ECONOMICS 132 – FALL 2002
ENERGY ECONOMICS

Instructor:	Genevieve Peters
Office:	Economics 314
Office Hours:	MWF 1:45 - 3:00 p.m. and 5:15 – 6:00 p.m.
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Classroom:	Center Hall 214
Class Time:	MWF 4:00 – 4:50 p.m.
Class Web Page:	http://weber.ucsd.edu/~gpeters/ec132/

COURSE DESCRIPTION

Each and every day, you are an energy consumer. Maybe your morning shower is heated by natural gas. The milk for your cereal is kept cold in your electric refrigerator. The car or bus you use to get to school probably require gasoline.

In this class you will be introduced to the way that economists view energy choices. We will discuss short-run models used to explain how best to choose between different types of energy, and long-run models used to explain how quickly we should use up nonrenewable resources. We will look at the way that different energy industries have developed, and why government intervention occurs so frequently in these industries. Finally, we will look at how energy affects the macroeconomy, including inflation and unemployment rates.

PREREQUISITES

The prerequisites for this class are Economics 1A-B or 2A-B.

TEXTS AND COURSE READINGS

There is no required text for this class. A reader of academic journal articles will be sold outside Center 214 during the first two weeks of class. We will be covering the articles in the reader in order, usually two or three per week. Since the pace will be very rapid, you are strongly encouraged to read the required materials ahead of each lecture.

EXAMINATIONS

Four exams will be given in this section. All four exams will be open book exams. The first three exams will be given in class on **October 14th, October 30th, and November 18th**. The fourth exam will be given on **December 12th from 3:00 - 6:00 p.m.**

In-class exams will be administered at the beginning of the class and will last exactly fifty (50) minutes. Students who arrive late will not receive extra time to complete their exam.

The final exam will begin at exactly 3:00 p.m. Once the first student to complete the exam leaves the examination room, then no other student will be permitted to start the exam.

All four exams must be given at the scheduled time and place; they can not be given "early". If you have three or more exams scheduled for that day, see your respective Provost for guidance.

Cheating on exams will be brought to the attention of the Dean.

ATTENDANCE

Class attendance is an individual student responsibility. Although daily attendance is not recorded, the lectures will cover more material than the readings, and I will frequently provide examples during lectures that don't appear in the readings but are fair game for examination. Thus, frequent absences may adversely impact performance.

MAKE-UP EXAMINATIONS

No make-up exams will be given in this class. Students who miss a midterm exam without a university accepted excuse will receive a grade of **zero (0)** for the exam. Students who miss a midterm with a university accepted excuse will have the weight of the final exam increased accordingly. You must take the final exam to receive a grade in this course.

Excuses for missed exams must be pre-approved by the instructor (except when this is not possible in an emergency situation). Students who make initial contact after the exam will have to document why they could not make contact prior to the exam. In addition, any student who misses an exam due to physical illness will be required to provide documentation from a health care professional indicating why the student was physically unable to take the exam. All documentation and an additional signed written statement explaining the relevant circumstances of the absence must be provided to the instructor within two working days of the student's return to campus. Failure to comply with any of the above in the specified manner will result in a grade of **zero (0)** for the exam.

GRADING

Numerical grades will be assigned as follows:

Exam I	=	25%
Exam II	=	25%
Exam III	=	25%
Exam IV	=	25%
Total	=	100%

Letter grades will be allocated using the following breakdown:

Letter	A	A-	B+	B	B-
Numerical Range	87%-100%	82%-86%	77%-81%	74%-76%	70%-73%
Letter	C+	C	C-	D	F
Numerical Range	67%-69%	64%-66%	60%-63%	50%-59%	0%-49%

IMPORTANT DATES

October 14	Exam I
October 30	Exam II
November 11	*University Holiday – Class and Office Hours Cancelled*
November 18	Exam III
November 29	*University Holiday – Class and Office Hours Cancelled*
December 12	Exam IV

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Reading List

Introduction and Background

Fouquet, R., and P.J.G. Pearson. A Thousand Years of Energy Use in the United Kingdom. *The Energy Journal* 19 (1998): 1-41.

Rosenberg, N. The Role of Electricity in Industrial Development. *The Energy Journal* 19 (1998): 7-24.

Energy in the Developing World

Bensel, T.G. and R.C. Harriss. Energy Policy and Economic Development in the Philippines, 1973-2000. *The Journal of Energy and Development* 20 (1996): 187-227.

Sinton, J.E. and D.G. Fridley. What Goes Up: Recent Trends in China's Energy Consumption. *Energy Policy* 28 (2000): 671-687.

Eleri, E.O. Nigeria: Energy for Sustainable Development. *The Journal of Energy and Development* 19 (1995): 97-122.

Adams, F.G., Y. Ichino, and P.A. Prazmowski. Economic Growth and Energy Import Requirements: An Energy Balance Model of Thailand. *Journal of Policy Modeling* 22 (2000): 219-254.

Energy and Pollution

Norman, D.A. Lifestyles of the Energy Rich: Household Energy Consumption in the United States and Conservation Policy. *Advances in the Economics of Energy and Resources* 10 (1997): 1-29.

Unruh, G.C. Understanding Carbon Lock-In. *Energy Policy* 28 (2000): 817-830.

Kydes, A.S. Energy Intensity and Carbon Emission Responses to Technological Change: The U.S. Outlook. *The Energy Journal* 20 (1999): 93-121.

Radetzki, M. Coal or Nuclear in New Power Stations: The Political Economy of an Undesirable but Necessary Choice. *The Energy Journal* 21 (2000): 135-147.

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Reading List

Renewable Energy Resources

Oliver, M. and T. Jackson. The Market for Solar Photovoltaics. *Energy Policy* 27 (1999): 371-385

Kaplan, A.W. Generating Interest, Generating Power: Commercializing Photovoltaics in the Utility Sector. *Energy Policy* 27 (1999): 317-29

Salazar, J.G. Damming the Child of the Ocean: The Three Gorges Project. *Journal of Environment and Development* 9 (2000): 160-174.

Rajsekhar, B., F. Van Hulle, and J.C. Jansen. Indian Wind Energy Programme: Performance and Future Directions. *Energy Policy* 27 (1999): 669-678.

Deregulation in Energy Markets

Robinson, C. Energy Economists and Economic Liberalism. *The Energy Journal* 21 (2000): 1-22.

Joskow, P.L. Electricity Sectors in Transition. *The Energy Journal* 19 (1998): 25-52.

Borenstein, S., J. Bushnell, and C.R. Knittel. Market Power in Electricity Markets: Beyond Concentration Ratios. *The Energy Journal* 20 (1999): 65-88.

Hale, D.R., T.J. Overbye, and T. Leckey. Competition Requires Transmission Capacity: The Case of the U.S. Northeast. *Regulation* 23 (2001): 40-45.

Borenstein, S. and J. Bushnell. Electricity Restructuring: Deregulation or Reregulation? *Regulation* 23 (2001): 46-52.