Professor Varun Rai  
Assistant Professor, LBJ School of Public Affairs  
Assistant Professor, Mechanical Engineering (by courtesy)  
Faculty Affiliate, Energy Institute

OFFICE:  
Sid Richardson Hall, Unit 3, Room: SRH 3.256  
Email: raivarun@gmail.com. Phone: 512-471-5057  
Office hours: Tue 1-2pm, Thu 3:30-4:30pm, or by appointment  
Teaching Assistant: Changgui Dong (rosenbloog@gmail.com)  
Office hours: Wed 10:30-12pm, or by appointment  
Assistant: Asilee Parkinson-Bahri (asilee@austin.utexas.edu)

COURSE SCHEDULE

9/2 - 12/2, Tu 9am-12pm. Room: SRH 3.220

COURSE DESCRIPTION

This course will introduce students to the major theoretical frameworks commonly used to analyze the design and implementation of public policies related to energy issues, and the response of the energy industry to those policies. The course will focus on the application of these frameworks to specific cases studies. Theoretical frameworks discussed will include public choice; networks, monopoly and regulation; management of global commons; organizational behavior; technology and society; and economy and development. Among other topics, application case studies will include: geopolitics of oil and gas; ethanol subsidies; renewable portfolio standards; carbon capture and storage (CCS); international coal trade; international climate change negotiations; purchase of overseas energy resources; electricity regulation in developing countries; and innovation systems in energy.

Roughly, one unit will cover one or two case studies. Each unit session will begin with a highlight of the theoretical frameworks relevant to the case study. In a discussion-oriented approach, the class will then analyze the outcomes in the case studies through the lens of those frameworks. Student participation in the discussions is required.

The course is intended for graduate students. Basic familiarity with energy technologies and concepts as well as basic understanding of introductory economics would be helpful to the students.

PREREQUISITES

None
REQUIREMENTS

Students are expected to complete the required readings each week prior to the class meeting for the unit and to contribute to the seminar discussion.

Each student, preferably in groups of two, will be responsible for developing a 15-20 minute presentation on one of the energy application studies covered in the readings. The presentations should focus on the analysis of current energy issues. Signups for this task will occur by the second class (September 9).

In addition, students will write two short policy memos (maximum 3 pages; 1.5 line spacing; font: Times New Roman; font-size: 12). These memos can be on any of the case studies covered in the readings or on some other ongoing energy issue. The first memo will be due by 5 pm on Friday, 10 October; the second memo will be due by 5 pm on Friday, 7 November. Each memo will be addressed to a client—a head of a government agency or international institution, or a policy strategist at a firm or NGO—and will briefly summarize the state of play of existing policy, outline the policy options, and explain how to choose among them. The idea behind these memos is not to do extensive additional research but to synthesize what you have learned about the case into a very compact space and to explain policy choices.

Students are also required to write a 15-20 page research paper that applies the logic developed in the course to an energy topic of their choice. Students should choose a topic and turn in a one-page research proposal by 5 pm on Friday, 3 October. The final paper will be due by 5 pm on Friday, 5 December. No late work will be accepted.

REQUIRED READINGS

All required readings will be made available via Canvas at least one week prior to the unit discussion. Units marked with * have heavy reading—plan accordingly.

Supplemental readings will also be available via Canvas.

GRADING

Final grades will be determined by the following formula:

1. Class participation 25%
2. Presentation 15%
3. Policy memos 20% (10% each)
4. One page paper proposal 5%
5. Final paper 35%

SPECIAL NEEDS

The University of Texas at Austin provides upon request appropriate academic accommodation for qualified students with disabilities. To determine if you qualify, please contact the Dean of
Students at 417-6259; 471-4641 TTY. If they certify your needs, we will work with you to make appropriate arrangements.

ACCOMMODATIONS FOR RELIGIOUS HOLIDAYS

By UT Austin policy, you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class or a work assignment in order to observe a religious holy day, you will be given an opportunity to complete the missed work within a reasonable time after the absence.

COURSE OUTLINE & REQUIRED READINGS

Unit 1: Introduction: Political Economy and the Energy System (September 2)
- Course introduction
- Introduction to concepts in political economy
- Introduction to global energy issues

Unit 2: Public Choice & Collective Action – 1 (September 9)

Energy Application: US Ethanol Policy

* Unit 3: Public Choice & Collective Action – 2 (September 16)
- Selected portions from Mancur Olson’s “The Logic of Collective Action.”

Energy Application 1: Safety in Nuclear Industries
- Selected readings from “Hostages of Each Other” by Joseph V. Rees.

Energy Application 2: Safety in Chemicals Industries

Energy Application 3: Management of Forest Resources
Unit 4: State Institutions and Public Policy – 1 (September 23)


Energy Application 1: Nuclear Power

Energy Application 2: Renewable Portfolio Standards

Energy Application 3: CCS

Unit 5: State Institutions and Public Policy - 2 (September 30)


Energy Application: BP Oil Spill
- Selected portions from "Deepwater: The Gulf Oil Disaster and the Future of Offshore Drilling," Report to the President by the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling (2011).

PAPER PROPOSALS DUE by 5 PM, Friday, 3 October – Send via Email

Unit 6: Networks, Monopoly, and Regulation (October 7)


Energy Application: Power Sector Regulation
Unit 7: Regulation and Incentives (October 14)


Energy Application 1: Emissions Trading


Energy Application 2: Electricity Demand Side Management


* Unit 8: Resource Nationalism and Control (October 21)


Energy Application: National Oil Companies

- Stanford National Oil Companies Case Studies
  - ADNOC (UAE)
  - PDVSA (Venezuela)
  - Sonangol (Angola)

* Unit 9: International Political Economy - 1 (October 28)

Domestic vs. International Aspects of IPE


Energy Application: Climate Change Policy

- Chapters 1 and 2 from David Victor’s book, “Global Warming Gridlock.”

Unit 10: International Political Economy - 2 (November 4)

Trades Aspects of IPE


Energy Application: Technology Transfer

- Doug Heguy, and Varun Rai. “Technology Development and Learning: Coal Gasification in


* Unit 11: Politics of Reforms (November 11)


Energy Application 1: Fossil-fuel Subsidies


Energy Application 2: Electricity Reforms


Unit 12: Energy and Development (November 18)


Energy Application 1: Cookstoves


Energy Application 2: Solar PV & Rural Electricity


Unit 13: FOCUSED ENERGY APPLICATION: Climate Change Policy (November 25)


Energy Application: Climate Change Action Pathways


Unit 14: Course Wrap Up and Final Paper Conclusions (December 2)

FINAL PAPERS DUE by 5 PM on Friday, 5th December – Hard Copy and Email