

The liberalization of electricity market in Russia

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Abstract

Until the early 90's of the last century a vertically integrated monopoly structure was the main model of the organization of the power industry in most countries of the world. The quality of services and prices for electricity were regulated in different countries exclusively by the state authorities. However, it gradually became apparent that many of the positive features of the vertical integration, including in the first place the impact of economies of scale, ceased to play a significant role. By this time, most of the advanced and developing countries, including Russia, have realized the objective need for a review of the existing principles of power industry organization through the introduction of market mechanisms of its functioning. The study gives the overview of the aims and objectives of the reforms in the Russian electric power industry. Of special interest is the analysis of the experience in the energy markets restructuring in advanced and developing countries. The stages and main features of the restructuring of Russian energy market are shown. The model of liberalization for electric power market in Russia is represented. Particular attention is paid to the development of competition in the different segments of wholesale and retail power markets.

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Keywords

Competition, Liberalization, Power market, Restructuring, Russia