



Prof. Dr. Kilian Bizer, Kaja Fredriksen, Dr. Petrik Runst

Seminar (MA), SS 2016 (6 CP)

„Energy Economics - Institutions and Sustainability“

When: May, 24/25, 2016

Where: Conference Room, ifh Göttingen, Heinrich-Düker-Weg 6

Number of Participants: 16

Course Description:

Because of market failure, public intervention is likely necessary in order to decrease the CO₂-footprint of an economy. In this seminar, we will explore various sub-questions about how this goal can be achieved successfully and cost-effectively. The first topics are mainly descriptive and related to the state of international energy markets. Thereafter, we enter the policy discussion and identify and discuss distinct public policy approaches to tackling climate change. Thirdly, we ask why different economic and political systems may favor certain options over others. Finally, as the topic is one of global significance, we shall investigate the possibility of international political cooperation.

Target audience of this seminar: MA-students in economics (VWL).
This seminar will be held in English.

Assignments and Grading:

Final Paper¹ (15 pages); Seminar Presentation; Brief Position Paper (1 page) and Seminar Participation

Registration:

You may sign up for this seminar and pick a topic on Feb 11, 2016 (Thursday) between **9 am and 12.30 pm** at the ifh Göttingen (Heinrich-Düker-Weg 6). You may also send someone else who will sign up in your stead.

After Registration, you must not back out. You will be required to complete all assignments.

Registration/Dates:

Registration:	Thursday, Feb 11, 2016, ifh Göttingen, Heinrich-Düker-Weg 6
Once, you are signed up, save the following dates:	
First Meeting:	Tuesday, April 12, 11 am, ifh Göttingen
Final Paper Due:	May, 10, 2016 (via email AND an additional hard copy)
Seminar Dates:	May 24/25, 9 am - 6 pm (ifh, conference room)

¹ See <http://www.uni-goettingen.de/de/informationen-zu-seminaren/69421.html> for more information.

Topics & Suggested Readings

1) Analysis of current and future global energy trends: Energy mix, energy prices and potential risks

IEA (2015); „World Energy Outlook“. *OECD/IEA Publishing*, Paris.

Rue du Can, S. and L. Price (2008); “Sectoral trends in global energy use and greenhouse gas emissions”. *Energy Policy*. Volume 36, Issue 4, April 2008, Pages 1386–1403.

2) Integrated International Energy Markets and Security of Energy Supply

Ockenfels, C. (2011) Economics and Design of Capacity Markets for the Power Sector.

Metcalf, Gilbert E. “The Economics of Energy Security,” Working Paper No. 19729, NBER, December 2013.

Correljéa, A. and C. van der Linde (2006); “Energy supply security and geopolitics: A European perspective”, *Energy Policy*. Volume 34, Issue 5, March 2006, Pages 532–543

Stelter, J and Y. Nishida (2013); „Focus on Energy Security Costs, Benefits and Financing of Holding Emergency Oil Stocks”. *IEA Insight Series* 2013.

3) Challenges with regards to sustainable development in transitional countries, w/ particular emphasis on China and India

Wolfram, C., O. Shelef and PJ. Gertler (2012); “How Will Energy Demand Develop in the Developing World?” *NBER Working Paper Series*, No. 17747

IEA; “Energy Statistics of non-OECD countries”. *IEA Statistics*.

4) Renewable Energy and Direct Intervention, or the New Command Economy

Runst, P. (2014); „Die Auswirkungen des Erneuerbare-Energien-Gesetzes auf das Handwerk“. *Göttinger Handwerkswissenschaftliche Arbeitshefte*, 75.

Heindl, P. (2014), „Ökonomische Aspekte der Lastenverteilung in der Umweltpolitik am Beispiel der Energiewende: Ein Beitrag zum interdisziplinären Dialog“. *ZEW Diskussionspapier*, No. 14-061.

Pregger, T. et al. (2013), “Long-term scenarios and strategies for the development of renewable energies in Germany”. *Energy Policy*, Vol. 59, S. 350-36.

5) CO₂-Pricing (taxes and certificates)

Goulder, JH. (2013); “Markets for Pollution Allowances: What Are the (New) Lessons?” *Journal of Economic Perspectives*, 27(1): 87-102.

Grubb, M. and F. Ferrario, (2006); “False Confidence: Forecasting errors and emission caps in CO₂ trading systems”. *Climate Policy*, Vol. 6, No. 4, S. 495-501.

Litterman, R. (2013); “What Is the Right Price for Carbon Emissions?” *Regulation* Summer 2015.

Nordhaus, WD. (2007); “To Tax or Not to Tax: Alternative Approaches to Slowing Global Warming”. *Review of Environmental Economics and Policy*, Vol. 1, Issue 1, pp. 26-44.

OECD Policy Brief: Environmental Taxation: A Guide for Policy Makers:

<http://www.oecd.org/env/tools-evaluation/48164926.pdf>

OECD (2010): “Taxation, Innovation and the Environment ». *OECD Publishing*.

Weitzman, Martin L. (1974); “Price versus quantities“. *Review of Economic Studies*, 1974, 45(2), 229-238.

6) Promoting energy efficiency

Allcott & Greenstone. 2012. “Is There an Energy Efficiency Gap?” JEP

Sinn, Hans-Werner, “Introductory Comment–The Green Paradox: A Supply-Side View of the Climate Problem,” *Rev Environ Econ Policy* 9, 2015: 239-245.

IEA (2015): “Energy Efficiency Market Report 2015”. *OECD/IEA Publishing*.

7) Cross-country comparison of environmental policies

Borenstein, S. (2012); “The Private and Public Economics of Renewable Electricity Generation”. *Journal of Economic Perspectives*, volume 26, pp. 67–92.

Schmalensee, R. (2012); “Evaluating Policies to Increase Electricity Generation from Renewable Energy”. *Review of Environmental Economics and Policy*, volume 6, issue 1, pp. 45-64.

Jaffe, A., R. Newell and R. Stavins (2005); “A tale of two market failures: technology and environmental policy.” *Ecological Economics* 54: 164-74.

8) Why is there no global climate consensus yet?

Yamin, F. and J. Depledge (2004); “The International Climate Regime Change: A Guide to Rules, Institutions and Procedures”. *Cambridge University Press*.

Victor, DG. (2006); “Toward Effective International Cooperation on Climate Change: Numbers, Interests and Institutions”. *Global Environmental Politics*, vol. 6, no. 3, pp. 90-103.

United Nations Conference on Climate Change on the Paris Protocol (official webpage):

<http://www.cop21.gouv.fr/en/more-details-about-the-agreement/>

9) Open topic/case study

(e.g. impact of the American shale-gas on international energy markets, including climate and environmental effects in public cost-benefit analyses)