

Leila Safavi

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Doctoral Studies

University of California, Berkeley
PhD, Agricultural and Resource Economics, Expected completion May 2023
DISSERTATION: “Essays in Environmental Economics”

PRIMARY FIELDS: Environmental & Energy Economics
SECONDARY FIELDS: Industrial Organization, Law and Economics

Professor Meredith Fowlie
fowlie@berkeley.edu
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Department of Agricultural
& Resource Economics

Professor Lucas Davis
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Haas School of Business

Professor James Sallee
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Department of Agricultural
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Placement Officers

Professor Sofia Villas-Boas
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Professor Max Auffhammer
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Diana Lazo
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Prior Education

UC Berkeley	MS, Agricultural & Resource Economics	Aug 2018 - May 2020
University of Chicago	BA, Economics	2016
	BA, English Language & Literature	2016

Research Papers

“Can Vertically Integrated Firms Evade Pricing Regulation? Evidence from Energy Utilities’ (JOB MARKET PAPER)

Economic theory shows that vertical mergers may be used by a regulated monopoly subject to cost-based price regulation to evade regulation. When regulators allow increases in input costs to be passed onto customers, a regulated monopolist that is vertically integrated with an input supplier can earn profits by inflating input costs. I document evidence of regulatory evasion by US electric and natural gas utilities through their purchase of interstate natural gas pipeline capacity. Using a novel data set of vertical relationships between regulated utilities and natural gas pipelines, I show incentives for evasion are widespread in this industry: of US households with gas heating, 53% purchase gas from a utility that is affiliated with a natural gas pipeline. Next, I test whether utilities evade pricing regulation by signing transportation contracts with their pipeline affiliates for capacity in excess of consumer demand for gas. Pipelines nodes under contract with utility affiliates are underutilized by 19.5 percentage points on average, even during days where congestion rents are large, suggesting that regulatory evasion may contribute to overbuilding of the pipeline network. Lastly, I do not find statistically significant evidence that utility affiliates pay higher contract prices on average or face price discrimination by pipelines, but estimate that markups on transportation prices are \$3 dollars higher for firms with incentives for regulatory evasion. I develop a simple model of regulatory oversight that shows how asymmetric information can rationalize the limited impact of regulatory evasion on input prices. I estimate that incentives for regulatory evasion have shifted \$6.7 billion in excessive input costs onto ratepayers between 2010-2020.

“Circuit Splits: Liability Reform and Environmental Risk in the Hazardous Waste Industry”

Research in Progress

“Bargaining Power and Monopoly: Evidence from Natural Gas Pipelines”

Teaching		<i>Economics of the Clean Energy Transition</i> , Meredith Fowlie, UC Berkeley	Jan - May 2023
		<i>Agricultural & Environmental Policy</i> , David Zilberman, UC Berkeley	Jan - May 2022
		<i>Microeconomic Theory</i> , Katherine Wagner, UC Berkeley	Aug - Dec 2021
Grants, Fellowships, and Awards	2023	ARE Summer Research Grant (\$3,000)	
	2022	UC Berkeley Law, Economics and Politics Center Fellowship (\$7,000)	
	2021	UC Berkeley Law, Economics and Politics Center Fellowship (\$7,000)	
	2019	Sidney Hoos Award For Best Second-Year Econometrics Paper (\$1,000)	
	Earlier	Institute of Politics Urban Policy and Research Grant (\$5,000), 2nd Place Annual UChicago Econometrics Games, University Rosenzweig Scholar	
Talks & Activities	2023	Energy Institute Camp, UC Berkeley Environmental and Energy Economics Seminar, UC Berkeley Law, Economics and Policy Graduate Student Fellows Conference, Industrial Organization Lunch	
	2022	Behears Environmental Leadership Symposium, Environmental and Energy Economics Seminar, UC Berkeley Law, Economics and Policy Graduate Student Fellows Conference	
	2021	Industrial Organization Lunch, Energy Institute Research in Progress, Seminar Coordinator for UC Berkeley Energy & Environmental Economics seminar	
	2020	Student representative on the Diversity, Equity and Inclusion Committee , UC Berkeley Environmental and Energy Economics Seminar	
Prior Employment	UC Berkeley	Graduate Student Research Assistant (James Sallee)	May - Aug 2023
		Graduate Student Research Assistant (Lucas Davis)	Aug - Dec 2022
		Graduate Student Research Assistant (Meredith Fowlie)	May 2019 - May 2021
		Graduate Student Research Assistant (Meredith Fowlie)	May - Aug 2021
	MIT	Full Time Research Assistant (Christopher Knittel)	2016-2018
University of Chicago	Undergraduate Research Assistant (Ali Hortaçsu)	2015-2016	
Languages	R (advanced), Stata (intermediate), Python (intermediate) English (native), Farsi (advanced), French (intermediate)		