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OLE GUNNAR AUSTVIK:

v

The Norwegian State as Oil and Gas Entrepreneur

The Impact of the EEA Agreement and EU Gas Market Liberalization

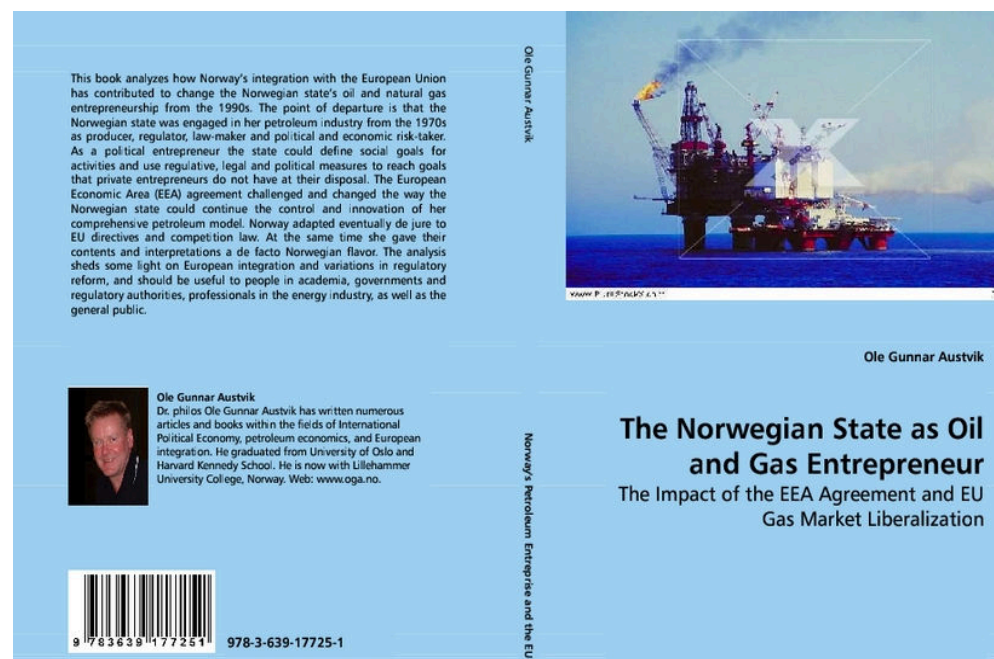
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This book analyzes how Norway's integration with the European Union has contributed to change the Norwegian state's oil and natural gas entrepreneurship. The point of departure is that the Norwegian state was successfully engaged in her petroleum industry from the 1970s as producer, regulator, law-maker and political and economic risk-taker. As a political entrepreneur the state could define social goals for activities and use regulative, legal and political measures to reach goals that private entrepreneurs do not have at their disposal. The European Economic Area (EEA) agreement from the 1990s challenged and changed the way the Norwegian state could continue the control and innovation of her comprehensive petroleum model. Norway adapted eventually *de jure* to EU directives and competition

law. At the same time she gave their contents and interpretations a *de facto* Norwegian flavor. The analysis explains the unique mixture of state and private activities in the Norwegian petroleum sector, and sheds some light on European integration and variations in regulatory reform. It should be useful to people in academia, governments and regulatory authorities, professionals in the energy industry, as well as the society at large.

Book review Nov 2009: "[Mild i form, sterk i innhold](#)" (Norwegian only)

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Norsk gass, naturgass, gassdirektiv, EU, Europeiske Union, regulering, regulator, transmisjon, liberalisering, liberalisme, energiskatter, avgifter, Gassforhandlingsutvalget, GFU, Forsyningsutvalget, FU, Naturlig monopol, Oljedirektoratet, OD, Olje- og energidepartementet, OED, Ministry of Petroleum and energy, MPE, Statoil, Norsk Hydro, Petoro, Gassco, GasLed, Norge, Russland, Tyskland, Ruhrgas, Gaz de France, E?S, leveringssikkerhet, ressursrente, grunnrente, naturgass, monopolrente, rente, ?konomisk teori, reguleringsteori, regulerings?konomi, ikke-fornybare ressurser. **Abbreviations:** ATC Average total cost BCM Billion cubic metres BG British Gas BNOK Billion Norwegian kroner BP British Petroleum CAP Common Agricultural Policy CPI Consumer Price Index CC Common Carriage CEGB Central Electricity Generating Board (U.K.) CHP Combined heat and power CIS Commonwealth of Independent States CME Coordinated market economies Coreper Committee of Permanent Representatives (EU) DG Directorate General (EU) DOE Department of Energy (U.S.) DOP Deliver or pay EC European Community ECB European Central Bank ECSC European Coal and Steel Community EEA European Economic Area EEC European Economic Community EFTA European Free Trade Association EIA Energy Information Agency (DOE statistical division) EIP Entrepreneurship Indicators Project ESA EFTA Surveillance Authority EU European Union EU-6 Belgium, France Germany, Italy, Luxembourg and the Netherlands EU-10 Cyprus, Czech Republic, Estland, Hungary, Latvia, Litauen, Malta, Poland, Slovakia and Slovenia EU-12 EU-10 + Romania and Bulgaria EU-15 EU-6 + Austria, Denmark, Finland, Greece, Ireland, Portugal, Spain, Sweden and the U.K. EU-25 EU-15 + EU-10 EU-27 EU-15 + EU-12 FEREC Federal Energy Regulatory Commission (U.S.) FIN Ministry of Finance (Norway) FPC Federal Power Commission (U.S.) FTA Free Trade Area FU Forsyningsutvalget (Gas Supply Committee) GATT General Agreement on Trade and Tariffs GDP Gross domestic product GEMA Gas and Electricity Markets Authority (U.K.) GFU Gassforhandlingsutvalget (Gas Negotiation Committee) IEA International Energy Agency INTSOK Internasjonalisering av norsk sokkel ("Norwegian oil and gas partners") IPE International political economy LDC Local Distribution Company LME Liberal market economies LNG Liquefied Natural Gas LPG Liquefied Petroleum Gases LPMC Long run marginal cost MBD Million barrels per day MC Marginal cost MFA Ministry of Foreign Affairs (Norway) MFN Most favoured nation MMBTU Million British thermal units MMC Monopolies and Mergers Commission (U.K.) MOA Mandatory Open Access (IEA) MPE Ministry of Petroleum and Energy (Norway) MITI Ministry of Industry and Trade (Japan) MTOE Million tons of oil equivalents NATO North Atlantic Treaty Organization NBIM Norges Bank Investment Management NCA Norwegian Competition Authority (Konkurransetilsynet) NCS Norwegian Continental Shelf) NGA Natural Gas Act (U.S.) NGF The "Norwegian Gas Factory" NGPA Natural Gas Policy Act (U.S.) NGL Natural Gas Liquids NGU Norges geologiske unders?keler (Norwegian Geological Survey) NOK Norwegian Krone NORSOK Norsk sokkels konkurranseposisjon (Norwegian shelf competitive position) NPD Norwegian Petroleum Directorate (Oljedirektoratet) NPM New Public Management OECD Organization for Economic Cooperation and Development OFFER Office of Electricity Regulation (U.K.) OFGAS Office of Gas Supply (U.K.) OFGEM Office of Gas and Electricity Markets (U.K.) OPEC Organization of Petroleum Exporting Countries OA Open Access PSA Production Sharing Agreements PV

Present value QMV Qualified majority voting SDC Shtokman Developing Company SDFI State Direct Financial Interests (Norwegian: SD?E) SD?E Statens direkte ?konomiske engasjement, see SDFI SGR Strategic Gas Reserves SMP Special Market Programs (U.S.) SO Statement of Objections (EU) SPR Strategic Petroleum Reserves SRMC Short run marginal cost SWF Sovereign Wealth Funds TOP Take-or-pay (contracts) TPA Third Party Access TSO Transmission System Operator USD U.S. Dollar VAT Value Added Tax WTO World Trade Organization WTP Willingness to pay WWI World War I WWII World War II Liberalisation