

“Klimata mērķu ekonomiskās ietekmes modelēšana un analīze”

Ekspertu panelis: Klimata pārmaiņu politikas modelēšanas pieredze

10.12.2021

VPP-EM-2018/NEKP-0001



Model-based policymaking or policy-based modelling? Experience on use of simulation and optimisation models.

M.sc. Signe Allena-Ozolina, **Dr.sc.ing. Dzintars Jaunzems**, Dr.sc.ing. Ieva Pakere,
Dr.sc.ing. Andra Blumberga, Dr.sc.ing. Gatis Bazbauers

Institute of Energy Systems and Environment, RTU



VPP-EM-2018/NEKP-0001

ENERGY AND CLIMATE MODELLING TOWARDS NET ZERO EMISSIONS

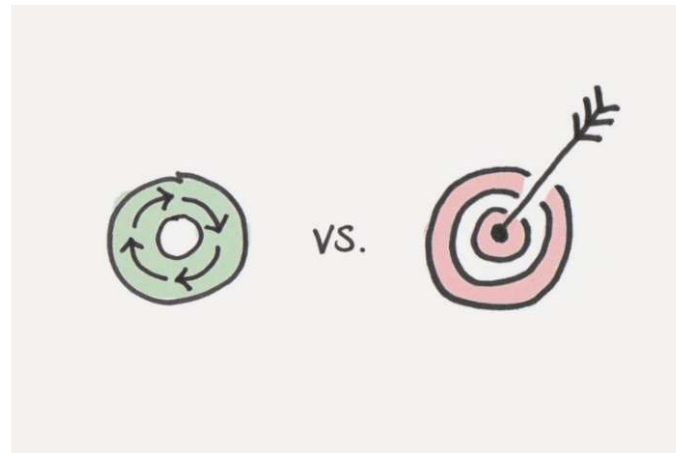
10.12.2021

A SIMULATION MODELS

To calculate the performance of possible future systems and to find a set of solutions for an open evaluation process.

OPTIMISATION MODELS

To identify the optimal solution (e.g. energy system with least costs.)



<https://crossfitop.com/say-your-goals-backwards/>

10.12.2021

The various roles of politicians, planners and people

| Title | Politicians | Planners | Society |
|---|--|---|----------------------------------|
| Commander model | Make decisions and give orders | Execute orders using planning tools | Voters and taxpayers |
| Optimisation model I (economistic) | Satisfy consumer preferences on the basis of efficiency calculations | Survey, aggregate and satisfy consumer preferences | Sovereign private consumers |
| Optimisation model II (scientific) | Follow advices from the planners | Scientific computation of the correct (or necessary) police | Objects of scientific management |
| Dialogue model | Issue guidelines, make final decisions | Advisors, initiators, and communicators | Actively involved |

H.Lund, F. Arler, P.A. Østergaard, F.Hvelplund, D.Connolly, B.V. Mathiesen, P. Karnøe, Simulation versus Optimisation:Theoretical Positions in Energy System Modelling , *Energies* **2017**, *10*, 840.

Simulation v.s. optimisation

- Which approach is better?

Strive for results in one optimal solution

Results in several alternative solutions

- How to model also socio-behaviour and socio-technical aspects in energy system modelling?
- In IESE models are not competing – they are supplementing each other

10.12.2021

VPP-EM-2018/NEKP-0001

Energy efficiency in buildings

Soft-linkage of systemdynamics and optimisation tools TIMES

10.12.2021

VPP-EM-2018/NEKP-0001

Linear policy programming

Retrofit of buildings:

- Planning period: **A years**
- Support: **X mEUR**;
- Specific costs: **Y EUR/m²**
- Renovated area:
->**X/Y = Z m² (or number of buildings)**
- Specific energy savings:
n kWh/m² year
=>**N MWh/year**
- Accumulated energy savings: **AxN MWh**

The future will not be "optimal" if policies are designed in a linear way:

- Today we decide (e.g. building renovation policy)
- Today we renovate (e.g. the building renovation process and technology)
- Today we reach results (e.g. reduced energy consumption in buildings)

Optimisation tool will make projections in similar way → apparent optimum.

10.12.2021

• Support for energy efficiency measures in buildings

Reality

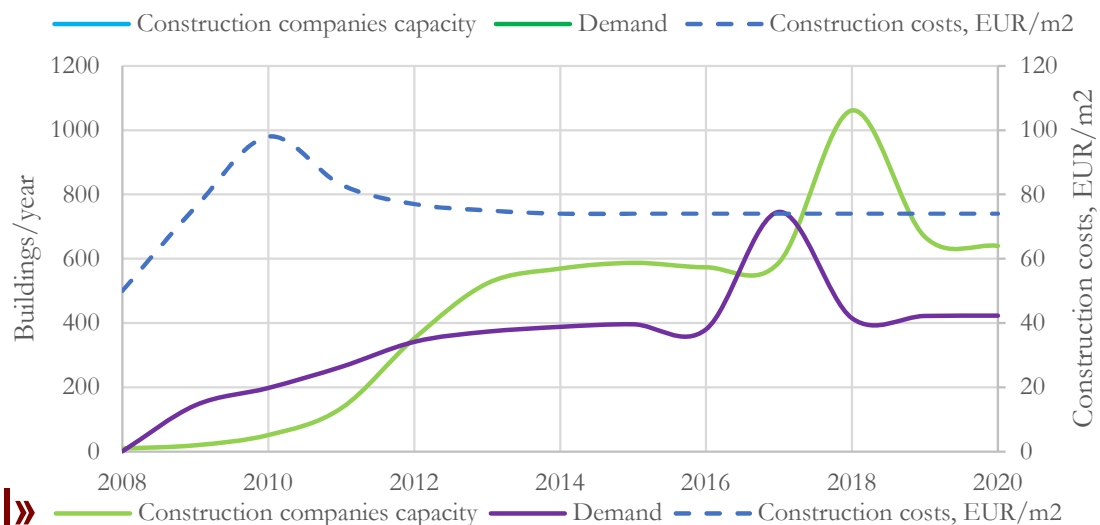
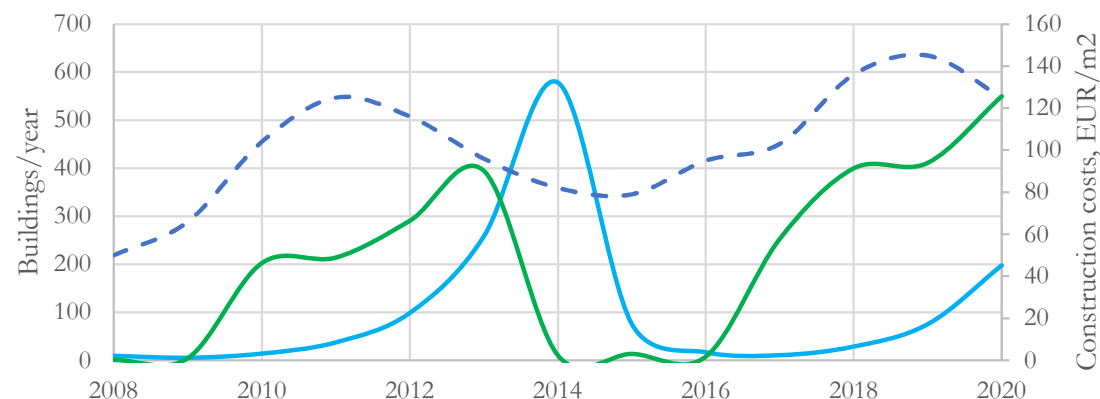
Delays in:

- Policy implementation (regulations and support mechanisms)
- Action from all stakeholders

Too much in too short time:

- Mismatch between demand and supply
- Parallel support programs for energy efficiency
- **-> higher costs, lower quality and energy savings**

-> Stop & go approach is not «optimal»



10.12.2021

How to deal with it?

Refine policy making process

Avoid *Stop&Go* approach:

- Support: better smaller, but stable and predictable

Take full advantage of the invisible (and untapped) benefits of energy efficiency:

- Renovation industry and ecosystem
(~20..30 000 buildings => 1000/year -> 25 years of work)
- Focuss on local resources (wood and timber, insulation materials etc.)
- Prefabricated building renovation solutions
- Employment and development of economy

10.12.2021

Final remarks

- Developed policy should not be approved by models
- There always will be challenge between “better suited” and “more complex” model
- **Ongoing and open peer review process (incl., scientific publications and wide cooperation with energy system modellers community):**
 - The best way how to improve models, increase adequacy of the model and ensure transparency and wider engagement of society

10.12.2021

Thank you!

<https://videszinatne.rtu.lv/>

This research is funded by the Ministry of Economics of the Republic of Latvia, project “Energy and climate modelling towards net zero emissions”, project No. VPP-EM-2018/NEKP-0001

10.12.2021

VPP-EM-2018/NEKP-0001