ECONOMIC FUNDAMENTALS OF ELECTRICITY REGULATION AND MARKETS

Electricity Regulation   September 28
10:00am – 5:30pm

I. Regulation
   A. Natural Monopoly
   B. Goals of Restructuring
   C. Stranded Cost Recovery

II. Competitive Wholesale Electricity Markets
   A. Competitive Outcomes
   B. Peak-Load Pricing

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III. Market Power in Electricity Markets
   A. Definitions
   B. Influences
   C. Examples
IV. Auction Design and Bid Strategies
   A. Auction Types
   B. Market Power Mitigation and Auction Markets

**Market Design and Organization, September 29**  9:00am – 4:30pm

V. Commodity, Futures and Derivative Electricity Markets
   A. Characteristics
   B. Pools vs. Bilateral Agreements
   C. Forwards and Futures
   D. Hedging as Insurance
   E. Speculation
   F. Risk Preference
   G. Arbitrage

VI. Markets for Electricity Transmission
   A. Spatial Markets
   B. Locational Pricing
   C. Investment Incentives

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VII. Retail Electricity Pricing and Resource Adequacy
   A. Resource Adequacy
   B. Real-Time Pricing

VIII. Retail Electricity Markets
   A. Retailing Functions
   B. Default Provider Issues