ECON 3300

School of Economics

**Economics of International Energy Markets**

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## Course Description

The main purpose of this course is to help students understand the economics of international energy markets and how business and government policy decisions are made in this industry. Students will be introduced to economic models, and financial, institutional and regulatory aspects of energy markets.

**Required Text:**

* Dahl, Carol A.(2004) “International Energy Markets: Understanding Pricing, Policies, and Profits”.
* Other required materials (mainly journal articles) TBA

**Grades and Examinations**

Class Participation: 10%

Homework: 15%

2 Mid-term exam: 50%

Final exam: 25%

**Schedule and Reading Assignments**

## Week 1: Introduction

* Chapter 1: Understanding international energy markets.

**Week 2: Introduction**

* Chapter 2: Energy Lessons from the Past for the Future

**Week 3: Static Market Models**

* Chapter 3 Perfect Competition and the Coal Industry

## Week 4: Static Market Imperfections

* Chapter 4 Natural Monopoly and Electricity Generation
* Exercise 1

## Week 5: Static Market Imperfections

* Chapter 5 Deregulation and Privatization of Electricity Generation
* Midterm Exam 1

## Week 6: Static Market Imperfections

* Chapter 6 Monopoly, Dominant Firm and OPEC

## Week 7: Static Market Imperfections

* Chapter 7 Market Structure, Transaction Costs Economics and US Natural Gas Markets

**Week 8: Static Market Imperfections**

* Chapter 8 Externalities and Energy Pollution
* Chapter 9 Public Goods and Global Warming

## Week 9: Static Market Imperfections

* Chapter 10 Monopsony - Japan and the Asia Pacific LNG Market

**Week 10: Static Market Imperfections**

* Chapter 11 Game Theory and the European Natural Gas Market
* Exercise 2

**Week 11: Dynamic Market Models**

* Chapter 12 Allocating Fossil Fuel Production over Time and Oil Leasing
* Chapter 13 Supply and Cost Curves
* Midterm Exam 2

**Week 12: Dynamic Market Models**

* Chapter 12 Allocating Fossil Fuel Production over Time and Oil Leasing
* Chapter 13 Supply and Cost Curves

**Week 13: Linear Models**

* Chapter 14 Linear Programming, Refining and Energy Transportation

**Week 14: Energy Finance**

* Chapter 15 Energy Futures and Options

**Week 15: Energy and the Information Revolution**

Chapter 16 Energy and Information Technologies