

## On the Effectiveness of Electricity Market Development Strategies: A Target Model for a Developing Country

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**Abstract :** Turkey's energy reforms has achieved energy security through a variety of interlinked measures including electricity, gas, renewable energy and energy efficiency legislation; the establishment of an energy sector regulatory authority; energy price reform; the creation of a functional electricity market; restructuring of state-owned energy enterprises; and private sector participation through privatization and new investment. However, current strategies, namely; "Electricity Sector Reform and Privatization Strategy" and "Electricity Market and Supply Security Strategy" has been criticized for various aspects. The present paper analyzes the implementation of the aforementioned strategies in the framework of generation scheduling, transmission constraints, bidding structure and general aspects; and argues the deficiencies of current strategies which decelerates power investments and creates uncertainties. We conclude by policy suggestions to eliminate these deficiencies in terms of price and risk management, infrastructure, customer focused regulations and systematic market development.

**Keywords :** electricity markets, risk management, regulations, balancing and settlement, bilateral trading, generation scheduling, bidding structure

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