

- Topics in Law and Economics: Electricity Markets - SS 2024

Course instructor:

Gerrit Gräper, MSc.; accompanying: Prof. Dr. Georg von Wangenheim

Course format:

Seminar

Teaching language:

English / German

Participation requirements:

Fundamentals of economics

Module assignment:

EB&Go: 3B, 6;

WiRe: W1, W3, IB2

Course description:

During the seminar, students independently work on economic issues in the energy markets (based on the textbook "Handbook on electricity markets") and their regulation (based on the textbook "Natural monopoly regulation: principles and practices"). Students receive an introduction to the economic fundamentals of electricity markets and the associated regulation of natural monopolies. Subsequently, students shape the seminar independently by each participating student developing an economic issue from an academic journal article. The economic problem addressed in this article is prepared for and contextualized for other students. The papers available for selection are structured similarly to the above-mentioned textbooks. The comprehension of the assigned economic paper forms the basis of a written elaboration on a related legal issue. Through this process, students learn to use economic arguments in legal reasoning and to present the results of this reasoning convincingly in a scientific manner. Students of economic law thus become acquainted with the reciprocal duality of legal and economic argumentative structures, while students of economics learn to understand law not as a mandatory constraint of microeconomic methodology but rather as an additional field of application for economic reasoning.

Content:

The energy market is undergoing a transformation. A new market design is necessary because the changing requirements of energy supply cannot be

reconciled with traditional market concepts: a reversal is necessary, in which demand-side adjustments (market-friendly flexibility) based on scarcity signals are at the core of consumer behaviour. In this new environment, not only new market and business concepts emerge, which can be unlocked with the help of new technology, but also new requirements for the regulation of these electricity and network markets. In particular, the regulation of network markets represents an exciting field of application for an economic-legal examination of natural monopolies. This seminar thus combines economically founded potentials of modern energy markets with the associated legal and regulatory challenges.

Qualification goals:

- Literary competences
 - Capture literature
 - Evaluate the quality of literature
 - Improve the ability to contextualize contents
 - Critically recognise connections, commonalities and contradictions between sub-disciplines
- Written competences
 - Concise formulation
 - Preparation of a jurisprudential paper in which economic arguments are taken up
 - Development of a research question
 - Compliance with format requirements
 - Proper citation
- Oral competences
 - Elaborate complex issues and communicate them in a comprehensive manner
 - Create engaging, scientific presentations
 - Guidance and participation in a discussion

Examination performance:

- Presentation (50%):
 - Time frame: 30 minutes presentation, 10 minutes discussion
- 3-minute pitch (5%): What is my legal question and how is it economically sound?
- Written paper (45%): 10–17 pages (=25000 to 42500 characters)
 - Important:
 - Intensive discussion of the legal issue
 - Finding an answer to the research question
 - Integration of the previously elaborated economic arguments in the answer to the question

Grading scheme:

| 0-49: 5 | 50-54:4 | 55-59:3,7 | 60-64:3,3 | 65-69:3 | 70-74:2,7 | 75-79:2,3 | 80-84:2 | 85-89:1,7 | 90-94:1,3 | 95-100:1 (| points of 100 potential: Grade |)

Outline of course:

Date	Theme	SWS
15.04.2024	Introduction to the economic fundamentals of electricity markets / How to approach economic papers	4
30.04.2024	Stating own preferences for the economic papers	8
01.05.2024	Allocation of economic papers	
22.05.2024	Room for questions about the paper (read until now)	2+8
01.07.2024	Development of a legal question based on 3-minute pitches including the proposition of a concrete legal question, in connection to the economic paper as well as a preliminary answer to the question	2+8
14.08.2024	Presentation block I	6+50
15.08.2024	Presentation block II	6
16.08.2024	Presentation block III	6
22.09.2024	Submission of the paper	80

Concept:

In **the first session**, students will be informed about the specific requirements of this seminar. This includes the structure of the seminar, examination requirements, as well as the different decisions that students will need to make during this seminar. Students will receive the key to access the Moodle course and will be able to view the chapters of the textbook and associated economic papers that are relevant for their work. Additionally, students will receive a brief introduction to the characteristics of electricity markets (the necessity of supply = demand, natural monopolies, unbundling, etc.). Subsequently, in this session, the focus will also be on how students can approach the development of an economic paper. Key questions include: How should they proceed? What is important? How do they prepare an economic paper for their peers?

Following this session, students will have two weeks to engage with the possible papers before submitting their preferences for the paper they wish to work on. Based on the preference ranking submitted by the students, an economic paper will be assigned to each student. Students will then work on their paper and begin preparing for the presentation component of the examination.

The **second session** (to be dated) is intended as an introduction to scientific presentation and as a "question space." The focus here is on questions such as: How do I structure my presentation? Which content from the economic paper do I present? How do I make use of the time allotted to me? Furthermore, in the second part of the session, students will have the opportunity to exchange ideas: What problems arise

during the processing? How can these problems be solved? The lecturer will moderate and provide assistance.

After the second session, students should have an understanding of how to process and prepare the economic paper assigned to them.

In the **third session**, students will explain, through a 3-minute pitch, which legal issues arise from their economic paper. The collective will provide feedback and support. Subsequently, the written elaboration of the legal issues arising from the economic paper begins.

Depending on the number of participants, there will then be multiple presentation blocks **in the fourth, fifth, and sixth sessions**, during which the economic papers will be presented to each other.

The seminar is also intended as a meeting point for students with a focus on business law and economics, so additional sessions (between the second session and the submission of the written elaboration) are conceivable in consultation with the students. In these sessions, while the seminar leader is available for questions, the primary goal is to provide students with the opportunity to support each other: Economics students can assist business law students in developing and presenting economic papers, while economics students can benefit from the experience of business law students in the written elaboration process.