



## Conference

# *“The Economics of Energy Markets”*

**Toulouse, January 28-29, 2010**

**VENUE**



## Thursday, January 28

*During parallel sessions, presenters will have 20 minutes, followed by 5 minutes for the discussants and 5 minutes of questions and answers.*

*During plenary sessions A and C, presenters will have 25 minutes, followed by 5 minutes for the discussants and 10 minutes of questions and answers.*

### 10:15 Welcoming address

Room: Amphi Verdi

- **P. Rey** (TSE, director of IDEI)

### 10:30 - 12:30 Plenary session A: Imperfect competition

Room: Amphi Verdi

Chair: **P. Rey** (Toulouse School of Economics and IDEI)

- **C. Argenton** (CentER and TILEC, Tilburg University) and **B. Willems** (CentER and TILEC, Tilburg University)  
*“Exclusivity Contracts, Insurance and Financial Market Foreclosure”*  
Discussant: W. Sand-Zantman (Toulouse School of Economics and IDEI)
- **F. Gullì** (Bocconi University)  
*“Environmental Policy under Imperfect Competition in Vertical Related Energy Markets”*  
Discussant: V. Réquillart (Toulouse School of Economics and GREMAQ, IDEI)
- **F. Murphy** (Temple University, Philadelphia) and **Y. Smeers** (Université Catholique de Louvain)  
*“The Ambiguous Effect of Contracts on Competition and Prices in Restructured Electricity Markets”*  
Discussant: C. Crampes (Toulouse School of Economics and IDEI)

### 12:30 - 14:00 Lunch

### 14:00 - 16:00 Parallel session 1: Natural gas

Room: Seria 1

Chair: **A. Creti** (Bocconi University, IEFÉ and Université Paris Ouest)

- **R. van Eijkel** (University of Groningen) and **J.L. Moraga-González** (University of Groningen and IESE Business School, University of Navarra)  
*“Do Firms Sell Forward Contracts for Strategic Reasons? An Application to the Dutch Wholesale Market for Natural Gas”*  
Discussant: F. Salanié (Toulouse School of Economics)
- **B. Henze** (CentER and TILEC, Tilburg University), **C. N. Noussair** (CentER, Tilburg University) and **B. Willems** (CentER and TILEC, Tilburg University)  
*“Regulation of Interconnector Investments in Natural Gas Networks: An Experimental Evaluation”*  
Discussant: G. Attanasi (Toulouse School of Economics)
- **O. Massol** (Center for Economics and Management, IFP School) and **S. Tchung-Ming** (Center for Economics and Management, IFP School)  
*“Cooperation among Liquefied Natural Gas Suppliers: Is Rationalization the Sole Objective?”*  
Discussant: M. Le Breton (Toulouse School of Economics and IDEI)

- D. Huppmann (DIW Berlin and TU Vienna), R. Egging (University of Maryland), F. Holz (DIW Berlin), S. Ruester (Chair of Energy and Public Sector Management, TU Dresden), **C. Von Hirschhausen** (DIW Berlin and Chair of Energy and Public Sector Management, TU Dresden) and S. A. Gabriel (DIW Berlin and University of Maryland)  
*“The World Gas Market in 2030. Development Scenarios Using the World Gas Model”*  
 Discussant: B. Charmaison (Toulouse School of Economics and LERNA)

**14:00 - 16:00 Parallel session 2: Electricity transmission**

**Room: Amphi Verdi**

**Chair: M. Baritaud (AREVA)**

- K. Hedman (University of California at Berkeley), **S. Oren** (University of California at Berkeley), and R. O’Neill (Federal Energy Regulatory Commission)  
*“Optimal Transmission Switching: When Economic Efficiency and Financial Transmission Rights Markets Collide”*  
 Discussant: C. Duthaler (ETH Lausanne)
- **J. Rosellón** (Centro de Investigación y Docencia Económicas (CIDE) and Dresden University of Technology (TU Dresden), I. Vogelsang (Boston University) and H. Weigt (Dresden University of Technology (TU Dresden)  
*“Long-run Cost Functions for Electricity Transmission”*  
 Discussant: J. Tirole (Toulouse School of Economics and IDEI)
- G. Cervigni (LECG Consulting Italy) and **D. Perekhodtsev** (LECG Consulting France)  
*“UK Transmission Congestion Problem: Causes and Solutions”*  
 Discussant: M. Laffont (Toulouse School of Economics)
- G. Oggioni (Università degli Studi di Brescia) and **Y. Smeers** (School of Engineering (INMA) and CORE, Université catholique de Louvain)  
*“Degrees of Coordination in Market-Coupling and Counter-Trading”*  
 Discussant: T. O. Léautier (Toulouse School of Economics and IDEI)

**16.00 - 16:30 Coffee break**

**16:30 - 18h00 Plenary session B: Climate policy**

**Room: Amphi Verdi**

**Chair: Y. Smeers (CORE and Université Catholique de Louvain)**

- **J. Tirole** (Toulouse School of Economics and IDEI)  
*“Climate Change Policy: A New International Architecture”*

**20:00 Conference dinner “Restaurant Le 19”**

## Friday, January 29

### 9:30 - 10:30 Parallel session 3: Incentives for renewables

Room: Amphi Verdi

Chair: B. Peluchon (EDF R&D)

- **A. Garcia** (University of Virginia) and J. M. Alzate (Universidad de los Andes)  
“Regulatory Design and Incentives for Renewable Energy”  
Discussant: R. Morais (Fundacao Getulio Vargas)
- R. Wand (Berlin University of Technology) and **F. Leuthold** (Dresden University of Technology)  
“Feed-in Tariffs for Photovoltaics: Learning by Doing in Germany?”  
Discussant: T. Magnac (Toulouse School of Economics and IDEI)

### 9:30 - 10:30 Parallel session 4: Asset divesture

Room: Seria 1

Chair: E. Romano (Commission de Régulation de l'Energie – DFMG)

- **G. Federico** (IESE Business School and CRA) and A. L. López (IESE Business School)  
“Divesting Power”  
Discussant: E. S. Hansen (University of Aarhus)
- P. Himpens (The University of Chicago Booth School of Business), **J. Morbee** (European Commission, Joint Research Centre and Center for Economics Studies, KU Leuven Energy Institute, Catholic University of Leuven) and S. Proost (Center for Economics Studies, KU Leuven Energy Institute, Catholic University of Leuven)  
“Nuclear Market Power: Taxation or Liberalization?”  
Discussant: N. Ladoux (Toulouse School of Economics and IDEI)

### 10:30 - 11:00 Coffee break

### 11:00 - 12:30 Parallel session 5: Wind power

Room: Seria 1

Chair: N. Boccard (University of Girona)

- S. Ambec (Toulouse School of Economics and Lerna) and **C. Crampes** (Toulouse School of Economics and Idei)  
“Electricity Production with Intermittent Sources of Energy”  
Discussant: A. Garcia (University of Virginia)
- R. Green (University of Birmingham) and **N. Vasilakos** (University of Birmingham)  
“Storing Wind for a Rainy Day: What Kind of Electricity Does Denmark Export?”  
Discussant: N. Boccard (University of Girona)
- **R. Sioshansi** (Integrated Systems Engineering Department, The Ohio State University, Columbus, Ohio)  
“Using Storage to Increase the Market Value of Wind Generation”  
Discussant: S. Ambec (Toulouse School of Economics)

**11:00 - 12:30 Parallel sessions 6: Carbon policies**

**Room: Amphi Verdi**

**Chair: A. Bousquet (Toulouse School of Economics, LERNA and Université de Tours)**

- **A. Beltratti** (Università Bocconi, Finance Department), **P. Colla** (Università Bocconi) and **A. Creti** (Università Bocconi, IEFE and Université Paris Ouest la Défense)  
“Does Expected Supply Affect the Price of Emission Permits? Evidence from Phase I in the European System”  
Discussant: H. D’Albis (Toulouse School of Economics)
- **A. Rudkevich** (Charles River Associates, Boston)  
“Locational Carbon Footprint and Renewable Portfolio Standards”  
Discussant: S. Elderkin (Toulouse School of Economics)
- **D. Finon** (CIRED CNRS, Gis LARSEN) and **G. Meunier** (Ecole Polytechnique, Gis Larsen)  
“Option Values of Low Carbon Technologies Policies: How to Combine Irreversibility Effect and Learning-by-doing in Decisions?”  
Discussant: S. Villeneuve (Toulouse School of Economics and IDEI)

**12:30 - 14:00 Lunch**

**14:00 - 16:00 Plenary session C: Generation capacity**

**Room: Amphi Verdi**

**Chair: M. A. Plagnet (EDF R&D)**

- **T. O. Léautier** (Toulouse School of Economics)  
“The Visible Hand: Electric Power Capacity Arrangements”  
Discussant: D. Salant (Toulouse School of Economics)
- **G. Meunier** (Ecole Polytechnique, Gis Larsen)  
“Capacity Choice, Technology Mix and Market Power”  
Discussant: S. Oren (University of California)
- **J. Dijk** (CentER and TILEC, Tilburg University), **G. Petropoulos** (CentER and TILEC, Tilburg University and IDEA, Universitat Autònoma de Barcelona) and **B. Willems** (CentER and TILEC, Tilburg University)  
“Generation Investment and Access Regulation in the Electricity Market: A Real Option Approach”  
Discussant: B. Jullien (Toulouse School of Economics and IDEI)

**Concluding comments**

- **Jean Tirole** (Toulouse School of Economics and IDEI)