

PUBPOL 910  
Environment and Energy Economics  
Spring 2019

**Syllabus**

**Instructor:** Steven Sexton, [steven.sexton@duke.edu](mailto:steven.sexton@duke.edu). Office hours by appointment.

**Course Description and Learning Objectives:** This course equips students with the analytical tools and methods necessary to identify suboptimal resource allocations and policies to correct them. It should stimulate critical thinking about today's environmental challenges and serve as a foundation for scholarly research and analysis of agent behavior and policies impacting the environment and energy markets. The course explores circumstances in which free markets fail to provide efficient resource allocations and then considers centralized and decentralized policy instruments designed to correct market failures and their implications for efficiency. It introduces students to methods of valuing the environment and natural resources and of evaluating the efficiency and equity of policy interventions. It also examines the organization of energy markets and firms, as well as the economic regulations that govern them.

**Prerequisites:** ECON 701D and 705D.

**Course Website:** All course materials, including announcements, readings, and assignments, will be available via shared Dropbox folder.

**Communications:** Announcements regarding assignments, exams, and course logistics will be made in lecture and on the course website. Every effort will be made to respond within 24-hours to questions posed via email, though substantive questions related to course material should be reserved for office hours or lecture. Questions related to assignments should be posed more than one day in advance of respective deadlines.

**Lecture:** Tu, Th 10:05-11:20am. 151 Rubinstein. Students are responsible for all materials presented in class. Lecture notes will be posted shortly in advance of each lecture.

**Readings:** This course relies on readings from a variety of sources that are posted on the course website. Unless otherwise noted, all readings are required. There is no required text, though, in addition to an intermediate microeconomics text, the following may prove helpful as references throughout the course:

Baumol, William J., and Wallace E. Oates. *The Theory of Environmental Policy: Externalities, Public Outlays, and the Quality of Life*. Englewood Cliffs, New Jersey: Prentice-Hall, 1998.

Viscusi, K., Harrington, J., and Vernon, J. *Economics of Regulation and Antitrust*, 4th edition, Cambridge, MA: MIT Press, 2005.

Keohane, Nathaniel O. and Sheila M. Olmstead, *Markets and the Environment*. Washington, DC: Island Press, 2007.

Angrist, Joshua D. and Pischke, Jorn-Steffen. *Mostly Harmless Econometrics*. Princeton, NJ: Princeton University Press, 2009.

**Assignments and Grades:** Students will be evaluated on the basis of 2-3 problem sets, 2 referee reports, development and presentation of an original research project prospectus, a comprehensive final exam, and in-class presentations. These grade components will be discussed in class. They are weighted as follows:

<i>Item</i>	<i>Weight</i>
<b>Problem sets</b>	15%
<b>Referee reports</b>	15%
<b>Paper presentations</b>	20%
<b>Research prospectus and presentations</b>	25%
<b>Final exam</b>	25%

Letter grades will be assigned according to Sanford School of Public Policy principles for grade distributions.

**Academic Integrity:** Intellectual and academic honesty are at the heart of the academic life of any university. It is the responsibility of all members of our academic community to abide by Duke's Community Standard and the Sanford School's Honor Code. Violation of these standards will result in sanctions as stipulated by these policies. Acts of academic dishonesty, including plagiarism and cheating, are considered very serious offenses and may result in suspension.