

Economics 329(L01) Electricity Markets

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| Instructor: | Derek E. H. Olmstead | Lecture Location: | ICT 116 |
| Phone: | | Lecture Days/Time: | MW 17:00 to 18:15 |
| Email: | | | |
| Office: | SS 338 | | |
| Office Hours: | After class | Fall 2016 | |

Course Description

This course will consider the economics of electricity markets, with particular focus on the deregulated electricity markets in Alberta, Australia, California, and Ontario. Students will develop the understanding and insight necessary to consider:

- the economically meaningful characteristics of electricity, including the nature of demand, transmission congestion, system reliability, and (the effective lack of ability to hold) inventory,
- why some aspects of the electricity 'supply chain' are deregulated and others are not,
- how the deregulated parts of the market are designed and how they function, including how power, energy, and capacity are priced,
- how consumers and firms interact in the market,
- ways to measure the performance of the market, and
- recent Alberta-specific climate policy developments that are related to the electricity market.

There is no required textbook for this course. Primary government and industry publications will be used as appropriate; these will be identified in class. However, a number of useful textbooks are cited below. Note that these are more technical / advanced than is required for this course. Interested students are welcome to consult with the instructor for additional suggested readings.

Students will be required to write a one-page briefing note in which some aspect of electricity policy is discussed. The instructor will provide further detail in class about the structure of the note and acceptable topics. The grade-weight and due date are set out below.

Prerequisites / Corequisites

Economics 201 and 203 or consent of the Department.

Required Textbook(s)

There is no required textbook.

Recommended Textbook(s)

Biggar, Darryl and Mohammad Reza Hesamzadeh (2014), *The economics of electricity markets*.
Stoft, Steven (2002), *Power system economics*.

Reserved Readings

Harris, Chris (2006), *Electricity markets: Pricing structures and economics*.
Hunt, Sally (2002), *Making competition work in electricity*.
Stoft, Steven (2002), *Power system economics*.

Sweeney, James (2002), *The California electricity crisis*.

Course Requirements/Assessments

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|---------------------|-----|--|
| Assignment | 20% | Wednesday, October 5 (collected at the beginning of class) |
| Midterm examination | 20% | Wednesday, November 9 |
| Briefing note | 10% | Wednesday, November 23 (collected at the beginning of class) |
| Final examination | 50% | Scheduled by the University Registrar |

Desire2Learn

This course will make use of the Desire2Learn (D2L) platform. Students who are registered in the course can log on at <http://d2l.ucalgary.ca> through their student centre. Please note that D2L features a class e-mail list that may be used to distribute course-related information. These e-mails go to your University of Calgary e-mail addresses only.

Grade Determination and Final Examination Details

Department of Economics Criteria for Letter Grades. Economics professors use the following criteria when assigning letter grades:

| Grade | Grade Point Value | Description | Grade | Grade Point Value | Description |
|-------|-------------------|---|-------|-------------------|---|
| A+ | 4.00 | Outstanding | C+ | 2.30 | |
| A | 4.00 | Excellent-superior performance, showing-comprehensive understanding of subject matter | C | 2.00 | Satisfactory – basic understanding of the subject matter |
| A- | 3.70 | | C- | 1.70 | Receipt of a grade point average of 1.70 may not be sufficient for promotion or graduation. (See individual undergraduate faculty regulations.) |
| B+ | 3.30 | | D+ | 1.00 | |
| B | 3.00 | Good – clearly above average performance with knowledge of subject matter generally complete. | D | 1.00 | Minimal pass – marginal performance; generally insufficient preparation for subsequent courses in the same subject. |
| B- | 2.70 | | F | 0 | Fail – unsatisfactory performance or failure to meet course requirements |
| | | | I | 0 | Incomplete – unsatisfactory (effective January 2007) |

Grading Scale

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|----|----------|----|---------|----|---------|
| A+ | 95 – 100 | B | 73 – 76 | C- | 60 – 62 |
| A | 85 – 94 | B- | 70 – 72 | D+ | 56 – 59 |
| A- | 80 – 84 | C+ | 67 – 69 | D | 50 – 55 |
| B+ | 77 – 79 | C | 63 – 66 | F | 0 – 49 |

A passing grade on any particular component of the course is not required for a student to pass the course as a whole.

There will be a Registrar scheduled final examination, held in a classroom, lasting 2 hours. Non-programmable calculators will be allowed during the writing of tests or final examinations. Tests and exams will not involve multiple choice questions.

Reappraisal of Grades

For reappraisal of graded term work, see Calendar I.2: <http://www.ucalgary.ca/pubs/calendar/current/i-2.html>. For reappraisal of final grade, see Calendar I.3: <http://www.ucalgary.ca/pubs/calendar/current/i-3.html>.

A student who feels that a piece of graded term work (e.g., term paper, essay, test) has been unfairly graded, may have the work re-graded as follows. The student shall discuss the work with the instructor within 15 days of being notified about the mark or of the item's return to the class; no reappraisal of term work is permitted after the 15 days. If not satisfied, the student shall immediately take the matter to the Head of the department offering the course, who will arrange for a reassessment of the work within the next 15 days. The reappraisal of term work may cause the grade to be raised, lowered, or to remain the same. If the student is not satisfied with the decision and wishes to appeal, the student shall address a letter of appeal to the Dean of the faculty offering the course within 15 days of the unfavourable decision. In the letter, the student must clearly and fully state the decision being appealed, the grounds for appeal, and the remedies being sought, along with any special circumstances that warrant an appeal of the reappraisal. The student should include as much written documentation as possible.

Plagiarism and Other Academic Misconduct

Intellectual honesty is the cornerstone of the development and acquisition of knowledge and requires that the contribution of others be acknowledged. Consequently, plagiarism or cheating on any assignment is regarded as an extremely serious academic offense. Plagiarism involves submitting or presenting work in a course as if it were the student's own work done expressly for that particular course when, in fact, it is not. Students should examine sections of the University Calendar that present a Statement of Intellectual Honesty and definitions and penalties associated with Plagiarism / Cheating / Other Academic Misconduct, <http://www.ucalgary.ca/pubs/calendar/current/k-2.html>

Academic Accommodation

Students seeking an accommodation based on disability or medical concerns should contact Student Accessibility Services; SAS will process the request and issue letters of accommodation to instructors. For additional information on support services and accommodations for students with disabilities, visit www.ucalgary.ca/access/.

Students who require an accommodation in relation to their coursework based on a protected ground other than disability should communicate this need in writing to their Instructor. The full policy on Student Accommodations is available at <http://www.ucalgary.ca/policies/files/policies/student-accommodation-policy.pdf>

Absence from a Quiz/Test/Exam

THERE WILL BE NO MAKEUP OR DEFERRED QUIZZES/TESTS/EXAMS under any circumstances, nor may the quizzes/tests/exams be written early. Students unable to write the quizzes/tests/exams because of documented illness, family emergency, religious observance, or university-sanctioned event will have the weight shifted to the final examination; otherwise a grade of zero will be assigned. If a student cannot write their final exam on the date assigned by the Registrar's Office, they need to apply for a

deferred exam www.ucalgary.ca/registrar/exams/deferred_final. Under no circumstance will this be accommodated by the department.

Important Dates

Please check: <http://www.ucalgary.ca/pubs/calendar/current/academic-schedule.html>

Faculty of Arts Students' Association (F.A.S.A.):

Economics Department Representative

Office: SS 803, E-mail: econrep@fasaucalgary.ca Web: www.fasaucalgary.ca

Society of Undergraduates in Economics

www.ucalgarysue.com

Society of Undergraduates in Economics is a student run organization whose main purpose is to assist undergraduate economics students succeed both academically and socially at the University of Calgary. Services include access to the exam bank, career partnerships with the Career Centre through hosting industry nights and information sessions, recognizing achievements in teaching, and organizing social events for members. They invite you to join by contacting sue@ucalgary.ca.

Faculty of Arts Program Advising and Student Information Resources

- Have a question, but not sure where to start? The Arts Students' Centre is your information resource for everything in Arts! Drop in at SS102, call them at 403-220-3580 or email them at artsads@ucalgary.ca. You can also visit the Faculty of Arts website at <http://arts.ucalgary.ca/undergraduate> which has detailed information on common academic concerns, including program planning and advice.
- For registration (add/drop/swap), paying fees and assistance with your Student Centre, contact Enrolment Services at 403-210-ROCK [7625] or visit them in the MacKimmie Library Block.
- Online writing resources are available at <http://www.ucalgary.ca/ssc/resources/writing-support>

Evacuation Assembly Point

In case of an emergency evacuation during class, students must gather at the designated assembly point nearest to the classroom. The list of assembly points is found at <https://www.ucalgary.ca/emergencyplan/home/evacuation-assembly-points>

Please check this website and note the nearest assembly point for this course

Safewalk

The Safewalk program provides volunteers to walk students safely to their destination anywhere on campus. This service is free and available 24 hrs / day, 365 days a year.

Call 403-220-5333