

SEMINARIO

OPTIMIZACIÓN Y EQUILIBRIO

Expositor

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Title:

An adverse selection approach to power pricing

Abstract:

We study the optimal design of electricity contracts among a population of consumers with different needs. This question is tackled within the framework of Principal-Agent problem in presence of adverse selection. The particular features of electricity induce an unusual structure on the production cost, with no decreasing return to scale. We are nevertheless able to provide an explicit solution for the problem at hand. The optimal contracts are either linear or polynomial with respect to the consumption.

Whenever the outside options offered by competitors are not uniform among the different type of consumers, we exhibit situations where the electricity provider should contract with consumers with either low or high appetite for electricity.

Miércoles 02 de Agosto a las 16:30 hrs, sala de seminarios Multimedia, sexto piso de la torre Norte.

