Index

Advisory Management Board 14
Africa 85
agriculture, UK, and carbon emissions 209, 210
Algeria, gas in 73, 83, 84
aluminium industry, UK, emission reduction 216
Argentina, gas in 73
Australia 18, 38, 82, 83, 84
electricity in 38
gas in 82, 83, 84
New South Wales comparative analysis 18
Austria, gas in 75, 83, 84, 85
Avenis 63–4
Axp 63
Balancing and Settlement Code (BSC) 10
Belgium, gas in 73, 75, 83, 84
benchmarking versus yardstick competition 52–5
Beveridge, William 176
Bogetoft mechanism 40–42, 53–4, 58
see also Schleifer mechanism
Bös and yardstick competition 55
Bosnia-Herzegovina, gas in 83, 84, 85
brick industry, UK, emission reduction 216
British Coal 90, 91, 92–3
British Gas 2–3, 4, 7
BSC (Balancing and Settlement Code) 10
Bulgaria, gas in 83, 84
Burns and Weyman-Jones comparative efficiency study 57
Canada, gas in 73, 74, 83, 84, 85
carbon dioxide emissions developing countries decomposition in 193–6
and income relationship 189–96
possible growth in 198–201
and environmental Kuznets curves 175–205
industrialized countries decomposition in 185–9
and income relationship 179–85
patterns of growth in 196–8
Kaya identity and 185–9, 193–6, 197, 199
targets, UK see UK, emissions targets
CCGT (combined cycle gas turbine) stations 7, 8, 92, 93, 182
CCL (Climate Change Levy) 208, 210–12
CDM (Clean Development Mechanism) projects 200
CEGB (Central Electricity Generating Board) 5, 7, 9
cement industry, UK, emission reduction 216
Centrica 4
ceramics industry, UK, emission reduction 216
chemicals industry and carbon emissions 209, 210
emission reductions 216
China
carbon dioxide emissions growth trends 198–201
and income 189, 190, 193 per capita 189, 198
GDP 194, 195
population 194, 196
primary energy intensities 193, 194, 195 use 190
Clean Development Mechanism (CDM) projects 200
Climate Change Levy (CCL) 208, 210–12
cluster developments, UK continental shelf 102–39
Central North Sea 105, 106, 138
economies of scale, potential 105–18
infrastructure costs, sharing common 133–7
Irish Sea 138
Northern North Sea 105, 106, 138
PILOT, Undeveloped Fields Group 138
risk sharing with 118–33
Southern North Sea 103–5, 138
West of Scotland 105, 108
CO₂ emissions see carbon dioxide emissions
coal
China 190, 193
Germany 182, 184
India 191, 193
Indonesia 192, 193
UK and carbon dioxide emissions 180 in competitive energy markets, UK 88–94
delay of 88–9
economic fundamentals, adverse 93–4
free market forces 91–2
NCB (National Coal Board) 89, 91
nuclear power threat to 91–2
NUM (National Union of Mineworkers) 89–90, 91
oil price collapse 91
as primary energy use 181, 182
privatization 92–3
strike defeat 90–91
Thatcherite political agenda for 89–92
trends, long-term 88–9
US, as primary energy use 182, 183
COLS (corrected ordinary least squares analysis) 37, 49–50
commerce, UK, and carbon emissions 209, 210
comparative efficiency studies 57
competition, yardstick, and comparative performance measures see yardstick competition
Competition Act 1998 14
Comprehensive Spending Review, Spring 2000 222
Consignia 32
construction industry, UK, and carbon emissions 209, 210
consumer tastes, changes in, and energy demand 142–3
Czech Republic, gas in 83, 84
Dargay (1992) energy demand study 169
dash for gas see CCGT
DEA (data envelopment analysis) electricity industry 35, 37, 40, 42–52, 55, 57
gas industry 77–9, 80, 82, 83
water industry 19, 21–2
Denmark, gas in 75, 83, 84
developing countries and carbon dioxide emissions see carbon dioxide emissions
DGES (Director General of Electricity Supplies) 5
DGFT (Director General of Fair Trading) 2, 3, 5, 14
DGGS (Director General of Gas Supplies) 1, 2, 4
disadvantaged groups, UK 15
Drinking Water Inspectorate 19
DTe (Netherlands Electricity Regulatory Service) 25
DTI 8
dual fuel contracts 6, 14
Eastern Group 8
efficiency studies, comparative 57
EKC (environmental Kuznets curve) see carbon dioxide emissions
electrical engineering, UK, and carbon emissions 209, 210
electricity
Australia 38
CCGT (combined cycle gas turbine) stations 7, 8, 92, 93, 182
China 190, 193
and coal production see coal
comparative efficiency studies 56–8
distribution, efficiency benchmarking in, and yardstick competition 35–60
Index

efficiency, comparative, methods for measuring 36–7
from France 8
gas-fired plants 7, 8, 92, 93, 182
Germany 182, 184
India 191, 193
Indonesia 192, 193
Netherlands see Netherlands
Norway see Norway
performance measures see yardstick competition
productivity measurement 36–7
from Scotland 8
Sweden 57
Switzerland see Switzerland
UK see UK
US 182, 183
yardstick competition and efficiency benchmarking see yardstick competition
Electricity Act 1989 1, 4, 12, 14
EML (Electricity Market Law), Switzerland 65–6
energy demand trends, modelling underlying see UEDT
energywatch (Gas and Electricity Consumer Council) 14, 23
Environment Business 206, 222
Environmental Kuznets Curves (EKC) and long-run carbon dioxide emissions see carbon dioxide emissions
ERM (Environmental Resources Management) 215–20
Estonia, gas in 83, 84
ETS (Emissions Trading Scheme), UK 206–7, 215–20, 222
ETSU (Energy Technology Support Unit), savings supply curves 214–15
European Union 74–5, 81–2, 85, 99 see also individual countries
Fair Trading Act 1973 2, 3
FDH (free disposal hull) frontier 43–4, 46, 49, 50, 51, 52
Federal Trade Commission 99
FERC (Federal Energy Regulatory Commission) 74
ferrous metals industry, UK, emission reduction 216
Filippini, Massimo 61–72
Finland, gas in 73, 75, 83, 84
food, drink and tobacco industry, and carbon dioxide emissions 209, 210
foundries, non-ferrous, UK, emission reduction 216
Fouquet, Roger 175–205
Forsund and Kittelson comparative efficiency study 57
France electricity from 8
gas in 73, 75, 83, 84, 85
Franzén and Sterner (1995) energy demand study 169
frontier analysis COLS (corrected ordinary least squares analysis) 37, 49–50
DEA (data envelopment analysis) see DEA
SDEA (stochastic data envelopment analysis) 37, 52
SFA (stochastic frontier analysis) 37, 50, 57, 58, 77–8
gas Algeria 73, 83, 84
Argentina 73
Australia see Australia
Austria 73, 83, 84, 85
Belgium 73, 75, 83, 84
Bosnia-Herzegovina 83, 84, 85
Bulgaria 83, 84
Canada 73, 74, 83, 84, 85
China 190, 193
Czech Republic 83, 84
Denmark 75, 83, 84
efficiency and performance in 73–87 for electricity generation 7, 8, 92, 93, 182
Estonia 83, 84
features, distinguishing 75–6
Finland 73, 75, 83, 84
France 73, 75, 83, 84, 85
Germany see Germany
Greece 75
Hungary 73, 83, 84, 85
India 191, 193
gas (continued)

Indonesia 192, 193
Iran 83, 84, 85
Ireland 75, 82, 83, 84
Italy 73, 75, 83, 84
Japan 73, 74, 82, 83, 84
Korea 73, 74, 82, 83, 84
Latvia 83, 84, 85
Lithuania 83, 84
Luxembourg 75
Malaysia 82, 83, 84
Netherlands see Netherlands
New Zealand 83, 84
Poland 83, 84, 85
Portugal 75
Romania 83, 84
Russia 73, 76, 80
Spain 73, 75, 83, 84, 85
Sweden 57, 75, 83, 84, 85
Thailand 82, 83, 84
Tunisia 83, 84
UK see UK
US see US
Yugoslavia 83, 84
Gas Act 1986 1, 2, 3, 12, 14
Gas Act 1995 4, 14, 74
Gas Directive 1998 75
Gas and Electricity Consumer Council (energywatch) 14, 23
Gas and Electricity Markets Authority 14
Germany
carbon dioxide
decomposition of emissions 187
emissions
and income 182, 184
per capita 182, 198
growth, patterns of 196–8
carbon intensities 187
gas in 73, 75, 83, 84, 85
GDP 187–8
population growth 189
primary energy
intensities 187, 188
use 182, 184
glass industry, UK, emission reduction 216
Great Britain see UK
Greece, gas in 75
greenhouse gas emissions, UK 200,
206–23
see also carbon dioxide emissions
Hawdon, David 73–87
Hjalmarsson and Vederpass comparative efficiency study 57
Hodgson and Miller (1995) energy demand study 161
Holland see Netherlands
Hungary, gas in 73, 83, 84, 85
Hunt, Lester C. 140–74
IIP (Information and Incentives Project) 22, 27, 53, 54
Incentives Working Group 207
India
carbon dioxide emissions
and income 189–96
per capita 191, 193, 198
growth trends 198–201
carbon intensities 194
GDP per capita 194, 195
population 194, 196
primary energy intensity 194, 195
use 191
Indonesia
carbon dioxide emissions
and income 189–96
per capita 192, 193, 198
growth trends 198–201
carbon intensities 194
GDP 194, 195
population 194, 196
primary energy intensities 194, 195
use 192
industrialized countries and carbon dioxide emissions see carbon dioxide emissions
Information and Incentives Project (IIP) 22, 27, 53, 54
IPPC (Integrated Pollution Prevention and Control) 207
Iran, gas in 83, 84, 85
Ireland, gas in 75, 82, 83, 84
iron and steel industry, UK, emission reductions 216
Italy, gas in 73, 75, 83, 84

Japan
carbon dioxide emissions
and income 182, 185
per capita 182, 185, 198
growth, patterns of 196–8
carbon intensities 187
gas in 73, 74, 82, 83, 84
GDP 187–8
population growth 189
primary energy intensities 187, 188
use 185, 186
Judge, Guy 140–74

Kaya identity and carbon dioxide emissions 185–9, 193–6, 197, 199
Kemp, Alexander G. 102–39
Khumbakar and Hjalmarsson comparative efficiency study 57
Korea, gas in 73, 74, 82, 83, 84
KS (Kolmogrov-Smirnov) test 79, 80, 81, 82
Kuwait, oil industry in 98, 101
Kuznets curves, environmental, and carbon dioxide emissions see carbon dioxide emissions
Kyoto Protocol targets 200, 206
Latvia, gas in 83, 84, 85
Lithuania, gas in 83, 84
Luxembourg, gas in 75

Malaysia, gas in 82, 83, 84
manufacturing industry, UK, and carbon emissions 209, 210
Marshall, Eileen 1–16
mechanical engineering, UK, and carbon emissions 209, 210
metals industry, UK, and carbon emissions 209, 210
mineral products, UK and carbon emissions 209, 210
emission reduction 216

mining industry, UK, and carbon emissions 209, 210
Monopolies and Mergers Commission (MMC) 2, 3–4, 12
Monte Carlo analysis 118, 119, 120, 178

National Grid Company (NGC) 5, 9, 10
National Power 7, 8
NCB (National Coal Board) 89, 91
NERA (National Economic Research Associates) 20, 21–2
NETA (new electricity trading arrangements) 1, 7–11
Netherlands
electricity regulation 25, 26
energy regulation, comparative analysis in 18
gas in 73, 75, 82, 83, 84
yardstick performance measures 38, 51, 52–3
New South Wales and comparative analysis of gas companies 18
New Zealand, gas in 83, 84
NGC (National Grid Company) 5, 9, 10
Ninomiya, Yasushi 140–74
North Sea
field cluster developments see cluster developments
gas 2, 73
see also UK, continental shelf
Norway
electricity regulation 24–5, 26
energy regulation, comparative analysis in 18, 57
gas production 73
NVE (Norwegian Water Resources and Energy Administrator) 24
nuclear power 7, 8, 73, 91–2
NUM (National Union of Mineworkers) 89–90, 91
NVE (Norwegian Water Resources and Energy Administrator) 24

Offer (Office of Electricity Regulation Offer) 8, 10, 12, 14
Ofgas (Office of Gas Supply) 2, 3, 4, 12, 14, 74
Ofgem (Office of Gas and Electricity Markets) and competition 74
electricity service standards 23, 27, 53, 57
formation of 14
pooled electricity prices 8, 10–11
reviews assessment 21–2
surveys 6, 19
OFT (Office of Fair Trading) 2–3
Oftel (Office of Telecommunications) 26
Ofwat (Office of Water Services) 19, 20, 21–2, 26
oil
carbon dioxide emissions 180, 209, 210
China 190, 193
Germany 182, 184
India 191, 193
Indonesia 192, 193
price collapse 91
UK 181, 182
and carbon dioxide emissions 209, 210
continental shelf and field cluster developments see cluster developments
transport demand 162–9
US 182, 183
and vertical integration 95–101
paper industry, UK
and carbon emissions 209, 210
emission reduction 216
Parker, Mike J. 88–94
Pearson, Peter J.G. 175–205
performance measures, comparative, and yardstick competition see yardstick competition
petroleum see oil
PGA (productivity growth accounting) 36–7
plastics and rubber industry, UK
and carbon dioxide emissions 209, 210
emission reduction 216
Poland, gas in 83, 84, 85
Pollitt comparative efficiency study 57
Pool, electricity 5, 7, 8, 9, 10, 11
Portugal, gas in 75
postal industry, performance measures, UK 17–18, 32–3
Postcomm (Postal Services Commission) 32
power industry, UK, and carbon emissions 209, 210, 212–13
Powergen 7, 8
productivity growth accounting (PGA) 36–7
public sector, UK and carbon emissions 209, 210
railways
performance measures 17–18, 23–4, 31
Railtrack 23
Strategic Rail Authority (SRA) 23–4, 26, 31
REC (Regional Electricity Companies) 5, 6, 7, 8
RJB Mining 93
Robinson, Colin 17, 26, 35, 85, 140, 175–6
Romania, gas in 83, 84
Rosewell, Bridget 206–23
Royal Mail 32
Russia, gas in 73, 76, 80
Salvanes and Tjotta comparative efficiency study 57
Schleifer mechanism 38–40, 53–4, 55, 61, 67
see also Bogetoft mechanism
Scotland, electricity from 8
SDEA (stochastic data envelopment analysis) 37, 52
sewerage see water
SFA (stochastic frontier analysis) 37, 50, 57, 58, 77–8
Shuttleworth and yardstick competition 54–5
Sizewell B power station 92
Smith, Laurence 206–23
Spain, gas in 73, 75, 83, 84, 85
SRA (Strategic Rail Authority) 23–4, 26, 31
STAMP software package 152
Index

Stephen, Linda 102–39
Stevens, Paul 95–101
Strategic Rail Authority (SRA) 23–4, 26, 31
Sweden, gas in 57, 75, 83, 84, 85
Swiss Citypower 63
Switzerland, electricity
  EML (Electricity Market Law) 65–6
  market structure 62–4
  and regulation of distribution prices 61–72
  regulation structure 64–5
  yardstick competition 67–70
tests
  likelihood ratio tests (LR) 153–4, 162, 166
  t-test 79, 80, 81, 82
Telecommunications Act 1983 12
telecoms, performance measures 32
textiles, leather and clothing industry, UK
  and carbon dioxide emissions 209, 210
  emission reductions 216
Thailand, gas in 82, 83, 84
Thatcher, Margaret 88–91, 94
Tilley and Weyman-Jones, comparative efficiency study 57
Transco 30, 74
Tunisia, gas in 83, 84
UEDT (underlying energy demand trend)
  with cointegration technique 149
  and consumer tastes 142–3
  economic structure, change in 143
  income elasticity, effect of 147, 148, 149, 159, 161–2, 168–9
  income increases 142
  methodology 149–69
  modelling 140–74
  negative 144–9
  and output increases 142
  positive 144–9
  price elasticity, effect of 144, 145, 146, 159, 161–2, 168–9
  price rises, sustained 142
  structural time-series model 149–53
  ‘technical progress’ and 141–9
time trends, utilizing 143–4
transport oil demand 162–9
whole economy aggregate energy demand 154–62
UK
  benchmarking versus yardstick competition 54–5
  see also yardstick competition
carbon dioxide
  decomposition of emissions 186–7
emissions
  and income 179–82
  per capita 179–80, 198
growth, patterns of 197
carbon intensities 187
coal in competitive energy markets
  see coal
  compensation and service quality 17–18
continental shelf and field cluster developments see cluster developments
disadvantaged groups 15
electricity
  BSC (Balancing and Settlement Code) 10
  and carbon emissions 212–13
  CCGT (combined cycle gas turbine) stations 7, 8, 92, 93, 182
CEGB (Central Electricity Generating Board) 5, 7, 9
  competition, retail supply 4–6
  ‘dash for gas’ see CCGT
DGES (Director General of Electricity Supplies) 5
direct debit customers 6
distribution information and incentives project 22, 27
distribution price review 21
distribution standards 28
distribution and supply, separating 22–3
dual fuel contracts 6, 14
energywatch (Gas and Electricity Consumer Council) 14, 23
Gas and Electricity Markets Authority 14
generation, competition in 7–9
UK (continued)

IIP (Information and Incentives Project) 22, 27, 53, 54
market power 11
metering standards 30
National Power 7, 8
NETA (new electricity trading arrangements) 1, 8–9, 10–11
NGC (National Grid Company) 5, 9, 10
nuclear power 7, 8, 73, 91–2, 182
Offer (Office of Electricity Regulation Offer) 8, 10, 12, 14
Ofgem (Office of Gas and Electricity Markets) see Ofgem
oil-fired plants 7
Pool 5, 7, 8, 9, 10, 11
Powergen 7, 8
pressurized water reactors 91–2
price controls 6, 8, 9, 23, 36
as primary energy use 181, 182
privatization programme 11–15
REC (Regional Electricity Companies) 5, 6, 7, 8
regulatory regime 4–6, 11–15 from Scotland 8
small business customers 6
supply standards 27, 28, 29
trading arrangements, new 7–11
emissions targets 206–23
abatement costs, estimation of 213–14, 216–17
CCL agreements 210–12
CCL negotiated agreement, impact of 210–11, 217–18
ERM (Environmental Resources Management) 215–20, 221
ETSU, savings supply curves 214–15
incentive type 217–18
model for 207–20
power generation sector 212–13
energy consumption data and UEDT 170
demand trends, modelling underlying 140–74
prices and UEDT 171
ERM (Environmental Resources Management) 215–20
ETS (Emissions Trading Scheme) 206–7, 215–20, 222
gas
British Gas 2–3, 4, 7
carbon dioxide emissions 180
CCGT (combined cycle gas turbine) stations 7, 8, 92, 93, 182
competition, retail supply 1–4
continental shelf and field cluster developments see cluster developments
‘dash for gas’ see CCGT
DGGS (Director General of Gas Supplies) 1, 2, 4
direct debit customers 4
distribution and supply, separating 22–3
dual fuel contracts 6, 14
efficiency measurement 82, 83, 84, 85
and electricity generation 7, 8, 92, 93, 182
energywatch (Gas and Electricity Consumer Council) 14, 23
export of 73
Gas and Electricity Markets Authority 14
metering standards 30
offshore 2, 7
Ofgas (Office of Gas Supply) 2, 3, 4, 12, 14, 74
Ofgem (Office of Gas and Electricity Markets) see Ofgem
performance measures 17–18
policy developments 74–5
price control 3, 4
as primary energy use 181, 182
privatization programme 11–15
regulatory regime 1–4, 11–15
supply standards 27
Transco 30, 74
transporters, standards for 27, 28–9
GDP 171, 187–8
greenhouse gas emissions 200, 206–23
see also carbon dioxide emissions
nuclear power 7, 8, 73, 91–2
Index

population growth 189
postal industry, performance measures 17–18, 32–3
primary energy intensities 186, 187, 188
use 181
railways, performance measures 17–18, 23–4, 31
transport oil demand 162–9
UEDT (underlying energy demand trends) see UEDT
water see water
woodfuel as primary energy use 181, 182
Ukraine, gas in 83, 84
underlying energy demand trend (UEDT) see UEDT
US carbon dioxide emissions
and income 182, 183
per capita 182, 183, 198
growth, patterns of 196–8
carbon intensities 187
CO₂ Information and Analysis Center 176
compensation and service quality 17
electricity, as primary energy use 182, 183
gas, as primary energy use 182, 183
gas industry 73, 74, 80
GDP 187–8
population growth 189
primary energy intensities 187, 188
use 182, 183
regulatory system 12–13, 51
Utilities Act 2000 1, 5, 11, 14–15, 23
vehicles, UK, and carbon emissions 209, 210
Venezuela, oil industry in 98, 100–101
Waddams Price, Catherine 17–34
water industry, UK
and carbon emissions 209, 210
performance measurement 17–18, 19–22, 30–31
Welsch energy demand study (1989) 161
Westoby and Pearce energy demand study (1984) 161
Weyman-Jones, Thomas 35–60
Wild, Jörg 61–72
woodfuel, as primary energy source, UK 181, 182
yardstick competition 17–34
and comparative performance measures 38–42
and efficiency benchmarking in electricity distribution 35–60
in Switzerland 67–70
versus benchmarking 52–5
Yugoslavia, gas in 83, 84
Zhane and Bartels comparative efficiency study 57