



# Energy: A Giannini Jingle

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# The Past

Lin & Wagner (forthcoming, JEEM): "Steady-state growth in a Hotelling model of resource extraction"

- reconciles trendless nature of historical minerals prices with Hotelling model
  - Technological progress
  - Stock effects
- But: yields steady-state growth in extraction
  - In reality, resource stocks are finite

# The Present

- Structural break (a là Lee, List & Strazicich, 2006)
  - Impending scarcity of resource
  - High oil prices

# The Future

- Investment in:
  - unconventional fossil fuels
  - alternative energy
- R&D investment decisions
  - following Lin (2007): “Do firms interact strategically?: A structural model of the multi-stage investment timing game in offshore petroleum production”
- Growth and natural resources