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# Economics of Electricity

## Markets, Competition and Rules

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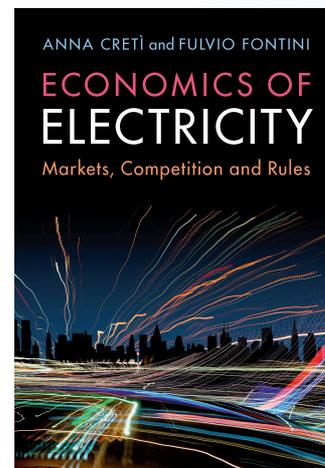
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This comprehensive and up-to-date book explains the economic rationale behind the production, delivery and exchange of electricity. Creti and Fontini explain why electricity markets exist, outlining the economic principles behind the exchange and supply of power to consumers and firms. They identify the specificities of electricity, as compared to other goods, and furthermore suggest how markets should be optimally designed to produce and deliver electricity effectively and efficiently. The authors also address key issues, including how electricity can be decarbonized. Written in a technical yet accessible style, this book will appeal to readers studying power system economics and the economics of electricity, as well as those more generally interested in energy economics, including engineering and management students looking to gain an understanding of electricity market analysis.

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'This book fills an important gap in the market for a graduate level textbook of electricity economics that sets out the physics, mathematics, economics and institutional elements needed to understand modern electricity markets. A mastery of this excellent text should provide a solid grounding to enable the student to understand, and ideally contribute to, the electricity economics literature, which can appear complex and daunting to even a well-trained micro-economist or electrical engineer.'

**David Newbery,**

*Director of the Energy Policy Research Group (EPRG),  
University of Cambridge*



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