

## REFLECTIONS ON THIRTY YEARS OF ELECTRICITY MARKET LIBERALIZATION

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Serious consideration of restructuring, competition and regulatory reform for the electric power industry began about thirty years ago. Implementation of serious reform initiatives began about twenty years ago. Electricity sector liberalization in practice has relied extensively on learning by doing and continuous improvement. And despite the many years of research and policy initiatives the transition remains incomplete and many imperfections in electricity markets and regulation continue to be identified. This lecture will look back at the intellectual foundations for creating competitive electricity markets, the evolution of theoretical and empirical research supporting reform, political constraints, uncertainties about market design, and implementation mistakes. It will take stock of the status of electricity sector liberalization around the world today and look forward to the theoretical, empirical, and political challenges that must be confronted to make significant progress toward improving the performance of electricity markets in an era when the electricity sector is a primary focus of efforts to reduce greenhouse gas emissions.