



Volume 30, Issue 6, November 2008 ISSN 0140-9883

Energy Economics

CONTENTS

Special Issue: Technological Change and the Environment
Guest Editor: Karen Fisher-Vanden

Introduction to the special issue on technological change and the environment <i>K. Fisher-Vanden</i>	2731
Modeling endogenous technological change for climate policy analysis <i>K. Gillingham, R.G. Newell and W.A. Pizer</i>	2734
Endogenizing technological change: Matching empirical evidence to modeling needs <i>W.A. Pizer and D. Popp</i>	2754
Accounting for quality: Issues with modeling the impact of R&D on economic growth and carbon emissions in developing economies <i>K. Fisher-Vanden and I.S. Wang</i>	2771
Autonomous efficiency improvement or income elasticity of energy demand: Does it matter? <i>M. Webster, S. Paltsev and J. Reilly</i>	2785
Technical change and the marginal cost of abatement <i>E. Baker, L. Clarke and E. Shintu</i>	2799

Contents continued on the outside back cover

Includes the Journal of
Energy Finance and Development
Available online at www.sciencedirect.com
 ScienceDirect

Editors:
BENG W. ANG
RICHARD S.J. TOL
JOHN P. WEYANT

Associate Editors:
H. ASANO
I. BASHMAKOV
J.N. BLIGNAUT
S.P. BROWN
C. CARRARO
T. CONSIDINE
M. ESSAYYAD
K. FISHER-VANDEN
S.A. GABRIEL
R. GERLAGH
R.J. GREEN
L.A. GREENING
B.F. HOBBS
M. HOEL
W. HOGAN
B. JOHNSON
J. KEJUN
E. LEBRE LA ROVERE
C.-C. LEE
S.C. LITTLECHILD
A. MAEDA
K. NEUHOFF
R.G. NEWELL
D. POPP
S. RADCHENKO
K. REHDANZ
K. RIAHI
E. RONN
J. ROY
K. SCHNEIDER
Y. SMEERS
U. SOYTAS
I. SUE WING
S. WANG
M. WEBSTER

This article appeared in a journal published by Elsevier. The attached copy is furnished to the author for internal non-commercial research and education use, including for instruction at the authors institution and sharing with colleagues.

Other uses, including reproduction and distribution, or selling or licensing copies, or posting to personal, institutional or third party websites are prohibited.

In most cases authors are permitted to post their version of the article (e.g. in Word or Tex form) to their personal website or institutional repository. Authors requiring further information regarding Elsevier's archiving and manuscript policies are encouraged to visit:

<http://www.elsevier.com/copyright>

Contents lists available at [ScienceDirect](#)

Energy Economics

journal homepage: www.elsevier.com/locate/eneco

The unbundling regime for electricity utilities in the EU: A case of legislative and regulatory capture? ☆

S. van Koten*, A. Ortmann

CERGE-EI¹, P.O. Box 882, Politických veznu 7, 111 21 Praha 1, Czech Republic

ARTICLE INFO

Article history:

Received 12 February 2008

Received in revised form 1 July 2008

Accepted 2 July 2008

Available online 7 July 2008

JEL classification code:

K49

L43

L51

L94

L98

Keywords:

Electricity markets

Regulation

Vertical integration

Corruption

ABSTRACT

Theory and empirics suggest that by curbing competition, incumbent electricity companies which used to be, and here are referred to as, Vertically Integrated Utilities (VIUs), can increase their profitability through combined ownership of generation and transmission and/or distribution networks. Because curbing competition is generally believed to be welfare-reducing, EU law requires unbundling (separation) of the VIU networks. However, the EU allows its member states the choice between incomplete (legal) and complete (ownership) unbundling. There is tantalizing anecdotal evidence that VIUs have tried to influence this choice through questionable means of persuasion. Such means of persuasion should be more readily available in countries with a more corrupted political culture. This paper shows that among the old EU member states, countries which are perceived as more corrupt are indeed more likely to apply weaker forms of unbundling. Somewhat surprisingly, we do not obtain a similar finding for the EU member states that acceded in 2004. We provide a conjecture for this observation.

© 2008 Elsevier B.V. All rights reserved.

☆ We thank Libor Dusek, Randall Filer, Jan Hanousek, Peter Katuscak, Jan Kmenta, Thomas-Olivier Léautier, Jesse Rothenberg, Sergey Slobodyan, the participants at the EEA–ESEM 2007 conference, and two anonymous referees for their excellent comments. Financial support from the REFGOV Integrated project funded by the 6th European Research Framework Programme - CIT3-513420 is gratefully acknowledged.

* Corresponding author.

E-mail addresses: Silvester.VanKoten@cerge-ei.cz, SilvesterVanKoten@gmail.com (S. van Koten), andreas.ortmann@cerge-ei.cz (A. Ortmann).

¹ A joint workplace of the Center for Economic Research and Graduate Education, Charles University, Prague, and the Economics Institute of the Academy of Sciences of the Czech Republic.