

**IA** INTERNATIONAL ASSOCIATION FOR ENERGY ECONOMICS  
**EE** *Newsletter*

EDITOR: Nicky France CONTRIBUTING EDITORS: Paul McArdle and Tony Scanlan

W I N T E R 1 9 9 3

**The road (from Rio) to Bali**  
**16th Annual International Conference**  
**Bali, Indonesia, 17-29 July 1993**

**STOPPRESS:**

**Special air transport arrangements to Bali conference.**

Special arrangements have been made with Garuda Indonesia Airlines for a 35% reduction off published coach air fares to the Bali conference, 27-29 July 1993. Flights can be made from any Garuda Indonesia point of embarkation. Tickets will be valid for any one month period including the conference dates. Conferees are urged to contact the nearest Garuda Indonesia office to make the necessary arrangements to take advantage of the special offer. Conferees will be asked to identify themselves as with the IAEE and indicate that they are travelling to the Bali conference.

Even without Crosby, Hope and Dorothy Lamour, Bali is a spectacular venue for the 16th International Conference. The theme of the Conference, 'Energy, Environment and Sustainable Development: Challenges for the 21st Century', is particularly timely and will provide the first opportunity for members of the Association to meet and consider issues raised by the Rio Earth Summit and its aftermath.

Many Association members were involved in the processes leading up to Rio and in the many activities post-Rio. The International Conference provides a major forum to meet with, and hear first-hand the ideas, impressions and views of these experts. The Conference, as always, is a perfect blend of formal presentations and informal social events giving rise to many opportunities for the exchange of ideas. The concurrent sessions reflect the issues that are of great concern and importance to our world and its progress:

- petroleum market issues · natural gas market issues · coal market issues · renewable energy issues · nuclear power issues · energy conservation/efficiency · energy and the environment · energy and economic development · energy and environmental policies in economic planning · energy management and sustainable development · energy in economic development models

Among the many invited speakers will be: Ginanjar Kartasasmita, Minister of Mines and

Energy, Indonesia; Allan Griffiths, Minister of Resources, Australia; HE Dr Subroto, Secretary-General, OPEC; Dato' Seri Sammy Vellu, Minister of Energy, Telecommunications and Post, Malaysia; B.J. Habibie, Minister of State for Research and Technology, Indonesia; Emil Salim, Minister of State for Population and the Environment, Indonesia. Prominent members of the Association will also be speaking: Fereidun Fesharaki, IAEE President; Campbell Watkins; Ulf Hansen; R.K. Pachauri; Jean Masseron and Mohan Munasinghe.

Bali itself is a beautiful and interesting island with many attractions for après conference pursuits. Bali is famous for dance, art, textiles and music as well as its spectacular golf courses, beaches, reefs and mountains - not to mention a live volcano. It is well worth planning your vacation arrangements around the conference.

Registration fees, which include materials, a copy of the proceedings, and all scheduled meals, but **NOT** hotel accommodation, are as follows:

|                             |          |
|-----------------------------|----------|
| Speakers, session chairmen, |          |
| IAEE officers               | US\$ 300 |
| IAEE members                | US\$ 350 |
| Non-members                 | US\$ 500 |
| Students, guests, spouses   | US\$ 150 |

**Note: A late registration fee of 20% is being imposed on registrations received after 15 May 1993, but will not apply to students, guests and spouses.**

**Accommodation**

| Hotel Code | Hotel Name                | Single      | Double      | Area     |
|------------|---------------------------|-------------|-------------|----------|
| 1          | Grand Hyatt Bali          | US\$ 130.00 | US\$ 130.00 | Nusa Dua |
| 2          | Nusa Dua Beach Hotel      | US\$ 105.00 | US\$ 105.00 | Nusa Dua |
| 3          | Bali Hilton               | US\$ 92.50  | US\$ 109.00 | Nusa Dua |
| 4          | Nusa Indah Hotel          | US\$ 85.00  | US\$ 95.00  | Nusa Dua |
| 5          | Kartika Plaza Beach Hotel | US\$ 70.00  | US\$ 80.00  | Kuta     |
| 6          | Pertamina Cottages        | US\$ 66.00  | US\$ 75.00  | Kuta     |
| 7          | Santika Beach Hotel       | US\$ 60.00  | US\$ 60.00  | Kuta     |
| 8          | Rama Beach Hotel          | US\$ 35.00  | US\$ 40.00  | Kuta     |

For further details and registration contact:

Irdina A. Irawati, Conference General Secretary, Indonesian Institute for Energy Economics (IIEE), c/o REDECON, Gedung Patra Jasa, 1st Floor, Room EFJ, Jalan Jendral Gatot Subroto Kav. 32-34, Jakarta 12950, INDONESIA. Fax: (62-21) 515 133

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## From the outgoing President Council meeting in New Orleans

The IAEE Council met for its fall meeting in New Orleans on 25 October 1992 on the eve of the North American Conference. The President, Ulf Hansen, stressed in his report that with the main administrative decisions implemented and functioning, the focus now should be on improved services and active membership recruitment.

### VP and Secretary, Kenichi Matsui:

The membership has increased by almost 10% from last year. As of 30 September 1992 there are 2 957 members, one-third of whom are individual members, mostly in the USA and Canada, and two-thirds organized as affiliate members. Geographically, a good 30% are in North America, almost 60% in Europe, and 10% spread evenly - though thinly, in other parts of the world.

### Treasurer, Constance Holmes and VP Finance, David Knapp:

The financial situation of the Association improved during 1992. For the first 10 months a healthy surplus has accrued and will help to build a necessary operating reserve. Membership dues contribute more than one half of the total income. *The Energy Journal* has become a major source of income through external subscriptions. Also institutional membership and grants are important contributors. The Council was pleased to note a \$10 000 profit to the IAEE from the International Conference in Tours and expressed its sincere thanks to the French organizers. The European Foundation for Cooperation in Energy Economics now being founded is designed to be a means of securing additional funds in Europe and to support IAEE activities.

### VP International Affairs, Dorothea El Mallakh:

Following the decision of Council in Tours the dues have been frozen for the three years 1993-95; and with the improved financial situation, a special rate of 50% off all dues was agreed for members in low-income countries and in countries with foreign exchange problems. For 1993 and 1994 it applies to countries of Eastern Europe and the former Soviet Union, China and India.

### VP Publications, Ed Morse:

*The Energy Journal* has established itself as a leading professional publication in its field. The *Newsletter* is now being published regularly and on time with important news on IAEE and affiliate activities. It is the feeling that the *Newsletter* should broaden its focus to include news from outside the IAEE and develop into a source of information and forum for opinions. If possible, the number of issues should be increased in 1993. The Best Paper Award Committee, chaired by Ed Morse, will select the most outstanding paper published in *The Energy Journal* in 1991 and 1992.

### VP Conferences, Jörgen Söndergaard:

A detailed manual to assist organizers of IAEE conferences has been prepared and will be sent to all affiliates and chapters shortly. The preparations for the next International Conference in Bali, 27-29 July 1993 are progressing well.

### US Representative, Anthony Finizza:

Some 30 members in the USA petitioned Council to approve the United States Association for Energy Economics as an affiliate of the IAEE. The US membership still has to decide on the mode of operation, and 1993 will be a year of transition for the new affiliate.

### President-Elect, Fereidun Fesharaki:

As chairman of the Long-Term Development Committee he presented the preliminary findings: the IAEE to develop more homogeneously toward affiliate structure, although without giving up the individual option, a stronger involvement of professionals in industry is to be sought; expanding the membership in Asia and Latin America; broadening the IAEE's perspective in a wider area of energy issues, including environmental, social and technical questions. The definitions of goals is to be developed with participation from the membership.

### Immediate Past President, Campbell Watkins:

The 1992 Award for Outstanding Contributions to Energy Economics has been given to Professor Richard Gordon, Pennsylvania State University. The Award for Excellence in Journalism goes to Onnic Marashian, *Platt's Oilgram News*.

### Executive Director, David Williams:

A new Directory will be published in spring 1993. In order to update the entries, the present information contained in the IAEE database will be sent to all members with the request to make any necessary change. With the consolidation of the administration, additional services for members may be considered, for instance, an electronic bulletin board to be accessed via telephone and personal computer. It was decided to leave the development to the US affiliate as a pilot project before considering it on a global scale. An optional Membership Certificate may be obtained from Head Office for \$25.

If there are issues which members would like to bring to the attention of Council, please contact the Executive Director and ask to have them included in the agenda for the next Council meeting in Bali, 26 July 1993.

My year as President has been a great experience, and I have enjoyed meeting members from the many different affiliates and chapters. Work in the IAEE is a team effort, and I would like to express my sincere thanks to all members both within and outside Council who have given so freely of their time. I am glad to see the helm now in the able hands of Fereidun Fesharaki who, I trust, will steer a successful course for the Association, and I wish him the best of luck for 1993.

Ulf Hansen  
Outgoing President

## Paul Frankel

It is my sad duty to report the death of Paul Frankel. He was a long-term member of the IAEE and a recipient of the IAEE Award for Outstanding Contribution to the Profession.

Paul Frankel was born in Vienna in 1903 and received a doctorate in political economy from the Vienna University in 1926. He started his industry career with an independent oil refining and marketing company and moved to Poland in 1927 and, two years later, moved to Danzig in Germany. In 1937 he went to England and joined Manchester Oil Refineries where he also became a director after World War II. In 1955 he resigned and set up his own company, Petroleum Economics Limited. On his 85th birthday in 1988 he formally withdrew from the oil industry with which he had been associated for 60 years.

Paul Frankel will be remembered foremost for his writing

and for the influence he had on younger students coming to the industry. During the war he had started writing and appearing on broadcasts, a role which gave him the opportunity to make a rigorous analysis of the oil industry. It laid the basis for his famous book, *Essentials of Petroleum* (1947), which has been recognized as the starting point for the new discipline of petroleum economics. Paul Frankel wrote many more books, gave important papers at conferences and last, but by no means least, organized his own seminars. The PEL or Frankel Seminars, which started in 1969, have continued ever since. These seminars have been instrumental in helping the oil industry to understand its own business and policy-makers to understand the basics of petroleum economics.

Paul Frankel received the IAEE Award for Outstanding Contribution to the Profession of Energy Economics and to its Literature in 1985 at the International Conference in Bonn, of which I had the pleasure to be Chairman. I last met Paul last December in London at the joint IAEE/BIEE/RIIA Conference in Chatham House where he, as usual, taxed the speakers with probing questions. His latest coup should not go unmentioned - he pressured the Austrian Oil Company to set up an Austrian affiliate of the IAEE.

May we all remember Paul Frankel for his analysis of the petroleum world, his sometimes provocative writing and his educational influence on generations of energy economists. He coined the phrase, 'the Common Carrier of Common Sense', and may it stand as an epitaph over his lifelong work.

*Ulf Hansen  
Immediate Past President*

**PENNSTATE  
University Park, PA**

Tenure-track position at the assistant professor level. Excellence in research and teaching is of primary importance. We are seeking a person with interests in new research areas in environmental, mineral, or energy economics. Teaching load is 3 courses per year in a department that offers B.S., M.S., and Ph.D. degrees.

Minimum qualifications: Ph.D and a solid training in economic analysis or related fields. The position is available starting August 1993, pending budgetary approval. Applications should include curriculum vitae, sample papers, and the names and addresses of 3 referees. Closing date is January 15, 1993, or until the position is filled. CONTACT: Professor Adam Rose, Department of Mineral Economics, 221E Walker Building, The Pennsylvania State University, University Park, PA 16802.

An equal opportunity-affirmative action employer. Women and minorities are encouraged to apply.

*15th*  
**Conference Proceedings**  
**14th IAEE North American Conference**  
**New Orleans, 26-28 October 1992**  
*Seattle, Wash. 11-13 Oct. 93*

The Proceedings from the 14th North American Conference of the IAEE at New Orleans, USA, are now available for purchase from IAEE Headquarters in Cleveland; entitled 'Planning for the Year 2000 and Beyond: Energy Markets and the Economy', they are available to members for \$54.95 and to non-members for \$74.95 which includes 1st class/air mail postage in both cases. Payment must be made in US dollars with checks drawn on US banks.

To order your copies, please complete the form below and mail a copy of the form, together with the appropriate to:  
Order Department, IAEE Headquarters, 28790 Chagrin Blvd. Suite 300, Cleveland, OH 44122, USA.

**Order Form**

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|  |                           |                      |
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| <b>Please supply copies of the 14th North American Conference Proceedings as indicated here:</b> | Member @ \$54.95 each     | <input type="text"/> |
|  | Non-member @ \$74.95 each | <input type="text"/> |
|  | Number of copies required | <input type="text"/> |
|  | Total amount enclosed: \$ | <input type="text"/> |

(Check made payable to IAEE)



**New Orleans Conference:  
A retrospective  
14th Annual North American Conference  
26-28 October 1993**

The 14th Annual North American Conference of the IAEE was held at the Hotel Inter-Continental in New Orleans from Monday morning, October 26, until Wednesday noon, October 28. By all measures the conference was a success. There were 220 attendees. Participation remained high through the final concurrent sessions on Wednesday morning. All of the plenary and concurrent sessions that were scheduled were held. And, in a departure from recent years, the conference ended in the black by netting \$12 985.

The conference would have failed had it not been for the individuals who took part in it either as speakers, moderators, or discussants. Special thanks are due to the members of the Programme Committee who recruited the luncheon speakers, organized the plenary and concurrent sessions, saw to it that these sessions came off as planned, and, in general, made the job of the programme chairman much easier than it would otherwise have been. In particular, those members of the programme committee whose tireless dedication was essential to its success were: Joan Walsh Cassedy, Les Deman, Michelle Foss, Mariano Garfunkel, Dave Knapp, Don Knop, Mike Telson, Sam Van Vactor, John Walsh and Leonard Waverman.

The conference began with welcomes from one of the IAEE's past presidents, Denny Ellerman, and its programme chairman, Bill Johnson. At the end of the first day, Campbell Watkins, another past president, presented the IAEE Journalism Award to Marshall Thomas of *The Oil Daily*. At the end of the second day, Ulf Hansen, IAEE's president, recognized the outgoing members of the IAEE Council and then followed with a eulogy to Paul Frankel, who died a week earlier.

Dr. Alirio Parra, Venezuela's Minister of Energy and Mines and a past president of the IAEE, was scheduled to talk after lunch on Monday, but had to attend a cabinet meeting instead. Juan Carlos Gomez, Coordinator for Strategic Planning for Petroleos de Venezuela, SA (PDVSA), took his place. Snr. Gomez discussed the future of Venezuela's energy industries. In general, his outlook was quite bullish, especially with regard to Venezuela's reserves of oil and gas. Snr. Gomez was introduced by Mario Garfunkel, also of PDVSA.

Dr. Kenneth Lay, CEO of Enron, was the luncheon speaker on Tuesday, October 27. His talk focused on natural gas and, in particular, how to sell more gas in the North American energy market. He also talked about several of the programmes Enron has launched to increase its share of the gas market. Dr. Lay was introduced by Bill Johnson of the JOFREE Corporation.

Among the high points of the conference were the five plenary sessions. The first, on Monday morning, was entitled, 'Energy and the economy: lessons from the recession'. This session was organized by Don Knop of Shell and consisted of talks by three experts on this subject; Roger Brinner of DRI, Hill Huntington of EMF and John Tatom of the Federal Reserve Bank of St. Louis.

The second plenary session was held on Tuesday afternoon. It was entitled, 'The North American market for natural gas'.

This session was organized by Michelle Foss of the University of Houston, Center for Public Policy. It brought together officials of the three governments that have signed the North American Free Trade Agreement (NAFTA). They were the Hon. Jean Guy Fedette, Vice Chairman of the Canadian National Energy Board; the Hon. Juan Eibenschutz, Deputy Minister for International Affairs in Mexico's Ministry of Energy and Minerals, and Thad Grundy, formerly Deputy Assistant Secretary for International Affairs, US Department of Energy, and now with the Washington law firm, Akin, Gump, Hauer and Feld.

The third plenary session was organized by Les Deman of Tenneco Gas Company. Held on Tuesday morning, this session was entitled, 'Increased competition in the US natural gas and electricity industries'. The panellists focused on recent regulatory initiatives by the FERC that have enhanced competition in the gas pipeline and electricity transmission industries. Cathy Abbott of Enron discussed the recent movement toward open access in the USA and how it has affected natural gas markets. James Bailey of Arthur Anderson also discussed open access in the natural gas industry, while Charles Linderman of the Edison Electric Institute talked about similar developments affecting the transmission of electricity. The consensus of all three talks was that competition has increased markedly because of the FERC's initiatives and is, most likely, here to stay.

The fourth plenary session was organized by Dave Knapp. This session focused on a matter of more immediate concern to many of the conference attendees, 'Job security for energy economists: cyclical or secular change?'. The panel consisted of four economists who were either current or former employees of energy companies or engaged in energy-related work: Dave Knapp, consultant; Jack Wilkinson of Sun Refining and Marketing; Larry Ruff of Putnam, Hayes and Bartlett and Bill Johnson of the JOFREE Corporation. All four panellists agreed that times were tough and that, if an economist is to succeed in the corporate environment, his work had to be clearly relevant to his company's needs. However, there was some disagreement about what the company had to do to understand and make use of its economists' talents.

The fifth and final plenary session looked forward to the future. This session was organized by Mike Telson of the House Budget Committee and was held on Wednesday morning, appropriately as the conference was coming to a close, entitled, 'What does the future hold in store for energy?'. The panellists were encouraged to speculate as bravely and as wildly as they wished. For this purpose, Mike brought together in the panel four of the most creative energy economists in the business: Dave Knapp; Jeff Skilling of Enron; Darius Gaskins of High Street Associates and Sam Van Vactor of Economic Analysis. The discussion ranged widely from topic to topic, covering, among other things, likely policy initiatives by the government, future environmental concerns, the unique role of natural gas, and possible changes in technology and their likely impact on energy supply and demand.

The conference also featured 20 concurrent sessions consisting of four sessions in each of five time slots. We sought to limit the number of concurrent presentations to no more than four per session, or a maximum of 80 papers. In fact, we received 96 abstracts which, I am told, is close to the record, if not *the* record for a North American conference.

We were fortunate in the choice of topics. Almost as if by design, the topics of most of the abstracts of proposed papers fit together into coherent and balanced sessions. For example, three presenters gave papers on each of three problems and pitfalls associated with trying to invest in Russia. Four speakers discussed different ramifications of the marketing of natural gas in the post-FERC Order 636 era, and three gave papers on the Hotelling principle and, more generally, the theory of exhaustible resources.

The most discussed topics were energy conservation, protection of the environment, natural gas and electricity. By contrast, only a few papers examined oil *per se*, while none focused on nuclear power and coal. Only a few papers also ventured outside North America and Venezuela, which seems appropriate given that this was the 14th Annual North American Conference.

We were also fortunate in our choice of moderators for each session. Abstracts written by four of these moderators follow: *Session 2: Problems facing the electric utilities - Richard Itteilag, Missouri Public Service.*

Clinton J. Andrews of the Woodrow Wilson School of Public and International Affairs, Princeton University, has concluded that competition is clearly coming to the US electric power sector, but many of the details have not been worked out satisfactorily. The environmental benefit of an avoided kWh is often assumed to be equal to either the system average avoided emission, or the long-run marginal avoided emissions of new base load capacity. And, typically, any effort that cost-competitively avoids a kW of new capacity is considered good, regardless of how the new unit might compare to the existing system. But all kWh are not alike, and we lose a great deal of important information when we pretend that they are generic.

William J. Kemp of the Northwest Consulting Group of Deloitte & Touche, concluded that some near-term steps to enable electric utilities to compete more effectively in a deregulated market might include: shorter contract terms; price and term re-openers; diversification of fuel sources and type; risk management options and cost; the building of a consensus on risk assessment methods; development of compensatory supplemental service charges and readiness for competitive restructuring.

Finally, Lennart Hjalmarsson, Professor of Economics, University of Gothenburg, Sweden, presented an analytical technique to determine the productivity of electricity retail distribution for Sweden.

*Session 3: Issues in exploration and production - John Boatwright, Exxon Company, USA.*

This concurrent session included three papers dealing with production taxation, the economics of horizontal well technology, and a generic econometric model of hydrocarbon exploration.

Leonard Coburn of the Department of Energy highlighted the problems created by the Alternative Minimum Tax (AMT) for independent producers.

David Yard of Columbia Engineering identified the physical parameters of an oil field that were necessary to make horizontal drilling economically attractive. In addition, his paper included a micro-economic analysis of several onshore oil fields in which vertical and horizontal wells were compared.

J. David Fuller of the University of Waterloo reported on his research in constructing a generic economic model of oil and gas exploration.

*Session 7: Recent developments affecting the oil and gas industry - Bill Hederman, R.J. Rudden Associates, Inc.*

This session began with remarks by Bill Hederman about how important it is for the natural gas pipeline industry to demonstrate reliability this winter and for natural gas markets to develop price stability as prices increase.

Les Deman of Tenneco Gas presented a comprehensive review of natural gas pipeline regulatory and market developments from World War I to 1992. He concluded that the competitive forces now unleashed would create new winners and losers, but the overall situation showed marked improvement over the misapplied regulations of recent decades.

Brian McLaughlin of the General Accounting Office presented an econometric model developed by the GAO to analyse factors affecting approval times for construction of natural gas pipelines. GAO performed this work in response to a Congressional request.

Marianne van Egteren, of TransCanada Pipelines Limited, focused on a key market that has been crucial to recent TCPL expansions: natural gas for electric generation. She analysed the economic and environmental advantages of gas as a power generation fuel, assured potential end-users of supply availability in Canada, and also noted that non-utility generators had moved to gas more rapidly than had electric utilities.

*Session 19: Demand-side management by the public utilities - G. Campbell Watkins, Datametrics Ltd.*

Demand-side management (DSM) is of increasing significance. Indeed, an estimated \$150 billion could be spent on DSM programmes in the USA over the next decade.

Three papers were presented. Gary Vollans, of the Canadian government, provided a theoretical treatment, pointing out that DSM techniques can help correct for inappropriate consumer price signals. He cautioned that a penchant for integrated resource planning need not necessarily lead to significant efficiency improvements over and above those already achieved via DSM programmes.

Allen Lee of Pacific Northwest Laboratory and Stephen Onisko of Bonneville Power Administration discussed mobile home energy conservation programmes. Life cycle cost (LCC) analysis was used to highlight differences in the design of energy efficiency programmes. The optimum customer investment in energy efficiency was found likely to be less than that appropriate for utilities. Information from LCC analysis can be used to design programmes to increase consumer awareness.

Daniel Pack of the National Renewable Energy Laboratory, Colorado, discussed why DSM programmes, supposedly cheaper than avoided costs, can be associated with increasing energy prices. Conditions were developed to show where additions of DSM to the utilities resource mix would produce positive or negative effects on utility prices.

And now, on to Seattle in October 1993.

William A. Johnson  
IAEE Program Chairman

### Abstract deadline for North American Conference

The deadline for abstract submissions to the 15th Annual North American Conference of the IAEE is 21 May 1993.

For contact information see Calendar Section (10-13 October, 1993).

## Development prize

The International Cultural Centre for Peoples Development is running a competition for the international prize of 'Technology for Development' on the theme of environmentally sound energy technologies for developing countries.

The LIGURIA prize, sponsored by the main UN agencies and the support of the Italian Foreign Ministry, aims to promote research and encourage technical expertise and methodology in order to improve living standards and reduce social inequalities in developing countries. The projects entered for the competition should achieve one of the following aims:

### 1. Energy saving and renewable energies

ie, improving the efficiency of energy production, distribution and use; developing and diffusing the use of renewable energies; promoting small-scale and decentralized systems utilizing local energy sources; etc.

### 2. Technology transfer and adaptation

ie, implementing, adapting and/or improving imported technologies, in order to develop innovative and appropriate solutions to suit the specific needs of each individual developing country's situation, and to improve local environment conditions.

### 3. Capacity building

ie, creating a proper environment to promote indigenous technological and managerial capacity; appropriate technological infrastructures; financial and market mechanisms; managerial and entrepreneurial capacity; R & D and training; diffusion of information and education on environmentally sound energy technologies; etc.

### 4. Cooperation in energy-environment policies

ie, regional cooperation among developing countries, between technology suppliers and recipients, or between NGOs and local communities, in promoting long-term regional planning as a means of solving both energy and environment problems; the conversion of past foreign debts into environmentally sound energy investments; etc.

### Generally the projects should be:

- innovative and capable of starting an integrated process of development, based on environmentally sound energy technologies;
- suited to the social, cultural and geographic situation (environment, climate, etc.) of the users;
- technically and economically reliable; functional; easy to understand and manage; financially feasible; requiring little need of assistance;
- in accordance with the general criteria established by the Member Organizations of the UN regarding the relationship between energy, industrialization and environment. Preferences will be given to projects having a wide dissemination and showing community participation through the involvement of the users in the planning/implementation stages.

### The documentation required should include:

- The Report (maximum 10 pages) showing:
  - project aims
  - general and specific objectives
  - activity phases and timing
  - innovative nature of the project or its application
  - evaluation of the project effects on the users

The Technical Description (maximum 20 pages and 10 drawings) including:

- technical data
- costs
- partners of the project and their role
- relationship with local and international institutions
- any other document or supporting material which the candidate considers relevant for an evaluation of the project.

### Entry requirements are that:

Application to take part in the competition and relative documentation must be written in one of the following languages:

ENGLISH - FRENCH - SPANISH - ITALIAN

and two copies sent by candidates at their own expense to:

Centro Internazionale di Cultura per lo Sviluppo dei Popoli  
Via Roma  
8/A - 16121 Genova  
ITALY

not later than **30 April 1993**.

The Prize consists of a silver plaque from the International Cultural Centre for Peoples Development, and a contribution of 50 million Italian lire toward the project. The 3 runners-up will each be granted the sum of 20 million Italian lire, by way of a contribution towards the costs of their projects.

## The Energy Journal: forthcoming papers

The *Energy Journal*, Volume 14, Number 2, which will be available in the second quarter of 1993, will contain the following papers:

Global CO<sub>2</sub> Agreements: A Cost Effective Approach

**Snorre Knerndokk**

Structure and Intensity of Energy Use: Trends in Five

OECD Nations **R. Howarth, L. Schipper and B. Andersson**

How Big is the Electricity Conservation Potential in Industry?

**M. Jaccard, J. Nyboer and A. Fogwill**

Priority Pricing of Interruptible Electric Service with an

Early Notification Option **Todd Strauss and Samuel Oren**

Impact of Energy Prices on Technology Choice in the US

Steel Industry **Gale Boyd and Steve Karlson**

Oil Shocks and the Demand for Electricity

**E. Kokkelenberg and T. Mount**

A Stochastic Model for the Measurement of Electricity

Outage Costs

**A. Grosfeld-Nir and A. Tishler**

Petroleum Property Valuation: Binomial Lattice Implement-

ation of Option Pricing Theory

**E. Pickles and J. Smith**

A Micro-Economic Analysis of Industrial Demand for Energy

in New South Wales

**Alan Woodland**

## David Wood memorial issue

The memorial issue of the *Energy Journal* in honour of David Wood, who died in 1991, is now published and includes articles by M.A. Adelman, Ernst Bernt, Richard Eckaus, Noriyuki Goto and Takamitsu Sawa, James Griffin, William Hogan, Dale Jorgenson, Gordon Kaufman, Catherine Morrison, Richard Schmalensee and G.C. Watkins.



**NEWS IN BRIEF****From China**

The 1992 Annual Conference of the Chinese Association for Energy Economics (CAEE), organized by the Energy Commission, MOEA, was held in Taipei on 17 October 1992. The conference was opened by Dr. Shu-jou Lee, Vice Minister of Economic Affairs and President of the CAEE. Dr. Tai-ying Liu, President of the Taiwan Institute of Economic Research, was invited as the keynote speaker. Dr. Liu addressed 'Industrial strategies to cope with energy and environmental challenges' in which he stressed the importance of promoting rational energy pricing to direct the efficient use of energy; he also reviewed the development of energy-intensive industries to alleviate increased energy consumption in Taiwan.

The theme, 'Efficient implementation of the energy conservation policy', was the focal point of the plenary session chaired by Dr. Shu-jou Lee. The conference ended with a great success and attracted more than 170 participants.

Dennis Yao  
CAEE

**Wanted****DSM Programme Evaluation Reports for national database on energy efficiency programs (DEEP)**

DEEP will contain programme descriptions and key summary data on program costs, participation rates, energy and demand savings and evaluation methodologies.

This project is co-funded by the US Department of Energy, the Electric Power Research Institute, New York State Energy Research and Development Authority, Bonneville Power Administration and the Rockefeller Family and Associates.

Please send evaluation reports to:  
Ronnie Weiner, DEEP Programme,  
Lawrence Berkeley Laboratory, Bldg  
90-4000, Berkeley, CA 94720.

For more information, contact Ed Vine (DEEP Project Leader) at (510) 486-6047 or Ronnie Weiner at (510) 486-4393.

**Council nominations for 1994**

The 1993 Nominating Committee solicits suggestions from the membership at large for candidates for the following positions for terms beginning 1 January 1994:

**President-elect**  
**Vice President for Publications**  
**Vice President and Secretary**  
**Vice President for Conferences**

The names of suggested candidates with a statement of support should be submitted no later than 1 May 1993, to the chairman of the 1993 Nominating Committee:

G. Campbell Watkins  
Datametrics Limited  
#440, 1201 5th Street, SW  
Calgary, Alberta  
Canada T2R 0Y6  
Tel: (403) 266-6711  
Fax: (403) 262-2587

Other members of the 1993 Nominating Committee are Denny Ellerman, chairman of the 1992 Nominating Committee; Peter Odell, Netherlands/UK; Jean-Marie Boudaire, France; and Toshiaki Ushijima, Japan.

G. Campbell Watkins  
Past President

**1993 IAEE awards nominations**

Each year the IAEE awards two prizes:

**The Profession Award**

for outstanding contributions to the field of energy economics and its literature and

**The Journalism Award**

for excellence in written journalism on topics relating to international energy and economics.

The Awards Committee, chaired by Immediate Past President, Ulf Hansen, consists of Chris Cragg, *Financial Times*; Richard L. Gordon, Pennsylvania State University; John H. Lichtblau, Petroleum Industry Research Foundation and Mohan Munasinghe, World Bank.

Proposals for candidates for the above awards are most welcome and should be submitted, with appropriate material, by 30 June 1993 to:

Professor Ulf Hansen  
University of Essen  
Universitatstrasse 2  
4300 Essen  
Germany  
Fax: (201) 183 2536

The decision of the Awards Committee will be announced in the autumn.

Ulf Hansen  
Immediate Past President

**The editor regrets...**

I apologise for the late arrival of this issue of the *Newsletter*. It is due to a combination of moving both office and home (a nightmare), the resultant backlog of work, Christmas, New Year, power surges and brownouts and the equivalent of measles in the computer. Every year we have a problem with the Christmas break, so we have decided to push the publication months forward by one month, they now become February, May, August and November.

I would also like to take the opportunity to encourage the membership to send in their news. I know many chapters and affiliates have a very busy programme of meetings and activities and it would benefit all Association members to hear of them through the *Newsletter*. It also helps visiting members to take advantage of local meetings and make contacts.

Please note the new address, fax and telephone numbers:

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Editor, IAEE Newsletter  
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## Publications

*Achievable Electricity Conservation Potential: The Role of Utility and Non-Utility Programs* by Steven Nadel, ACEE, 2140 Shattack Ave, Suite 202, Berkeley, CA 94704, USA, 1991, pp8, US\$ 4.00.

*Electric Utility Planning and Regulation* by Edward Kahn, ACEE, 2140 Shattack Ave, Suite 202, Berkeley, CA 94704, USA, 1991, pp339, US\$ 24.50.

*Electrical Utility Organisations of the World* by Aubertin Blauvelt Sumner, 75 Updown Hill, Windlesham, Surrey GU20 6DS, UK, 1992, £350.00.

*Electricity Law and Practice* by Kenneth Bailey and Robert Tudway, Sweet and Maxwell, Cheriton House, North Way, Andover, Hants SP10 5BE, UK, 1992, £150.00.

*Privatization, Public Ownership and the Regulation of Natural Monopoly* by C.D. Foster, Blackwell Publishers, 108 Cowley Road, Oxford OX4 1JF, UK, 1992, pp424, £35.00.

*The Political Economy of Energy Privatization* by Colin Robinson, Surrey Energy

Economics Centre, Department of Economics, University of Surrey, Guildford, Surrey GU2 5XH, UK, 1992, pp12, £18.00 (UK), £20 (Overseas airmail).

## Calendar

**16-17 March 1993, Munich, Germany:** Renewable energies: Operating experience and analyses of the economic efficiency of plants in Europe. Contact: VDI-Gesellschaft Energietechnik, PO Box 10 11 39, W-4000 Dusseldorf 1, Germany. *Tel:* 49 211 6214 414. *Fax:* 49 211 5215 575.

**17 March, London, UK:** 1st BIEE seminar. The reconciliation of commercial and environmental objectives in energy. Contact: Mary Scanlan, BIEE, 37 Woodville Gardens, Ealing, London W5 2LL, UK. *Tel:* 081 997 3707. *Fax:* 081 566 7674.

**29-30 March, London, UK:** 'Hedging the risk in energy price'. Contact: Monique Quant, IBC Financial Focus Ltd., 57/61 Mortimer Street, London W1N 7TD. *Tel:* 071 637 4383.

**25-28 April 1993, Colorado, USA:** 20th ICEED International Energy Conference. Energy and

development revisited: 20 years and beyond. Contact: The Director, ICEED, 909 14th Street, Suite 201, Boulder, CO 80302, USA. *Tel:* 303 442 4014. *Fax:* 303 442 5042.

**5-7 May, 1993, Barcelona, Spain:** 6th US-European Coal Conference. Contact: US Coal Exporters Association, 1130 17th Street, NW, Washington, DC 20036, USA. *Tel:* (202) 463 2639. *Fax:* (202) 833 9636.

**10-11 May, 1993, Bergen, Norway:** 14th Bergen Conference on Oil and Economics. 'The oil industry: coping with tighter restraints'. Contact: Gerd Jaeger. *Tel:* 47 5 997235. *Fax:* 47 5 997238.

**17-21 May, 1993, Birmingham, UK:** 12th International Conference on Electrical Distribution. Contact: Conferences Services, IEE, Savoy Place, London WC2R 0BL, UK. *Tel:* 071 240 1871 ext. 5477. *Fax:* 071 497 3633.

**27-29 July 1993, Bali, Indonesia:** 16th IAEE International Conference. Contact: Conference Secretariat, c/o REDECON, Gedung Patra Lt. 1, Jl. Gatot Subroto 32-34, Jakarta 12950, Indonesia. *Tel:* (62 21) 511 821, 511 824. *Fax:* (62 21) 515 133.

**10-13 October 1993, Seattle, Washington, USA:** 15th Annual North American Conference of the

IAEE. Contact: Joan Walsh Cassidy, 1101 14th St., NW, Suite 1100, Washington DC, USA. *Tel:* (202) 371 1191. *Fax:* (202) 371 1090.

**13-15 October, 1993, Amsterdam, Netherlands:** Gas Expo '93: International exhibition for gas transport and gas distribution. Contact: Europaplein, NL-1078 GZ Amsterdam. *Tel:* +31 (0) 20 549 1212. *Fax:* +31 (0) 20 646 4469.

**7-10 November 1993, Colorado, USA:** Tenth Annual International Symposium on Alcohol Fuels at Colorado Springs.

**2-3 March, 1994, Aachen, Germany:** VDI-GET Conference: Advances in turbo-engineering. Contact: VDI-Gesellschaft Energietechnik, PO Box 10 11 39, W-4000 Dusseldorf 1, Germany. *Tel:* 49 211 6214 414. *Fax:* 49 211 5215 575.

**25-27 May 1994, Stavanger, Norway:** 17th IAEE International Conference. Contact: Odd Anker Hassel. *Tel:* 47 2 531034. *Fax:* 47 2 534308.

**15-17 August 1994, Espoo, Finland:** Sixth International Conference on Thermal Energy Storage. Contact: Helsinki University of Technology, *Tel:* (358-0) 451 3193.

## IAEE Newsletter

### Volume 2 Winter 1993

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**Advertisements:** The IAEE Newsletter, which is received quarterly by 3,000 energy economists, accepts advertisements. For information regarding rates, design and deadlines, please contact David Williams at the address below.

**Membership, subscriptions and claims:** Inquires should be made to David Williams, IAEE Executive Director, Administrative Management Services, 28790 Chagrin Blvd, Suite 300, Cleveland, OH 44122, USA; *Tel:* and *Fax:* 216 464 5365.

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