

ELECTRICITY CAPACITY MARKETS

Initially created as afterthoughts to competitive electricity markets, capacity markets were intended to enhance system reliability. They have evolved into massive, highly controversial, and poorly understood billion-dollar institutions. *Electricity Capacity Markets* examines the rationales for creating capacity markets, how capacity markets work, and how well these markets are meeting their objectives. This book will appeal to energy experts and non-experts alike, across a range of disciplines, including economics, business, engineering, public policy, and law. Capacity markets are an important and provocative topic on their own, but they also offer an interesting case study of how well our energy systems are meeting the needs of our increasingly complex society. The challenges facing capacity markets – harnessing market forces for social good, creating networks that manage complexity, and achieving sustainability – are very much core challenges for our twenty-first century advanced industrial society.

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Cambridge University Press
978-1-108-48965-2 — Electricity Capacity Markets
Todd S. Aagaard , Andrew N. Kleit
Frontmatter
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UNIVERSITY PRESS

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CAMBRIDGE UNIVERSITY PRESS

University Printing House, Cambridge CB2 8BS, United Kingdom
One Liberty Plaza, 20th Floor, New York, NY 10006, USA
477 Williamstown Road, Port Melbourne, VIC 3207, Australia
314-321, 3rd Floor, Plot 3, Splendor Forum, Jasola District Centre,
New Delhi – 110025, India
103 Penang Road, #05-06/07, Visioncrest Commercial, Singapore 238467

Cambridge University Press is part of the University of Cambridge.

It furthers the University's mission by disseminating knowledge in the pursuit of education, learning, and research at the highest international levels of excellence.

www.cambridge.org
Information on this title: www.cambridge.org/9781108489652
DOI: 10.1017/9781108779159

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First published 2022

A catalogue record for this publication is available from the British Library.

ISBN 978-1-108-48965-2 Hardback
ISBN 978-1-108-74742-4 Paperback

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