



APPLIES TO ACADEMIC YEAR 2014/2015

GRA 8194 Energy Economics and Politics

Programme

Executive MBA 2014/2015 - Energy track

Responsible for the course

Nick Sitter

Department

Department of Accounting - Auditing and Law

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"

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. Berliner Wissenschafts-Verlag. 63-85
Austvik, Ole Gunnar. 2009. EU Natural Gas Market Liberalization and Long-Term Security-of-Supply and -Demand, in Ferman (ed): The Political Economy of Energy in Europe: Forces of Integration and Fragmentation. Berliner Wissenschafts Verlag. 85-118
David C. Rapoport.. 2004. The Four Waves of Modern Terrorism, in Audrey Kurth Cronin and James Ludes (eds.) Attacking Terrorism: Elements of a Grand Strategy.. 46-73
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. Columbia University Press. 1-21
McPherson, Charles. 2003. National Oil Companies: Evolution, Issues, Outlook, in Fiscal Policy Formulation and Implementation in Oil-Producing Countries. Washington D.C., International Monetary Fund. 184-204

Noreng, Øystein. 2006. *Crude Power: Politics and the Oil Market*, ch. 4 "The Political Economy of Oil Prices". IB Tauris. 152-186

Stevens, Paul. 2007. *Oil Markets and the Future*, in Dieter Helm (ed.) *The New Energy Paradigm*. Oxford University Press. 123-175

Veljanovski, Cento. 2010. *Economic Approaches to Regulation*, in Robert Baldwin, Martin Cave and Martin Lodge (eds), *The Oxford Handbook of Regulation*. Oxford University Press. 17-38

Articles:

Audrey K. Cronin. 2010. The Evolution of Counterterrorism: Will Tactics Trump Strategy?. *International Affairs*. 86:4. 837-856

Austvik, Ole Gunnar. 1997. Gas pricing in a liberalized European market; Will the rent be taxed away?. *Energy Policy*. 20:12. 997-1012

Austvik, Ole Gunnar. 2014. The Norwegian Petroleum Experience as an Example?. *The International Shale Gas and Oil Journal, ISG&OJ*. 2:2. 18-28

Collier, Paul. 2010. The political economy of natural resources. *Social Research*. 77.4. 1105-1132

Goldthau, Andreas. 2012. From the State to the Market and Back. *Policy Implications of Changing Energy Paradigms. Global Policy*. 3:2. 198-210

Yergin, Daniel. 2006. Ensuring Energy Security. *Foreign Affairs*. March/April. 69-82

Other:

Austvik, Ole Gunnar. 2009. The generally misguided long-term oil price forecasts; Price formation and policy implications. Lillehammer University College. Working Paper no.186. 1-22

Statoil. *The In Amenas Attack, Statoil investigation report*, <http://www.statoil.com/en/NewsAndMedia/News/2013/Downloads/In%20Amenas%20report.pdf>. 1-88

Recommended reading

Books:

Baldwin, Robert, Martin Cave and Martin Lodge. 2013. *Understanding Regulation*. Chapter 1 on why regulate. Oxford University Press. 15-25

Behn, Daniel, and Vitaliy Pogoretsky. 2012. Tensions between the liberalist and statist approach to energy trade governance: the case of gas dual pricing. In Caroline Kuzemko, Andrei Belyi, Andreas Goldthau and Michael Keating (eds) *Dynamics of energy governance in Europe and Russia*. Palgrave Macmillan. 45-65

Birol, Faith. 2007. *The investment Implications of Global Energy Trends* in Dieter Helm (ed.) *The New Energy Paradigm*. Oxford University Press. 411-421

Eliassen, Kjell and Nick Sitter. 2008. *Understanding Public Management: Liberalising and Modernising Public Services*. Ch 4 on regulation and competition policy. Sage. 75-92

Noreng, Øystein. 2013. *Global Resource Scramble and New Energy Frontiers* in Andreas Goldthau (ed.) *The Handbook of Global Energy Policy*. Wiley-Blackwell. 159-175

Stern, Jonathan and Howard Rogers. 2011. *The Transition to Hub-based Gas Pricing in Continental Europe*, NG 49. Oxford Institute for Energy Studies. 1-45

Victor, David G, Hults, David R. and Thurber, Mark. Appendix A, our assessments off NOC performance, in *Oil and Governance, State-owned Enterprises and the World Energy Supply*. Cambridge University Press. 931-940

Wilks, Stephen. 2010. "Competition Policy", in Helen Wallace, Mark Pollack and Alasdair Young (eds), *Policy-Making in the European Union*. Oxford University Press. 133-156

Yergin, Daniel. 2011. *The Quest: Energy, Security, and the Remaking of the Modern World*. Ch 1 on Russia. Penguin. 21-43

Yergin, Daniel. 1991. *The prize: The epic quest for oil, money, and power*. Ch 31 on OPECs imperium. Simon & Schuster. 633-652

Youngs, Richard. 2009. *Energy Security: Europe's New Foreign Policy Challenge*. Ch3 on the policy response. Routledge. 22-50

Articles:

Abrahms, Max. 2006. Why Terrorism Does Not Work. *International Security*. 31:2. 42-7

Austvik, Ole Gunnar. 1992. Limits to Oil Pricing. *Scenario Planning as a Device to Understand Oil Price Developments. Energy Policy*. 20:1. 1097-1105

Austvik, Ole Gunnar. 2012. Landlord and entrepreneur. The shifting roles of the state in Norwegian oil and gas policy. *Governance. An International Journal of Policy, Administration, and Institutions*. 25:2. 315-334

Correlje, Aad, and Coby van der Linde. 2006. *Energy Supply Security and Geopolitics: A European Perspective*. *Energy Policy*. 34. 532-543

Goldthau, Andreas and Nick Sitter. 2014. A liberal actor in a realist world? The Commission and the external dimension of the single market for energy. *Journal of European Public Policy*, Published online: 22 May 2014. 1-20

Goldthau, Andreas. 2012. A Public Policy Perspective on Global Energy Security. *International Studies Perspectives*. 13:1. 65-84

Helm, Dieter. 2002. Energy policy: security of supply, sustainability and competition. *Energy Policy*. 30. 173-184

McNally, Robert and Michael Levi. 2011. *A Crude Predicament: The Era of Volatile Oil Prices*. *Foreign Affairs*.

90:4. 100-111

Parker, Tom. 2007. Fighting an Antaeus Enemy: How Democratic States Unintentionally Sustain the Terrorist Movements they Oppose. *Terrorism and Political Violence*. 19:2. 155-179

Sitter, Nick and Tom Parker. 2014. Fighting Fire with Water: NGO and Counter-Terrorism Policy Tools. *Global Policy*. 5:2. 159-168

Stigler, George. 1971. "The Theory of Economic Regulation", *Bell Journal of Economics and Management Science*,. 6:2. 3-21

Umbach, Frank. 2010. Global energy security and the implications for the EU. *Energy Policy*. 38:3. 1229-1240

Other:

Riley, Alan. 2012. Commission v. Gazprom: The antitrust clash of the decade? CEPS Policy Brief

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/exam aids>

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