

Economy wide and energy system impacts of Danish fossil fuel phase out – medium to long term effects

Abstract:

Using the newly developed IntERACT model we analyse the economy wide as well as the energy system effects of different pathways towards a low carbon economy aligned with announced Danish policies. The IntERACT-model is an integration of an economic model and an energy systems model, thus capturing both macroeconomic flows and market interactions using a neoclassical general equilibrium framework and in detail accounting for the energy system both for energy production and energy use. The strength of IntERACT lies in the ability to describe fundamental economic relationships based on economic theory, and at the same time keep track of thermodynamics, physical laws and technical development.

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