

35mm figure[h!]width= Average marginal electricity prices (all rates) fig:marg_price_all_rates-2mm[width = .495]figure

The left panel plots raw average marginal prices for each month in our estimation sample, taking unweighted averages across all hours. The right panel plots residuals of these same five time series, after partialing out tariff \times month-of-year fixed effects and month-of-sample fixed effects (blue subset of the fixed effects we use in estimation). AG-1A and AG-1B are non-time-varying rates (i.e. constant marginal price for all hours within a month), whereas AG-4A and AG-4B are time-varying rates (i.e. higher marginal prices during peak hours and weekdays). AG-1A and AG-4A are for small pumps (< 35 hp), whereas AG-1B and AG-4B are for large pumps (≥ 35 hp). AG-ICE is a time-varying rate for customers with auxiliary internal combustion engines. Marginal prices are systematically higher during summer months (May–October). Our identifying variation comes (a) the fact that the residualized default prices do not move in parallel, and (b) blue strict restrictions segmenting customers into categories.