

Syllabus

Econ 325S - Economic Analysis of Energy Issues

Prereq: Econ 201D or equivalent

Instructor: Dr. Gale Boyd

Energy touches every aspect of modern life; energy markets touch every aspect of the modern economy; Monopoly vs. competition; global vs. regional; taxation vs. subsidies; regulation vs. de-regulation - all play a role in one or more energy market(s).

This class will apply basic principles of economic analysis ranging from economic price effects in global markets, to supply of energy by regional and global companies, to household and firms' derived demand for energy services, all related to empirical behavior in energy markets. The class will look at both the history of energy as well as the outlook for the future. The class will cover four units 1) coal and electric markets (competition and monopoly) 2) oil and natural gas (global/cartel and regional/competition) 3) consumer and firm demand, and 4) forecasting of future energy price and quantity in the U.S. This class is not an energy policy class per se, but provides the economic foundations for policy discussion and evaluation of energy and environmental policy on potential impacts in this ubiquitous sector of the economy.

Grading for units 1-3 will include an exam with Unit 4 consisting of student in-class presentations based on the Department of Energy's Annual Energy Outlook. A comprehensive final will be offered. Equal weight (25%) will be given to the 4 exams (three units and final) plus the presentation, with the lowest of the five grades to be dropped.

Text Book: *International Energy Markets* by Carol A. Dahl (ISBN-10: **0878147993**)

<u>Week</u>	<u>Topic</u>
1	Background & Annual Energy Outlook (AEO)
2	Coal Markets (competition)
3	Electric Markets (monopoly)
4	Regulation and Deregulation of Electricity – Exam 1
5	International Oil Markets (history and modern cartels)
6	Oil price shocks / Natural gas Markets
7	Natural Gas Markets – Exam 2
8	Topics in household demand
	Break
9	Topics in firm demand
10	Energy Efficiency (Conservation supply curves) – Exam 3
11	AEO revisited and in class student presentations
12	AEO in class student presentations
13	AEO in class student presentations