Deregulation of the electric power industry has had mixed success in the USA, and many people are seriously questioning the desirability of continuing with this process. High prices in the Californian spot market in the Summer, 2000, for example, have led to government intervention to reduce customers’ bills in San Diego. In contrast, the high price volatility that was experienced in Pennsylvania, New Jersey and Maryland (PJM) market in Summer, 1999, was not repeated in Summer, 2000. These contrasting situations illustrate the importance of learning more about the performance of markets for electricity and the behavior of the players in these markets.

The nature of supplying electric power to customers is more complicated than it is for many commodities. Customers want to purchase real power but other ancillary services, such as generating reserves and voltage support, must also be provided to make the supply reliable (e.g., avoid blackouts). In this Minitrack, a collection of 10 papers discuss various aspects of the markets for real power and ancillary services, including financial hedges against uncertainty. Since there are major differences in the fundamental structures of the deregulated markets for electricity in different regions, the objectives of this Minitrack are to discuss the structures of different markets, and to identify specific features that lead to good and bad performance of a market.