

Institutional arrangements for the promotion of regional integration of electricity markets: International Experience

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Abstract This paper focuses on the institutional arrangements for facilitating electricity regional cooperation. We begin by discussing the theory of international trade cooperation in electricity, with a view to discussing what preconditions might be important in facilitating wide area trading across national borders.

We then discuss two sets of case studies. The first set of case studies focuses on three regional developing country power pools – the Southern African Power pool (SAPP), West African Power pool (WAPP) and the Central American Power Market (SIEPAC). The second set focuses on three regional power pools in more developed countries – PJM in the United States, the Single Electricity Market (SEM) in Ireland and the South East Europe market (ECSEE). These cases highlight both the potential and difficulty of having cross-jurisdictional power pools.

In the light of the theory and evidence we present, we draw key lessons in the areas of: preconditions for trading; necessary institutional arrangements; practicalities of timetabling; reasons to be hopeful about future prospects; and suggestions for future research.

Keywords electricity trade; power pools; regional electricity markets

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