



# Applications of agent-based modelling in energy transitions for industrial networks and urban systems



"The views expressed in this material do not necessarily reflect the UK government's official policies."

## University Partnership:



IMPERIAL

Dr Koen H. van Dam  
Imperial College London

Introducing complexity-oriented methods into life-cycle thinking

7th June 2024



## MULTILATERAL PLATFORM

with over **40** governments,  
multilateral development banks,  
technical partners and other  
international organisations



## RAPID RESPONSE FACILITY (RRF)

delivering prompt and  
demand-driven technical  
assistance to address  
transition barriers and  
unlock larger-scale,  
longer-term finance



DIALOGUES AND RRF SUPPORT  
set to continue to at least

2025



Co-chaired by the

UK

and the  
Philippines



HIGH-TRUST DIALOGUE  
mobilising, aligning and  
coordinating support for  
the clean energy transition

COLLABORATING  
on key areas, including  
coal retirement, renewables  
deployment, energy  
efficiency and a just transition



15

ETC NATIONAL  
DIALOGUES  
to identify energy  
transition priorities,  
shared challenges  
and sources of  
international support



8

ETC MINISTERIALS  
to raise confidence that we  
are able to deliver on shared  
challenges; secure ministerial  
buy-in for the energy transition  
agenda; and foster senior-level,  
high-trust dialogue



100s

of smaller, focused  
strategy sessions and  
working groups to  
address and unblock  
specific technical  
challenges impeding  
the energy transition



30+ RRF TECHNICAL  
ASSISTANCE  
REQUESTS

about energy efficiency,  
just transition and  
clean cooking



with more in the pipeline across

11 ETC COUNTRIES

responded to by

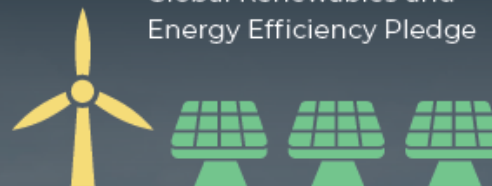


25+ DELIVERY PARTNERS

resulting in

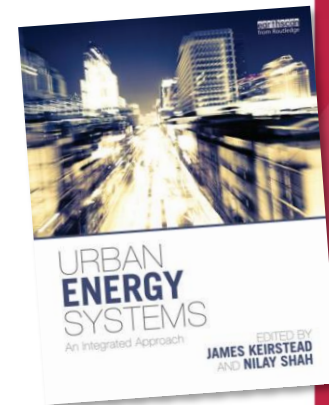
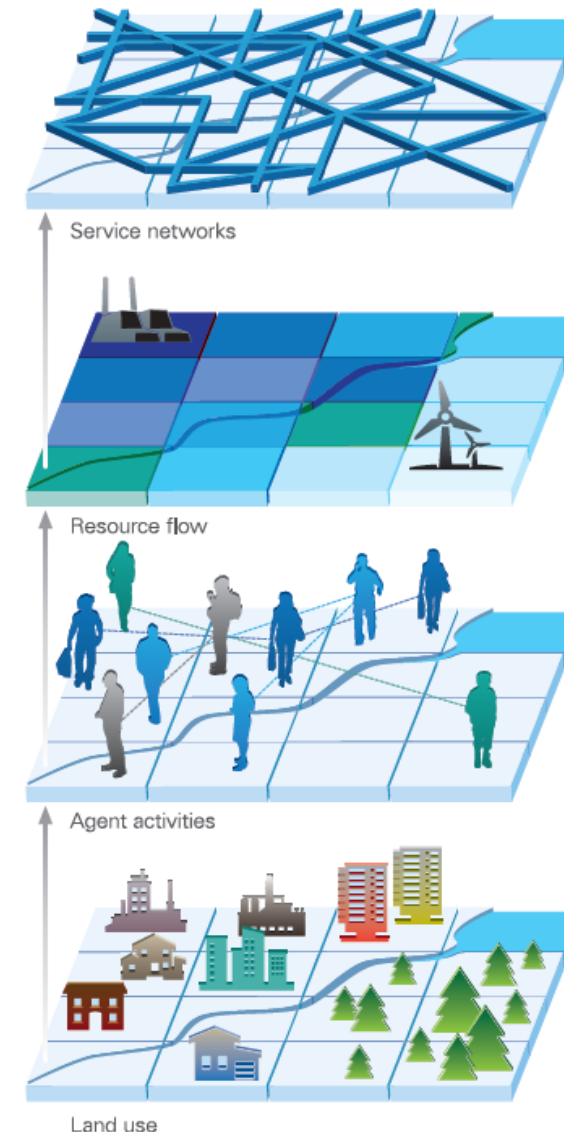


significant clean energy  
commitments made  
by ETC partner countries,  
including through the  
COP26 Global Coal to  
Clean Power Transition  
Statement and the COP28  
Global Renewables and  
Energy Efficiency Pledge



# Context / Motivation

- Socio-technical systems:
  - Human activities leads to demand for services
  - Resources are used to meet that demand
  - Technologies convert resources
  - Networks to transport resources
- ABM + RTN
- Purpose:
  - Transition to a more sustainable future
  - Test impact of different policies
  - Evaluate alternative technology options, select locations
  - Explore role of behaviour change
- Optimise for costs, emissions, jobs created, etc
- Transitions involving multiple stakeholders
- Scales: national, regional, urban, industry

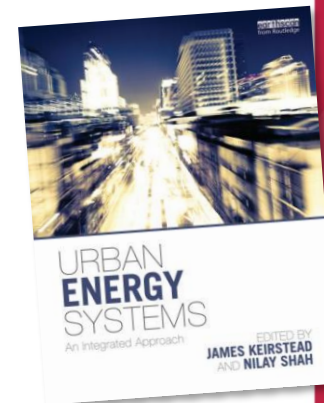
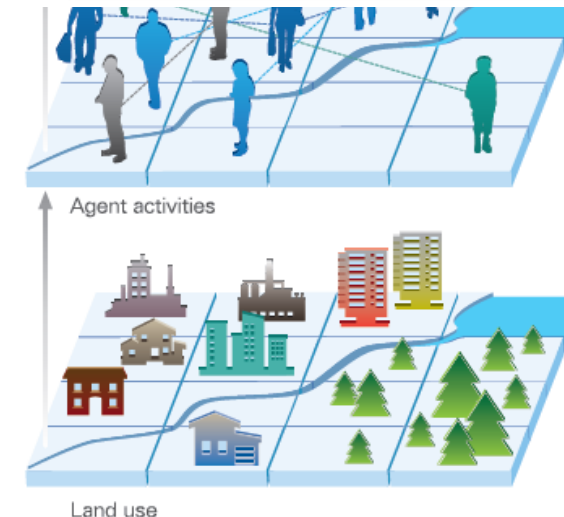
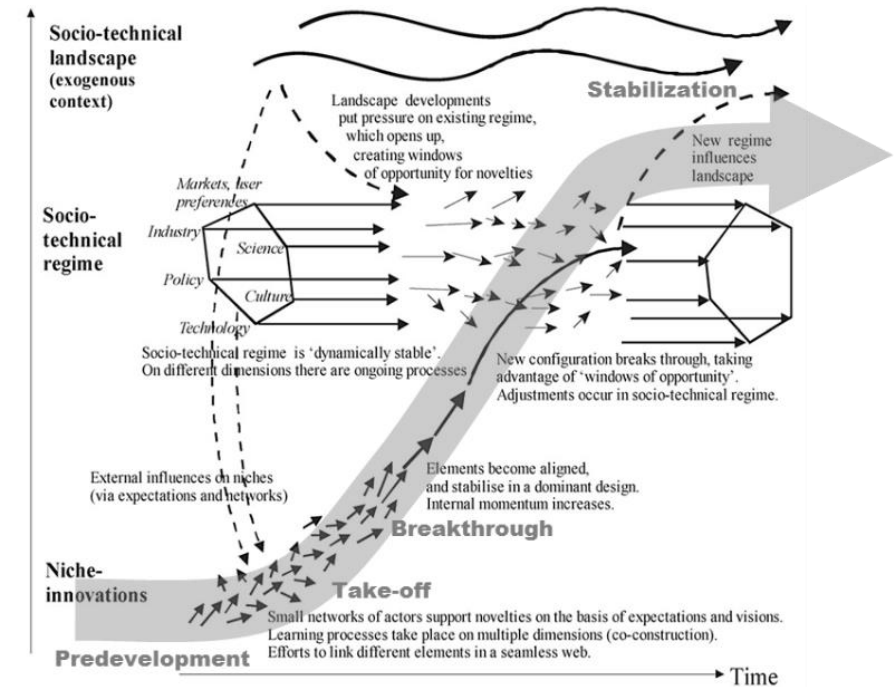




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Geels (2002)

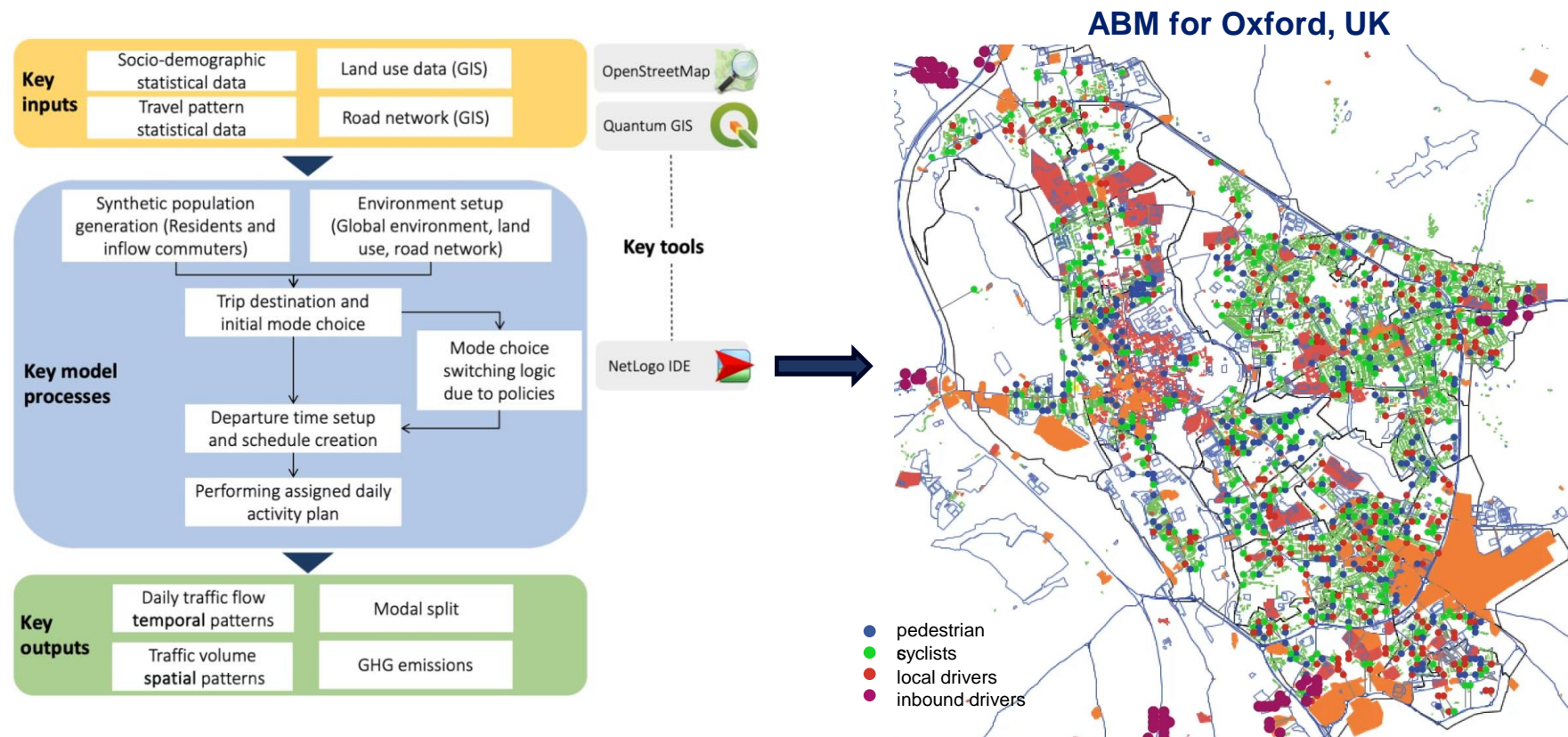




## **Supporting decision-making for sustainable urban transport systems via agent-based modelling: a case study on policy impact assessment in Oxford**

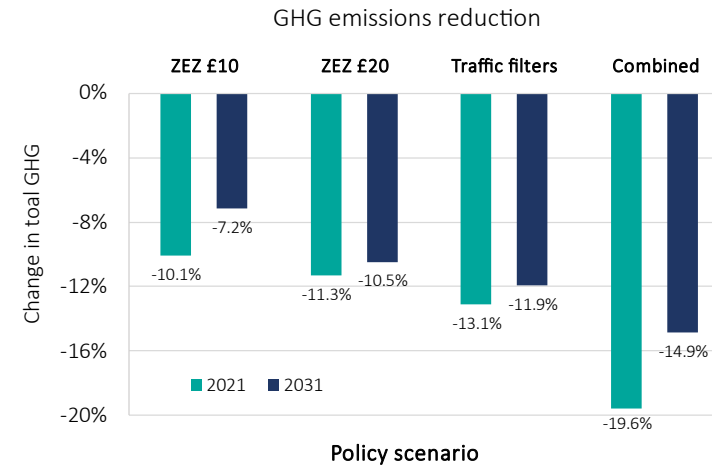
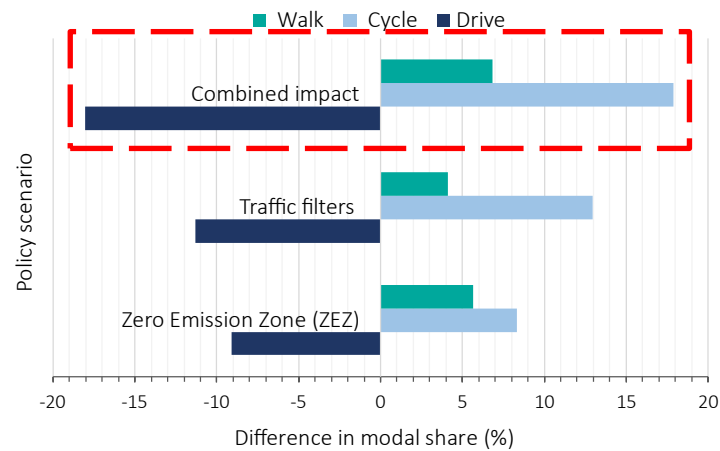
Maia Sagdieva, Liu Yang, and Koen H. Van Dam, presented at the  
8<sup>th</sup> International Conference on Integrated Land-Use Transport Modeling (ILUTM-8), December 2023

## Developing an agent-based model for policy impact assessment



*Supporting decision-making for sustainable urban transportation systems via agent-based modelling*

## Oxford's Transport Strategy shows great potential but...



**18%**

maximum feasible  
modal shift

**20%**

potential GHG  
emission reduction

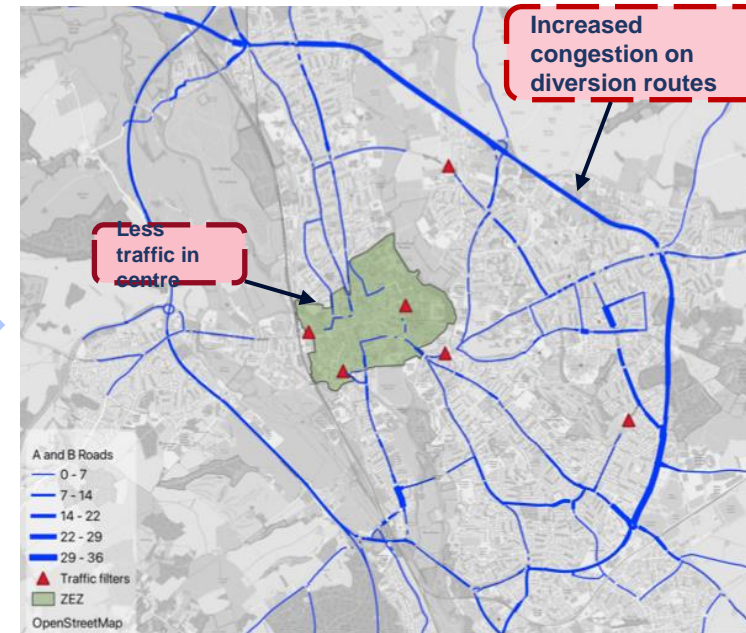
**25%**

reduction in policy  
benefit by 2031

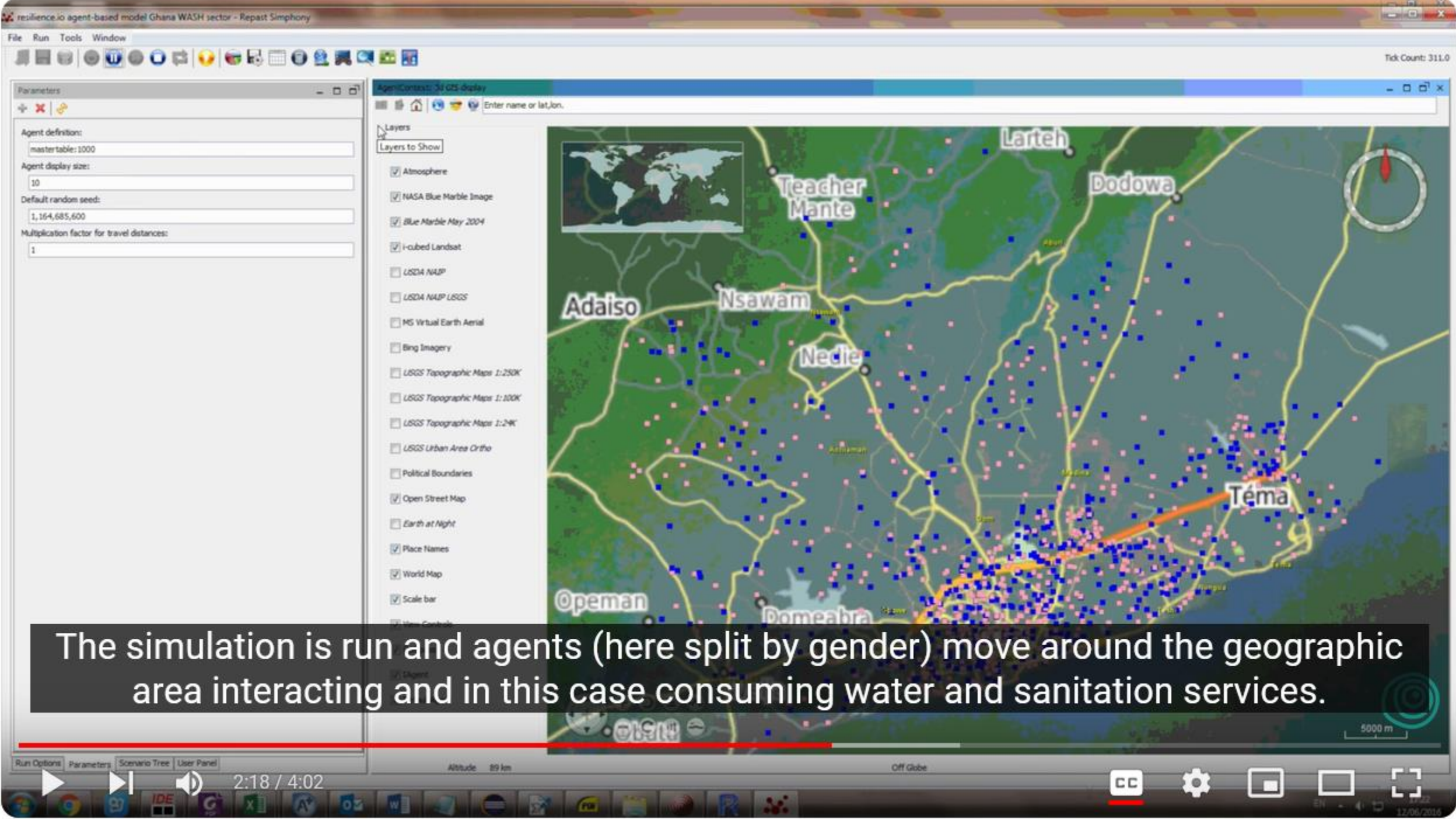
*Supporting decision-making for sustainable urban transportation systems via agent-based modelling*



...does everyone benefit from these measures?



*Supporting decision-making for sustainable urban transportation systems via agent-based modelling*

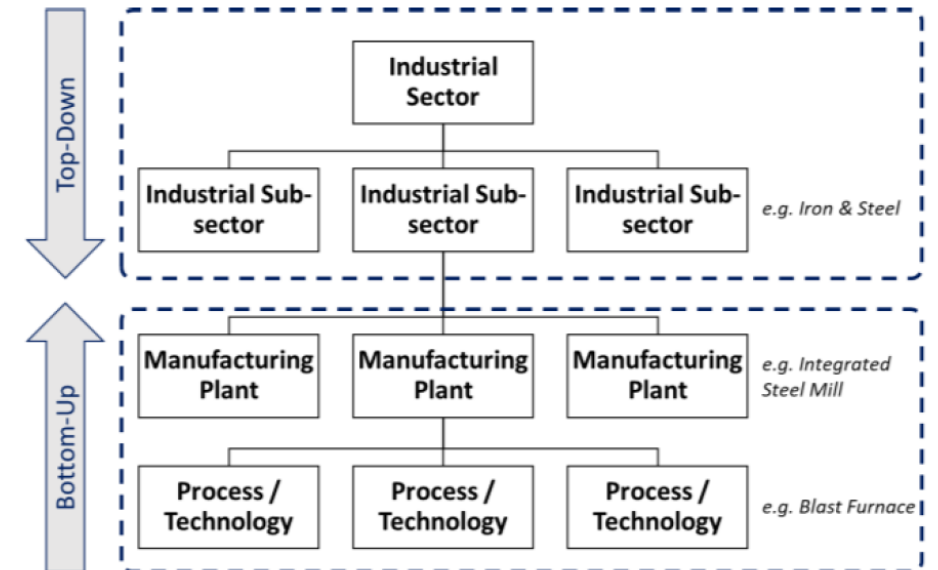
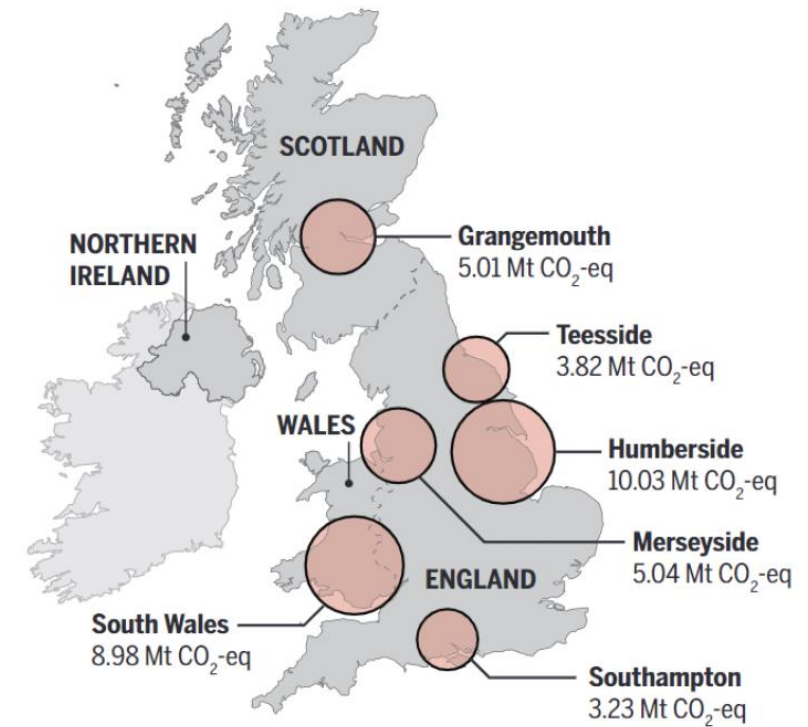


The simulation is run and agents (here split by gender) move around the geographic area interacting and in this case consuming water and sanitation services.



# Modelling the transition of industrial clusters

- Multi-level decision-making:
  - Individual businesses
    - Operation
    - Investment
    - Long-term strategy & risk
  - National government
    - Growth
    - Climate policy
  - Cluster
    - Shared infrastructure (e.g. transport, natural gas, hydrogen, CCS)
    - Local economy



Shahroz Zami Ansari (2023) Strategy development for net-zero industrial clusters using an agent-based model, SEF, Imperial College London

## Point Source Emitters

Sub-processes A

Sub-processes B

⋮

Sub-processes N

- Emission Split
- Energy Consumption
- Fuel Split
- Counterfactual Technology
- Low Carbon Technologies
  - Carbon Capture?*
  - Fuel Switching?*
  - Electrification?*
  - Process Change?*

## Other Inputs

- Energy Price Projections
- Shadow Carbon Price Projections
- Levelized Cost of Hydrogen
- Grid Emission Intensity Projection
- Industrial Sector Compound Annual Growth Rate (CAGR)

## Policy Measures

- UK ETS Free Emission Allowances
- CfD support for Low Carbon Hydrogen

## Agent-Based Model

Initialization

- Setup the modelling environment
- Load input data

Agent Definition

- Identify distinct agent types (Industry / Subprocesses)
- Assign attributes, properties & initial state to agents

Modelling Framework

- Establish rules of interaction, behaviors and decision making of agents

Simulation Execution

- Define scenarios that will and run model over defined time period (2021-2050)

Data Collection & Analysis

- Monitor specific variables & behaviors of interest

## Model Outputs

Solutions for Site / Subprocess ranked by NPV

Emergent behavior of cluster

Identify pathways of least regret for cluster

Optimal policy support for technology uptake



# Model and illustrative outcomes

Step 1: Select Energy & Carbon Price Projection

carbon-price-level  
Low

elec-price-level  
Medium

gas-price-level  
Medium

coal-price-level  
Medium

oil-price-level  
Medium

Step 2: Select Discount Rate & Infrastructure Assumption

discount-rate 0.10

ccs-availability-from 2023

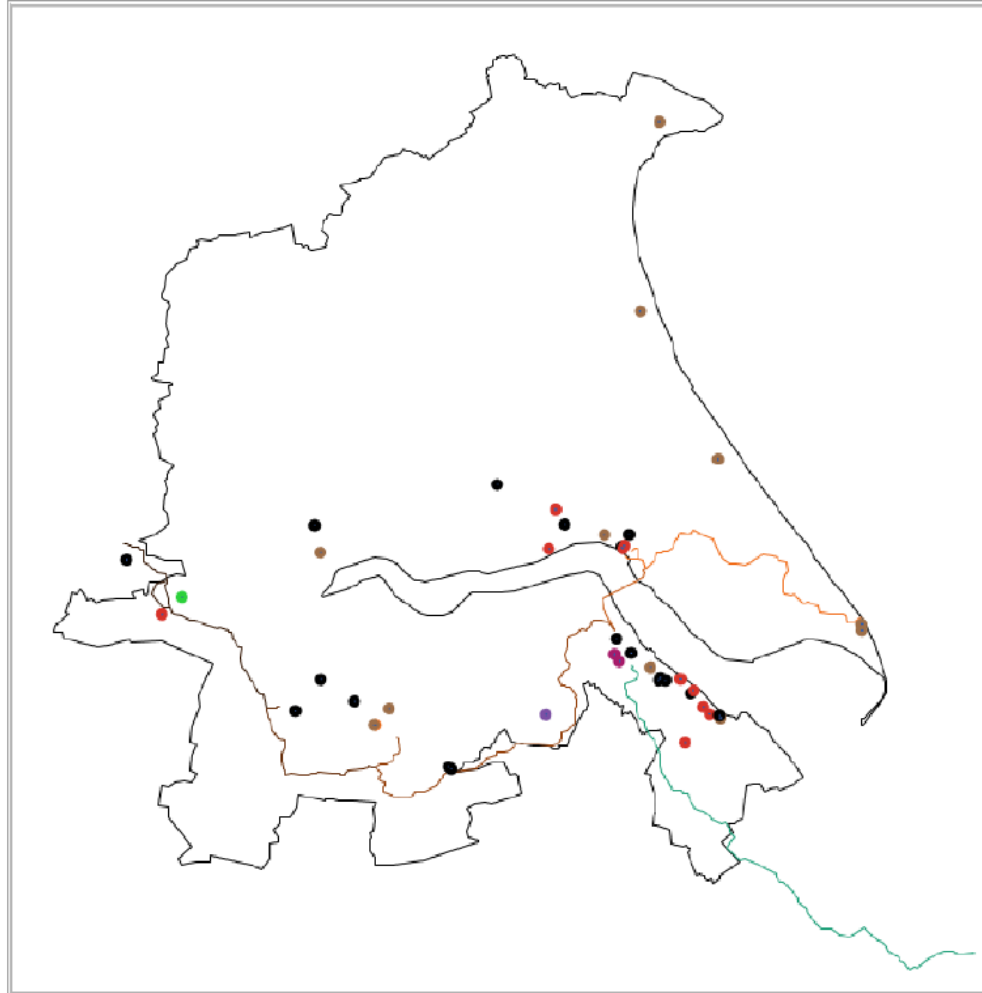
Step 3: Select Policy Environment

free-emissions-allowance-ambition  
High

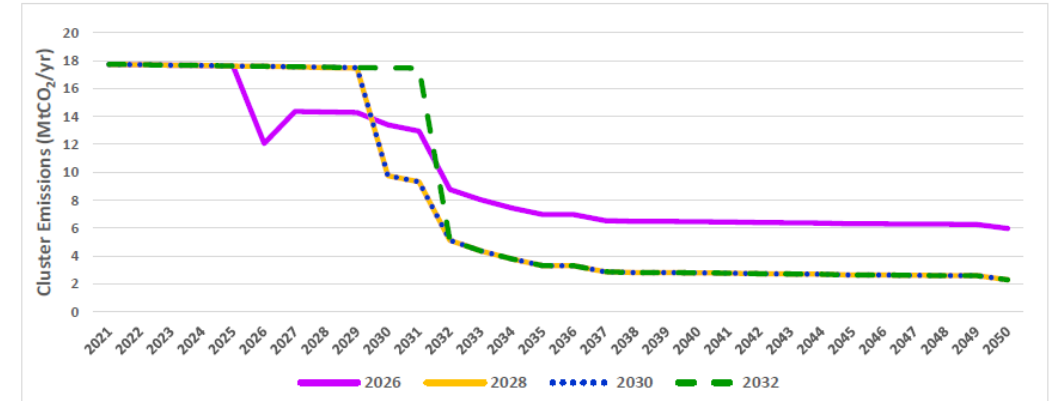
£/tCO<sub>2</sub>-support-hydrogen 0 £/MWh

Step 4: Setup & Execute

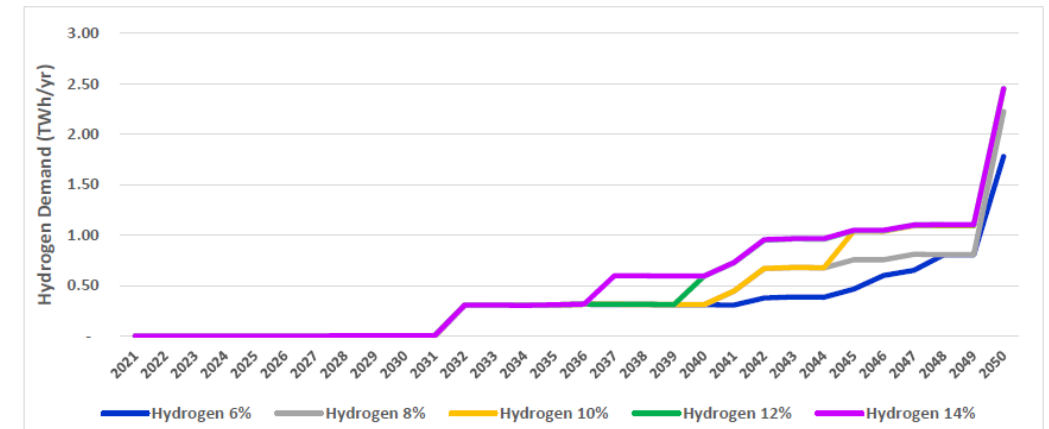
setup go



ABM implemented in NetLogo



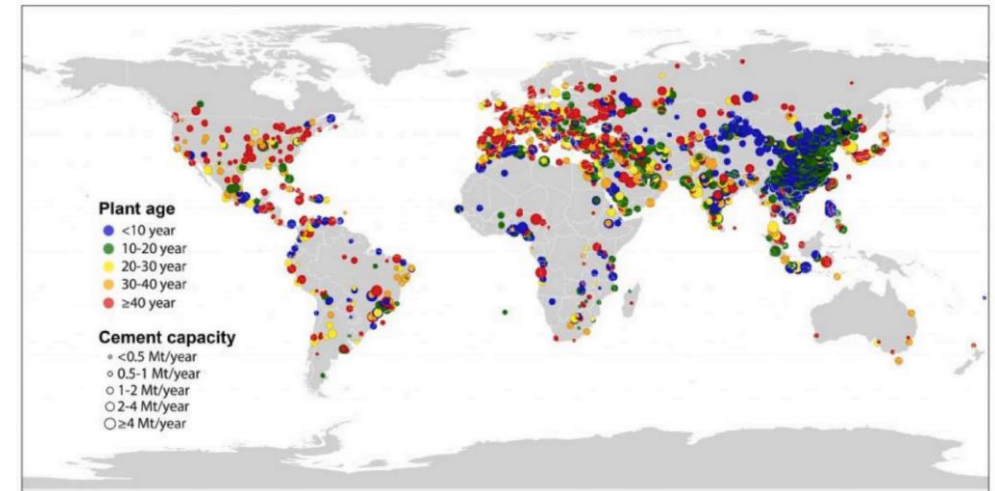
CO<sub>2</sub> emissions depending on CCS infrastructure availability



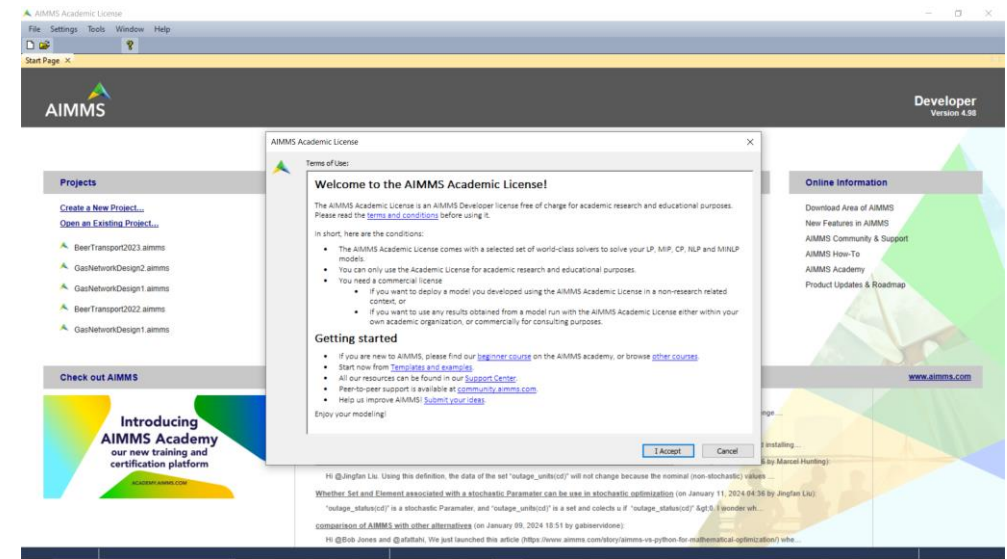
Projected hydrogen demand at various discount rates

# Lessons learned

- Context-specific outcomes
- Use of open data and closed data
  - Easier for residential, harder for industrial/commercial?
- Business decision-making is the hardest part of modelling
  - Stakeholder engagement
  - Questionnaires
  - Academic literature e.g. on business models
- Using GIS in combination with ABM helps with data input as well as visualisation of results
- Not everything has to be done within the ABM... Combine agent-based simulation with other tools (e.g. Excel, AIMMS, OSeMOSYS)



Cement plants – Global Infrastructure Emissions Database



AIMMS optimisation software (free academic license)

# Energy and Transport Starter Data Kits

## Dataset and data note (with simple investment models) on energy for **70 countries**

- Capital cost projections for renewables
- Fuel price projections
- Carbon dioxide emissions
- Renewable energy potential
- Final demand projection, etc.

## Transport data sets available too



<https://climatecompatiblegrowth.com/starter-kits/>

# CCG Courses

The Climate Compatible Growth OpenLearn Collection provides all the necessary materials for anyone to learn how to use the various tools and build capacity in partner countries to address the fundamentals of planning for climate compatible growth.

**Introduction to CLEWS (Climate, land-use, energy and water systems)** (open.edu) (Nov 2023 update)

Windows

**Infrastructure and Climate Resilience** (open.edu) (Nov 2023 update):

Windows

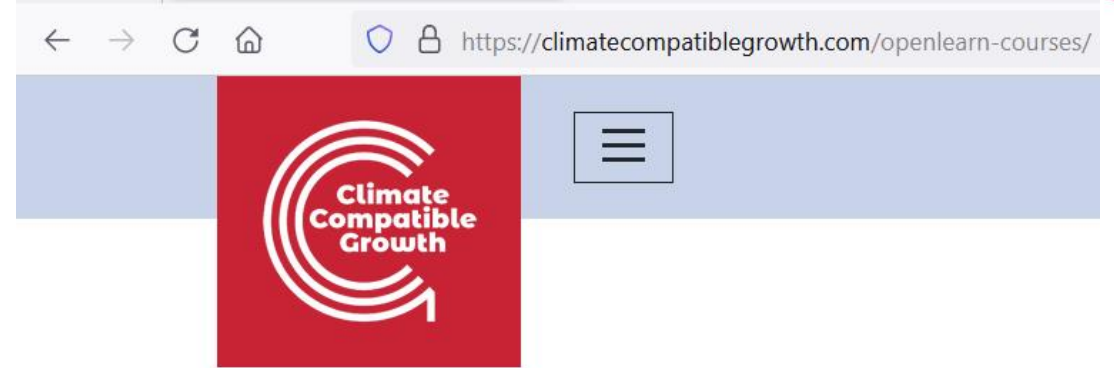
**Agent-based energy systems modelling: MUSE** (open.edu) (Nov 2023 update):

Windows

**Modelling, Policy, and Political Economy** (open.edu) (Nov 2023 update)

Windows

[climatecompatiblegrowth.com/openlearn-courses/](https://climatecompatiblegrowth.com/openlearn-courses/)



## OpenLearn Courses



Climate Compatible Growth, together with a variety of international partners and universities, has created free, open-source courses hosted online by the Open University and in collaboration with the **OpTIMUS** community.



# Outlook

- Two industrial cluster case studies, using ABM to evaluate different policies and technology options:
  - Humber Industrial Cluster (England)
  - Lekki Free Zone (Nigeria)
- Regional development
  - Neath Port Talbot (Wales)
  - Building a systems model to support sustainable development for the wider region and inform decarbonisation strategies
- Support for energy transitions from CCG and Energy Transition Council partners
  - e.g. Kenya, Laos, and India
  - Capacity building and technical assistance
  - Data-to-Deal (<https://doi.org/10.33774/coe-2024-21xv4-v3>)
- A review paper of state-of-the-art systems models





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# Thank you

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## University Partnership:



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