

## Conference report

**29<sup>th</sup> International Association for Energy Economics (IAEE) International Conference.**  
Held from 7–10 June 2006, Kongresshotel am Templiner See, Potsdam, Germany.

‘Securing Energy in Insecure Times’ was the motto and overarching research interest of around 430 energy experts from all over the world who joined the annual international conference of the IAEE.

The conference location and its timing distinguished Potsdam as a magnificent choice. ‘Berlin is interesting but Potsdam is beautiful. Please don’t let yourself be distracted by Berlin’ was the bold recommendation of the Prime Minister of the Federal State of Brandenburg, Matthias Platzeck, to the audience. And indeed, participants were enchanted by sights such as the Sans Souci palace and the marvellous dinner boat tour which was accompanied by live jazz music and bright sunshine. But, because the World Cup started just one day later, his advice was barely heeded. On the previous evening, the conference attendees were invited to the E.on representation in the centre of Berlin, located within walking distance of the Brandenburger Tor, where hundreds of thousands of people celebrated the opening game.

The working title of the conference reflected the growing concern about security of supply in the energy sector. As the name of the association already indicates, it is open to all professionals interested in energy economics. Although most of the participants are economists, a significant number of participants stem from disciplines like engineering, mathematics, environmental management, law or political science. As a matter of fact, apart from a small number of sessions concentrating on economic modelling, the conference was characterized by an interdisciplinary approach. The conference fees were moderately high or highly moderate, depending on the professional budget, but to promote the participation of (PhD) students, the IAEE offered a student scholarship program. This enabled the IAEE to attract an increasing number of young researchers and thereby strengthen its organizational growth. According to the organizer Prof. Georg Erdmann (Technical University Berlin) 320 papers had been submitted. Due to the growing number of submissions, the conference had to be expanded and more sessions scheduled. In the end, 250 papers were selected for presentation at the conference.

The conference attracted excellent speakers from various backgrounds, ranging from industry (Ruslan Nickolov, TNK-BP Russia), science (Prof. Peter R. Odell, Erasmus University, Netherlands), representatives of national parliaments (Lord Howell of Guildford, House of Lords, UK) and international organizations (Klaus Töpfer, Former Executive Director UNEP, Nairobi). The selection and composition of the plenary sessions enriched and widened the perspective of how to tackle challenges in the energy markets. The heterogeneity of speakers and participants ensured controversial and lively discussions. Whereas companies were underlining the necessity for clear and stable regulatory frameworks in order to

ensure investments, Klaus Töpfer emphasized the North–South dimension of energy use to ensure economic development all over the world. Once again, the discussions highlighted the need, and difficulty, of serving competing goals like energy supply security, efficiency, low energy prices and sustainability.

During the conference, both current and future market regulation and governance structures were discussed. In this context Prof. Peter Odell outlined his future vision by addressing some major trends in energy markets. He anticipated the ‘creation of a UN International Energy Organization designed to deal with the world’s 21<sup>st</sup> century matters – in like manner to that established in other critical fields by the World Bank, the IMF, the International Trade Organization and the IAEA.’ Opposing the political views lately voiced by the majority of European Member States, Prof. Odell underlined the necessity of creating a ‘Greater European Strategic Gas Authority’ to integrate the European energy markets. To sum up, the speeches were informative but they were, by nature, inspiring rather than groundbreaking.

The 53 sessions centred on recent research, analysing the oil, gas and electricity sectors. To a lesser extent, new findings concerning coal and renewable energies were discussed, with the exception of the nuclear power sector, which received only marginal attention. As always the projection of energy demand received great attention, and papers addressing changing market structure were also of interest. As a result of the wave of mergers and acquisitions in the energy sector, some papers assessed the effects of vertical integration and changes in market structure. Also prominent on the research agenda was the oil and gas price formulation and market dynamics induced by Liquefied Natural Gas (LNG). ‘Are consumers willing to pay for security of supply?’ was an innovative research question raised by a Swiss researcher team – a reasonable question, in times of changing energy paradigms, where ideas about liberalized market design are challenged by security of supply concerns. Nevertheless, the conference can best be summed up by saying ‘there is no such thing as full security of supply’. Even so, a common belief expressed was that security of supply is grounded in a diversification of primary energy sources.

More detailed information about the IAEE and future conferences is available on the IAEE-website (<http://www.iaee.org>). The next projected conferences are:

- 2006 North American Conference, 24–27 September 2006, Ann Arbor, USA.
- 2007 IAEE International Conference, 18–21 February 2007, Wellington, New Zealand.
- 2007 IAEE European Conference, 10–12 June 2007, Florence, Italy.

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