



MINNESOTA ENERGY POLICY SIMULATOR

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ENERGY INNOVATION 
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THE ENERGY POLICY SIMULATOR HELPS POLICYMAKERS...

- Understand impacts of energy and environmental policies
- Find the best way to meet their climate, financial, and other goals
- Make policy decisions that are unbiased and data-supported



There are **many** policies we might consider that affect energy use and emissions.

Building codes

Carbon tax

Renewable Portfolio Std

Subsidize renewables

Low carbon fuel standard

Support R&D

Vehicle feebate

Good urban design

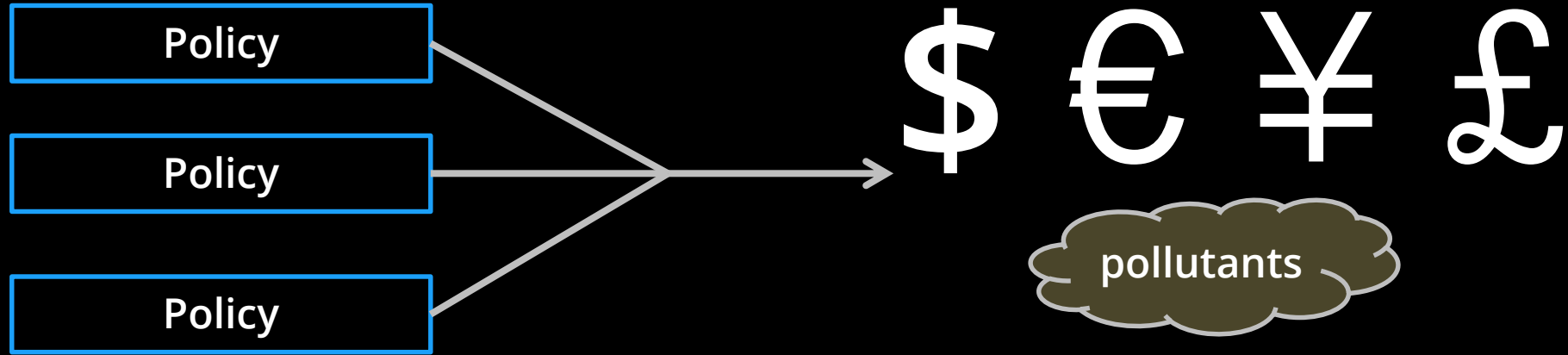
Better labels on appliances

Industrial eqpt standards

Early coal retirement

Fuel taxes

A System Dynamics model allows us to predict the combined effects of packages of policies.



HOW THE EPS FITS IN

**Top-Down Model
Results and Inputs**

e.g. elasticities, fuel
prices, imports/exports

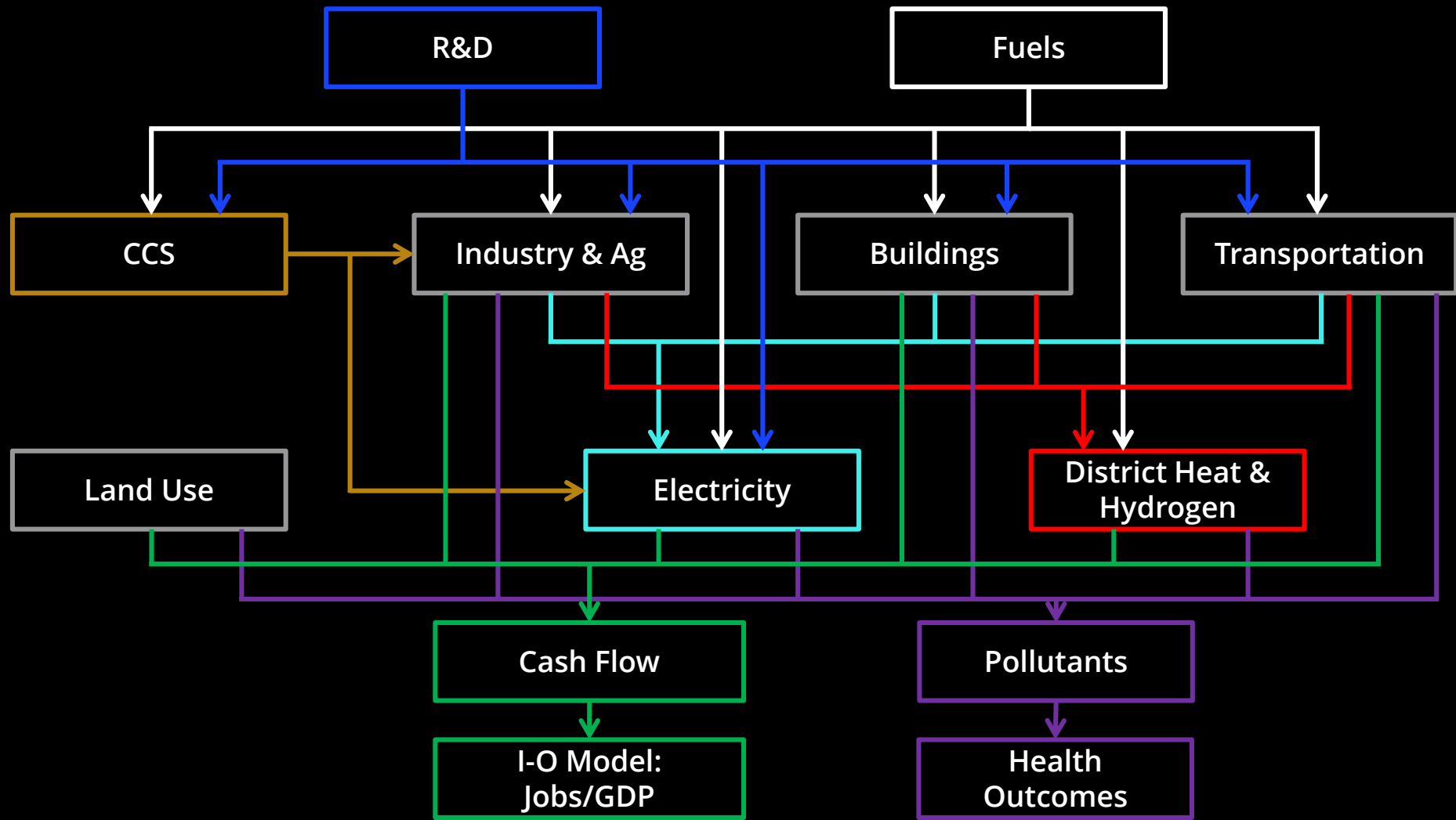


**The Energy
Policy Simulator**

**Bottom-Up Model
Results and Inputs**

e.g. final energy demand,
technology costs,
technology efficiency





MODEL SUBDIVISIONS VARY BY SECTOR

Buildings

- Heating
- Cooling and ventilation
- Envelope
- Lighting
- Appliances
- Other energy-using components

In



- Urban residential buildings
- Rural residential buildings
- Commercial buildings

Industry & Ag

- Cement
- Natural gas & petroleum
- Iron and steel
- Chemicals
- Coal Mining
- Water & waste
- Agriculture
- Other industries

MODEL SUBDIVISIONS VARY BY SECTOR

Electricity Supply

Nonrenewables

- Hard Coal
- Lignite
- Natural gas (nonpeaker)
- Natural gas (peaker)
- Crude oil
- Heavy or residual fuel oil
- Other petroleum
- Municipal solid waste
- Nuclear

Renewables

- Hydro
- Onshore Wind
- Offshore Wind
- Solar PV
- Solar thermal
- Biomass
- Geothermal

MODEL SUBDIVISIONS VARY BY SECTOR

Transportation

Passenger Modes

- Cars and SUVs
- Buses
- Passenger aircraft
- Passenger rail
- Passenger boats
- Motorbikes

Freight Modes

- Light trucks
- Medium and heavy trucks
- Freight aircraft
- Freight rail
- Freight shipping

Vehicle Technologies

- Gasoline engine vehicle
- Diesel engine vehicle
- LPG vehicle
- Natural gas vehicle
- Battery electric vehicle
- Plug-in hybrid vehicle
- Hydrogen vehicle

EXTERNAL REVIEWERS, ADVISERS, AND CONTRIBUTORS

Global Partners

National Labs



Universities

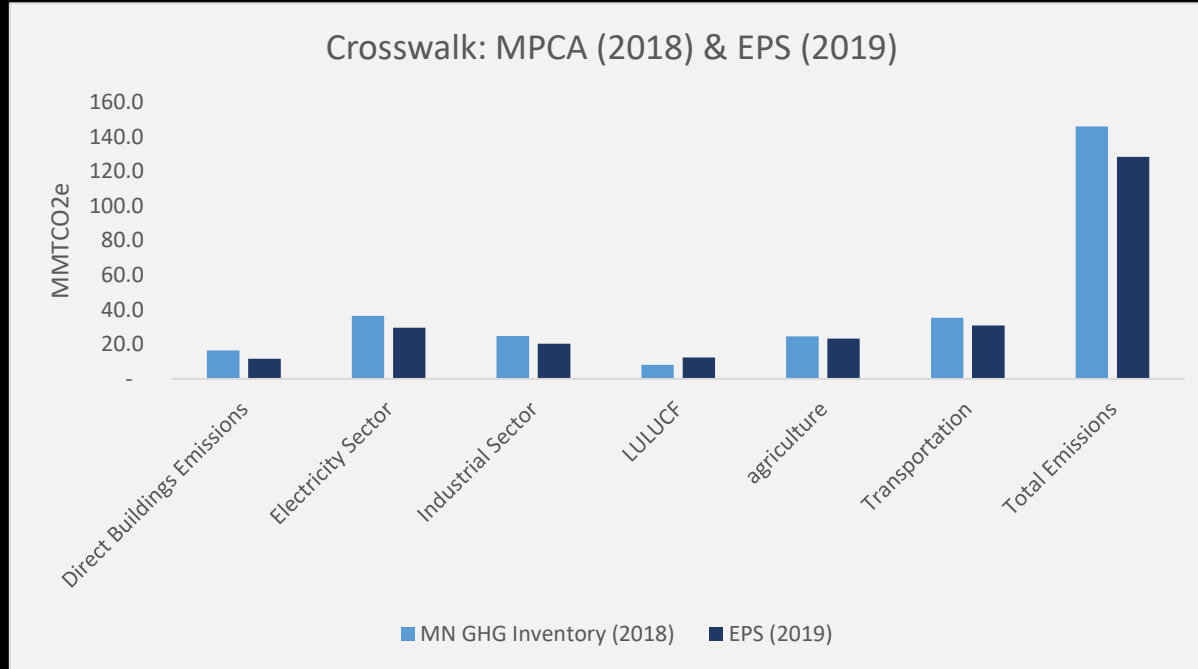


WEB TOOL

<https://minnesota.energypolicy.solutions>

Sector	BAU Scenario	Reference Scenario
Electricity	<ul style="list-style-type: none"> •From EIA’s Annual Energy Outlook and NREL •Includes Minnesota’s Renewables Portfolio Standard •Assumes all currently planned retirements are completed on time (incl. Sherco 1 by 2025, Sherco 2 by 2022, Sherco 3 by 2034) •Assume existing nuclear power plants are retired at the time their current permits expire (Monticello 2030 and Prairie Island 2033/34) 	<p>Nuclear power plants extended add’l 10 years: Monticello through 2040, Prairie Island through 2043 (Unit 1) and 2044 (Unit 2)</p> <p>Retire 2 coal units early: King in 2028, Sherco 3 in 2030 Assume 1500 MW demand response by 2034 above the BAU case Capacity additions of 1200 MW wind by 2034, 4000 MW of solar by 2034</p>
Buildings	<ul style="list-style-type: none"> •From EIA’s Annual Energy Outlook and NREL •Assumes some equipment performance improvements over time, based on market data (described in EIA documentation) 	Energy efficiency savings included in Xcel’s IRP
Industry	<ul style="list-style-type: none"> •From EIA’s Annual Energy Outlook and NREL •Assumes equipment performance improvements over time (described in EIA documentation) •Does not include implementation of Kigali Amendment to the Montreal Protocol. 	Energy efficiency savings included in Xcel’s IRP
On-Road Transportation	<ul style="list-style-type: none"> •From EIA’s Annual Energy Outlook and NREL •Includes 2012 Federal Corporate Average Fuel Economy Standards (CAFE) standards •Federal EV subsidies •Economic adoption of EVs 	Same as BAU
Land use/Agriculture	<ul style="list-style-type: none"> •Agriculture, biomass, and forestry projections 	Same as BAU

MPCA (2018) AND EPS (2019)



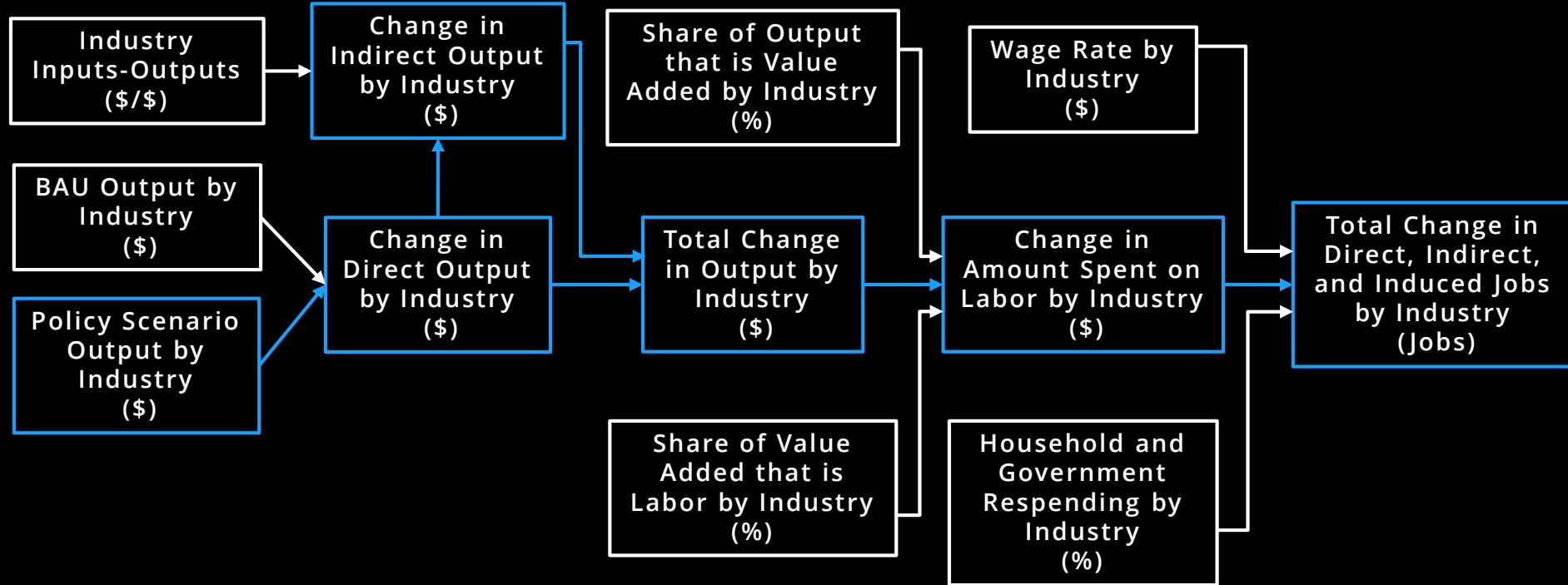
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THANK YOU

CALCULATING JOBS AND GDP

EPS-INTEGRATED INPUT-OUTPUT MODEL



EXAMPLE OF ALLOCATION

