



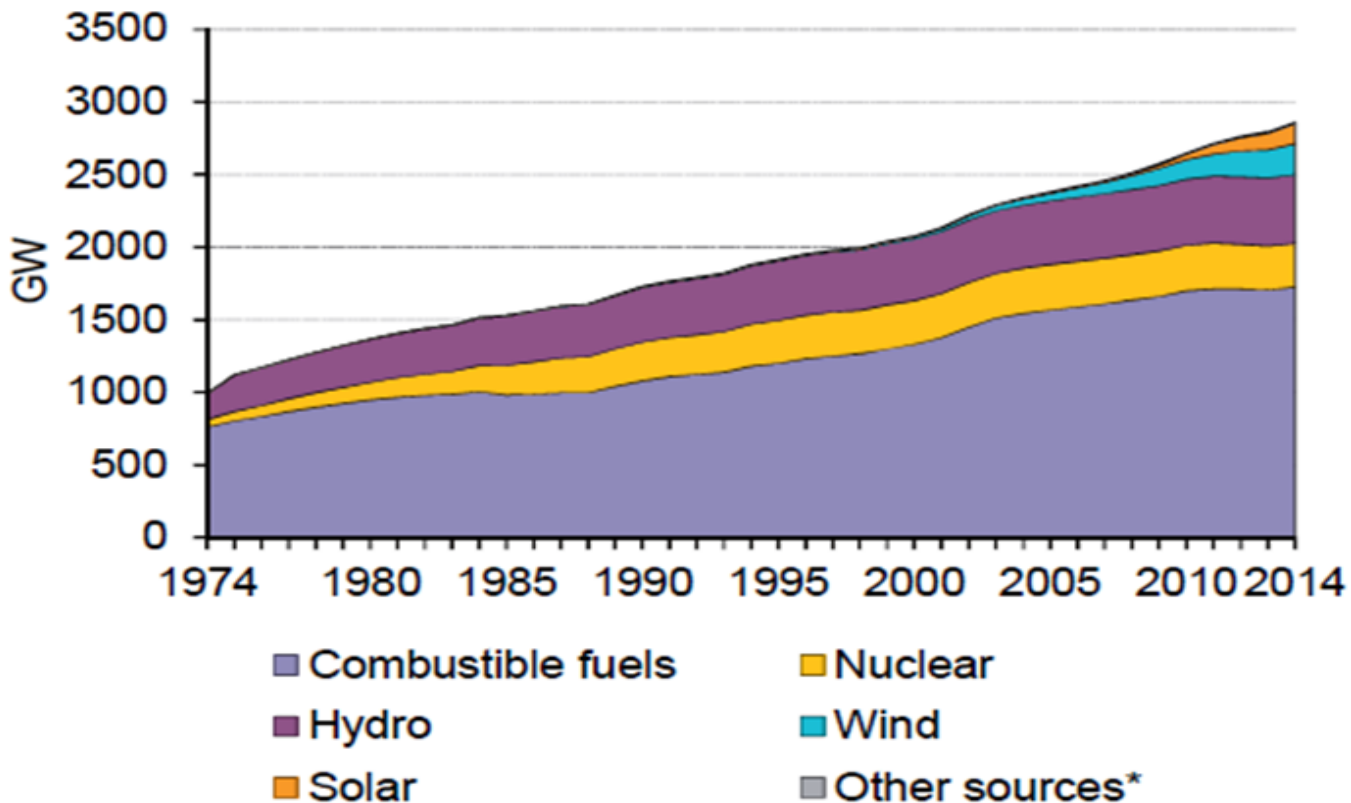
# AN OVERVIEW OF MAIN ISSUES IN ENERGY MARKETS

António Gomes, Head of Division, Competition Division,  
OECD



# Importance of energy markets

**Figure 6: OECD net electrical capacity by source**



\* includes geothermal, tide, wave, ocean, chemical heat and other non-specified (e.g. fuel cells) sources of electricity production.



## Main trends in energy markets

---

- Energy Union 2030 targets require significant investments
- Regulatory environment conducive to investments is crucial
- OECD-wide market opening process and unbundling
  - 2001 Recommendation of the OECD Council concerning Structural Separation in Regulated Industries

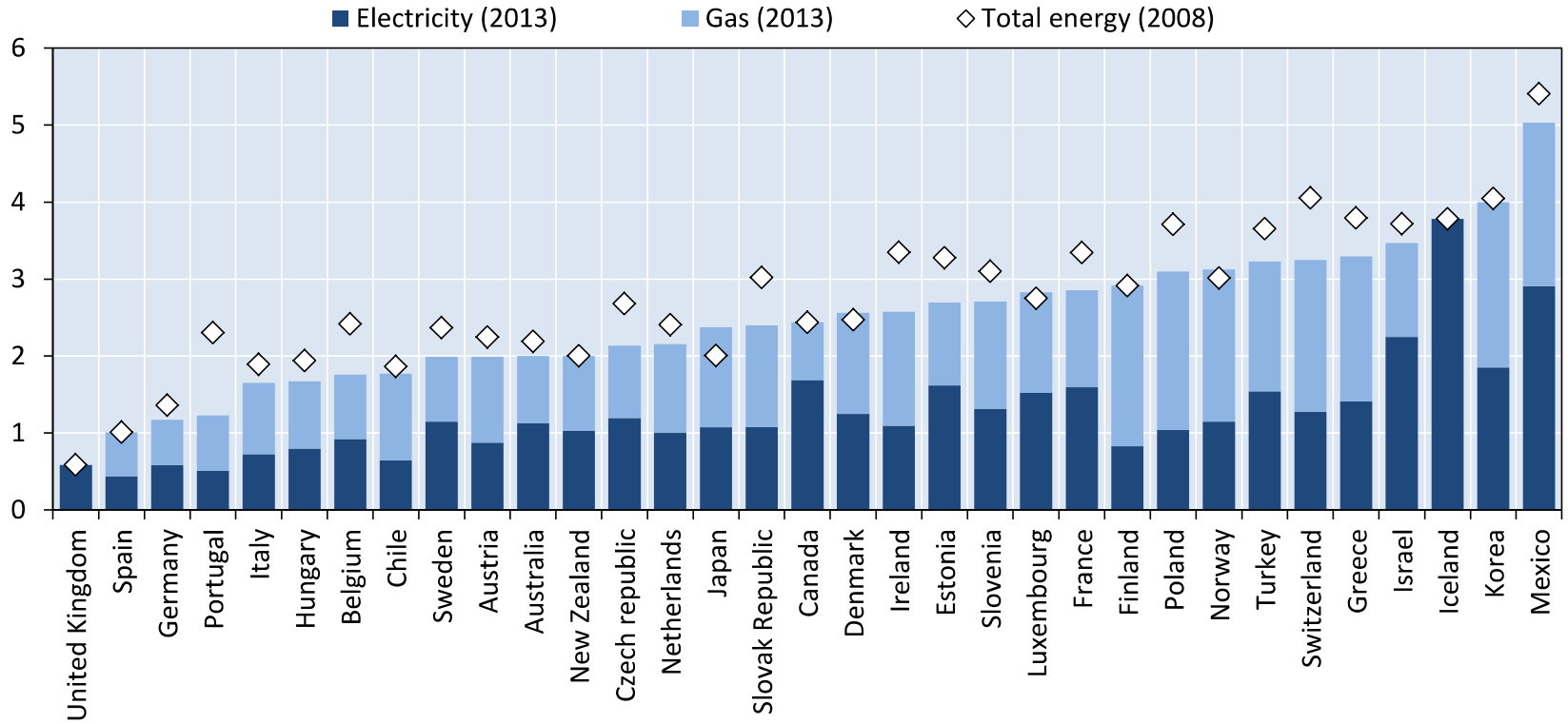


# OECD Product Market Indicator

Figure 10. Regulation of energy sectors

Index scale 0 to 6 from least to most restrictive

Panel A. OECD countries





# Need for competition policy

---

- Incumbents may have the ability and incentives to delay liberalisation
- Liberalisation is a process and needs to be accompanied by competition policy and enforcement to achieve optimal outcome
- Most common theories of harm:
  - Abuse of strategic underinvestment
  - Capacity access and hoarding / supply issues
  - Withholding of generation capacity
  - Long term/exclusive supply contracts
  - Failure to provide or late provision of technical information
  - Making access conditional on unrelated obligations