

Accepted Manuscript

Market Power and Heterogeneous Pass-through in German Electricity Retail

Tomaso Duso, Florian Szücs

PII: S0014-2921(17)30135-6
DOI: [10.1016/j.euroecorev.2017.07.010](https://doi.org/10.1016/j.euroecorev.2017.07.010)
Reference: EER 3029

To appear in: *European Economic Review*

Received date: 24 October 2016
Accepted date: 23 July 2017

Please cite this article as: Tomaso Duso, Florian Szücs, Market Power and Heterogeneous Pass-through in German Electricity Retail, *European Economic Review* (2017), doi: [10.1016/j.euroecorev.2017.07.010](https://doi.org/10.1016/j.euroecorev.2017.07.010)

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.



Market Power and Heterogeneous Pass-through in German Electricity Retail *

Tomaso Duso[†] and Florian Szücs[‡]

July 27, 2017

Abstract We analyze the pass-through of cost changes to retail tariffs in the German electricity market over the 2007–2014 period. We find an average pass-through rate of around 60%. This significantly varies with demand factors: while the pass-through rate to baseline tariffs, where firms have greater market power because customers are less willing to switch, is only 50%, it increases to 70% in the competitive segment of the market. Although the pass-through rate of independent firms is significantly higher than that of other firms in the competitive market segment, the extent of supply-side heterogeneity is limited. Thus, the firms' ability to exercise market power and reduce pass-through appears to be constrained by competition and largely determined by demand side factors. Finally, we find that the pass-through rate in the competitive market segment has been approaching unity over the past years, indicating a rise in competitive pressure.

Keywords: Pass-through, electricity retail, market power, Germany

JEL Codes: D4, LE, Q4

*This paper is based on a study conducted on behalf of the Directorate General Competition of the European Commission. We thank Elena Argentesi, Albert Banal-Estañol, Walter Beckert, Anette Boom, Adriaan Dierx, Germain Gaudin, Klaus Gugler, Justus Haucap, Sven Heim, Fabienne Ilkovitz, John Kwoka, Mario Liebensteiner, Axel Ockenfels, Peter Ormosi, Julia Rechlitz, Luis-Manuel Schultz, Jo Seldeslachts, Jens Südekum, Catherine Waddams, Gregory J. Werden, and seminar participants at CBS, DICE Düsseldorf, WU Vienna, and DIW Berlin for their valuable comments. The comments of the associate editor and two anonymous referees greatly improved the paper. Ivan Mitkov provided excellent assistance during the data collection. Tomaso Duso gratefully acknowledges support from the Berlin Centre for Consumer Policies (BCCP).

[†]Deutsches Institut für Wirtschaftsforschung (DIW Berlin), DICE Düsseldorf, and Berlin Centre for Consumer Policies (BCCP), Mohrenstr. 58, 10117 Berlin, Germany. E-mail: tduso@diw.de.

[‡]Corresponding author. WU (Vienna University of Economics and Business), Welthandelsplatz 1, 1020 Vienna, Austria. E-mail: florian.szuecs@wu.ac.at.

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات