

# Measuring the Impact of Electricity Market Reform in a Chinese Context

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**Michael G. Pollitt**

**Abstract** This paper draws on international experience to examine how the ongoing power sector reform (PSR) in China since 2015 should be measured and assessed. We proceed by reviewing some relevant international reform experience and then applying this to the Chinese context. Thus we focus on some of the extensive previous literature which has documented reforms in cross-country and in single country studies. We pay particular attention to the European Union (EU) single electricity market, which is the largest integrated electricity market in the world. We also look at a social cost benefit analyses of UK electricity market reforms and how these might applied in a given Chinese province. We go on to examine the actual price impact evidence from two leading provinces – Guangdong and Zhejiang – on the overall price effect and on exactly how those price effects have been achieved. We then offer some insights from the extensive regulatory reporting by leading regulators on market performance that is relevant to PSR in China based on excellent annual reporting from the UK, Australia and the US.

**Keywords** power sector reform, social cost benefit analysis, state of the market

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Contact [m.pollitt@jbs.cam.ac.uk](mailto:m.pollitt@jbs.cam.ac.uk)  
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