



ENCO 4362: U.S. Energy Policy and Regulation

Syllabus

2014 Spring

<i>Instructor</i>	Michael Giberson
<i>Email</i>	michael.giberson@ttu.edu
<i>Phone</i>	(806) 834-3161
<i>Office hours</i>	MTWR 2:00-3:00 PM, F 12:00-1:00 PM, and by appointment.
<i>Office</i>	BA W324
<i>Class</i>	TR 12:30-1:50 PM, BA 029
<i>Website</i>	http://giberson.ba.ttu.edu/ENCO4362

Course description

The course will examine U.S. government policy and regulation affecting the energy industry and energy consumers with a focus on the policy making process and the methods of policy analysis.

Course materials

- Michael J. Graetz, *The End of Energy*, MIT Press (2011).
- Susan Dudley and Jerry Brito, *Regulation: A Primer* 2nd Ed., Mercatus/GWURSC (2012).

Both books are available from Amazon and other sources online. An electronic version of the Dudley and Brito primer is also available free [at this link](#).

Additional readings will be made available online via links on the class website.

Expected Learning Outcomes

After completing this course, students will be able to:

- Discuss select current energy policy issues, identify typical perspectives on these issues, and describe how proposed policies may affect energy use;
- Identify basic concepts of public policy analysis and explain generally accepted justifications for policy intervention;
- Describe the cost-benefit approach to evaluation of public policy toward energy resources, including the role of cost-benefit analysis and limits of the approach;
- Discuss the use of quantity mandates, price controls, cap-and-trade, pollution taxes, and other approaches to regulation; and
- Explain the rationale of so-called 'market-based approaches' to regulation.

Methods of Assessing Outcomes

Class participation/Present and Prepared: Students are expected to read the assigned material, contribute to class discussions and participate in other in-class activities. See details of the "Present and Prepared" policy below under Additional Class Policies.

Section quizzes: Periodic quizzes on the readings will be given about 7 times during the semester (the lowest two quiz grade will be dropped).

Writing assignment - *The End of Energy*: We will read Michael Graetz's new book on U.S. energy policy, *The End of Energy*. Each student must turn in chapter summaries on the due dates noted in the course outline online.

Writing assignments - Term paper: Each student must research and write a term paper on an issue of current interest in U.S. energy policy or regulation. Additional details on the requirement will be presented during the semester.

Final exam: Test scheduled for 1:30-4:00 PM on Tuesday, May 14.

Grading

This course has a total of 100 points available, allocated as letter grades in the following manner:

- A (Excellent) 90 – 100
- B (Good) 80 – 89.9
- C (Average) 70 – 79.9
- D (Inferior) 60 – 69.9
- F (Failure) 0 – 59.9

Your overall course average will be rounded up to the nearest tenth of a point. (An average fractionally above an 89.9 will become an A, but at an average of exactly 89.9 or below will be a B. Similarly at the grade boundaries at 79.9, 69.9, and 59.9. I may adjust the dividing lines between letter grades modestly if it makes sense to do so.)

Points toward your course average are available as follows:

- Class participation 11%
- Section quizzes 25%
- *The End of Energy* chapter summaries 14%
- Term paper 25%
- Final exam 25%

Additional class policies

In general, the class will follow standard university policies as described in the Texas Tech University Operating Policies (<http://www.depts.ttu.edu/opmanual/>). In addition, please note:

Academic honesty: It is the aim of the faculty of Texas Tech University to foster a spirit of complete honesty and a high standard of integrity. The attempt of students to present as their own any work that they have not honestly performed is regarded by the faculty and administration as a serious offense and renders the offenders liable to serious consequences, possibly suspension.

Attendance: In general, I expect that you will be in class and assume that if you choose not to be in class it is for good reason. As you are an adult and responsible for your own choices with respect to the use of your time, you do not need my permission to miss class. You also do not need to present me with doctor's notes in the event of an illness. However, please do contact me if an illness will keep you from attending multiple classes.

A student who will miss class due to a university-approved trip, recruiting trip or interview, or to observe a religious holy day should make that intention miss class known to the instructor via email prior to the absence so that accommodations can be made in accordance with university policies.

When you miss class, it is your responsibility to catch up or cover missing materials or assignments. The class website and your fellow students should be your first recourse in such cases, not your instructor.

Disabilities: Any student who, because of a disability, may require some special arrangements in order to meet course requirements should contact the instructor to request necessary accommodations.

Present and Prepared: Students will gain the most from class periods - and their classmates, too - if they come to class prepared to contribute. At the beginning of most classes this semester, Dr. Giberson will provide a class roll for students to sign in if they are "present and prepared." If you sign in as "present and prepared" at least 85 percent of the time, you will earn all 11 class participation points. If counted present and prepared fewer than 85 percent of the time, you'll earn fewer class participation points. (From 80-85 percent, then 10 points; if 75-80 percent, then 9; if 70-75 percent, then 8. If counted "present and prepared" fewer than 70 percent of the time, you will obtain 6 or fewer points.)

What does it mean to be "present and prepared"? You must have read or viewed the assigned material (and any material left over from the prior class) and be prepared to discuss the material in class.

Course communication: The instructor may adjust the syllabus or course outline during the course of the semester. All course announcements, assignments, supplemental readings, and any significant changes to this syllabus will be discussed in class and posted to the class website at <http://giberson.ba.ttu.edu/ENCO4362>.

ENCO 4362: U.S. Energy Policy and Regulation

Course Outline
2013 Spring

Consult the online version of this document for current assignment dates and other changes:
<http://giberson.ba.ttu.edu/ENCO4362>.

Outline of topics

Welcome

1. Energy Efficiency

TOPICS: Conservation, energy efficiency, rebound effect, Jevons Paradox, Corporate Average Fuel Economy (CAFE) standards

2. Transportation and Air Pollution

TOPICS: Public goods, free riders, externalities, market failure, Pigovian tax

3. Public policy and legislators

TOPICS: Politics and public policy, energy balance, energy return on energy invested, public choice theory

4. Public policy and regulators

TOPICS: Public interest theory of regulation, Interest group theory of regulation, Capture theory of regulation, Rent Seeking

5. Oil and Gas Resource Development

TOPICS: Benefit-cost analysis, discounting, non-use value, life-cycle analysis

6. Climate Change Policy

TOPICS: Market-based approaches to regulation, cap-and-trade, Pigovian tax

7. Current topics in US energy policy

TOPICS: Student presentations

8. Shale Gas and the Environment

TOPICS: Externalities, Rights and liability, Ronald Coase, Coase theorem

FINAL EXAM: 1:30-4:00 PM on Tuesday, May 14.