

We describe a single-period vector autoregressive model with parameter restrictions and find a consistent estimator of the parameters. We apply several restricted models to electricity prices in two markets. The datasets are comprised of the settlement prices of day-ahead auctions in which market participants bid on next day's electricity deliveries in 24 separate hourly blocks. We therefore model the data as a time series in \mathbb{R}^{24} . To avoid overfitting we crossvalidate all models using sliding windows of training and testing data. We find that simple models perform better because they are more resilient in volatile periods than more comprehensive models. We suggest that model performance could be improved by incorporating exogenous data, such as weather conditions.