

Restructuring the Chinese Electricity Supply Sector: An assessment of the market pilot in Guangdong Province

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Abstract This paper examines power sector reform in China's largest province, Guangdong, following the publication of the No.9 document of the China State Council on 'Deepening Reform of the Power Sector' in March 2015. We look at the operation of the pilot wholesale power market in Guangdong in the light of international experience. We discuss how the power market pilot is working in Guangdong and the extent to which the current market design is in line with successful power markets we see elsewhere. We examine the evidence on whether the market reform has successfully brought new players into the electricity system in Guangdong. We consider the effects of the reform on the operational and investment decisions of firms in the sector. We conclude with several lessons for the Chinese government's ongoing power sector reform programme.

Keywords power market reform, international experience, Guangdong, China, industrial electricity price

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