

31C01300 Energy and Environmental Economics

Spring 2022 Edition

Case study instructions

Topic & pair selection: 30 April 2022, 11 pm. Fill MyCourses assignment.

Deadline: 27 May 2022, 11 pm. Upload as a pdf-file through MyCourses. Even if you work in pairs, everyone needs to upload individually!

Format: 3000–4000 words. Use standard font and margin sizes. Please use concise language. Enjoy!

Ideally, the case study focuses on a policy problem. The report could be a policy paper. You can think of writing a policy paper to me (decision maker), with the idea that I should be able to make a decision based on your analysis and recommendations. Alternatively, when there is no pressing decision to be made, it can be background paper that may help future decisions, that is, a “white paper”. Private sector increasingly produces such white papers. I encourage you to keep the policy perspective: look at relevant problems that need to be addressed. When writing, please communicate clearly the following items: (i) the problem of interest, (ii) the results from your analysis or from the literature, (iii) the relevance for policies.

Lectures contain many additional topics and you are free to choose a topic of your interest. There are some topics listed below:

- New technologies: Pick some hot new energy technology that could solve a pressing sustainability problem in the world. For example, you can focus on the policy measures that are needed to scale-up the technology to the markets.
- Trust in markets mechanisms: Can we trust the market institutions that are in place to solve the climate and other pressing environmental problems? What are the main principles that we need to consider when designing the markets? What are the weaknesses in the market model and how those could be addressed?
- Clean transportation: Finnish government is currently debating different options on how to reduce greenhouse gases from transportation. This would be a clear policy case. Identify the options, discuss the costs and benefits of the options, and come up with a neutral recommendation.
- Consumer behavior: This could be a topic for a literature review, based on the material covered in the lectures. But you can also think of designing an experiment. That is, it could be a research plan, providing the background literature and developing the research question. This could be useful for your future studies.
- Resource scarcity: In the final lectures, we will discuss the implications of scarcity in the energy commodity markets. What are the scarce resources and are they important for the long-run well-being? This is a demanding topic, and an issue that haunted the classics in economics (Jevons, Ricardo, Malthus,..).
- Cases introduced during the lectures: We discuss many potential topics.

You can contact the Course TA, Arttu Ahonen, arttu.ahonen@aalto.fi regarding the practical arrangements.

Case study grading

Grading will be done on the basis of the following rubric:

Case study grading rubric

Item	0 points	1	2	3 points
i) The problem of interest	Provides a vague or no description of the problem.	Provides limited description of the problem.	-	Provides a clear description of the problem.
ii) Discussion of the results of your analysis / literature review	Analysis and/or presentation inadequate	Provides mostly adequate analysis and presentation	-	Provides clear and competent analysis and presentation.
iii) Relevance for policies	Fails to develop policy implications.	Develops some implications.	-	Develops clear implications.
iv) Clarity in communication	Uses non-academic style, language interferes with reading and comprehension	Uses sufficiently appropriate language that doesn't interfere with reading or comprehension.	-	Uses academic language with clear argumentation.

- Points awarded for each item will be summed up.
- The sum is scaled so that gives 50 % of the full score for the course.