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POTENCIA and JRC-IDEES New EU-wide energy sector tools for policy analyses

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THE POLICY CONTEXT

Energy has a fundamental role

production factor

element of welfare

security of supply environmental sustainability accessibility

competitiveness

EU Energy Union Strategy

energy efficiency decarbonisation renewables market integration interconnections



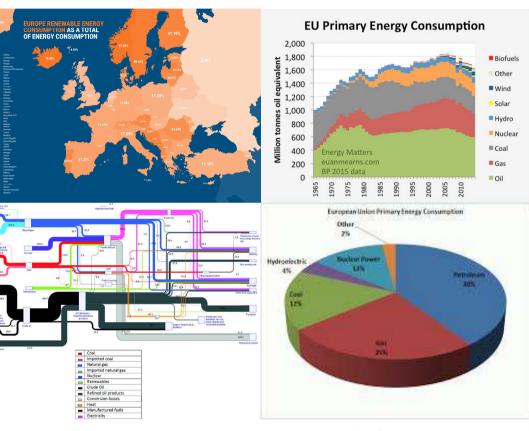
THE KEY QUESTIONS ARE...

What would be the expected impact of a given policy on:

- Consumption
- Production Mix
- Emissions
- Technology innovation/deployment
- Prices
- ...

...but also in terms of

- Trade
- Labour demand
- Tax revenues
- ...





THEY NEED TO BE ADDRESSED...

- With a scientifically sound approach
- In an open and transparent manner
- Involving Member States and stakeholders
- Employing fit-for-purpose instruments



The JRC, in collaboration with the policy DGs, has made a substantial effort to develop an appropriate set of tools to cover these needs



THE ENERGY SECTOR IS RAPIDLY EVOLVING

Radical changes need to be adequately captured

- Challenging, ambitious targets
- Long-lived equipment, long-term perspectives
- Growing contribution of variable renewable energy sources
- Market integration
- The increasing role of the demand side

We need to **go beyond** a narrow definition of the energy sector

traditionally focused on production and energy technologies

and also address the role of

- Non energy using equipment, and
- Market actor's rationality and behaviour

while capturing evolving technology dynamics

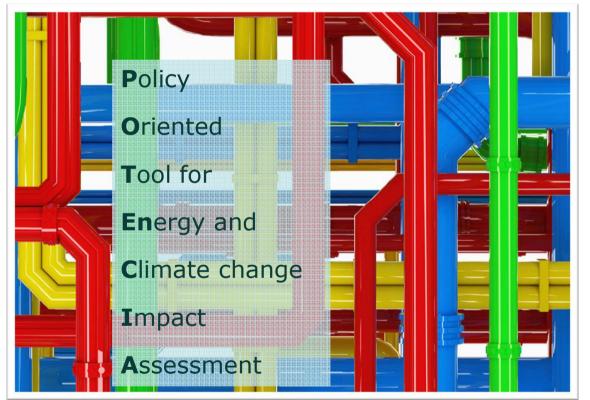


JRC: ENHANCING POLICY SUPPORT

Policy impact assessment: addressing alternative possible futures...

A **new modelling tool** that improves our capacity to address the challenges that the EU energy sector will be facing:

- Energy system transition
- Domain for policy action
- Impact of market integration
- ...by implementing
- Accurate description of agents' choices
- Appropriate sector and technology disaggregation
- Openness, transparency and accessibility





JRC: ENHANCING POLICY SUPPORT

...requires accurate and reliable information on the past

JRC-Integrated Database for the European Energy Sector Detailed, disaggregated scenarios require data with the same structure

Consistent data-box of energy system figures and associated techno-economic factors.

Available for discussion, improvement and public use

Official data

- Energy
- Economic, demographic
- > Activity

Processed data

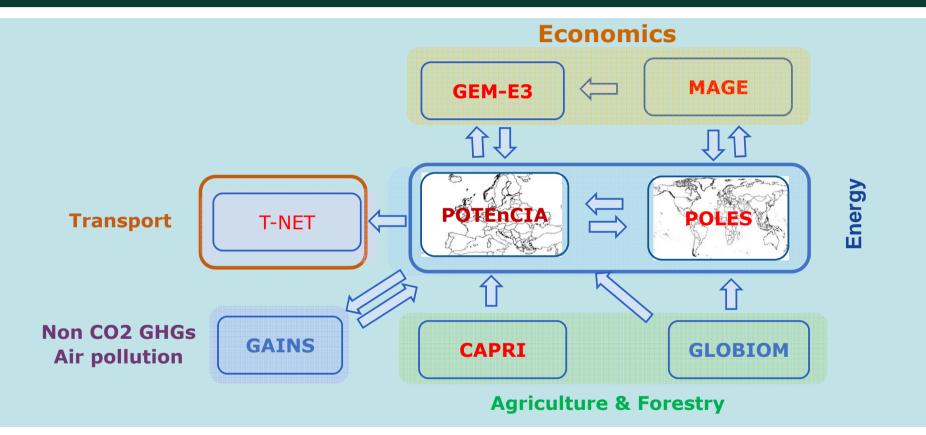
- Disaggregated energy use
- Energy equipment
- Operating characteristics





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THE JRC'S TOOLBOX





CONCLUSIONS: POTENCIA AND JRC-IDEES

- A new set of instruments has been created
- As in-house EC tools, they aim at supporting the EU Energy Union policy process
- To enhance the capacity of analysis of changing energy markets and their emissions footprint
- and to increase the **openness** and **transparency** of policy analyses and **scenario comparability**

The **participation** of Member States and other actors is of utmost importance





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Thank you

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