



APPLIES TO ACADEMIC YEAR 2016/2017

GRA 8500 Energy Governance, Law, Policy & Regulations

Programme

Executive Master of Management in Energy (EMME)

Responsible for the course

Nick Sitter

Department

Department of Law

Term

According to study plan

ECTS Credits

5

Language of instruction

English

Introduction

This course is part of the Executive Master of Management in Energy in cooperation with BI Norwegian Business School and IFP School.

Learning outcome

The objective of this course is to give an introduction to energy policy, law and regulation and the basic challenges that governments and politicians. The course also explores how companies are subject to and deal with various form of political intervention, from public ownership to regulation, and how international oil and gas markets change. It examines the challenges that geopolitical, technological and supply and demand developments present for governments and firms, how energy policy (at the international, EU and national) level is designed, and how states and international organizations use law and regulation to build and shape markets. The course discusses the policy implications of approaching energy as a public, private and strategic good; and the strengths and weaknesses of different types of energy governance and policy tools. A range of empirical cases are use to explore these themes.

Acquired knowledge:

Participants will acquire an understanding of how national and international economic and political frameworks and governance mechanisms influence the energy industry and markets, with an emphasis on the challenges to energy policy makers and energy market regulators. This includes policy tools such as direct government intervention, state ownership and arms-length regulation, including the EU's efforts to build markets and make them operate efficiently.

Acquired skills:

The course will enable the participants to understand energy markets (and the energy business and the need to regulate markets from a public policy perspective, both in terms of market failures (including the positive and negative externalities of energy production and consumption, competition policy and natural monopolies) and boarder political goals linked to economic stability, social justice and security. They will be able to understand the motives and methods for energy policy making, assess the effectiveness of policy tools, and evaluate the trade-offs and dilemmas involved.

Reflection:

The participants will be able to reflect on the political, technological, economic, trade and security challenges that different countries and organizations in the energy market face, and the ways governments, companies and international organizations in major regions try to deal with these challenges.

Prerequisites

Granted admission to the Executive Master of Management in Energy programme. Students should be familiar with the readings and references for the course "Energy economics and geopolitics"

Compulsory reading

Books:

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
Goldthau, Andreas and Nick Sitter. 2015. *A Liberal Actor in a Realist World. The EU Regulatory State and the Global Political Economy of Energy*. Oxford University Press. 1-132
Noreng, Øystein. 2006. *Crude Power: Politics and the Oil Market*, ch. 4 "The Political Economy of Oil Prices". IB

Tauris. 152-186

Victor, David G, Hults, David R and Thurber, Mark. 2012. Oil and Governance. State-owned Enterprises and the World Energy Supply. Cambridge University Press. Chapters 1-4 and 20, and Appendix A, plus selected case studies (chapters 5-19)

Articles:

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

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 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:

Andersen, Svein and Nick Sitter. 2009. The European Gas Market: Differentiated Integration and Fuzzy Liberalization in Ferman, G. (ed.) *Political Economy in Europe: Integration and Fragmentation*. Berliner Wissenschafts-Verlag. 63-85

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

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

Schubert, Samuel R, Johannes Pollack and Maren Kreuter. 2016. *Energy Policy of the European Union*. Ch 5 on Building a Common Internal Energy Market, 167-200

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

Talus, Kim. 2013. *EU Energy Law and Policy*. Oxford University Press. 65-109

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

Waloszy, Monica. 2014. *Law and Policy of the European Gas Market*. Edgar Elgar Publishing. Ch. 5 on Defining and Assessing the Current EU Gas Market Design, 130-122

Wilks, Stephen. 2010. "Competition Policy", in Helen Wallace, Mark Pollack and Alasdair Young (eds), in *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*. Routledge. Ch. 3 on the policy response. 22-50

Articles:

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

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

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

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

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

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

Thomas Cottier et al.. 2009. Energy in WTO Law and Policy. NCCR Working Paper 2009/25

Thomas Cottier et al.. 2010. Third Country Relations in EU Unbundling of Natural Gas Markets: The "Gazprom Clause" of Directive 2009/73 EC and WTO Law. NCCR Working Paper 2010/06

Course outline

- Energy in political economy: a private, public and strategic good.
- Public governance in the energy sector: actors and policy tools (law, regulation, finance, ownership)
- Energy and international political economy: economic rent, supply and demand, interest group politics
- Energy policy and security of supply
- Oil markets: Global market, fungible product; a range of national and company strategies
- Security of supply risks in oil markets: Price risks (oil shocks, demand and supply) and public policy tools
- Global governance: IEA and the international regime, the WTO regime and international law
- Gas markets: Regional markets, bilateral deals, geopolitics, pipeline diplomacy, the long reach of EU law
- Security of Supply: Supply risk (political and security risks) and public policy tools
- Regional governance in Europe: the EU and regional regimes, EU energy and competition law
- Energy and security: security threats, resource conflicts, public and private policy tools

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 25% 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 students are evaluated through an individual 72 hours home exam, counting for 5 credits.

Specific information regarding student evaluation beyond the information given in the course description will be provided in class.

Examination code(s)

GRA 85001 - Home exam; counts for 100% to pass the course GRA 8500; 5 credits.

The course is a part of a full Executive Master of Management in Energy (EMME) and examination in all courses must be passed in order to obtain a certificate.

Examination support materials

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