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Deregulated Electricity Market and Auctions: The Italian Case

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ABSTRACT

The Electricity Market (in Europe) undergoes a period of transformations never seen before. The competitive model suggested by the European Commission is based on a gradual increase in the classes of consumers able to choose, freely, their providers. In general, liberalization, deregulation, competition result in a spur to development and low prices for consumers. The Electricity Market isn't likely to follow such a rule. Electricity Markets are best described and analyzed as first-price multi-unit procurement iterated auctions. In this paper we present an analysis of the Italian case in order to show the effects of deregulation on final prices for users.

KEYWORDS

Electricity Market, Auctions, Oligopoly, Deregulation

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