Abstract
The current practices for detecting market power in Colombia’s wholesale power market are discussed in this paper. A miscalculation of the Lerner Index, the most common measure of market power, leads to an overestimation or underestimation of market power. Different alternatives to calculate the Lerner Index are proposed in order to have a more accurate estimate of market power. Numerical results indicate that it is necessary to carefully review the current approach in Colombia.

Keywords
Market power, Colombia’s wholesale power market, Herfindahl-Hirschmann Index (IHH), Residual Supply Index (RSI), Residual Demand (RD), Lerner Index (LI).