

Report on Bachelor / Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

Student:	Stepan Krska
Advisor:	Karel Janda
Title of the thesis:	Current Situation on the Czech Electricity Market: with an Emphasis on the Fourth Regulatory Period of the Czech Energy Regulatory Office

OVERALL ASSESSMENT *(provided in English, Czech, or Slovak):*

This is a report of thesis advisor provided by thesis advisor Karel Janda.

Despite the rather unattractive title, the evaluated thesis is actually quite a nice paper on regulation with application to the Czech energy market.

While the work on the thesis started as essentially institutionally descriptive paper with some empirical application, during numerous revisions of the paper nicely relevant theoretical review chapter 2 was developed. This is particularly valuable since the student was not able to take advantage of any sufficiently relevant theoretical class on regulation being offered to him at IES.

The comparative advantage of Stepan Krska and his diploma thesis is a good working knowledge of institutional and legal details of the Czech and European energy regulation. This knowledge is utilized especially in chapters 3-5.

The chapters 1-5 would by themselves provide for a good, perfectly defensible thesis. The additional material in chapters 6 and 7 therefore further improves the evaluation of the thesis. In these 2 chapters the author uses a well established benchmarking method to evaluate cost efficiency of the Czech energy distribution system operators. While the author shows an ability to take well established approaches of data envelopment analysis and stochastic frontier analysis and to apply them to his data, we have to note that the results of this empirical analysis exercise are not as persuasive as were the original studies from which these approaches were adopted. A major weaknesses of the presented empirical chapters 6-7 are data deficiencies (not enough data) and sufficient policy relevance of the obtained results.

I have to appreciate the effort of Stepan Krska during numerous revisions of particular parts of his diploma thesis. During these revisions significant improvements of the particular sections of the thesis and of the thesis as a whole were achieved.

The diploma thesis considers an important and interesting topic. It has sufficient theoretical underpinning, excellent understanding of the analysed subject matter and it uses well established methods and approaches used both in academic literature and in the regulation practice.

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During the defense the author should justify why anybody outside the Czech Republic would care about the results of his empirical benchmarking exercise. Which significant changes does he author predict in the next Czech regulatory period?

I recommend the thesis for defense.

I recommend the grade 1 (Excellent).

SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY	POINTS
Literature (max. 20 points)	18
Methods (max. 30 points)	25
Contribution (max. 30 points)	22
Manuscript Form (max. 20 points)	18
TOTAL POINTS (max. 100 points)	83
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: Karel Janda

DATE OF EVALUATION: June 13, 2014

Karel Janda

Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

Strong Average Weak
20 10 0

METHODS: *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

Strong Average Weak
30 15 0

CONTRIBUTION: *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

Strong Average Weak
30 15 0

MANUSCRIPT FORM: *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

Strong Average Weak
20 10 0

Overall grading:

TOTAL POINTS	GRADE		
81 – 100	1	= excellent	= výborně
61 – 80	2	= good	= velmi dobře
41 – 60	3	= satisfactory	= dobře
0 – 40	4	= fail	= nedoporučuji k obhajobě