

Overview of Briefing on EMF21: Multigas-Mitigation and Climate Policy

Francisco de la Chesnaye, U.S. EPA
*Energy and Economic Policy Models: A Reexamination
of Some Fundamentals*
November 15, 2006



Stanford Energy Modeling Forum

- Established in 1976 to provide a structured forum within which energy experts from government, industry, universities, and other research organizations could meet to study important energy and environmental issues of common interest
- Prof. John P. Weyant is EMF's Director
- Objectives:
 - Understand Model Differences
 - Communicate Insights to policy Makers
 - Identify Critical Research Needs
 - Help Fill the Gaps in Data/Research
- EMF-21: Multi-Gas Mitigation and Climate Change
 - Working Group Chairman: Francisco de la Chesnaye, USEPA
 - Study Objective: Compare and contrast CO₂-only mitigation vs. multi-gas mitigation for given scenarios and targets
- More at www.stanford.edu/group/EMF/projects/projectemf21.htm



EMF 21 Working Group Objectives

- 1) Conduct a new comprehensive, multi-gas policy assessment to improve the understanding of the affects of including non-CO₂ GHGs (NCGGs) and sinks (terrestrial sequestration) into short- and long-term mitigation policies. Answer the question: *How important are NCGGs & Sinks in climate policies?*.
- 2) Advance the state-of-the-art in integrated assessment / economic modeling
- 3) Strengthen collaboration between NCGG and Sinks experts and modeling teams
- 4) Publish the results: Multi-Greenhouse Gas Mitigation and Climate Policy. *The Energy Journal*, Special Issue, F. de la Chesnaye and J. Weyant and (eds). 2006



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MULTI-GREENHOUSE GAS MITIGATION AND CLIMATE POLICY

Global Anthropogenic Methane and Nitrous Oxide Emissions

Elizabeth A. Scheckle and Dina Kruger

Mitigation of Methane and Nitrous Oxide Emissions from Waste, Energy and Industry

*K. Casey Delhotol, Francisco C. de la Chesnaye,
Ann Gardiner, Judith Bates and Alexei Sankovski*

Estimating Future Emissions and Potential Reductions of HFCs, PFCs, and SF₆
Deborah Ottinger Schaefer, Dave Godwin, and Jochen Harnisch

Methane and Nitrous Oxide Mitigation in Agriculture *Benjamin J. DeAngelo,
Francisco C. de la Chesnaye, Robert H. Beach, Allan Sommer and Brian C. Murray*

Carbon Sequestration in Global Forests Under Different Carbon Price Regimes
Brent Sohngen and Roger Sedjo

GHG Mitigation Potential, Costs and Benefits in Global Forests:
A Dynamic Partial Equilibrium Approach *Jayant Sathaye, Willy Makundi, Larry Dale,
Peter Chan and Kenneth Andrasko*

Flexible Multi-gas Climate Policies *Jesper Jensen*

The Role of Non-CO₂ Greenhouse Gases in Climate Change Mitigation:
Long-term Scenarios for the 21st Century *Shilpa Rao and Keywan Riahi*

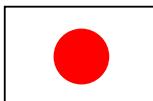
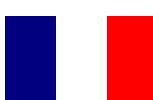
Long-term Multi-gas Scenarios to Stabilise Radiative Forcing –
Exploring Costs and Benefits Within an Integrated Assessment Framework
D.P. van Vuuren, B. Eickhout, P.L. Lucas and M.G.J. den Elzen

Multi-Gas Emission Reduction for Climate Change Policy:
An Application of Fund *Richard S.J. Tol*

Impacts of Multi-gas Strategies for Greenhouse Gas Emission Abatement:
Insights From a Partial Equilibrium Model
Patrick Criqui, Peter Russ and Daniel Deybe

(continued on inside front cover)

Energy-economic Models in EMF- 21

	AIM Asian-Pacific Integrated Model	J. Fujino, R. Nair, M. Kainuma, T. Masui (National Institute for Environment Studies, Japan) and Y. Matsuoka (Kyoto Univ., Japan)
	AIM/EU-India AIM - End-Use Component Applied to India	P.R. Shukla (Indian Institute of Management), A. Garg (UNEP/RISO), M. Kapshe (Maulana Azad Inst.of Tech.), and R. Nair (NIES, Japan)
	AMIGA All Modular Industry Growth Assessment	D. Hansen (Argonne National Laboratory, U.S.), J. Laitner (U.S. EPA)
	COMBAT COMprehensive aBATement	H.A. Aahaim, J.S. Fuglestvedt, and O. Godal (CICERO, Norway)
	EDGE European Dynamic Equilibrium Model	J. Jensen (TECA TRAINING ApS)
	EPPA Emissions Projection and Policy Analysis Model	J. Reilly, M. Sarofim, S. Paltsev, and R. Prinn (Massachusetts Institute of Technology, U.S.)
	FUND Climate Framework for Uncertainty, Negotiation, and Distribution	Richard Tol (Economic and Social Research Institute, Ireland and Hamburg, Vrije & Carnegie Mellon Universities)
	GEMINI-E3/GEMWTrap General Equilibrium Model of International Interaction for Economy-Energy- Environment	A. Bernard (Min. of Equipment, Transport, and Housing, France), M. Vielle (CEA-LERNA, France), and L. Viguier (HEC Geneva and Swiss Federal Institute of Technology)
	GRAPE Global Relationship Assessment to Protect the Environment	A. Kurosawa (Institute of Applied Energy, Japan)



	GTEM Global Trade and Environment Model	G. Jakeman and B. Fisher (Australian Bureau of Agriculture and Resources)
	IMAGE Integrated Model to Assess The Global Environment	D.P. van Vuuren, B. Eickhout, P.L. Lucas and M.G.J. den Elzen (National Institute for Public Health and the Environment, The Netherlands)
	IPAC Integrated Projection Assessments for China	K. Jiang, X. Hu, & S. Zhu (Energy Research Institute, China)
	MERGE Model for Evaluating Regional and Global Effects of GHG Reductions Policies	A. Manne (Stanford University, U.S.) and R. Richels (Electric Power Research Institute, U.S.)
	MESSAGE Model for Energy Supply Strategy Alternatives and Their General Environmental Impact	S. Rao and K. Riahi (International Institute for Applied Systems Analysis, Austria)
	MiniCAM Mini-Climate Assessment Model	S. Smith (PNNL/Univ. Maryland, U.S.) and T.M.L. Wigley (National Center for Atmospheric Research, U.S.)
	PACE Policy Analysis With Computable Equilibrium	C. Böhringer, (University of Heidelberg), A. Löschel (Centre for European Economic Research – ZEW, and T. Rutherford (University of Colorado)
	POLES-GEGS Prospective Outlook on Long-Term Energy Systems-Global Emissions Control Strategies	P. Criqui (Institute of Energy Policy and Economics, France), Peter Russ (EC- Institute for Prospective Technological Studies, Spain), and Daniel Deybe (EC Environment DG)
	SGM Second Generation Model	A. Fawcett (U.S. EPA) and R. Sands (PNNL/Univ. Maryland, U.S.)
	WIAGEM World Integrated Applied General Equilibrium Model	C. Kemfert (German Inst. of Economic Research & Humboldt University), T. P. Truong (Univ. of New South Wales, Australia) and T. Bruckner (Institute for Energy Engineering, Tech Univ, Germany)



Non-CO₂ GHG Experts

Dina Kruger and Francisco de la Chesnaye, USEPA

John Gale, IEA Greenhouse Gas R&D Programme



Methane & N₂O

Ann Gardiner, Judith Bates, AEA Technology

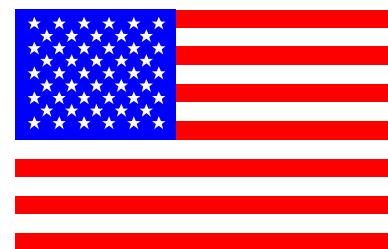
Casey Delhotal, Dina Kruger, Elizabeth Scheehle, USEPA

Chris Hendriks, Niklas Hoehne, Ecofys

Fluorinated (HGWP) Gases

Jochen Harnish, Ecofys, Germany

Deborah Ottlinger and Dave Godwin, USEPA



Sinks (Terrestrial Sequestration)

Bruce McCarl, Texas A&M

Ken Andrasko, USEPA & Jayant Sathaye, LBNL

Roger Sedjo, RFF & Brent Sohngen, Ohio State Univ

Ron Sands, PNNL-JGCRI



Key Characteristics of EMF- 21 Models

Model	Model Type	Representation of non-CO ₂ GHG Emissions Sector(s)	Non-CO ₂ Gas Contribution Method	Solution Concept
AIM	Multi-Sector General Equilibrium	Reduced Form Adj. to Prod. Fcns.	Radiative Forcing	Recursive Dynamic
AMIGA	Multi-Sector General Equilibrium	Reduced Form Adj. to Prod. Fcns.	GWP _s	Recursive Dynamic
GTEM	Multi-Sector General Equilibrium	Reduced Form Adj. to Prod. Fcns.	GWP _s	Recursive Dynamic
GEMINI-E3	Multi-Sector General Equilibrium	Reduced Form Adj. to Prod. Fcns.	GWP _s	Recursive Dynamic
EU-PACE	Multi-Sector General Equilibrium	Reduced Form Adj. to Prod. Fcns.	Radiative Forcing	Intertemporal Optimization
EDGE	Multi-Sector General Equilibrium	Reduced Form Adj. to Prod. Fcns.	GWP _s	Recursive Dynamic
EPPA	Multi-Sector General Equilibrium	Reduced Form Adj. to Prod. Fcns.	GWP _s	Recursive Dynamic
IPAC	Multi-Sector General Equilibrium	Reduced Form Adj. to Prod. Fcns.	GWP _s	Recursive Dynamic
SGM	Multi-Sector General Equilibrium	Reduced Form Adj. to Prod. Fcns.	GWP _s	Recursive Dynamic
WIAGEM	Multi-Sector General Equilibrium	Reduced Form Adj. to Prod. Fcns.	GWP _s	Recursive Dynamic
Combat	Aggregate General Equilibrium	Reduced Form MACs	Radiative Forcing	Intertemporal Optimization
FUND	Aggregate General Equilibrium	Reduced Form MACs	Radiative Forcing	Intertemporal Optimization
GRAPE	Aggregate General Equilibrium	Structural Models	Radiative Forcing	Intertemporal Optimization
MERGE	Aggregate General Equilibrium	Reduced Form MACs	Radiative Forcing	Intertemporal Optimization
IMAGE	Market Equilibrium	Structural Models	GWP _s	Recursive Dynamic
MESSAGE	Market Equilibrium	Structural Models	GWP _s	Intertemporal Optimization
MiniCAM	Market Equilibrium	Structural Models	GWP _s	Recursive Dynamic
POLES/AgriPol	Market Equilibrium	Structural Models	GWP _s	Recursive Dynamic

Developing Multigas Stabilization Targets

Key analytical issues:

- What constitutes a multigas stabilization scenario ? Stabilize concentrations, radiative forcing, temperature change, etc.?
- Should multigas stabilization still be defined in CO₂ concentration equivalents ? (The 100ppm CO₂ for other gases)
- How to handle NCGG ?
- How to handle sinks ?
- How to handle short-term, regional agents, e.g., BC/OC, O₃ ?
- What is the appropriate disaggregation of results across regions?
- How to best report results ?



EMF 21 Scenarios

Purpose: Model Development, Comparison, and Sensitivity Analyses

1) Modeler's Reference Case

2) Long-term, Cost-minimizing

Case A - achieved through CO₂ mitigation only, and

Case B - achieved through multi-gas mitigation.

- Climate Change Target: Stabilize radiative forcing at 4.5 W/m² relative to pre-Industrial times by 2150.
- Time frame: 2000 to 2100. From 2002 to 2012, Kyoto Protocol is *NOT* in reference scenario.
- Emissions: Based on meeting climate target at lowest global cost.



EMF 21 Scenarios:

3) Combined Decadal Rate of Change and Long-Term Cost-minimizing

Achieved through multi-gas mitigation.

- Climate Change Target: Hold global mean decadal rate of temperature change from 2010 to 2100 at 0.2°C. (starting in 2030) and meet LT at 4.5 W/m² by 2150.
- Time frame: 2000 to 2100. From 2002 to 2012, KP is *NOT* in reference scenario.
- Emissions: Based on meeting climate target at lowest global cost.

4) CO₂, Multigas + Sinks with selected price path(s)



Emission targets handoff

- Long-term models provided global total GHG emissions to Short-term models for early periods (to 2050) based on LT Stabilization. For global total need to use 100-yr GWPs.



Table 1: Global Anthropogenic GHG Emissions in 2000 and Beyond (MtCe)

Sectors Detail for 2000					
Sector subtotal & Percent of Total	Sub-sectors	CO ₂	CH ₄	N ₂ O	F-gases
ENERGY 6,845 67%	Coal	2,218	123		
	Nat Gas	1,309	244		
	Petroleum Systems	2,857	17		
	Stationary/Mobile Sources		16	61	
LUCF and AGRICULTURE 2,608 25%	LUCF and Agriculture (net)	942			
	Soils			711	
	Biomass		134	51	
	Enteric Fermentation		476		
	Manure Management		61	56	
	Rice		177		
INDUSTRY 391 4%	Cement	226			
	Adipic & Nitric Acid Prd			43	
	HFCs				26
	PFCs				29
	SF6				15
	Substitution of ODS				52
WASTE 395 4%	Landfills		213		
	Wastewater		154	22	
	Other		3	3	
TOTAL GHG		10,239	7,552	1,618	947
Gas as percent of total			74%	16%	9%
Projections: GHG Total & by Gas		TOTAL	CO₂	CH₄	N₂O
2025		14,403	11,102	2,325	976
2050		18,643	14,494	2,974	1,176
2075		21,411	16,874	3,419	1,118
2100		25,067	20,019	3,858	1,190

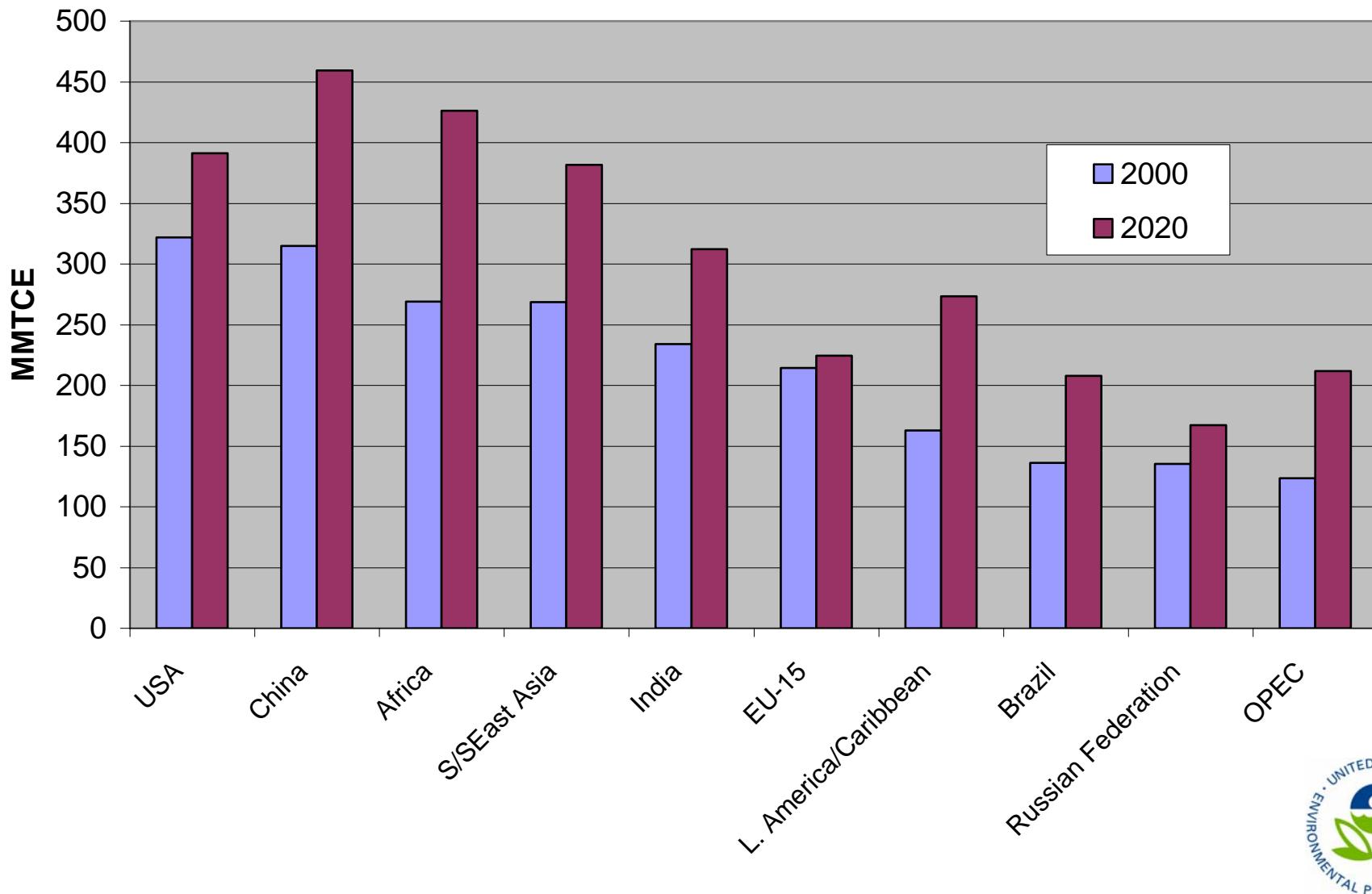


Non-CO₂ GHG & sequestration data requirements

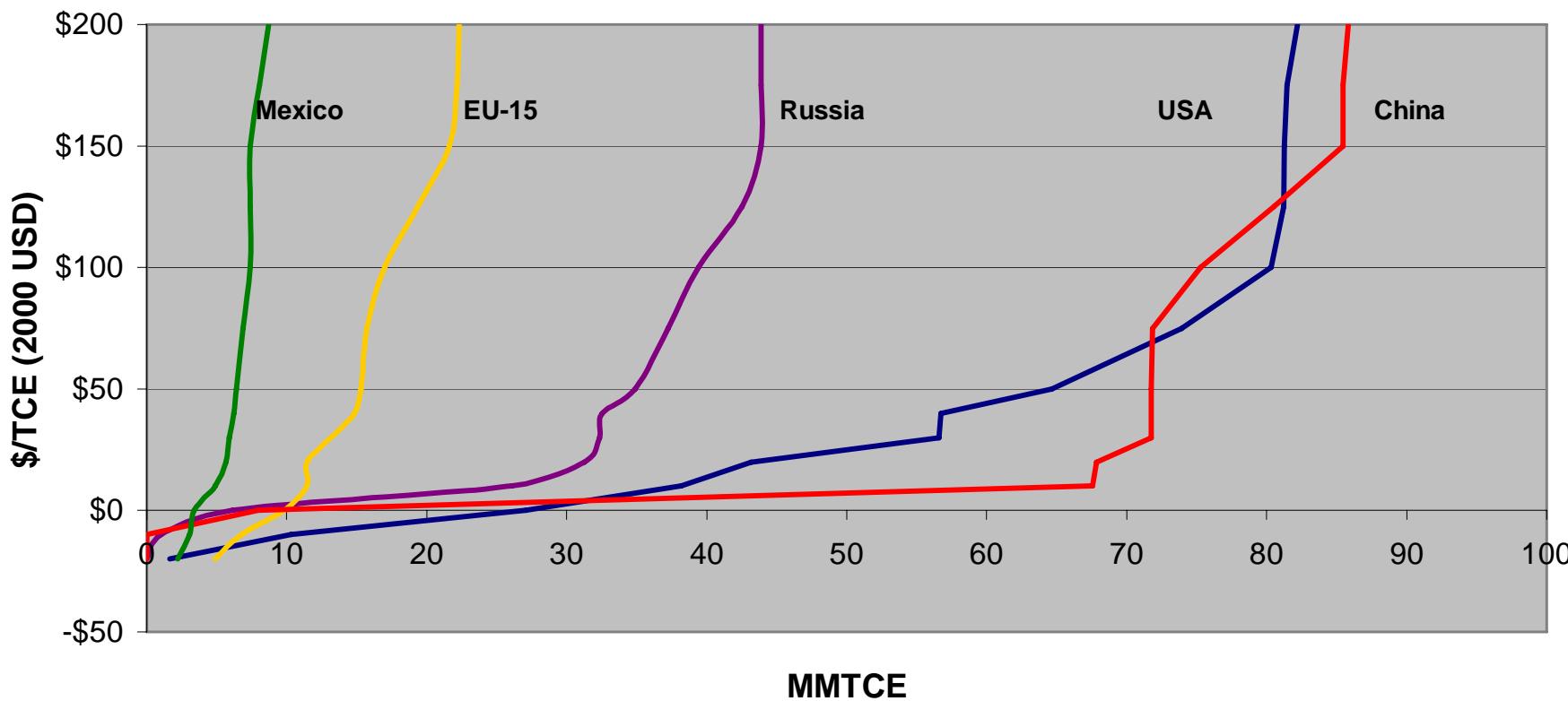
- Global, consistent non-CO₂ GHG emission baselines for 2000 and projections 2020 by region. And key emissions drivers.
- Comparable marginal abatement curves
 - by region, by gas, and by sector
 - sensitivities to energy, material prices
 - in MMTCE w/ 100-yr GWP & gas specific units
 - Various discount and tax rates
- Assessment of how marginal abatement curves vary over time, from 2010 to 2100 by decade.



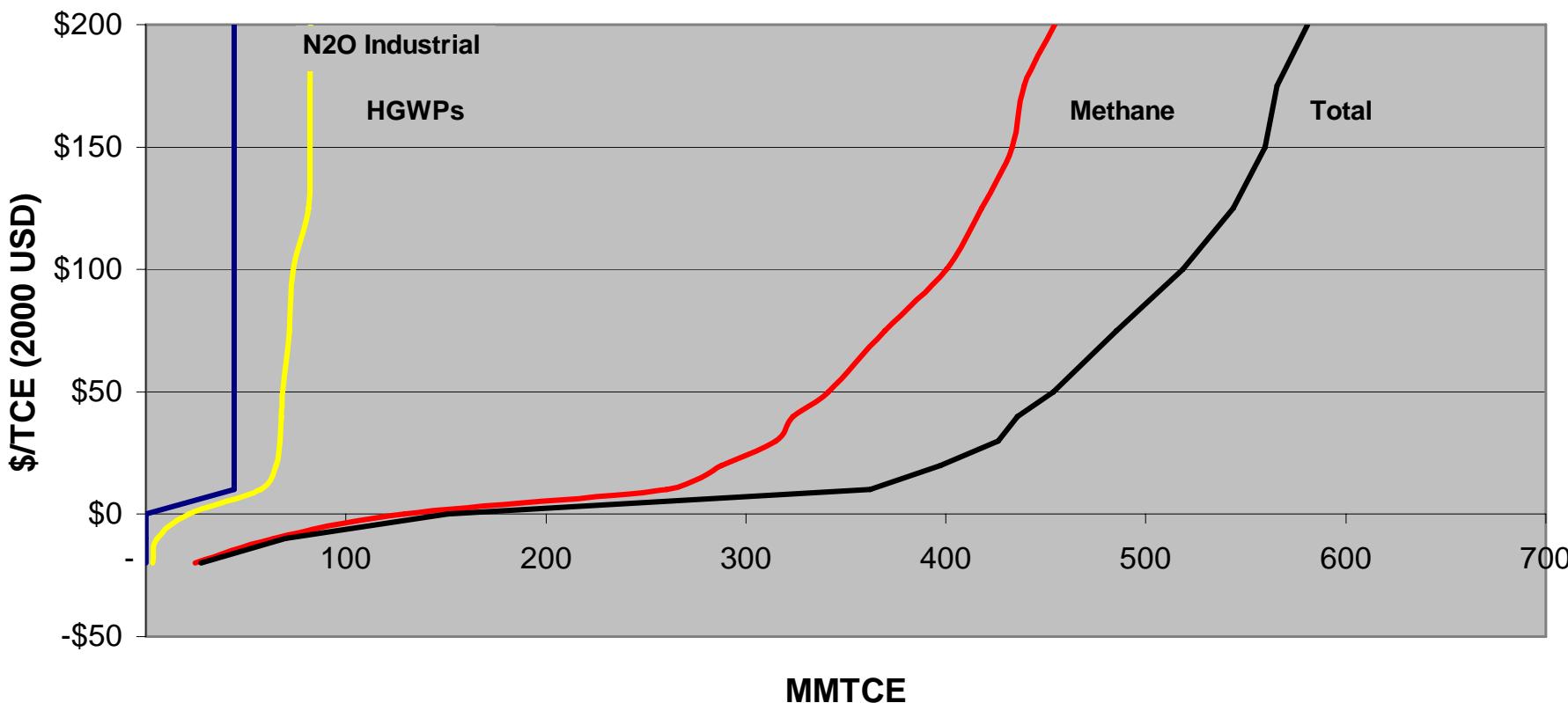
Total Emissions: CH₄, N₂O and F gases



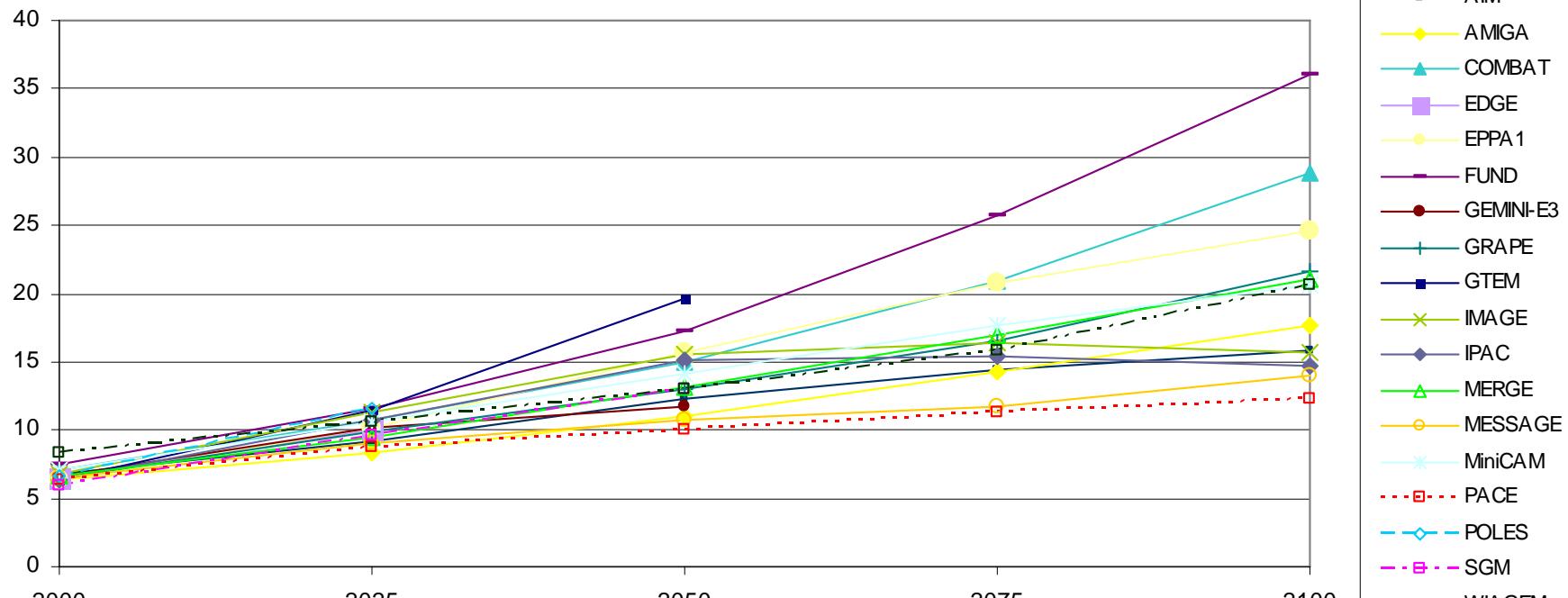
Regional Methane Marginal Abatement Curves for Energy & Waste Sectors: 2010



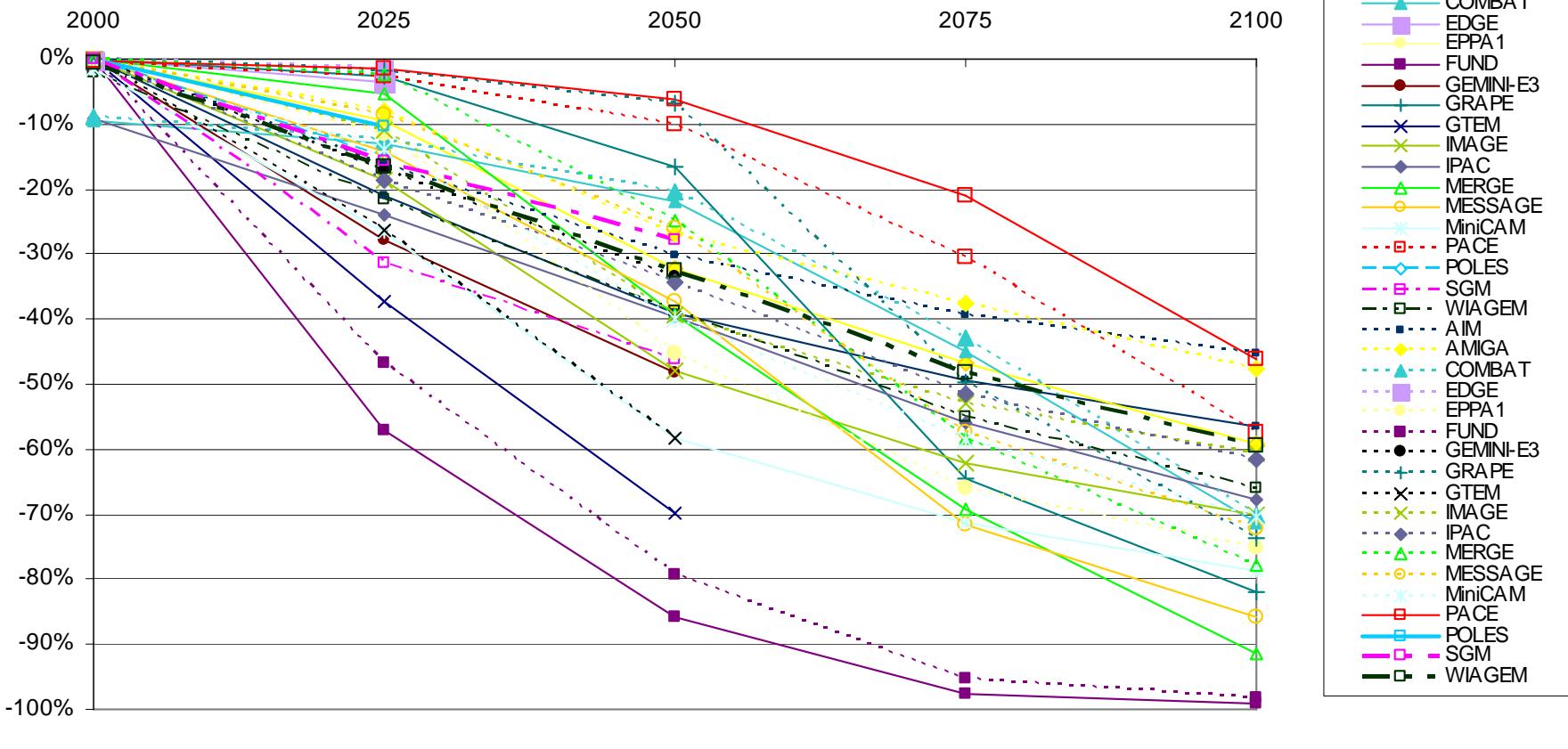
Global Non-CO₂ Marginal Abatement Curves for Energy, Industry & Waste Sectors: 2010



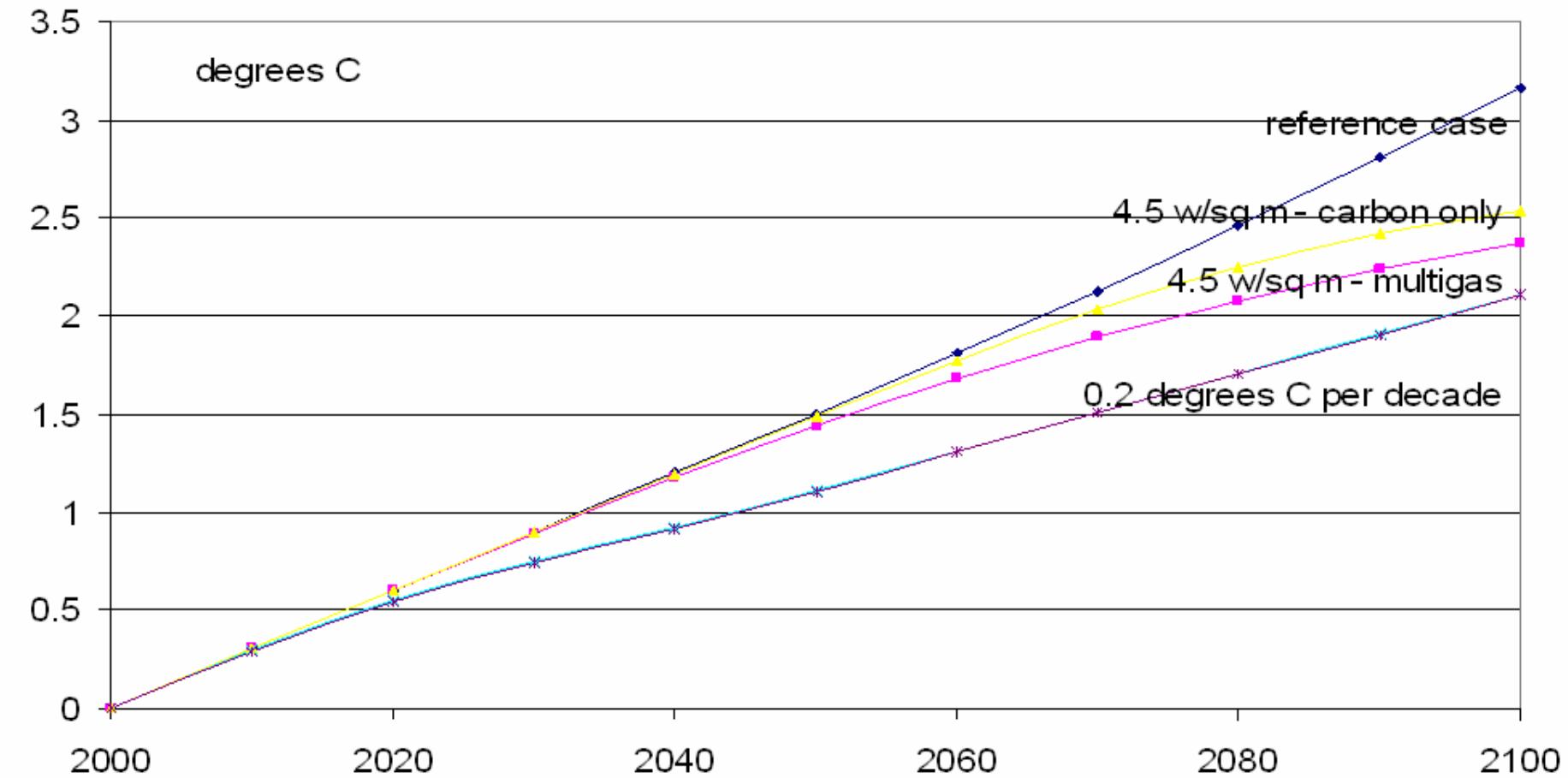
(a) Global CO₂ (GtC) in Reference Scenario



(a) % Reduction from Reference in Global CO₂ in CO₂-Only (solid) and Multigas (dashed) Scenarios



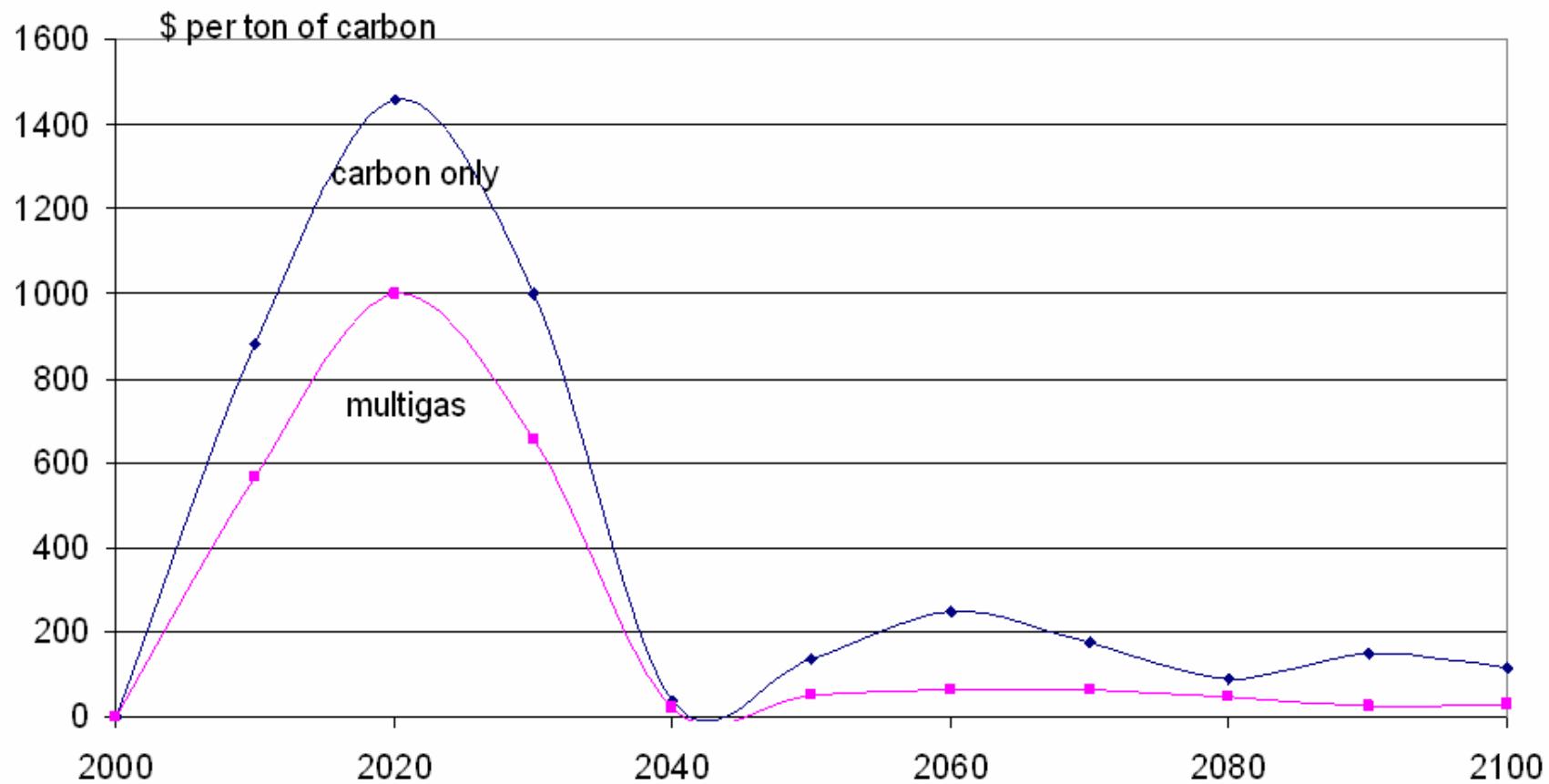
Temperature Increase from 2000



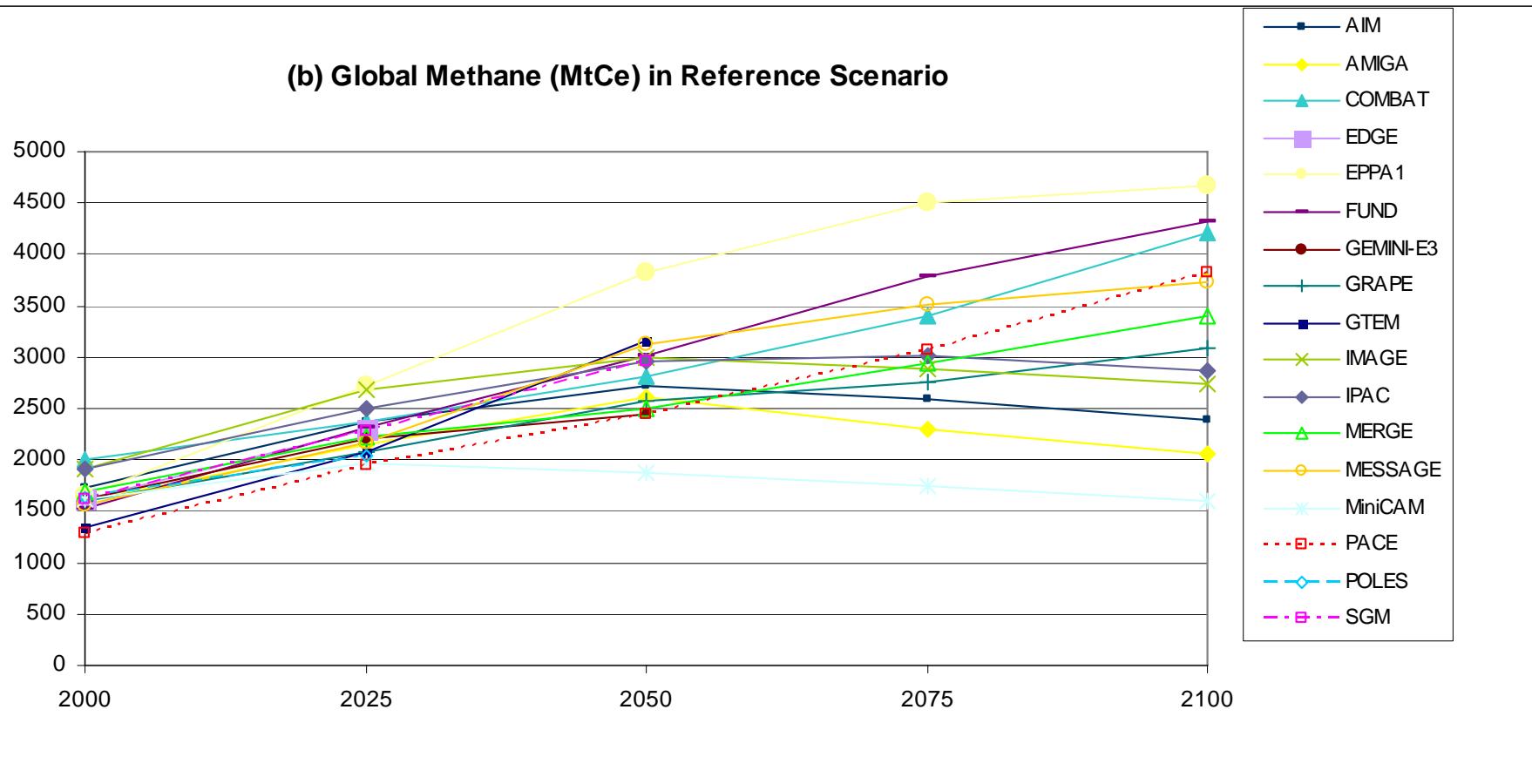
Source: MERGE Model, EMF-21

RR12030G.12

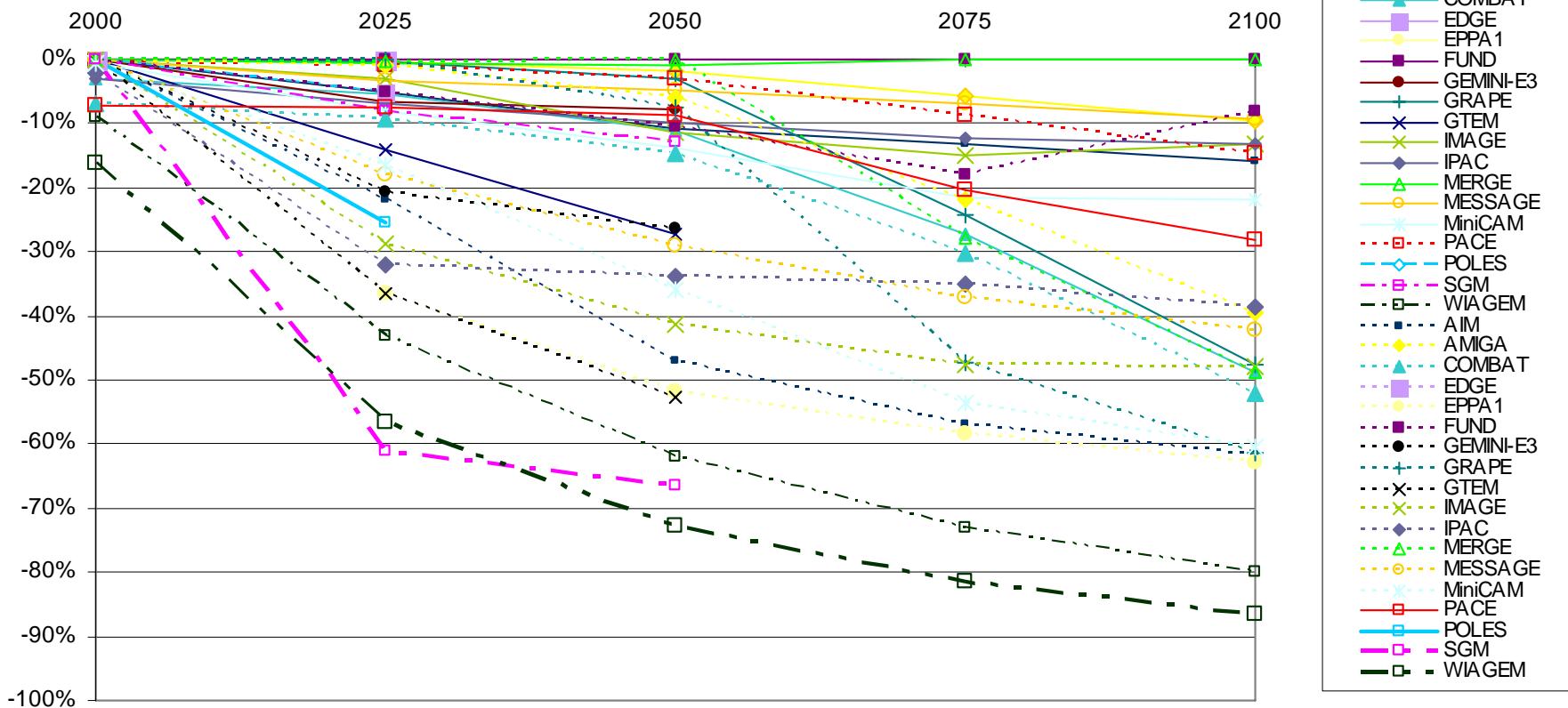
Efficiency price of carbon – 0.2 degrees C per decade



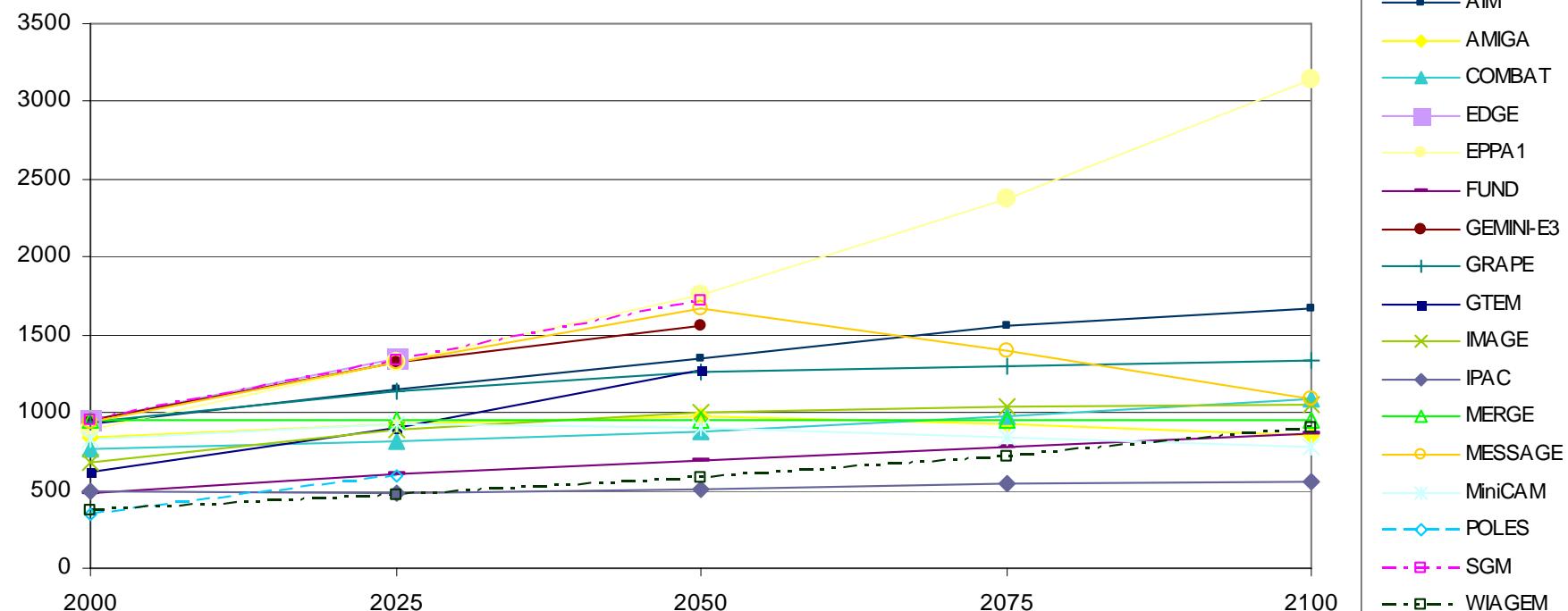
(b) Global Methane (MtCe) in Reference Scenario



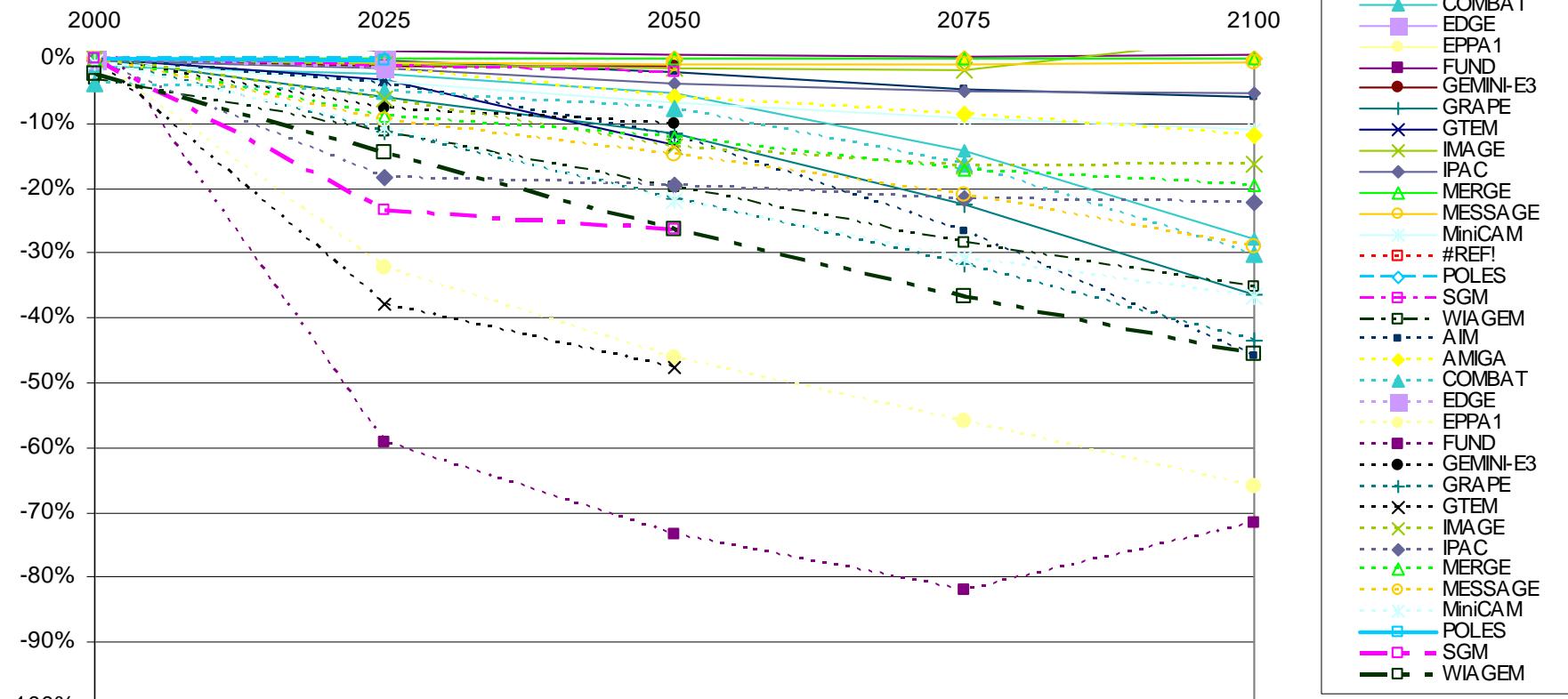
(b) % Reduction from Reference in Global Methane in CO₂-Only (solid) and Multigas (dashed) Scenarios



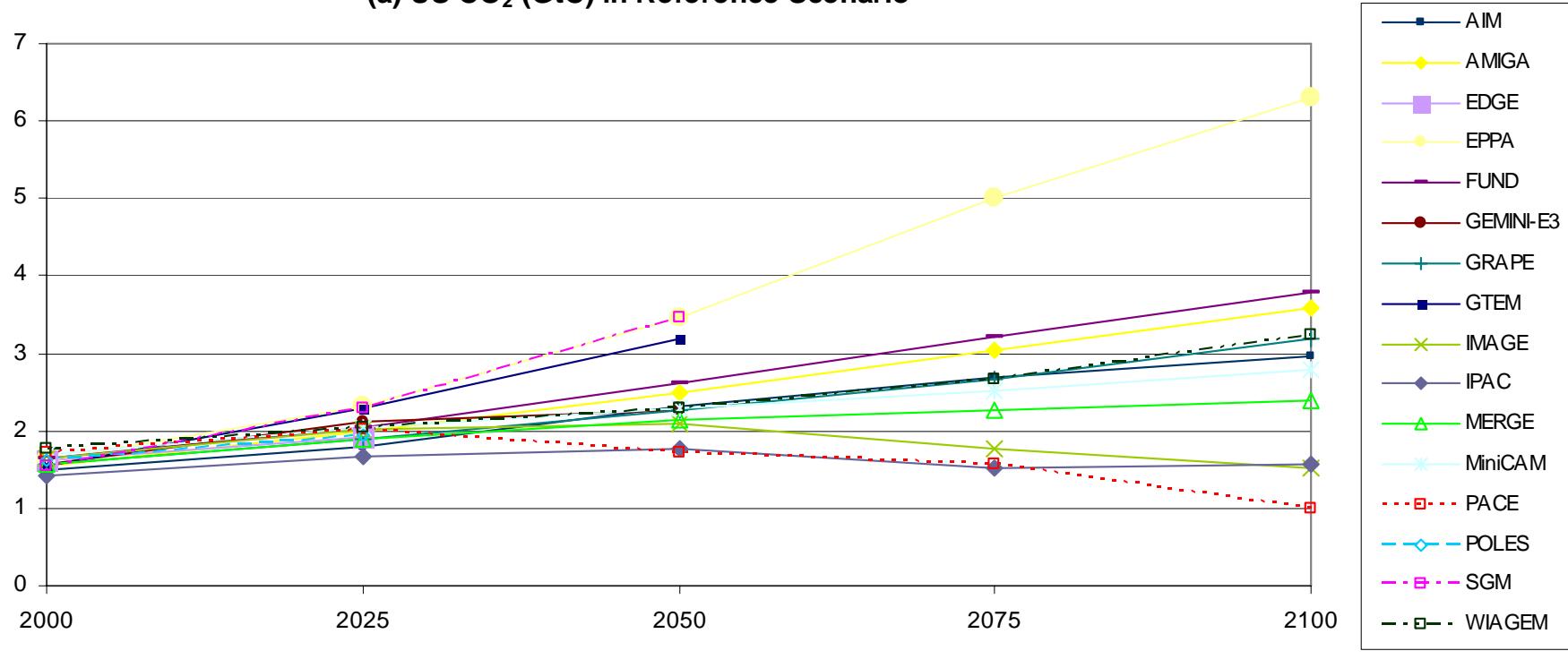
(c) Global N₂O (MtCe) in Reference Scenario



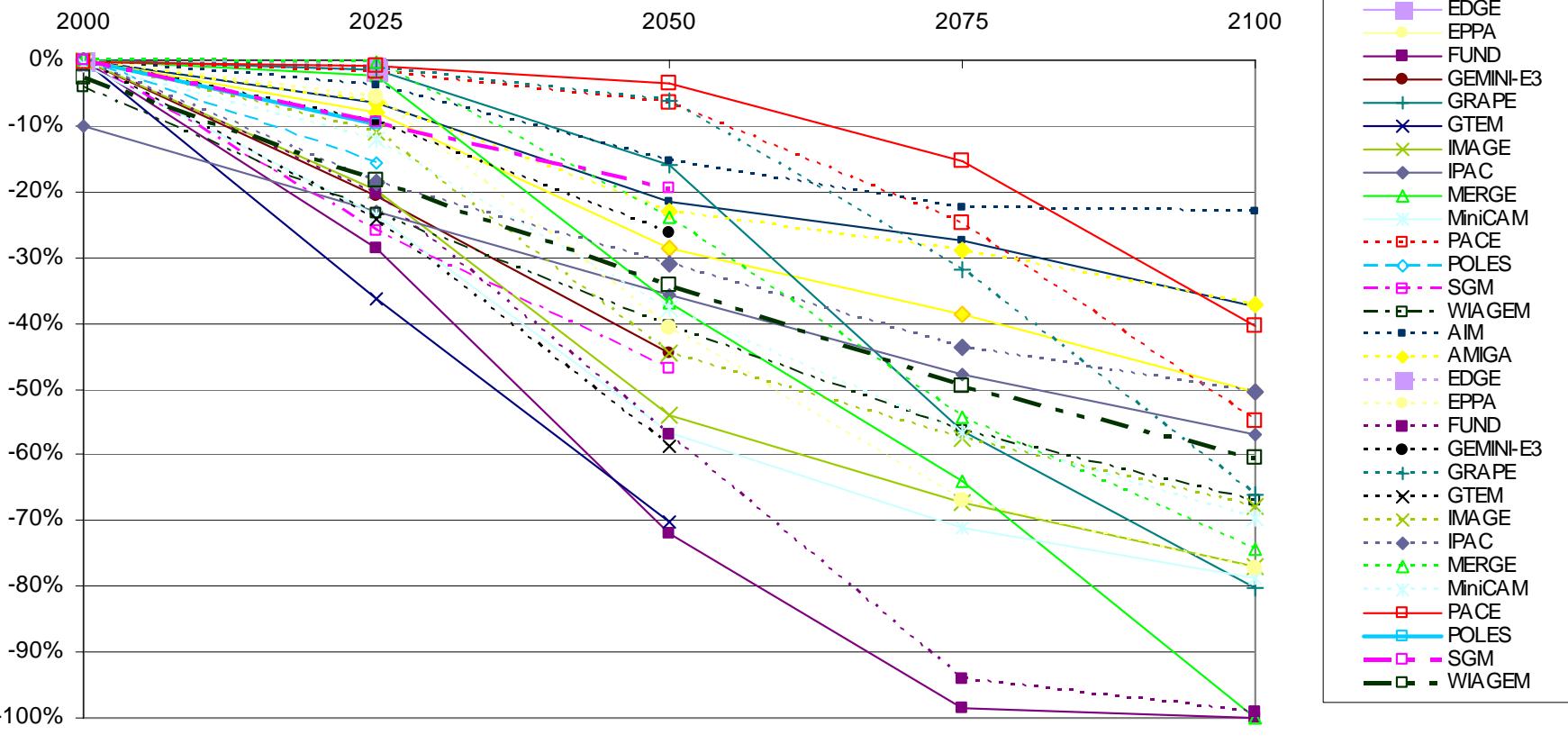
(c) % Reduction from Reference in Global N₂O in CO₂-Only (solid) and Multigas (dashed) Scenarios



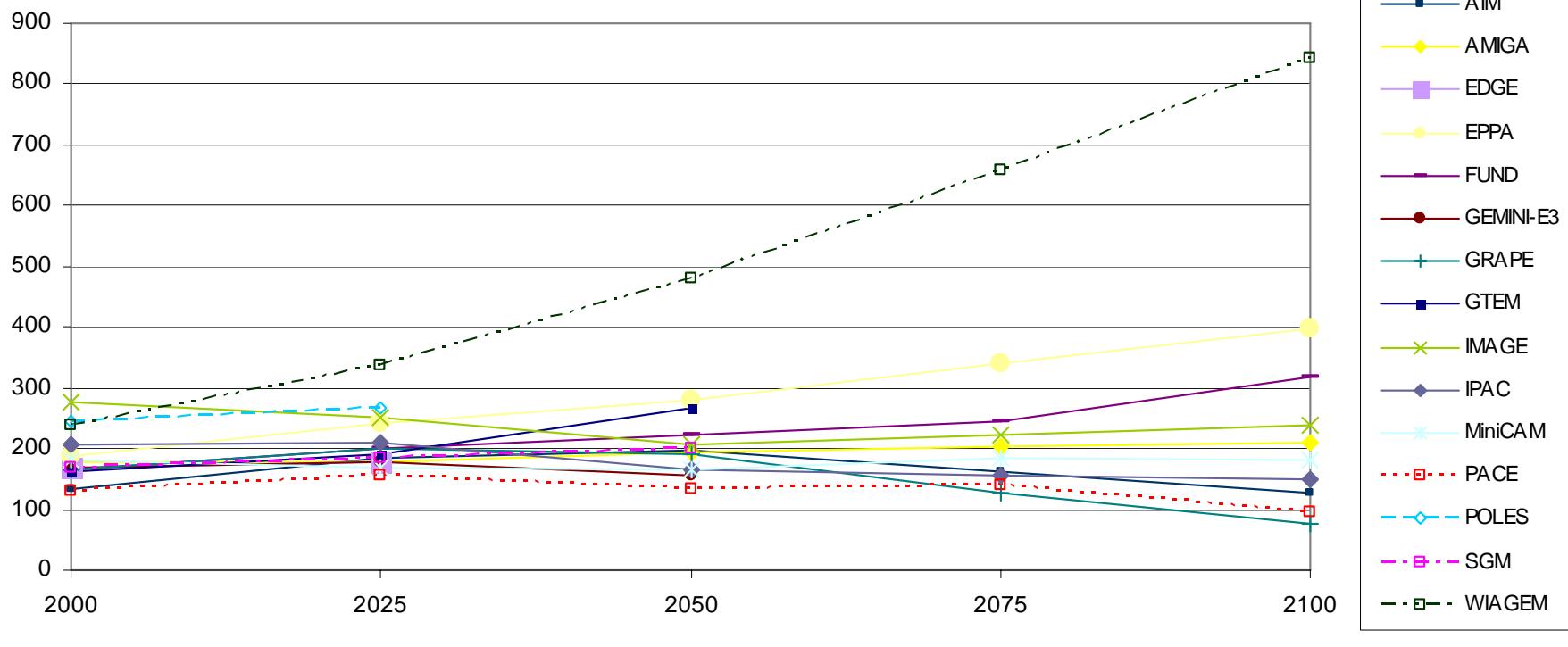
(a) US CO₂ (GtC) in Reference Scenario



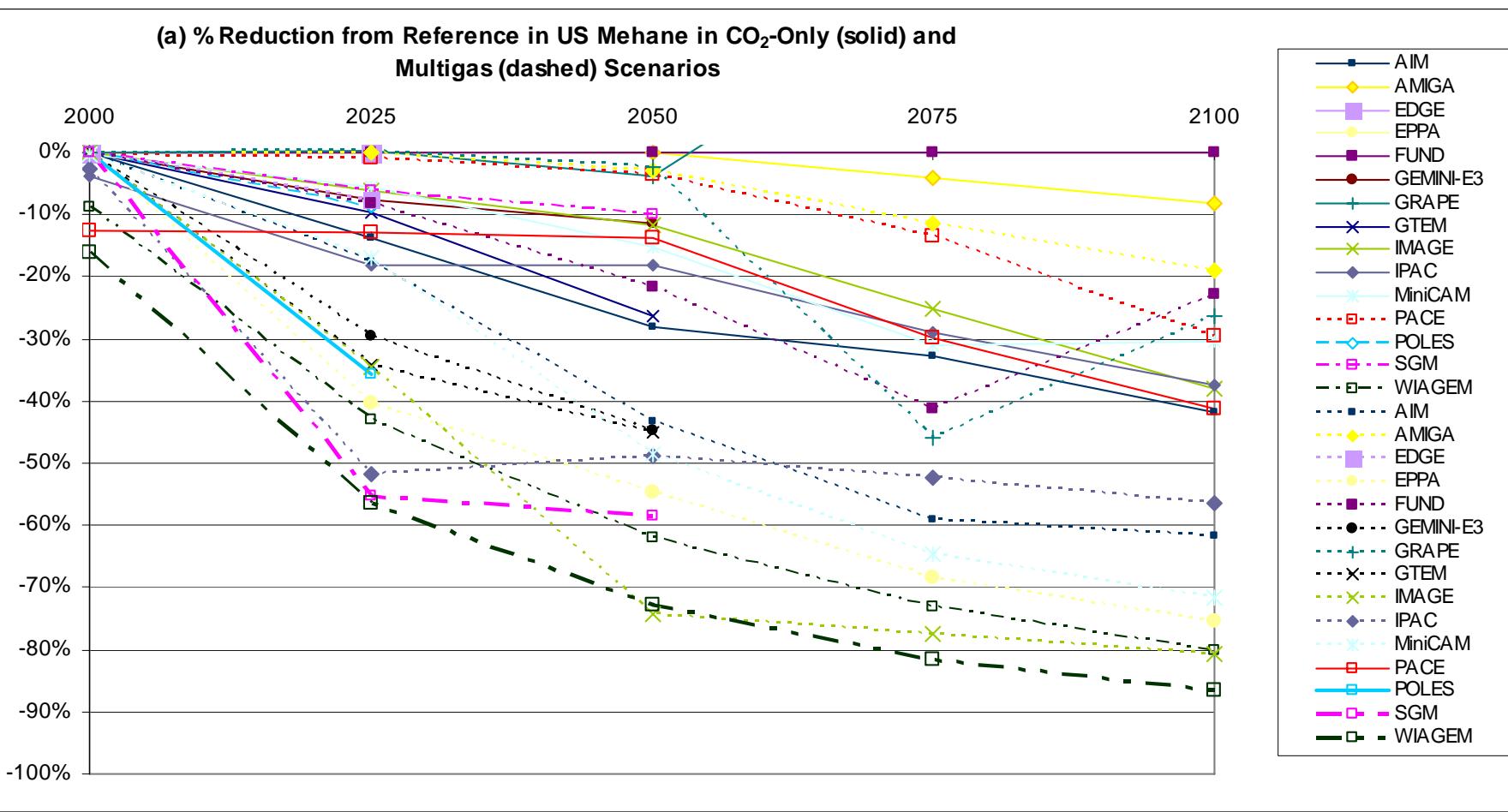
(a) % Reduction from Reference in US CO₂ in CO₂-Only (solid) and Multigas (dashed) Scenarios



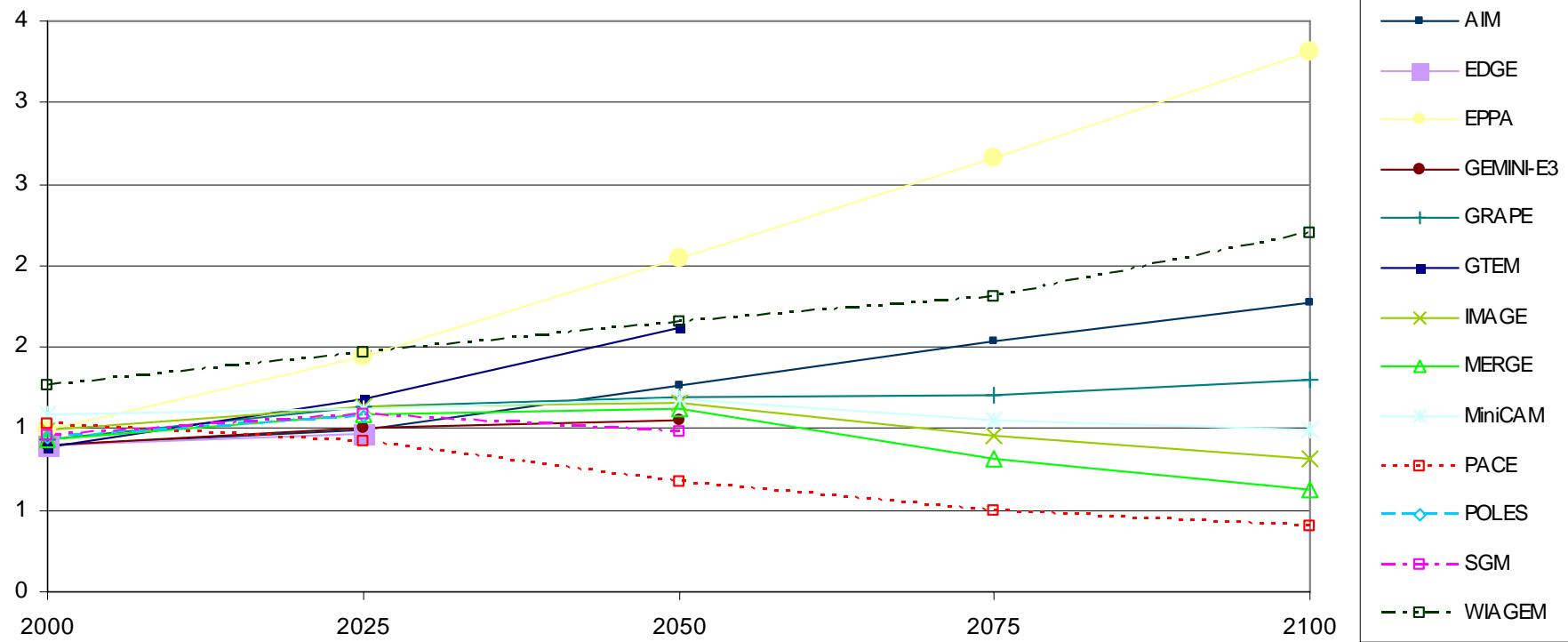
(a) US Methane (MtCe) in Reference Scenario



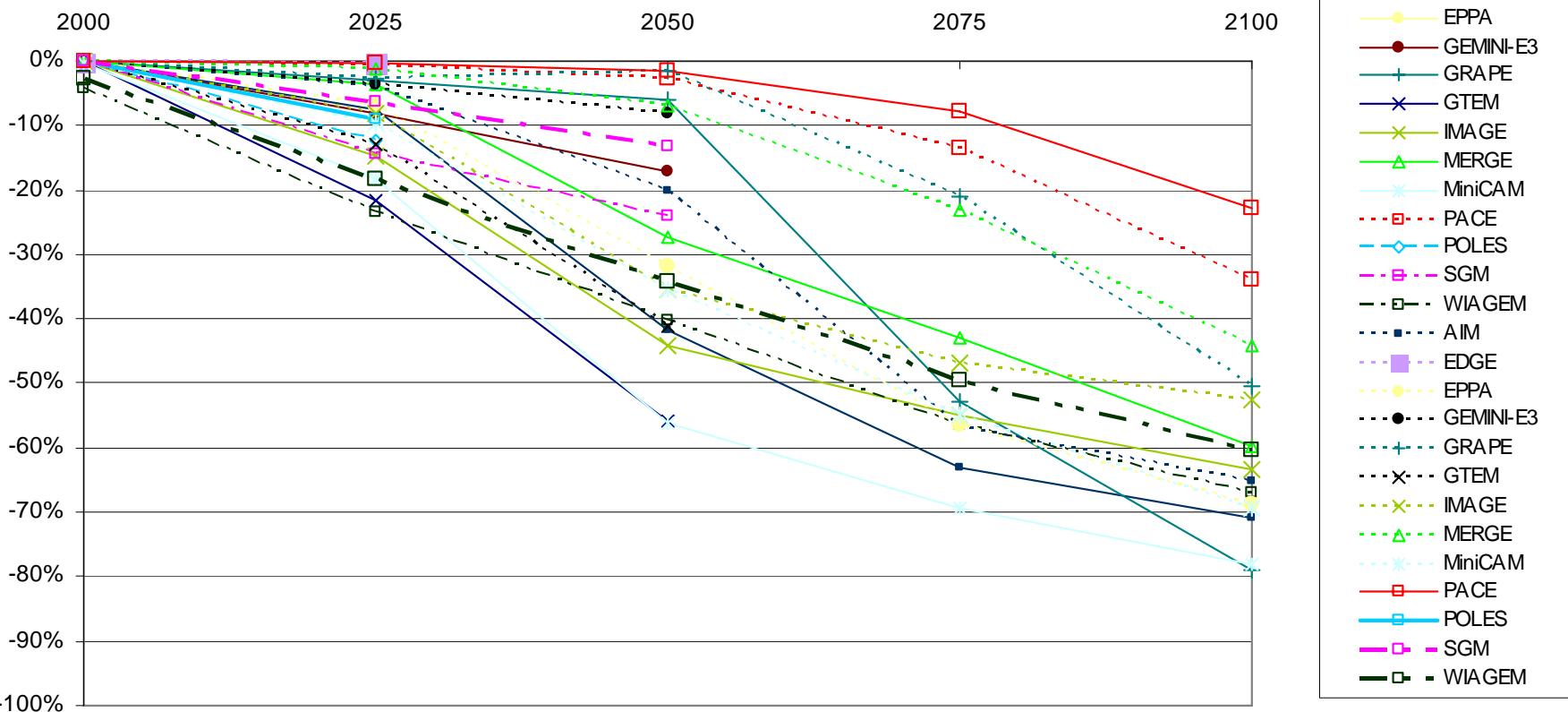
(a) % Reduction from Reference in US Methane in CO₂-Only (solid) and Multigas (dashed) Scenarios



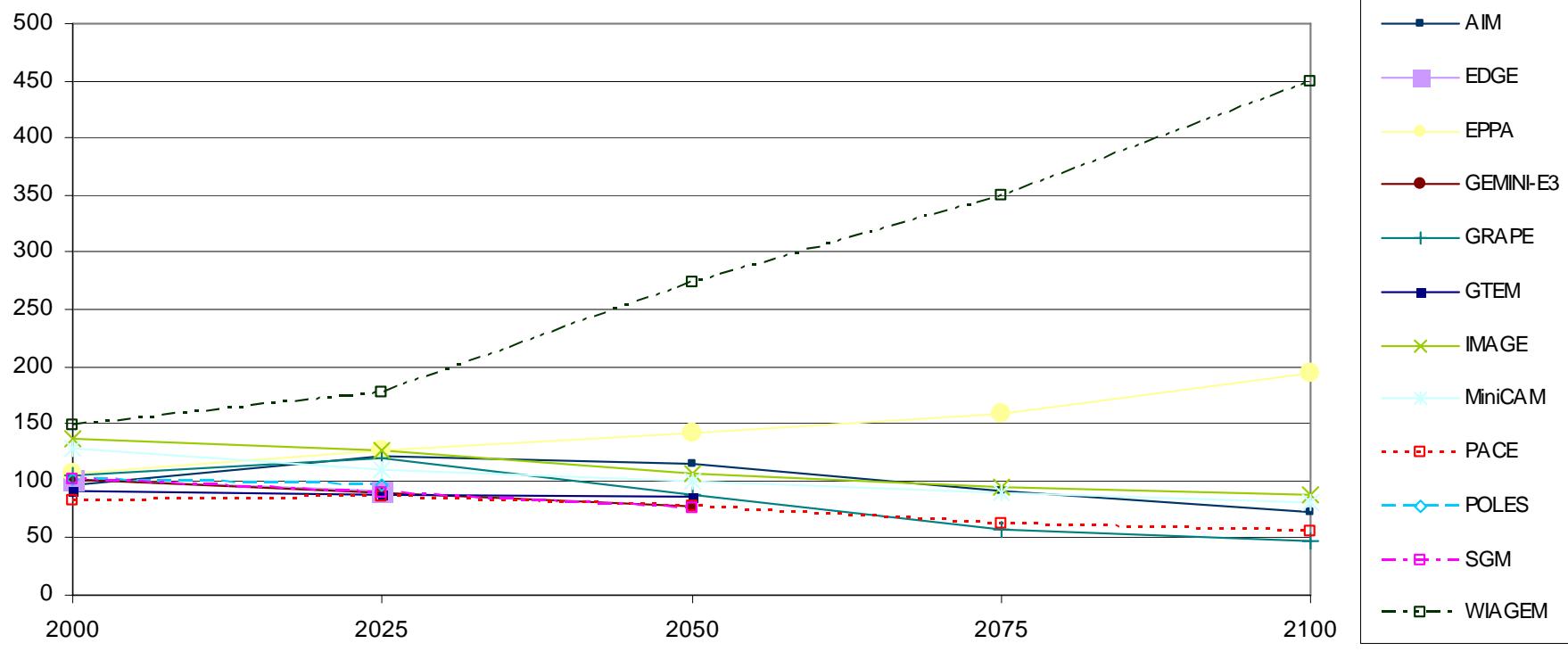
(b) Europe CO₂ (GtC) in Reference Scenario



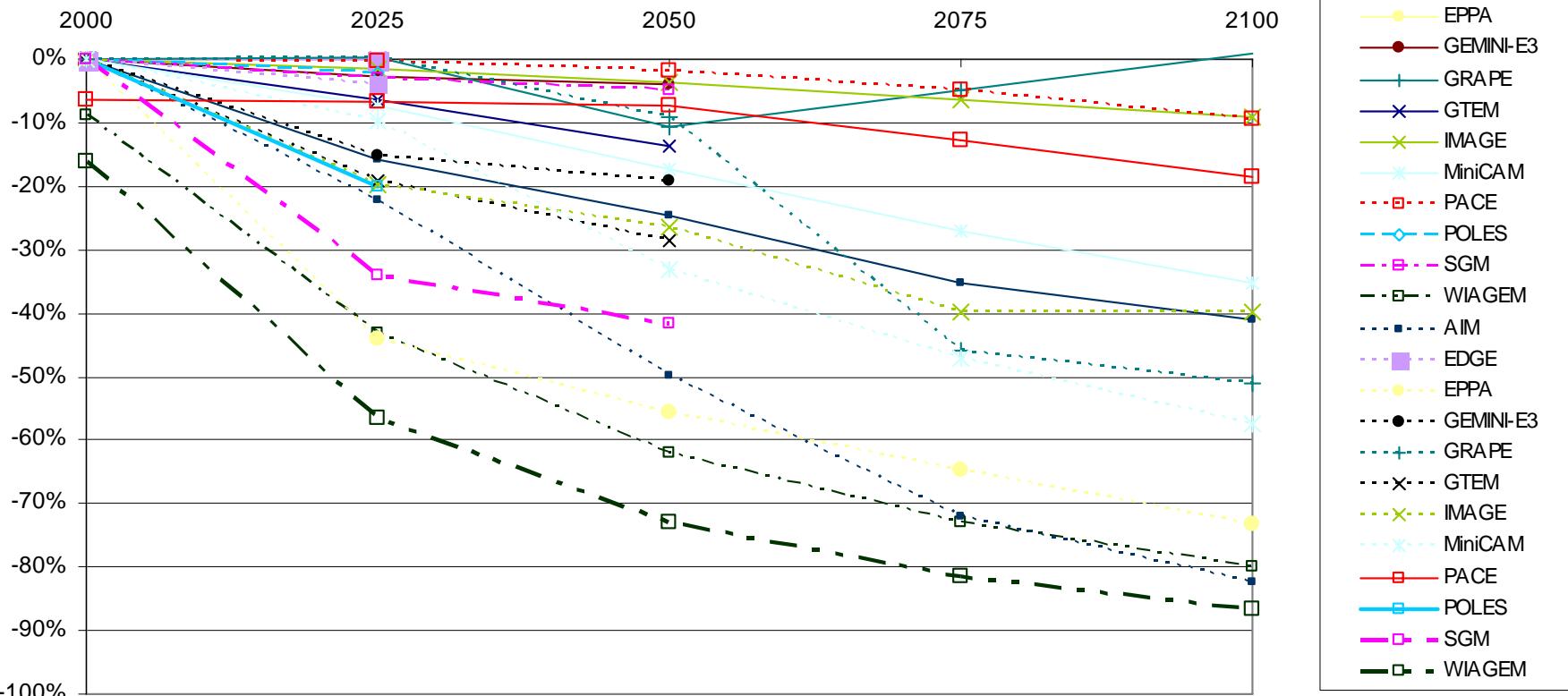
(b) % Reduction from Reference in Europe CO₂ in CO₂-Only (solid) and Multigas (dashed) Scenarios



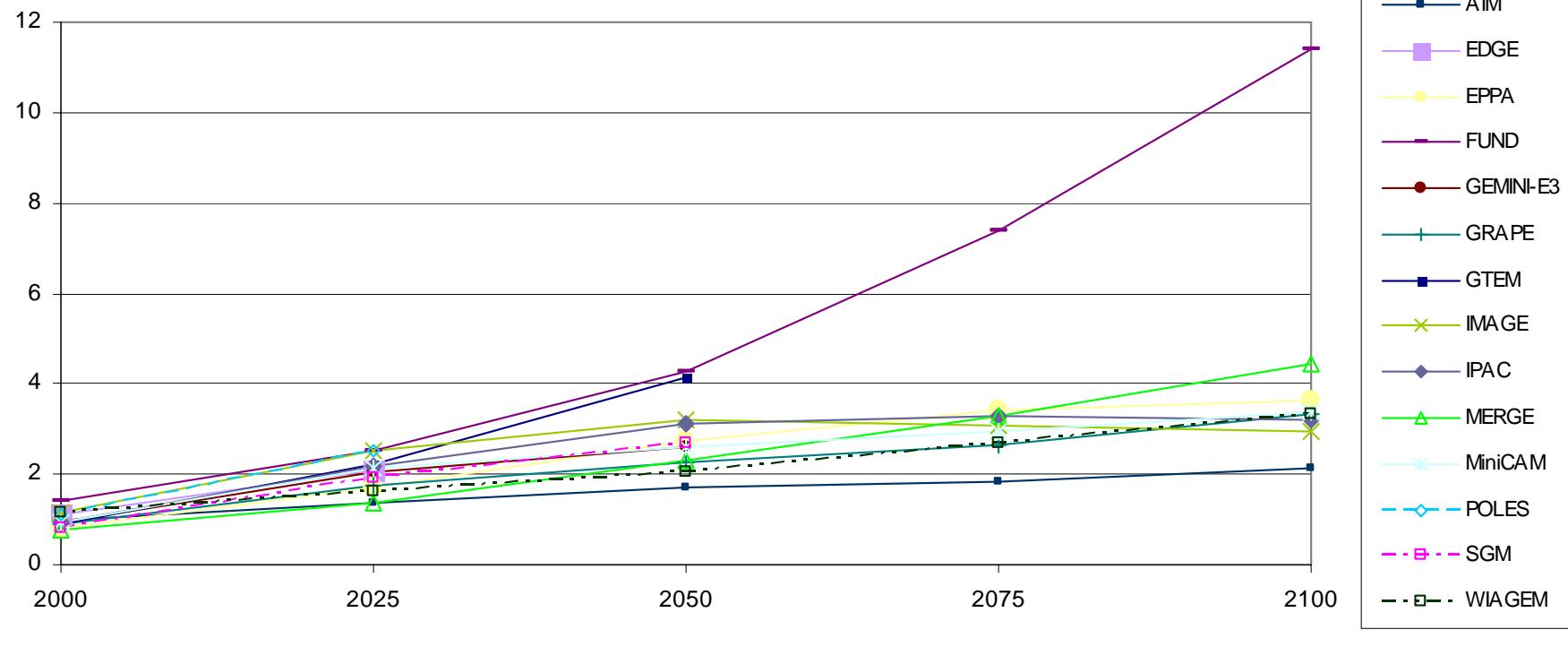
(b) Europe Methane (MtCe) in Reference Scenario



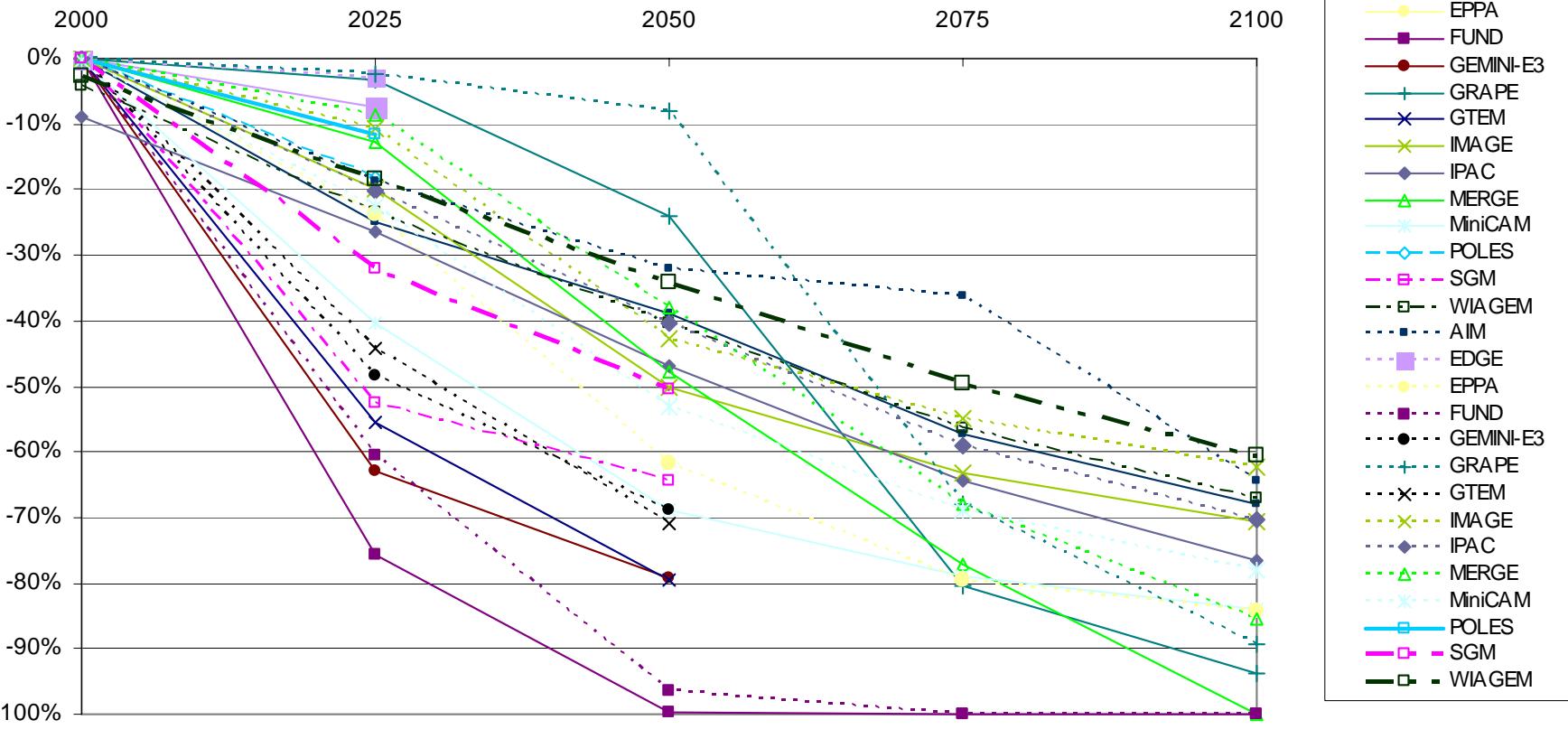
(b) % Reduction from Reference in Europe Methane in CO₂-Only (solid) and Multigas (dashed) Scenarios



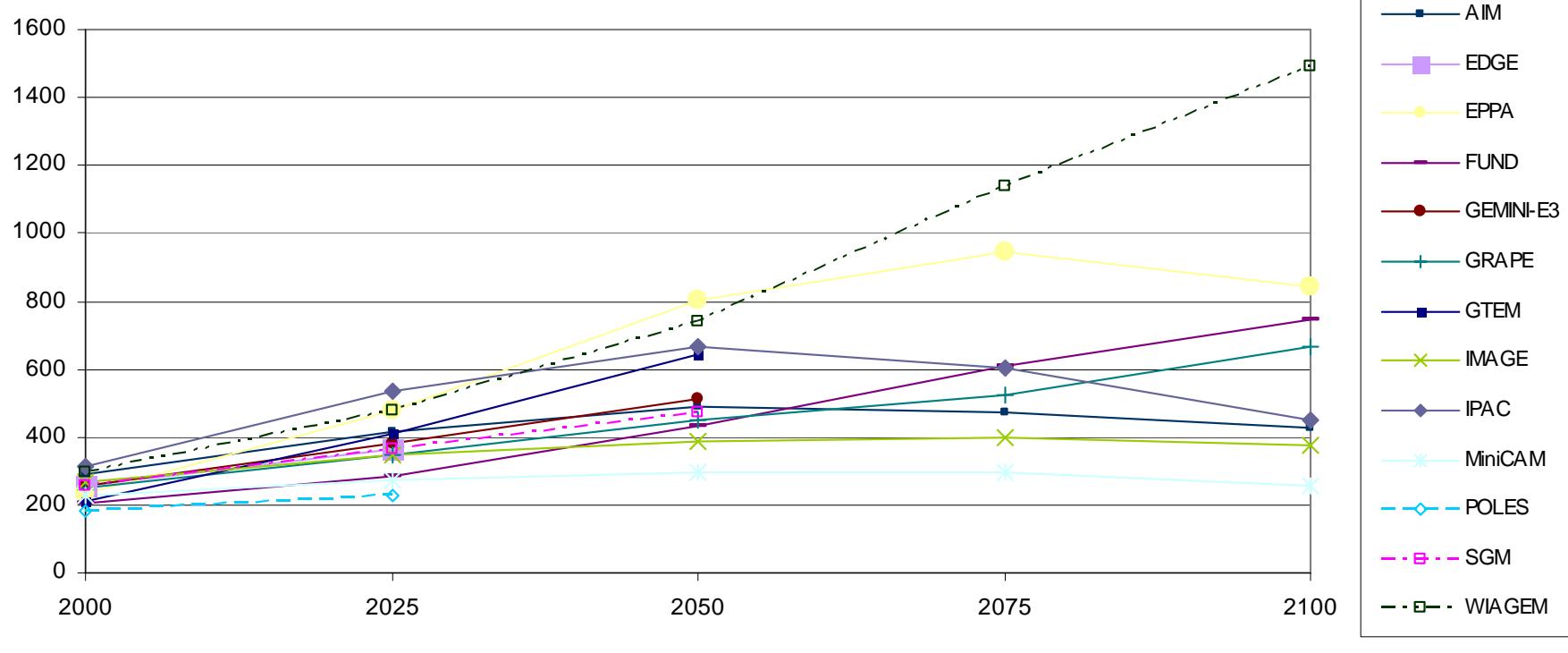
(c) China CO₂ (GtC) in Reference Scenario



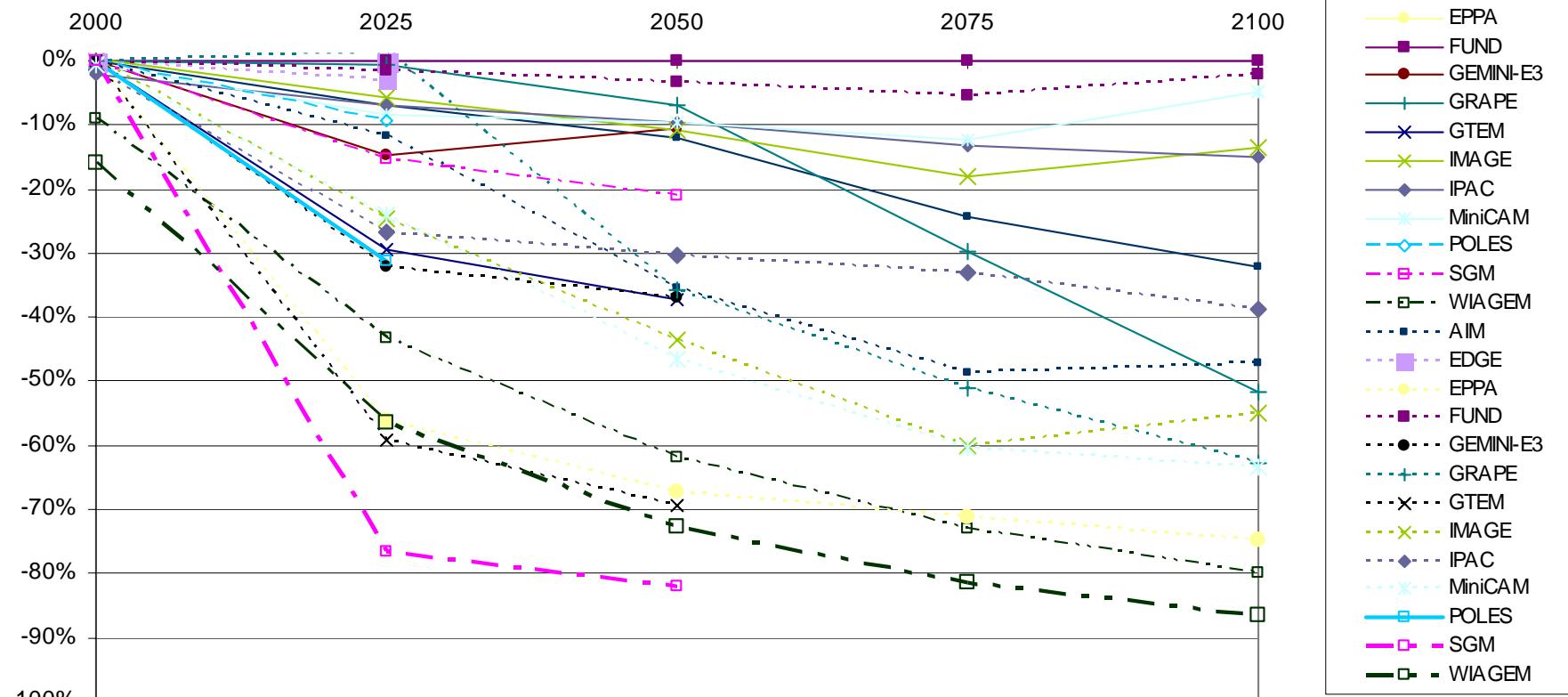
(c) % Reduction from Reference in China CO₂ in CO₂-Only (solid) and Multigas (dashed) Scenarios



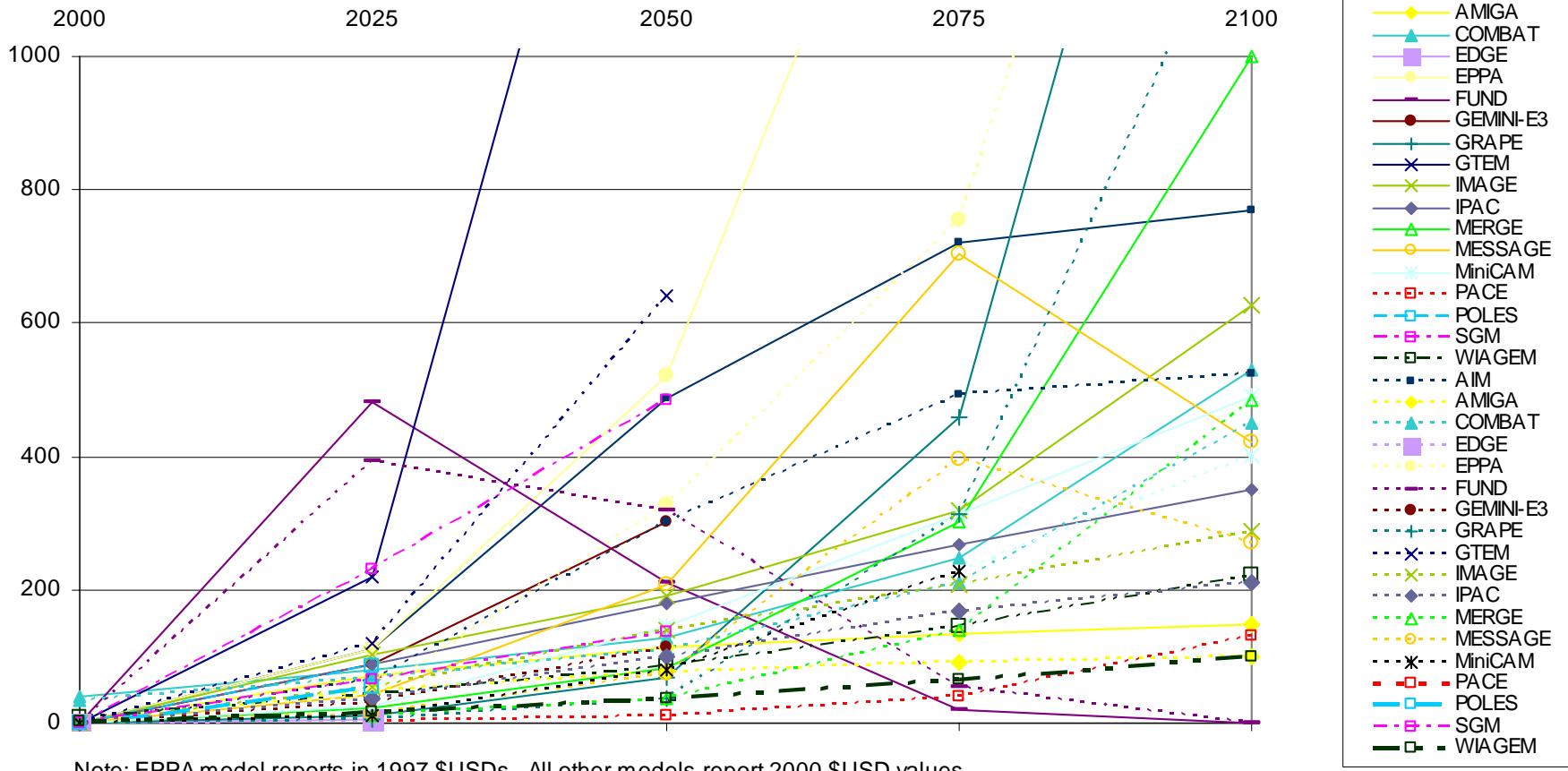
(c) China Methane (MtCe) in Reference Scenario



(c) % Reduction from Reference in China Methane in CO₂-Only (solid) and Multigas (dashed) Scenarios



Carbon Permit Price (2000 \$USD/tC) in CO₂-Only (solid) and Multigas (dashed) Scenarios

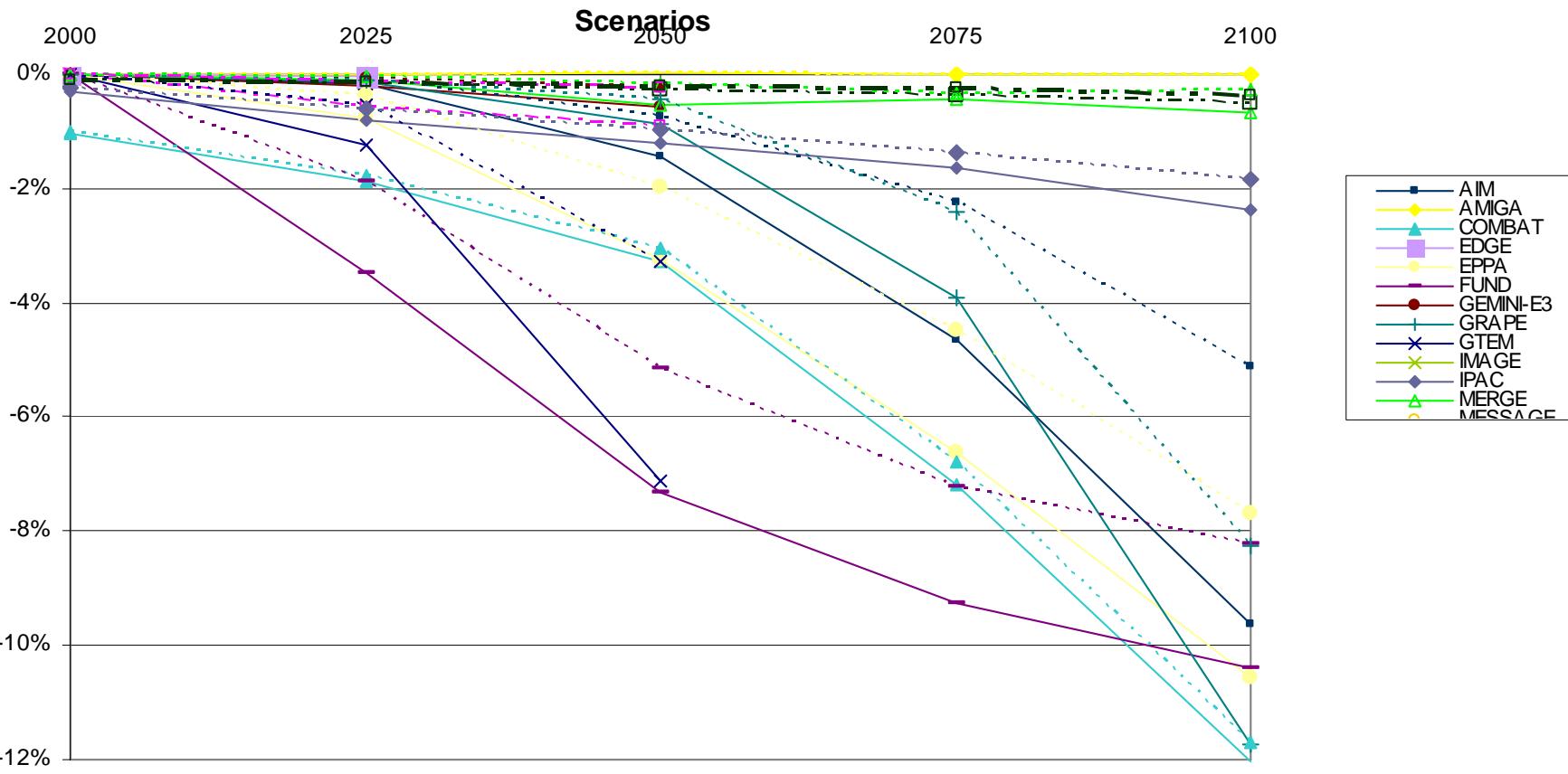


Carbon Permit Price (2000 \$US/tC)

Model	Scenario	2000	2025	2050	2075	2100
Mean	CO ₂ Only Scenario	2.7	101.3	314.2	406.2	877.0
	Multigas Scenario	2.0	57.8	158.7	241.8	480.3
	% Reduction	44%	48%	41%	23%	39%



% Reduction from Reference in Global GDP in CO₂-Only (solid) and Multigas (dashed)

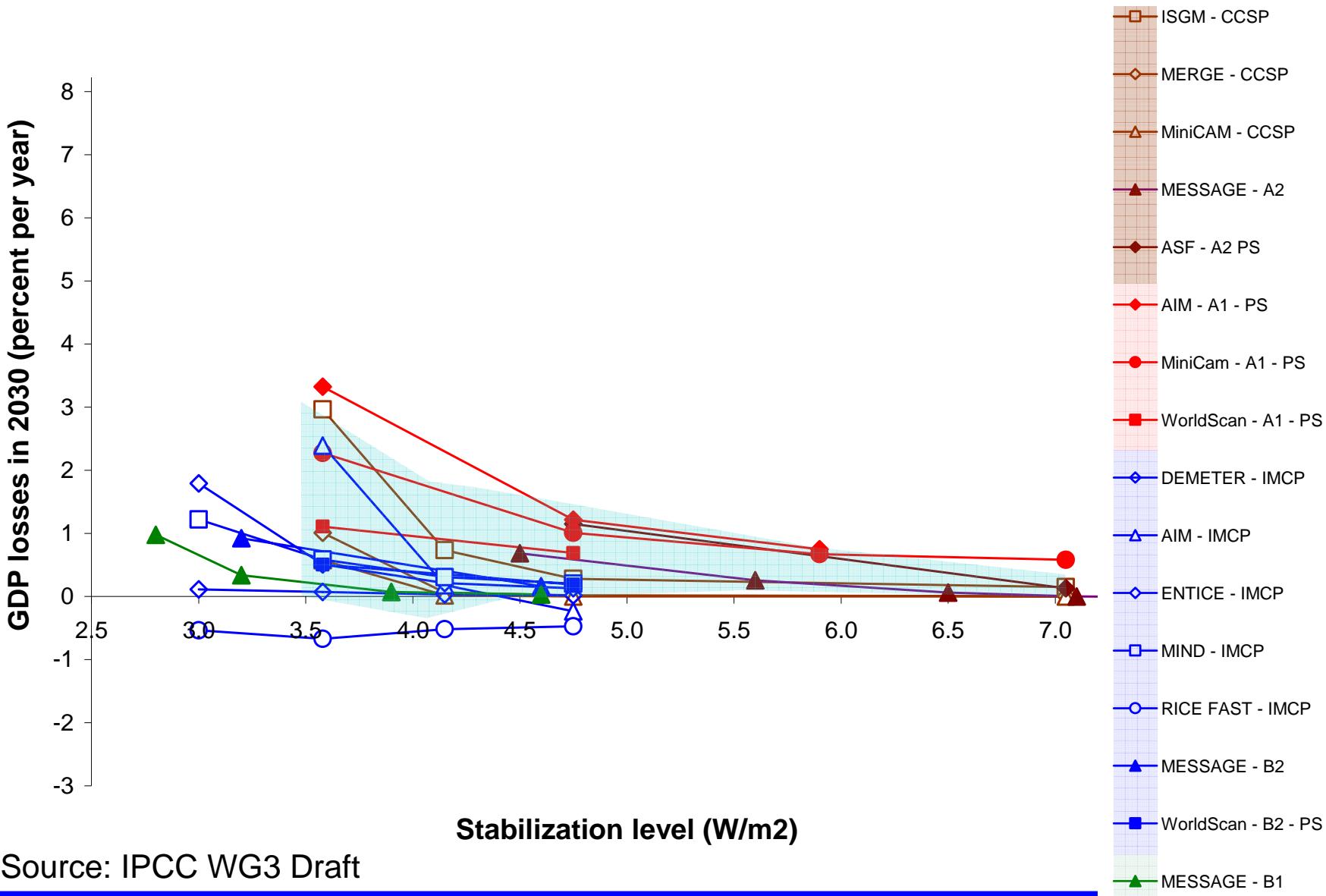


Global GDP (2000 \$US Trillions)

Model	Scenario	2000	2025	2050	2075	2100
Mean	Reference Case	33.0	65.8	116.7	194.4	295.4
	% Reduction GDP in CO ₂ Only Scenario	-0.1%	-0.7%	-2.2%	-3.8%	-6.4%
	% Reduction GDP in Multigas Scenario	-0.1%	-0.4%	-1.4%	-2.8%	-4.8%



Relationship between cost of mitigation (% loss of GDP)



Source: IPCC WG3 Draft

Relationship between cost of mitigation (% loss of GDP)

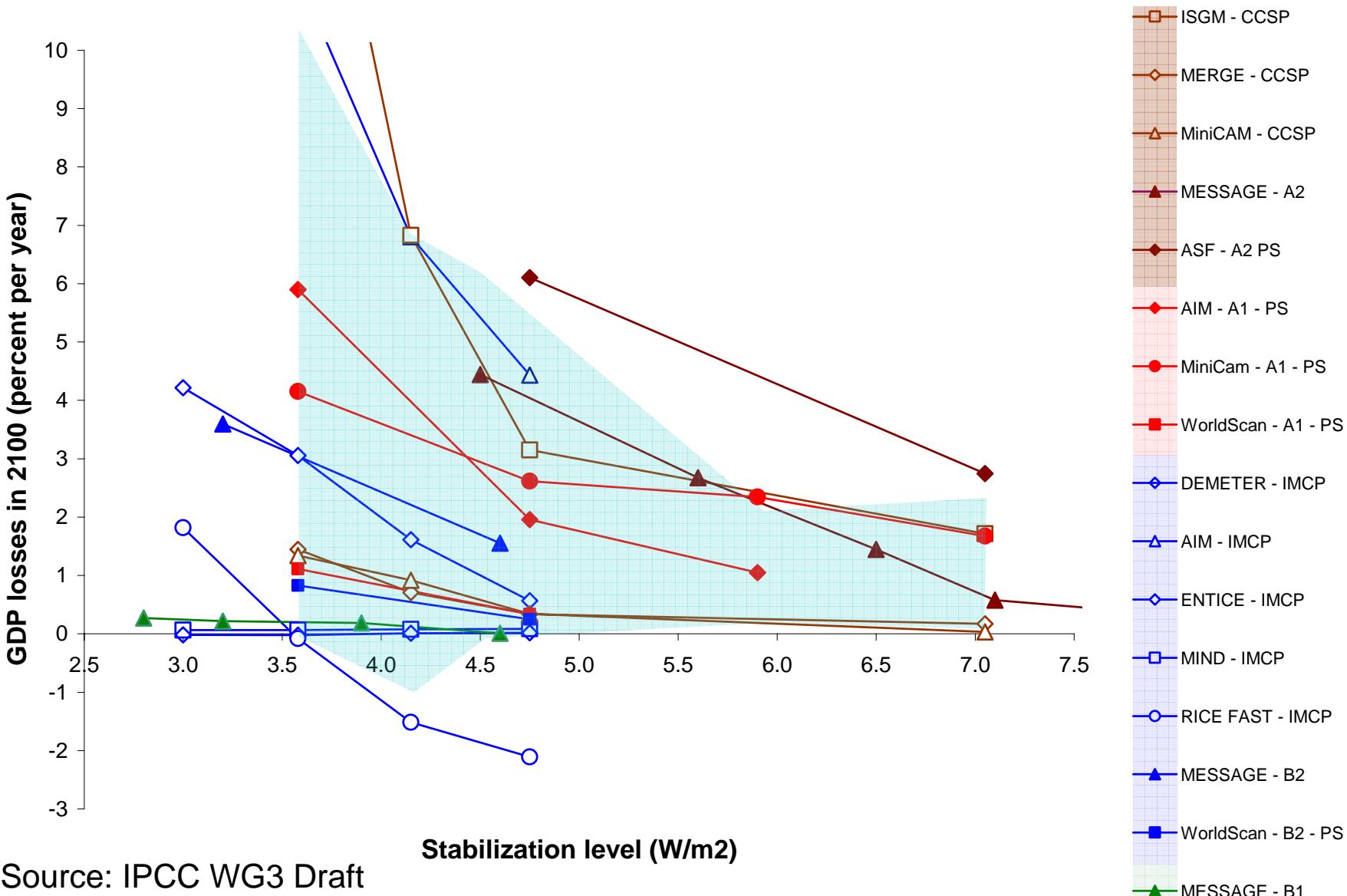


Table 3.16: Global Emission Reductions from Top-Down Models in 2030 by Sector for a Range of Stabilization Targets

Model	POLES	IPAC	AIM	GRAPE	MiniCAM	SGM	MERGE	IMAGE 2.3	WIAGEM	MESSAGE
Stabilization Category	Category C Stabilization Targets						Category B Stabilization Targets			
Stabilization Target	550 ppmv	550 ppmv	4.5 W/m^2 from preindustrial	4.5 W/m^2 from preindustrial	4.5 W/m^2 from preindustrial	From MiniCAM Trajectory	3.4 W/m^2 from preindustrial	3.0 W/m^2 from preindustrial	2 degrees C from preindustrial	B2 Scenario, 1.5 degrees C from preindustrial
Marginal Cost in 2030 shown in 2000 U.S. \$/tCO2eq	\$ 57	14	\$ 29	\$ 2	\$ 12	\$ 21	\$ 192	\$ 112	\$ 9	\$ 115
Reference Emissions 2030 Total All Gases (MtCO ₂ eq)	53.0	55.3	49.4	57.0	54.2	53.5	47.2	59.7	43.1	57.8
Sectoral Mitigation Resumes in 2050 (Total All Gases MtCO ₂ eq)	Energy Supply: Electric	9.5	6.4	5.2	0.5	7.3	3.0	9.5	8.7	7.0
	Energy Supply: Non-Electric	3.0	0.6	1.1	0.0	1.5	1.7	3.2	3.7	1.7
	Transportation Demand	0.5	0.8	0.5	0.1	0.2	0.5 ^b	Included in Energy Supply	2.8	Included in Energy Supply
	Buildings Demand	1.0	0.6	0.5	0.4	0.3	Included in Energy Supply	Included in Energy Supply	1.0	Included in Energy Supply
	Industry Demand	1.9	1.2	0.5	Included in another sector	1.7	Included in Energy Supply	Included in Energy Supply	3.2	Included in Energy Supply
	Industry Production	0.8	0.0	0.8	0.3	0.2 ^e	1.6 ^b	3.6 ^a	2.0	3.6
	Agriculture	(0.2)	(1.0)	2.0	0.6	0.3	4.2		1.2	1.1
	Forestry	Included in another sector	Included in another sector	0.0	0	0	Included in Agriculture		0.2	0.0
	Waste Management	Included in another sector	0	Included in another sector	0.0	0.3	0.8		1.1	Included in another sector
	Global Total	16.4	8.7	10.6	1.9	11.9	14.0 ^c	16.3	24.0	15.5 ^d
Mitigation as % Reference Emissions	31%	16%	21%	3%	22%	26%	35%	40%	36%	26%

Table 11.3: Estimated economic potentials for GHG mitigation at a sectoral level in 2030 for different cost categories using the SRES B2 and IEA World Energy Outlook (2004) baselines

Sector (in brackets 2030 emissions WEO/SRES B2 scenario)	Mitigation option	Region	Economic poten- tial < 100 US\$/tCO ₂ eq		Economic potential at different cost categories in US\$/tCO ₂ eq			
			Low	High	<0	0 - 20	20 - 50	50 - 100
			Mton CO ₂ eq					
Energy sup- ply (n.a.)	All options in energy supply excluding elec- tricity savings in other sec- tors	OECD	200	1400	100	200	290	200
		EIT	300	500	60	80	150	150
		Non OECD	1700	3100	700	700	1000	-
		Global	2200	5100	850	1000	1100	850
Transport (10.6 GtCO ₂ - CO ₂ only)	Total	OECD	1700					
		EIT	150					
		Non OECD	1100					
		Global	300					
Buildings (15.0 GtCO ₂ - CO ₂ only)	Electricity sav- ings	OECD	700					-
		EIT	100					-
		Non OECD	1200		100	200	200	20
		Final sav- ings	OECD	950	1000	100	150	-
		EIT	500	550	50	10	-	-
		Non OECD	150	200	100	-	-	-
		Other savings	OECD	1700	1800	1500	100	150
		EIT	600	700	400	250	10	-
		Non OECD	1400	1700	1400	100	-	20
		Global	3700	4100	3200	450	150	20
		Electricity savings	OECD	400		100	100	200
		EIT	100		30	30	50	-
Industry (13.4 GtCO ₂ - CO ₂ only 1 GtCO ₂ from non- CO ₂ emis- sions in 2020)	Electricity savings	Non OECD	900		200	200	450	-
		Other savings, including non- CO ₂ GHG	OECD	300	900	300	200	50
		EIT	150	400	80	200	20	-
		Non OECD	900	2900	550	1300	70	-
		Total	OECD	700	1300	400	300	250
			EIT	300	550	100	250	80
			Non OECD	1800	3800	750	1500	500
			Global	2800	5600	1300	2100	850

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Table 11.8: Economic potential for sectoral mitigation by 2030^{a)}: comparison of bottom-up and top-down estimates (mtCO₂ eq)

Chapter of this report	Sectors	<US\$20/tCO ₂ eq central	<US\$20/tCO ₂ eq	<US\$100/tCO ₂ eq	<US\$100/tCO ₂ eq maximum
		Bottom-Up	Top-Down	Bottom-Up	Top-Down
4	Energy supply and conversion (including electricity savings)	1800 (4200) ^{b)}	566-8832	2200-5100 (5600 – 8500) ^{b)}	15253
5	Transport	Not available	56-1318	3000	8000
6	Buildings	1700 ^{c)}	287-625	1600-2000	3000
7	Industry	900 ^{c)}	47-110	100-200	549
8	Agriculture	2100	-1100	1000	915
9	Forestry	1200	0-14	2700	704
10	Waste	700	0-100	550-1000	1186
11	Total electric power generation and associated efficiencies in energy sector IMCP potentials with induced technological change (9 models)	400 82000	3400 1875-15531	18000-25000	23848 27200

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