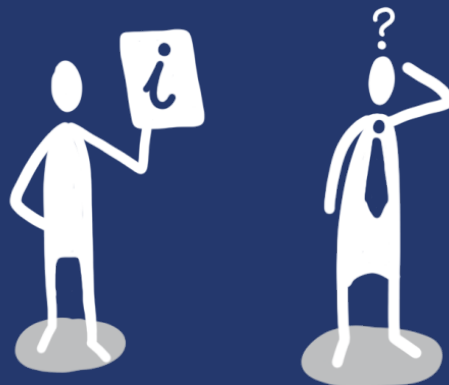




TRAINING COURSE

The PRACTICE of INFORMING POLICY through EVIDENCE



- Exercise: Speed dating -

Name:

Exercise: Speed dating

Note: all data provided for this exercise are fictive and do not reflect reality in the field

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Instruction for policy maker 1: Energy forecasts and strategy.

Your aim: you want to have predictions on energy production and consumptions that support the long term strategy.

Your opening sentence when you meet the UIT expert is:

“Nice to meet you. You are an Energy Expert from Urlands Institute of Technology? I am sure you can help me with much better predictions on the energy production and consumption than we have so far.”

The aim for new Energy Strategy 2035 and beyond is:

- to maintain a high security of supply;
- to provide for an affordable supply, and;
- to conform to international climate agreements.

As a policy maker you are part of the project group to prepare the long term strategy. You are from the *Energy forecasts and strategy* division at the Ministry of Energy.

Of course, to prepare such a strategy, reliable Energy forecasts are needed that legitimize the policy choices – else the whole exercise will be too much speculation and prone to opportunism.

However, the forecasts should be really focused on the policy aims of the new strategy. You know that your colleagues in the project group are unable to understand all the technical details of forecasts. Your experience is that if the models are too abstract and produce outcomes with large uncertainties, the other policy makers easily disregard them, and instead use more interactive forecasting methods – methods you find unreliable.

You know that UIT (Urland Insitute of Technology) has valuable quantitative models to predict future energy consumption levels of industry, transport, households, and to assess how realistic different mixes of forms of energy (fossil, nuclear, renewables) are and their socio-economic and environmental effects.

But these models produce results with rather large uncertainties. Though this uncertainty gives room to manoeuver for policy making, such high uncertainties may undermine the position of the Minister in the policy process.

Other parties may ask for more severe measures, or weaken the urgency if data are presented with so much uncertainty. So you really need much better predictions and you need them on time! What can UIT's models tell you and how certain are they?

Instruction for policy maker 2: Energy, economy and innovation.

Your aim: you immediately need an overview of how Urland's industry can make a profit out of renewable and sustainable sources of energy.

Your opening sentence when you meet the UIT expert is:

“Nice to meet you. You are an Energy Expert from Urlands Institute of Technology? I am sure you or your colleagues have evidence that shows how our industry can profit from the sustainable energy strategy we are developing“

The aim for new Energy Strategy 2035 and beyond is

- to maintain a high security of supply;
- to provide for an affordable supply, and;
- to conform to international climate agreements.

As a policy maker you are part of the project group to prepare the long term strategy. You are from the *Energy, economy and innovation* division at the Ministry of Energy.

In general this division maintains the best contacts with the energy industry in Urland – which is very much based upon fossil fuels. The new policy aims of the Minister have really put the relations with Urland's Industry Association under high pressure. Though they understand that the Minister must do something, the first rumors about the new policy strategy have already resulted in a strong lobby, to reduce taxes as a compensation for the investments the industry has to do because of the new strategy.

But if such tax reductions become part of the plan, the costs of the new Energy transition will double, and the plan will certainly fail in the parliament.

The ministry urgently need to make a realistic case showing that a majority of the industry can actually strengthen its international competitive position through investments in sustainable production. Next week, the minister will deliver a speech at the opening of the annual meeting of the Industry Association. So you urgently need some very strong evidence that can be used in the speech.

You need figures; a graph, a table, or anything that can support the minister.

It is urgent, the promise that you will get from them is not enough. You need already some clues. Every energy expert you meet, you ask for such examples. The experts from UIT must be able to help....

Instruction for experts

You will meet policy makers involved in developing a long term strategy on energy production and consumption.

Your opening sentence is.

“Nice to meet you. Our institute can surely help with evidence for the new strategy...”

Background

As you have learned the Ministry aims to develop a long term strategy on energy production and consumption.

Of course the UIT (Urland Institute of Technology) has real valuable expertise on energy production and consumption. Especially:

1. Good, evidence based models:
 - to predict future energy consumption levels of industry, transport, households, etc,
 - to assess how realistic different mixes of forms of energy (fossil, nuclear, renewables) are
 - to assess what their socio-economic and environmental effects will be.

These models have a certain level of uncertainty (specified below) which increases for long term forecasts, but you can assure that they are considered state of the art by the wider peer community of the JRC. However, methodologically speaking this is the best the scientific community currently can offer in terms of certainty:

- to meet the international climate agreements, a reduction of energy consumption is needed by 10% with an uncertainty of $\pm 2\%$ (which is far more than the government proposes);
- or the share of renewables should increase to at least 40% with an uncertainty $\pm 5\%$ in 2025 (which is also far more than the government is thinking of).

You expect that the government really needs the models. But you also know that the predictions are a little uncomfortable for the government.

2. Technical expertise on the development of energy technologies, and especially sustainable technologies. You know that all evidence shows that Urlands energy industry will not profit from the new strategy, contrary to what the government wants.
 - Urlands energy industry is focused on fossil and nuclear energy, which is not part of the strategy
 - The position of Urlands energy industry on renewables is weak. UIT gets much more contract funding from foreign firms investing in Urland, than from Urlands industry.
 - Energy consumption by Urlands industry increases and a reduction will require investments.

The policy makers you meet have specific requests. Be sharp and able to justify your answers.