Renewable energy in the systems perspective

Case study: Policy sequencing



• Synergies? (positive feedback)

- RE enables actors to decrease ETS costs
- Enlarged coalitions (eventually)
- Conflicts? (negative feedback)
 - RE increases certificates surplus
 - Both communities initially skeptical

Systems perspective

What is a system?

Systems perspective

System components	Understanding a system	Acting upon a system
Function or purpose	System levers	System levers
System boundaries		Unintended consequences
Parts		
Interactions		

Unintended effects



Source: <u>Agora EW</u>

Defining system boundaries (costs perspective)



Source: Agora EW

Defining system boundaries (costs perspective)



Defining system boundaries (costs perspective)



Source: Agora EW

System levers

- = system characteristics
- = points of intervention to a systém
- Numbers and events
- Stocks and flows
- Feedback loops
- Rules
- Goal(s)
- Mindset

Stocks and flows in individual car transport



Stocks and flows in the power plant population



Stocks and flows, delays

New capacity (USA, GW, 2020)



New capacity (USA, GW, 2024)



Reinforcing (positive)

Balancing (negative) $A \Rightarrow A \Rightarrow B \Rightarrow B \Rightarrow A \Rightarrow A \Rightarrow B \Rightarrow B$

Feedback loops

What are the feedback loops associated with renewable energy deployment?

Which are positive and which negative?

Where next? The transition feedback loops

GW 180 WEO 2020 RE Update 160 140 WEO 2019 120 Actual deployment 100 WEO 2017 80 WEO 2017 60 VEO 2016 40 WEO 2015 20 WEO 2009 0 2010 2015 2020 2025 2030 2035

3.1 IEA FORECASTS OF SOLAR DEPLOYMENT

Source: Carbon Brief; Notes: projections represent the IEA's Stated Policies Scenarios (STEPS) taken from the World Energy Outlook (WEO); RE Update from the IEA's Renewable Energy Market Update³⁰

Figure 6. Disruption of Coal Power in the United States



Source: US EIA Annual Energy Outlook series, 1995-2020.14

Sources: <u>Carbon Brief</u>, <u>RethinkX</u>

The volume-cost loop



The technology loop



The expectations loop



The finance loop





The politics loop



Rules

Which rules govern our energy system?

Goals

Which goals does the design of our energy system pursue?

Mindset

"The shared idea in the minds of society, the great big unstated assumptions — unstated because unnecessary to state; everyone already knows them — constitute that society's paradigm, or deepest set of beliefs about how the world works"

D. Meadows: Leverage Points: Places to Intervene in a System

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