

Study sheds light on reducing energy costs

June 21 2010

A new research project at the University of Leicester is examining the problem of high electricity prices around the world.

Kwanruetai Boonyasana, a PhD student in the Department of Economics, University of Leicester, is currently writing a thesis on "World Electricity Co-operation".

She is examining how such co-operation may play a major role in redressing the problem of high electricity prices around the world. Her study assesses the value of co-operation with regard to import and export of electricity.

Miss Boonyasana, from Thailand, said: "The high price of electricity not only has an effect on people who have to use electricity in their everyday lives, but also on industry and business. To reduce cost, many countries are trying to increase electricity generation from nuclear and [renewable sources](#). However, there may be another way to solve this problem.

"Energy Information Administration (EIA) reports that growth in world [electricity generation](#) has outpaced consumption. This sheds light on the problem, suggesting that import and export of electricity could be beneficial in lowering prices."

Data analysis in the study demonstrates that import and export can reduce electricity prices in 29 OECD countries, using yearly data (1980-2008) from the International Energy Agency.

Miss Boonyasana said subsidies offered in many countries for [electricity production](#) discouraged efficiency of electricity generators - the result being prices may not decrease in the long run.

"Further study is needed to examine what role government subsidies should take in encouraging [electricity](#) co-operation," she said.

Kwanruetai's doctoral supervisor, Prof. Wojciech Charemza, professor in the Department of Economics, commented:

"Kwanruetai's research has a very important practical dimension. If, by using the method she is developing, the world is able to reduce even a tiny fraction of [energy consumption](#) due to a reduction in costs, its environmental effects would be very significant. We have to realise that the results of her research are of a truly global dimension and can be applied worldwide."

Provided by University of Leicester

Citation: Study sheds light on reducing energy costs (2010, June 21) retrieved 20 March 2024 from <https://phys.org/news/2010-06-energy.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.