



INSTITUT
D'ÉCONOMIE
INDUSTRIELLE



Conference on

"COMPETITION AND COORDINATION IN THE ELECTRICITY INDUSTRY"

IDEI Toulouse, January 16 and 17, 2004

The Institute for Industrial Economics (IDEI), Toulouse, and the Center for Economic Policy Research (CEPR), London, are jointly organising a conference on the economics of the electricity industry in Toulouse on January 16-17, 2004. The conference will emphasize four main themes:

- *Market power:* Competition in the restructured electricity industries is still impaired by flaws in the design of wholesale markets, and by alleged market power. Empirical investigations and market design exercises can serve to identify and alleviate the associated concerns.
- *Coordination:* The multiplicity of regional/national transmission organisations in Europe and the US poses serious concerns as to the coordination of congestion management, the achievement of a single competitive market, and the provision of proper incentives for transmission investment.
- *Generation and transmission investment:* The question of investment in generation is intensively debated in many countries. The only theoretically accepted "solution" to this problem is VOLL pricing but it has been rejected by all on practical grounds. Transmission investment is also a key ingredient for both an efficient organisation of production and the overall reduction in market power. The conference will investigate new regulatory schemes and the governance of transmission companies, the Standard Market Design, and the complementarity/substitutability between merchant and regulated investment.
- *Retail competition:* The focus of electricity competition initiatives in many countries has been to give end-use consumers the ability to choose among competing suppliers of power --- retail competition, third-party access, customer choice. The performance of retail competition programs have not been analyzed comprehensively and, especially with regard to residential and small business customers the results to date have often been disappointing. We invite empirical research submissions that examine the performance of retail competition in different settings, barriers to competition and the attributes of retail competition programs that affect performance.

The conference will present ongoing theoretical and empirical research on electricity and try to identify new governance and regulatory challenges. It will bring together academic economists, practitioners (market operators, buyers and sellers), and regulators (from regulatory agencies and antitrust authorities). It will include both academic-style presentations and panel discussions.

If you would like to present a paper, to discuss a paper, or just to attend, please send an E-mail before **October 1, 2003** to elecconf@cict.fr (with, if relevant, a copy of your paper). Detailed abstracts will be considered, but preference will be given to completed papers.

Funds are limited and participants from government and industry are expected to pay their own travel and lodging. Lunches and dinner on the 16th and lunch on the 17th (as well as dinner on the 17th for the speakers) will be provided by the conference.

More information (including accommodation, programme, and things to do in and around Toulouse, etc.) will be available at <http://www.idei.asso.fr/elecconf.htm>

Scientific committee

S. Borenstein, C. Crampes, R. Green, W. Hogan, P. Joskow, D. Newbery, Y. Smeers, S. Stoff, J. Tirole, F. Wolak.

Organizing committee

C. Crampes, J. Tirole

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