

Abstract

This thesis examines the impacts of liberalization of electricity market. The first part of this work provides theoretical overview of the liberalization process and electricity market design in Czech Republic. To understand how the European wholesale markets are integrated, I have performed correlation analysis of daily spot prices on selected power exchanges. On the basis of this analysis I confirmed that selected power exchanges are on different levels of integration and have higher dependency on regional level. The second part of the empirical part is focused on the impact of competition on Czech retail market. The objective was to show that liberalization and following increase of competition in electricity market result into decrease of retailers' gross profit margins in the segment of households with ordinary consumption. The last part of this work is focused on the measurement of market power using the most famous methods of measuring market power, such as Lerner index and Herfindahl-Hirschman index. My calculations indicate that while market concentration has decreased in the long run, since 2012 it is slightly increasing. I have also learned that selected retailers are on similar level of market power. This work fills the gap in literature focusing on the issue of measuring market power and market concentration of Czech electricity market.