



APPLIES TO ACADEMIC YEAR 2013/2014

GRA 8194 Energy Economics and Politics

Programme

Executive MBA 2013/2014 - Energy track

Responsible for the course

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Department

Department of Innovation and Economic Organisation

Term

According to study plan

ECTS Credits

5

Language of instruction

English

Introduction

This course is part of the Executive MBA with specialization in energy (EMBA).

Learning outcome

The objective of the course is to give an understanding of energy economics and politics. The course provides insight and overview of the particularities of oil and gas industry, demand, supply and market restructuring, the formation of energy prices and distribution of resource rent, energy policy and international energy affairs. Energy economics and regulation is discussed both for renewable and non-renewable resources, for the environment and the prospects for a greener economy. Energy policy is discussed considering the positive and negative externalities of energy usage, production and transportation. The governance of Russian energy business is discussed.

Acquired knowledge:

Participants will acquire an understanding of economic, political and industrial conditions applicable to the energy industry, with an emphasis on challenges to energy markets, companies and policies, developments in markets for non-renewable and renewable energy sources, energy economics, restructuring, taxation and regulation.

Acquired skills:

The overall ambition is the ability to solve practical cases of the energy business and sector and give concrete and knowledgeable advises to the top leaders in private and public businesses, organizations and to public administration and policy.

Reflection:

The participants will develop the ability to critically reflect on development of energy company, organization or public authority and evaluate the risk with different strategic options and choices.

Prerequisites

Granted admission to the EMBA programme. Students should be familiar with the readings and references for the course "Energy Fundamentals" (GRAXXX).

Compulsory reading

Books:

Andersen, Svein & Sitter, Nick. 2009. "The European gas market: Differentiated integration and fuzzy liberalization". In Ferrman, G. (ed.) Political Economy of Energy in Europe: Integration and fragmentation. Berlin: Berliner Wissenschafts-Verlag. pp. 63-85
Austvik, Ole Gunnar. 2009. "Market liberalization" and "Constraints to market liberalization". In: The Norwegian State as Oil and Natural Gas Entrepreneur. Saarbrücken: VDM Verlag. Ch. 4, pp. 191-248 and ch. 5, pp. 258-348
Besanko, Dranowe, Shanley & Shaffer. 2004. "Competitors and Competition". In: Economics of Strategy. Boston: Wiley & Son. Ch. 6, pp. 199-231
Gorelick, Steven M. 2010. Oil Panic and Global Crisis. London: Wiley-Blackwel. pp. 1-13
Griffin & Teece. 1982. Elements of the Crude Oil Production Decision: Implication from Economic Theory" and "Models of OPEC behavior". I: Griffin, James M. and David J. Teece. OPEC behavior and world oil prices. Allen & Unwin. pp. 13-35
Hunt, Sall. 2002. Making competition work in electricity. Wiley. New York. Selection 1-4

Macartan, Humphrey, Sachs, Jeffrey and Stiglitz Joseph. 2007. "What is the problem with natural resource wealth?" In: Macartan, Sachs & Stiglitz (eds); Escaping the Resource Curse. New York: Columbia University Press. pp. 1-21

McAleese, Dermot. 2004. The economics of market power". In: Economics for Business. Competition, Macro Stability and Globalization. London: Prentice Hall. Ch. 6, pp. 125-154

Mills, Robin M. 2008. The Myth of the Oil Crisis. Westport, Conn: Praeger. pp. 1-20

Noreng, Øystein. 2005. "The International Politics of Energy". Crude Power, London, I.B. Tauris. pp. 1-51

Tietenberg, Tom & Lewis, Lynne. 2009. Environmental and natural resource economics. 8th ed. Boston: Pearson Publisher. pp. 1-10, 14-30

Articles:

Austvik, Ole Gunnar. 1992. "Limits to Oil Pricing. Scenario Planning as a Device to Understand Oil Price Developments". Energy Policy. Vol 20, no 1. pp. 1097-1105

Austvik, Ole Gunnar. 1993. "The War Over the Price of Oil: Oil and the conflict on the Persian Gulf". International Journal of Global Energy Issues. Vol 5, no, 2,3,4. pp. 134-143

Austvik, Ole Gunnar. 2009. The generally misguided long-term oil price forecasts; Price formation and policy implications. 22 p. Lillehammer University College. Working Paper no.186

Capgemini. 2012. A strategic overview over the European energy markets. pp. 50-87

Collier, Paul. 2010. "The political economy of natural resources". Social Research. Vol 77, no 4. pp. 1105-1132

FERC. 2012. "Wholesale Electricity". In FERC: Energy Primer: A Handbook of Energy Markets. pp. 37-63. <http://www.ferc.gov/market-oversight/guide/energy-primer.pdf>

Selection of additional readings may be provided before the course starts

Other:

EU. 2012. Energy Markets in the European Union in 2011. pp. 1-20, 37-53. http://ec.europa.eu/energy/gas_electricity/doc/20121217_energy_market_2011_lr_en.pdf

Institute of Modern Russia. 2013. "Corruption in Russia as a Business". <http://imrussia.org/en/society/376-corruption-in-russia-as-a-business>

Lynch, Michael. 1992. The Fog of Commerce. The Failure of Long-Term Oil Market Forecasting. pp. 5-17, 63-64. Center for International Studies, Massachusetts Institute of Technology. Working Paper C92/5

Zolotukhin, Anatoly. "Regional & Global Solutions for Sustainable Gas Supply: Russia Perspective". Presentation at the 10th Plenary session of the 25th International gas conference, Kuala Lumpur, Malaysia, 4-9 June 2012.

Recommended reading

Books:

Dahl, Carol. 2004. International energy markets: understanding pricing, policies, and profits. Pennwell. pp. 1-277, 313-338, 371-412

Tietenberg, Tom & Lewis, Lynne. 2009. Environmental and natural resource economics. 8th ed. Boston: Pearson Publisher. pp. 34-91, 134-191

Articles:

EU. 2010. Europe 2020 Initiative. http://ec.europa.eu/energy/strategies/2010/2020_en.htm

EU. 2011. Energy Roadmap to 2050. http://ec.europa.eu/energy/publications/doc/2012_energy_roadmap_2050_en.pdf

Other:

Stoltenberg, Jens. 2013. The resource curse; the case of Norway. Speech Harvard University, September 24. www.odin.smk.no

Course outline

- Major challenges to energy markets, companies and policies
 - Drivers in markets for non-renewable and renewable energy sources
 - Energy economics, restructuring and regulation
 - Energy policy and energy geopolitics
 - Transition from non-renewable to renewable energy sources
 - The international energy business
 - The rationale for energy market regulation
 - Energy policy and security of supply
 - Energy policy tools
 - Energy policies in major regions and countries
 - The role of international organizations: OPEC, the IEA, European Union.

Computer-based tools

It's Learning and e-mail.

Learning process and workload

1 ECTS credit corresponds to a workload of 26-30 hours. Sessions include lectures, seminars and group work.

Attendance to all sessions in the course is compulsory. If you have to miss part(s) of the course you must ask in advance for leave of absence. More than 20% absence in a course will require retaking the entire course. It's the student's own responsibility to obtain any information provided in class that is not included on the course homepage/ It's learning or other course materials

Examination

The course evaluation will be based on:

- Group assignment with presentation, graded pass/fail
- Individual paper, graded A-F

All evaluations must be passed to obtain a certificate for the degree.

This is a course with continuous assessment (several exam elements) and one final exam code. Each exam element will be graded using points on a scale (e.g. 0-100). The elements will be weighted together according to the information in the course description in order to calculate the final letter grade for the course.

Students are subject to individual evaluation through a homework, one policy-paper discussing pros and cons for a specific decision maker dealing with different regulatory, interventionary and fiscal policy measures. after the course on a subject treated in the course. Furthermore, considering that parts of the analytical work as experts of the energy sector is conducted in groups; students will also be subject to evaluation through one group assignment and presentation before the course ends.

Examination code(s)

GRA 81941 - Continuous assessment; accounts for 100% of the final grade in the course GRA 8194, 5 ECTS credits

The course is a part of a full Executive Master of Business Administration Program and all evaluations must be passed to obtain a certificate for the degree.

Examination support materials

Exam aids at examinations are explained under exam information in our web-based Student handbook. Please note use of calculator and dictionary. <http://www.bi.edu/studenthandbook/examaids>

Re-sit examination

Re-takes are only possible at the next time a course will be held. When course evaluation consists of class participation or continuous assessment, the whole course must be re-evaluated when a student wants to retake a exam. Retake examinations entail an extra examination fee.

Additional information