

# Erik Lundin

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## Employment

2016 - | Postdoctoral researcher, Research Institute of Industrial Economics

## Education

2016 | Ph.D. in Economics, Stockholm School of Economics  
2014-2015 | Visiting scholar at the Program on Energy and Sustainable Development, Stanford University  
2008 | MA in Economics, Stockholm University  
2006-2007 | Visiting student, Universidade Nova de Lisboa

## Scholarships and Grants

2015 | "Price areas, price formation and competition", program grant from the Swedish Competition Authority  
2013-2014 | Hedelius Scholarship for doctoral studies at Stanford University, Jan Wallander and Tom Hedelius Research Foundation  
2010-2012 | Graduate Scholarship, Stockholm University  
2010 | Future Energy Leaders travel scholarship, World Energy Council

## Fields of Specialization

Empirical Industrial Organization, Energy Economics, Electricity Restructuring

## Job Market Paper

"Market Power and Joint Ownership: Evidence from Nuclear Plants in Sweden"

**Abstract:** This paper presents an empirical test of the anticompetitive effects of joint ownership, by examining the operation of three nuclear plants in Sweden. Since maintenance is the main conduit explaining the variation in output, I formulate a model of intertemporal choice in which firms choose how to allocate a given amount of maintenance within each year. Using data on production and bidding curves on the day-ahead market, I test the model against data given three behavioral assumptions: Unilateral profit maximization; joint profit maximization; and a social planner. Modeling

for joint profit maximization best matches data, indicating that joint ownership has facilitated coordination of maintenance decisions. Terminating the joint ownership and modeling for unilateral profit maximization would lead to a 5 percent decrease in prices and a 6 percent decrease in system production costs. I identify supply shocks in intermittent production as an important determinant of the incentives to exercise market power. Therefore, the mechanisms discussed in this paper should be of relevance also in other electricity markets where the share of intermittent production is increasing. As a motivation for the structural exercise, I use a difference-in-differences estimator to identify a shift in the allocation of maintenance towards the winter season (when demand and prices are peaking) at the time of the introduction of the joint ownership. This is in line with the results from the structural model, as the ability to influence the price is also higher during the winter season.

## Working Papers

“Price Mimicking under Cost-of-Service Regulation: The Swedish Water Sector”

**Abstract:** This study provides the first empirical test of strategic interactions in the pricing decisions of regulated utilities. Since publicly owned water utilities in Sweden are governed by a cost-of-service regulation, prices in neighboring municipalities should not affect the own price other than through spatially correlated cost factors. In contrast, spatial dependence is pronounced. This behavior can be explained in terms of an informal yardstick competition: When consumers use neighboring utilities’ prices as benchmarks for costs or as behaviorally based reference prices, utilities will face the risk of consumer complaints and successive regulatory reviews if deviating too much from neighbors’ prices.

“The Effect of Privatization on Prices and Labor Efficiency: The Swedish Electricity Distribution Sector”.

**Abstract:** I examine the effects of privatization of Swedish electricity distribution networks during 2000-2011. As the majority of the networks remained publicly owned, I use a synthetic control method (which is a generalization of the difference-in-differences method) to identify the effects on prices and labor efficiency. I find that networks acquired by private firms did not increase prices more than their synthetic counterpart. I also find that labor efficiency of the acquired networks increased by on average 22 %, suggesting that privatization lead to increased producer surplus and welfare.

## Work in Progress

“Using Aggregate Bid Data to Evaluate Market Performance in the Nordic Wholesale Electricity Market” (with Thomas Tangerås)

## Publications without peer review

“What are the consequences of a nuclear phase-out” (with Thomas Tangerås), Kvartal.se, March 18, 2016.

“We can shut down two nuclear reactors” (with Thomas Tangerås), Expressen, July 15 2014.

### Research Assistantships

2009-2010 | Research group "The Economics of Electricity Markets", Research Institute of Industrial Economics

### Presentations

2016 | "Mannheim Energy Conference", "Nordic Workshop in Industrial Organization" (Reykjavik University), "Annual conference of Mannheim Centre for Competition and Innovation", the Swedish Competition Authority conference "The 8th Swedish Workshop on Competition Research" (Stockholm)

2015 | Program on Energy and Sustainable Development (Stanford University), Stockholm School of Economics, the Swedish Competition Authority conference "The 7th Swedish Workshop on Competition Research" (Stockholm)

2014 | Toulouse School of Economics, IFN Conference "The Performance of Electricity Markets" (Stockholm), ENTER Jamboree (Stockholm University), 37<sup>th</sup> IAEE International Conference (New York)

### Teaching experience

Teaching assistant: "Basic Microeconomics"; "Basic Macroeconomics"; "Economics for Lawyers"

### Departmental service at Stockholm University

2013 | Coordinator, European Network for Training in Economic Research  
2004 | Safety Officer, Department of Economics

### Academic and other professional activities

Refereeing: *Energy Journal*