

GENERAL INFORMATION

Course information	
Name	Wholesale and retail electricity markets
Code	WHO
Degree	Official Master's Degree in the Electric Power Industry (MEPI)
Year	2026-27
Semester	1
ECTS Credits	6
Type	Compulsory
Department	-
Area	Electric power systems regulation
Coordinator	Carlos Batlle & Pablo Rodilla

Instructor	
Name	Carlos Batlle
Company	ICAI
Area	Electrical Engineering Department
e-mail	Carlos.Batlle@comillas.edu
Tutoring hours	Contact with Professor

Instructor	
Name	Pablo Rodilla
Department	Institute for Research in Technology
Area	Energy Regulation and Economics
Office	
e-mail	Pablo.Rodilla@comillas.edu
Tutoring hours	Contact with Professor

DETAILED INFORMATION

Course context	
Contribution to the professional profile of the degree	
The overall objective of the course is that students get to know, understand and analyze the fundamental principles on which wholesale and retail markets for electricity are based.	
Pre-requirements	
Not binding requirements, but having passed the course "Regulation of the electric power industry" is more than advisable	

CONTENTS

Contents
Chapter 1: INTRODUCTION TO WHOLESALE AND RETAIL ELECTRICITY MARKETS
1.1 Introduction 1.2 Auction design for electricity markets 1.3 Market power in power markets 1.4 Markets for flexibility 1.5 Capacity Remuneration Mechanisms 1.6 Financial Transmission Rights 1.7 Regional wholesale markets issues
Chapter 2: POWER MARKETS OPERATORS
2.1 The Iberian Power Exchange: Market processes. 2.2 The Iberian Power Exchange: Day-ahead market. 2.3 The Iberian Power Exchange: Intraday market. 2.4 System Operator services in the Iberian market
Chapter 3: ROLES AND PROCESSES OF MARKET AGENTS IN POWER MARKETS
3.1 Front-office processes: Operation management 3.2 Front-office processes: Real-time markets 3.3 Middle-office processes: Structure and scope 3.4 Middle-office processes: Power and gas portfolio management 3.5 Managing a portfolio of power and gas assets in the Iberian Energy Market 3.6 The role of an energy trading company in the MIBEL
Chapter 4: RETAIL BUSINESS
4.1 Retailing: European scheme and business management 4.2 Retail business development 4.3 Retailing operative processes (i) 4.4 Future trends in retail markets
Chapter 4: POWER MARKETS: CASE EXAMPLES
5.1 Electricity markets in the EU 5.2 The first ten years of the Spanish electricity market liberalization 5.3 Long-term power market price analysis 5.4 Retail market perspective from consumers 5.5 Building a demand response strategy
Chapter 6: TERM TASKS DISCUSSION
6.1 Critical analysis of an electricity market current debate

Competences and learning outcomes

Competences

Basic Competences

CB3. Know how to evaluate and select the appropriate scientific theory and precise methodology of their field of study to make judgments based on incomplete or limited information including, where necessary and appropriate, a critical review on the social and ethical responsibilities linked to the solution proposed in each case

Specific Competences

CE9. Acquire a technical, economic and legal understanding of the power business in a liberalized context, from the perspective of the different agents acting in power markets: generators, market operators, retailers, traders, consumers and regulators.

CE10. Understand the role of consumers in wholesale and retail markets and the mechanisms implemented in perfect and imperfect electricity markets.

Learning outcomes

At the end of the course, the students will have to be able to:

- Assess and to select the most appropriate market design (both at the wholesale and retail level), considering its social and economic implications.
- Have a technical, economic and legal understanding and vision of power production markets and business, from the viewpoint of the different actors involved: generators, market operators, traders, consumers and regulators.
- Acquire an understanding of all wholesale markets in which the various energy products that are needed to support the power supply business are traded.
- Analyze in detail the operating rules needed for the technical and financial management of markets.
- Understand the retail market, the role played by each of the agents, the value added by supplying companies and the most appropriate strategies for risk management.
- Have knowledge of the consumer perspective in the wholesale and retail markets.
- Evidence their ability to leverage the potential of AI virtual assistants for learning and analytically developing their knowledge of the design and functioning of power markets.

TEACHING METHODOLOGY

General methodological aspects of the course

The teaching method is structured around a series of modules, covering the following aspects:

- Discussion of the fundamental theoretical principles of market design and functioning are presented.
- Detailed revision of the sequence of short-term generation markets.
- Analysis of the long-term markets and operations. Stakeholders representing the different players in long-term markets expose their role in these markets and describe their activities.
- Review of the main international experiences, covering the European, North American and Latin American markets.
- In depth analysis of the retail business, assessing the expected outcomes of retail liberalization and describing in detail the structure and processes of an electricity retailer.

The objective is that the knowledge gathered by the student in the course will allow him/her to analyze and operate in these markets. The course requires and encourages the active participation of the students, who are expected to take advantage of the opportunity to discuss with the key stakeholders about the way they perform their business activities.

The lectures in the class need to be complemented with personal homework of the student, and consequently it will be taken into consideration at the time of grading. The students have to complete an individual term task. The students are assigned a number of relevant topics being debated at the moment in which the course is running. They are expected to present the problem and enounce their judgment.

At the end of the semester, the students have to present their work and respond to the questions posed by the course professor and also by the rest of students. Both the quality of the arguments and the questions and discussions from the rest of the class are evaluated to get to the final grades.

Classroom Methodology: Activities	Competences
Lectures and class discussions/exams. Description of the course contents and open discussion of concepts. The students have also to try to respond to the numerous questions posed by the instructors throughout the lecture (58 hours).	CB3, CE4, CE5
Term paper discussion. The papers will be discussed with the instructors of the course in closed sessions with about 5 students each and between half and an hour duration per group, on the basis of a brief slide presentation to support the main points of the discussion raised by the student (2 hours).	CB3
Non-Classroom Methodology: Activities	Competences
Teaching resources require the active participation of the student. In addition, the classroom activity should be complemented by the individual student work performed out of class. Both aspects are taken into account in the evaluation method.	
Personal work of the student. Study of the course contents (60 hours).	CB3, CE9, CE10
Term task. Analysis of a relevant report discussing one of the timely debates regarding power market design. The student has to face her own research, in order to develop the ability to first investigate the current state of the discussion of a real case, and also to apply the critical skills acquired to build recommendations (60 hours).	CB3
Tutorial activities. Available according to the need of the student (10 hours)	CB3, CE9, CE10

EVALUATION ACTIVITIES AND GRADING CRITERIA

Evaluation activities	Grading criteria	Weight
<u>Tests</u> Exercises in the class (10%) 1 st mid-term test (25%) 2 nd mid-term test (20%)	Tests are a combination of short questions and a multi-option test. - Understanding of the theoretical concepts. - Application of concepts to the solution of practical problems. - Evidencing the ability to benefit from the support of virtual assistants	50%
<u>Participation in the class</u>	- Contribution to the class discussions	15%
<u>Term paper</u>	The term paper will be evaluated from two points of view: - The quality of the analysis itself, the clarity and comprehensiveness of the discussion developed. The soundness of the references used are also pondered. - The oral presentation of the work, the way the students build up their discussions, and their ability to back their proposals and to respond to the questions received.	35%

GRADING AND COURSE RULES

Grading

Regular assessment

- Theory accounts for 50%.
- Participation in the class grade accounts for 15%.
- Term paper accounts for 35%.

Retakes

The student has two periods of final evaluation during one academic year. The first one will be carried out at the end of course (end of the semester).

In case that this was not passed obtaining 5 or more points, the student has another opportunity of final evaluation at the end of the academic year. The dates of evaluation periods will be announced in the web page.

The student can opt for taking a new test to upgrade their grade in the theoretical part or to resubmit the term task to improve the first grade received.

Course rules

Class attendance is mandatory according to Article 93 of the General Regulations (*Reglamento General*) of Comillas Pontifical University and Article 6 of the Academic Rules (*Normas Académicas*) of the ICAI School of Engineering. Not complying with this requirement may have the following consequences:

- Students who fail to attend more than 15% of the lectures may be denied the right to present the term task during the regular assessment period.

Students who commit an irregularity in any graded activity will receive a mark of zero in the activity and disciplinary procedure will follow (cf. Article 168 of the General Regulations (*Reglamento General*) of Comillas Pontifical University).

WORK PLAN AND SCHEDULE¹

Session		In-class activities		Out-of-class activities		
#	hours	Lectures	hours	Self-study	hours	Term paper
1	2	Chapter 1: INTRODUCTION TO WHOLESALE AND RETAIL ELECTRICITY MARKETS	12	* Textbook: Chapter 7 and Chapter 12 * Slides		
2	2					
3	2					
4	2					
5	2					
6	2					
7	2	Chapter 2: POWER MARKETS OPERATORS	12	Slides		
8	2					
9	2					
10	2					
11	2					
12	2					
13	2	Chapter 3: ROLES AND PROCESSES OF MARKET AGENTS IN POWER MARKETS	12	Slides	60	Term task
14	2					
15	2					
16	2					
17	2					
18	2					
19	2	Chapter 4: POWER MARKETS: CASE EXAMPLES	12	Slides		
20	2					
21	2					
22	2					
23	2					
24	2					
25	2	Chapter 5: RETAIL BUSINESS	10	* Textbook: Chapter 9 * Slides		
26	2					
27	2					
28	2					
29	2					
30	2					

SUMMARY OF WORKING HOURS OF THE STUDENT			
CLASSROOM HOURS			
Lectures	Exams	Term paper discussions	
56	2	2	
NON-CLASSROOM HOURS			
Personal work of the student	Term task	Tutorial activities	
60	60	10	
ECTS CREDITS:			6 (180 hours)

¹ This schedule is tentative and may vary to accommodate the rhythm of the class.

BIBLIOGRAPHY AND RESOURCES

Bibliography

Readings

- Body of Knowledge on Infrastructure Regulation
 - <http://regulationbodyofknowledge.org/>
- Stoft, S., 2002. Power System Economics, Wiley-IEEE Press.
- Joskow, P. L., 2003. "The difficult transition to competitive electricity markets in the U.S." May 2003. Available at <http://dspace.mit.edu/handle/1721.1/45001>.
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- Evolution of Global Electricity Markets. New paradigms, new challenges, new approaches. F. Sioshahi Ed., Academic Press, 2013.
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- Competitive electricity markets: design, implementation, performance. Ed.
- www.iit.upcomillas.es/batlle/Publications.html
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 - Rodilla, P. & Batlle, C. 2010. "Security of electricity supply at the generation level:

problem analysis”. Working Paper IIT-10-027A, Energy Policy, vol. 40, pp. 167.185.

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- Batlle, C., Mastropietro, P., Rodilla, P., Pérez-Arriaga I.J., 2014. The system adequacy problem: lessons learned from the American continent. Capacity Mechanisms in the EU Energy Market: Law, Policy, and Economics. ISBN 978-0-19-874925-7.