CEU Center for Network Science
CENTRAL EUROPEAN UNIVERSITY

SWITCHING BEHAVIOR AND ELECTRICITY RETAIL MARKET LIBERALIZATION

A TALK BY

MARTINA IORI

PhD Student in Economics, University of Turin & Collegio Carlo Alberto Turin / Visiting Student, CNS CEU

MONDAY, OCT 2, **1:30 P.M.** | NÁDOR U. 11., **ROOM 616**

ABSTRACT | The paper assesses the effects of the liberalization of the electricity retail market by providing the first account of the determinants of switching behavior. In the current study, we highlight the link between switching behavior and market concentration, which are considered as key factors for the assessment of the functioning of liberalized retail markets: a well-functioning market should exhibit high switching rates and low market concentration. In addition, according to the EU, a "well-functioning market" should also provide protection for more vulnerable consumers and requires regulations aimed at maintaining the desired level of service quality - i.e. security of energy supply. The understanding of consumer involvement and its relations with the supply side of the energy market is therefore focal for assessing market functioning. In order to understand how effective is "consumer pressure" toward competitiveness, it is necessary to define which are the actual drivers that trigger active behavior on the demand side. To this purpose, the current study covers the interplay between demand and supply by including market concentration and horizontal integration among the factors that drive the choice of consumers. We estimate the switching probability using a Bayesian mixed model in function of both individual and household variables.

BIO | Martina Iori is currently a third-year PhD candidate in Economics, curriculum Economics and Complexity, at the University of Turin and Collegio Carlo Alberto (Turin, Italy). She received her Master Degree in Theoretical Physics from the University of Turin, developing her thesis at the Statistical Physics group of the International School for Advanced Studies (SISSA) in Trieste. She held a Master of Arts in Economics and Complexity at Collegio Carlo Alberto, where she studied both standard economic theories and advanced computational techniques, commonly used in complex-system analysis.

In her PhD thesis, she investigates how methodologies as agent-based modelling, network analysis and machine learning are becoming more and more necessary to describe the current economic systems. In particular, her research focuses on two different systems: retail electricity market and scientific research.