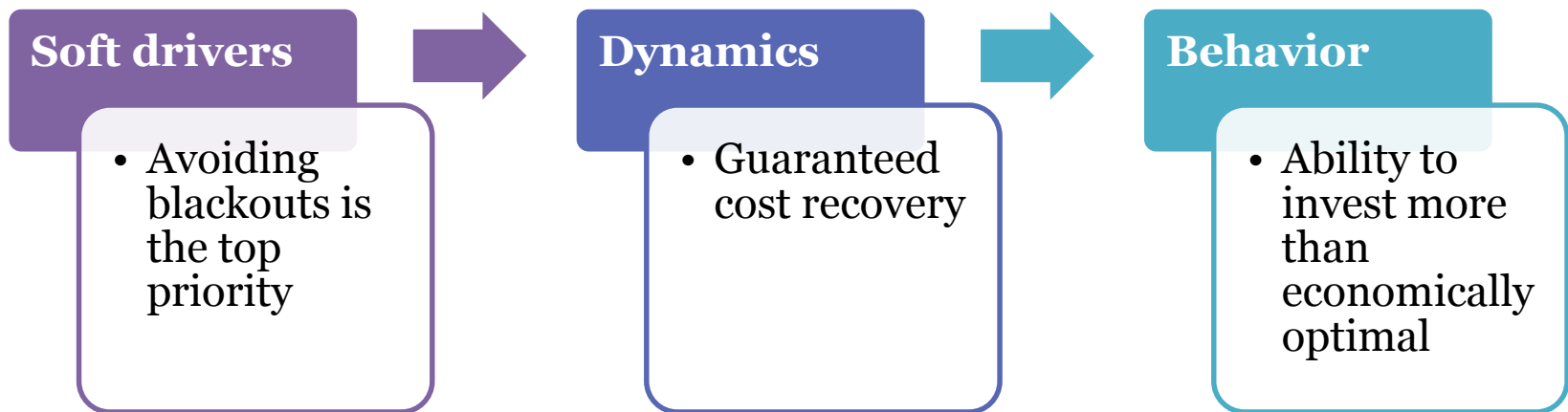
## *Regulatory aims*





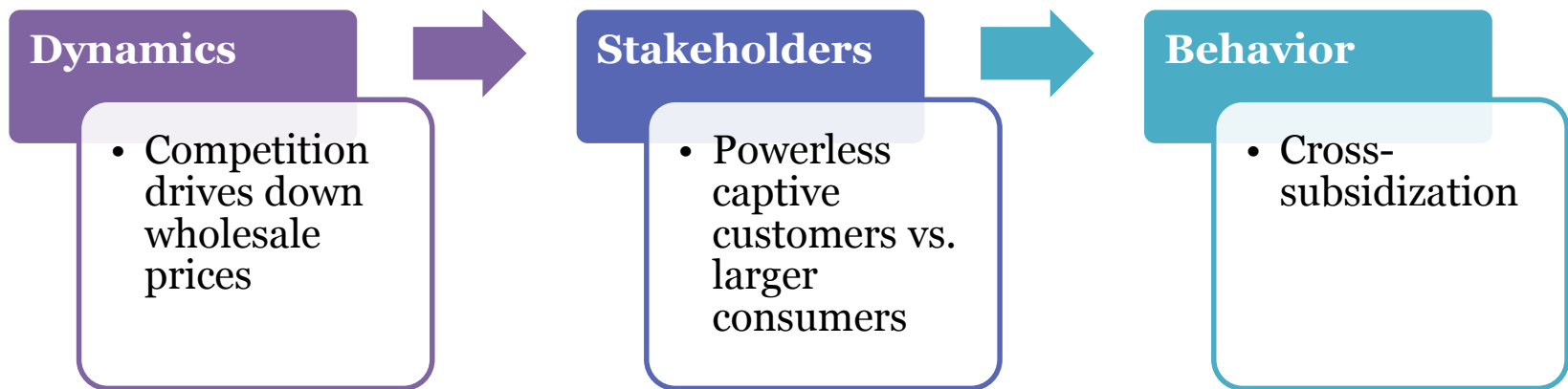
# Example 1: Government Monopoly

*Problem:* Overcapacity in Europe



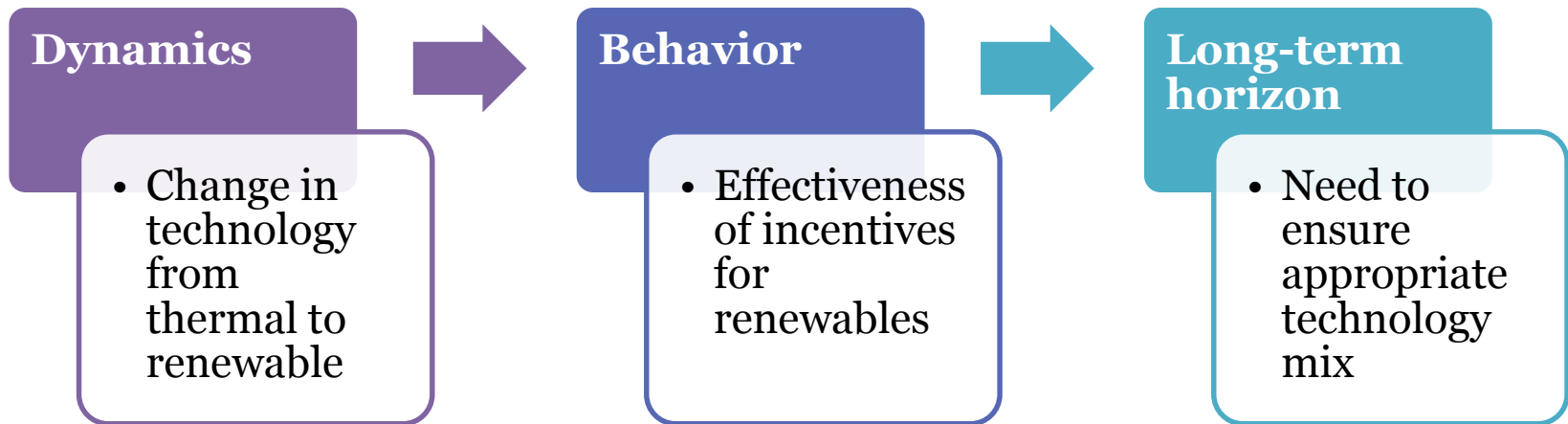
# Example 2: Wholesale Competition

*Problem:* Overcharging captive customers



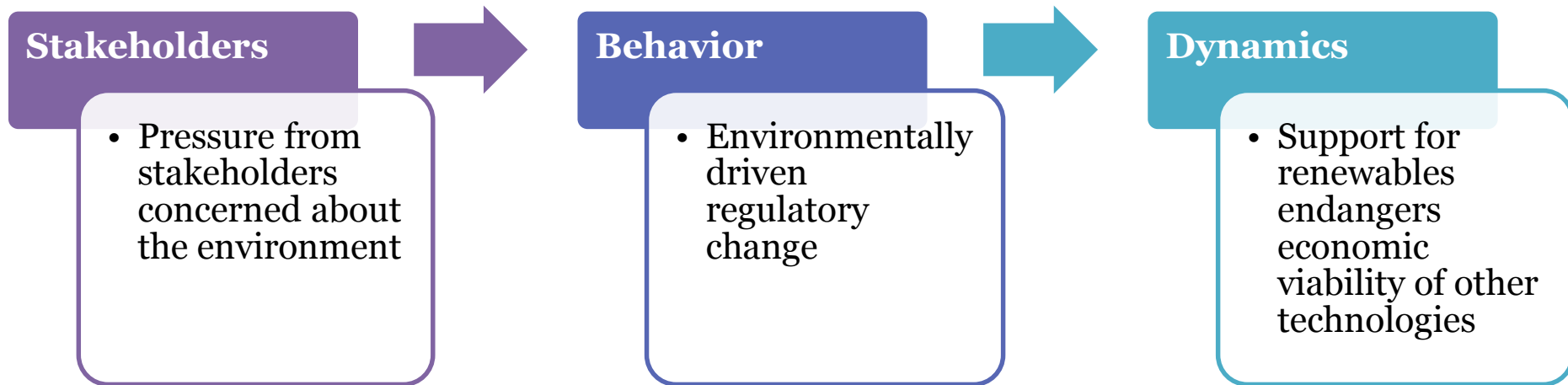
# Example 3: Mature Deregulated Markets

*Problem:* Managing technological transitions



# Example 4: Re-regulation

*Problem:* Environmental issues



# To conclude...

Where we are:

- Understanding of the evolution
- Inclusion of behavioral aspects
- Towards co-evolution rather than major overhauls

Next steps: elaborate examples  
refine the framework

# Understanding the Coevolution of Electricity Markets and Regulation

Presenter:

Busra Gencer

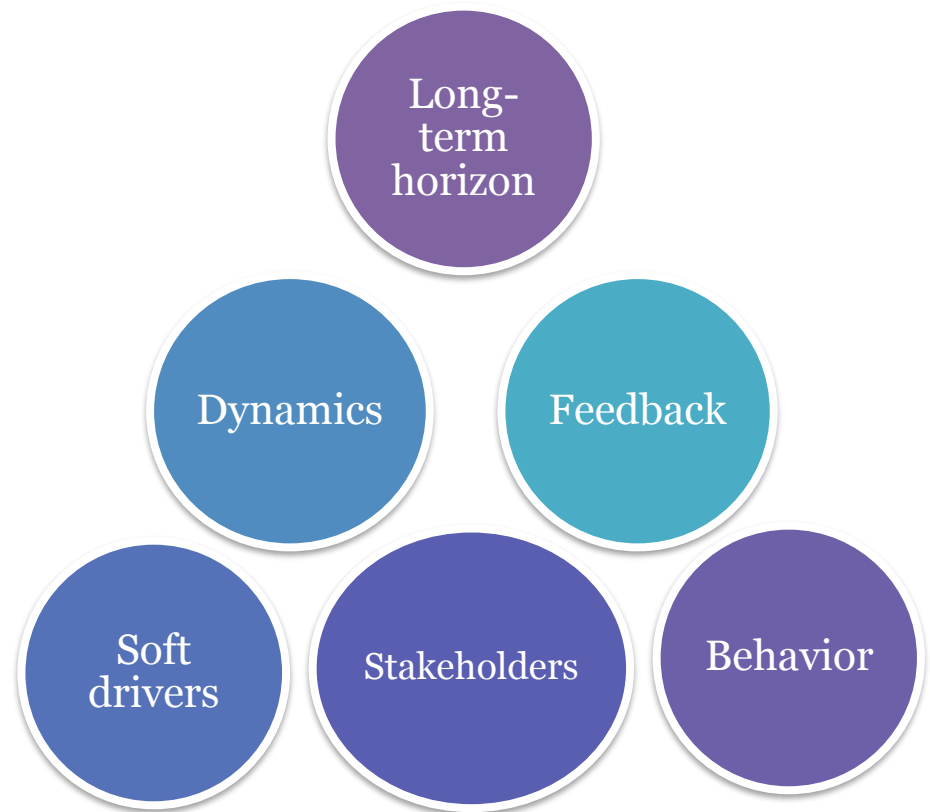
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