

Energy-socio-economic-environmental modelling for the EU energy and post-COVID-19 transitions

Cazcarro, Ignacio^{1,6}; García-Gusano, Diego²; Iribarren, Diego³; Linares, Pedro⁴; Romero, José Carlos⁴; Arocena, Pablo⁵; Arto, Iñaki⁶; Banacloche, Santacruz⁷; Lechón, Yolanda⁷; Miguel, Luis Javier⁸; Zafrilla, Jorge⁹; López, Luis-Antonio⁹; Langarita, Raquel¹⁰; Cadarso, María-Ángeles^{9*}

¹ ARAID (Aragonese Agency for Research and Development), Agrifood Institute of Aragon (IA2). Department of Economic Analysis. Faculty of Economics and Business Studies, University of Zaragoza, Zaragoza (Spain)

² TECNALIA, Basque Research and Technology Alliance (BRTA), Astondo Bidea Building 700, 48160 Derio, Bizkaia (Spain)

³ Systems Analysis Unit, IMDEA Energy, 28935 Móstoles (Spain)

⁴ Instituto de Investigación Tecnológica, Universidad Pontificia Comillas. Madrid (Spain)

⁵ Institute for Advanced Research in Business and Economics (INARBE), Universidad Pública de Navarra (UPNA), Campus de Arrosadia, 31006 Pamplona/Iruña (Spain)

⁶ Basque Centre for Climate Change (BC3), Scientific Campus of the University of the Basque Country, 48940 Leioa (Spain)

⁷ CIEMAT. Unidad de Análisis de Sistemas Energéticos, Avda. Complutense 40, 28040 Madrid (Spain)

⁸ Research Group on Energy, Economics and System Dynamics (GEEDS), University of Valladolid, Paseo Del Cauce 59, 47011 Valladolid (Spain)

⁹ Global Energy and Environmental Economics Analysis Research Group (GEAR), University of Castilla-La Mancha, Department of Economics and Finance, Plaza de la Universidad 1, 02071 Albacete (Spain)

¹⁰ University of Zaragoza. Department of Economic Analysis. Faculty of Economics and Business Studies, Zaragoza (Spain)

* Corresponding author: angeles.cadarso@uclm.es

Abstract

Relevant energy questions have arisen because of the COVID-19 pandemic. The unforeseen drastic reductions in emissions motivated by the pandemic shock are expected to be temporary as long as they do not involve structural changes. However, the COVID-19 consequences and the subsequent policy response will affect the economy for decades, becoming crucial to face present challenges such as the fight against climate change and energy transition. The COVID-19 experience brings lessons for dealing with future scenarios of considerable load reduction and higher renewable production. Focusing on the EU, this discussion article argues that recovery plans are an opportunity to foster significant changes and, finally, deepen the way towards a low-carbon economy, improving employment, health, and equity. Long-term alignment with the low-carbon path and the development

of a resilient transition towards renewable sources should guide instruments and policies, conditioning aid to energy-intensive sectors such as transport, tourism, and the automotive industry. However, the potential dangers of short-termism and carbon leakage persist. The current energy-socio-economic-environmental modelling tools are particularly valuable to widen the scope and deal with these complex problems. The scientific community has to assess disparate, non-equilibrium, and non-ordinary scenarios, such as sectors and countries lockdowns, drastic changes in consumption patterns, significant investments in renewable energies, and disruptive technologies, as well as to incorporate uncertainty analysis. All these instruments will allow evaluating the cost-effectiveness of decarbonization options and potential consequences on employment, income distribution, and vulnerability.

1 **1. Introduction**

2 The COVID-19 pandemic has caused profound and unforeseen effects in all spheres of human life
3 around the planet. Measures to prevent the spread of the pandemic, primarily the confinement of
4 citizens and the lockdown of non-essential economic activities, have led to a dramatic decline in GDP
5 (gross domestic product) and employment. The European Union (EU) experienced a 6.1% contraction
6 of the GDP in 2020, with an unemployment rate of 7.0% (7.3% in April 2021) and a public deficit of
7 6.9% (EC, 2021a, 2021b, 2021c). Simultaneously, global CO₂ emissions estimates decreased by 17%
8 in early April 2020, which is associated with an annual decrease of 4.2-7.5% (Le Quéré et al., 2020).
9 In the European Union, CO₂ emissions from fossil fuel combustion decreased by 10% in 2020
10 compared to the previous year (EC, 2021d).

11 To cope with the economic impacts of the pandemic, the European Commission (EC) and
12 Governments of the Member States (MS) have announced and developed a number of recovery plans.
13 From the long-run perspective, the EC and the MS work on designing stimulus packages to boost the
14 economic recovery, the so-called Green Recovery Plans (GRPs). In the face of the COVID-19 crisis,
15 the EC indicated that it will continue promoting its flagship project, the European Green Deal (EGD)
16 ¹, the most comprehensive proposal for economic transformation. The Next Generation EU (NGEU)
17 fund is at the core of the recovery policy in the EU. This temporary recovery instrument consists of
18 more than €800 billion to help repair the immediate economic and social damage brought about by
19 the coronavirus pandemic. The aim of this plan is to foster a greener, more digital, more resilient
20 Europe and better fit for the current and forthcoming challenges. In parallel, and in order to benefit
21 from the NGEU, the MS have submitted to the EC their National recovery and resilience plans (EC,
22 2021e), outlining how they will invest the funds, and how they will contribute to a sustainable,
23 equitable, green and digital transition. The reforms and investments included in the plans should be

¹ Discussions around the Green New Deals have more than a decade (Barbier, 2010a, 2010b; Bauhardt, 2014; Patel and Goodman, 2020; UNEP, 2009), retaking the media scene now as proposal for the post-COVID-19 crisis (Galvin and Healy, 2020; Micale and Macquarie, 2020; Salter, 2020).

24 implemented by 2026. The NGEU fund will operate from 2021 to 2023, and will be tied to the regular
25 long-term budget of the EU, running from 2021 to 2027. The EU's long-term budget, coupled with
26 NGEU, will be the largest stimulus package ever financed in Europe with a total budget of €2 trillion.

27 Political economy may tell us more about how this will play out in the end (depending on, e.g., the
28 interest of well-positioned lobbies and/or large firms, the need to take advantage of planned projects,
29 the built or needed infrastructure, etc.). According to Cowen (2021), energy policy is often judged by
30 three criteria (cost, reliability, and effect on carbon emissions), while suggesting an alternative
31 approach based on which green energy policies can get the support of most special-interest groups
32 and the fewest forces in opposition. Academic, online and political debates are then greatly
33 modulating and adapting the above principles. Still, according to Pianta et al. (2021), surveys about
34 the next 5 years to policymakers and stakeholders from 55 different countries and sectors suggest that
35 expectations that the COVID-19 pandemic will accelerate decarbonization efforts are widely shared,
36 similarly to what citizens seem to reveal (EU, 2020).

37 A critical question is how to shape the GRPs to rapidly deliver jobs and improve citizens' quality of
38 life without compromising the fight against climate change and contributing to sustainable and
39 resilient societies (Shan et al., 2020). This article, complementary to the discussions on carbon pricing
40 and COVID-19 (Mintz-Woo et al., 2020), how the disease impacts the ongoing energy transitions
41 (Sovacool et al., 2020), and the role of international governance in the recovery (Obergassel et al.,
42 2020), discusses the challenges and potential of the GRPs, highlighting the value of energy systems
43 modelling for informing policymakers in managing an efficient, secure, and fair energy transition. It
44 is organised into five main sections, each raising a challenge of the post-COVID-19 plans for recovery
45 and energy transition in the EU.

46 **2. How have the energy system, the associated environmental pressures, and the European**
47 **policy agenda changed with the COVID-19 crisis?**

48 In the period of tightest restrictions against COVID-19, most of Europe experienced a notable load
49 drop. Interestingly, while coal, oil and nuclear power generation considerably decreased in most
50 countries, the production of renewables increased, proving that intermittent renewables are a reliable
51 resource in critical times (Werth et al., 2021). Likewise, energy trade between countries increased.
52 As a result, CO₂ emissions fell by 17 million tonnes in April 2020, a drop that had not been registered
53 since 2006 (Le Quéré et al., 2020). Schumacher et al. (2020) estimated that greenhouse gas (GHG)
54 emissions reductions from changes in EU consumption accounted for 6% in the EU, and around 1%
55 globally.

56 However, unless the future economic recovery is tilted towards green stimulus and reductions in fossil
57 fuel investments (Forster et al., 2020), the decline in 2020 is unlikely to persist in the long term, as it
58 does not reflect structural changes in economic systems, nor do they seem to have much effect on
59 global climate change in the medium term (IEA, 2021; Linares, 2020). Nevertheless, studies on the
60 impact of the COVID-19 on health, economy and the environment serve to analyse possible scenarios
61 of considerable load reduction and higher renewable production². In this context, the permanence of
62 changes depends on how production and consumption patterns evolve (e.g., teleworking and tourism),
63 the scope of the energy transition, and, ultimately, to what extent climate change is taken into account
64 when planning economic responses after COVID-19. This framework is genuinely at stake,
65 particularly in the post-pandemic EU with the GRPs.

66 **3. How is the European energy transition linked with the GRPs?**

67 The European energy transition appears intimately connected with the GRPs by the common goal of
68 decarbonisation. The energy transition as an engine of recovery can lead to large investments in clean
69 energy technologies. According to the priorities of the GRPs, mobilisation of funds will mainly focus

² See CAT (2020), EC (2020), Guan et al. (2020), Illanes and Casas (2020), McKibbin and Fernando (2020), OECD (2020), Oxford Economics (2020), amongst others.

70 on the renovation of buildings, renewables and hydrogen, and clean mobility; a share of 30% will be
71 spent on fighting climate change (EC, 2021f).

72 As pointed out by Escribano et al. (2020), the set of EU policies can provide the regulatory certainty
73 that the private sector needs to embrace the low-carbon transition as a recovery opportunity
74 (Campiglio, 2014). Additionally, the EU has built a framework for aligning financial and climate
75 goals through the Sustainable Finance Action Plan (EC, 2018), and the recently published EU
76 taxonomy for sustainable activities (OJEU, 2020). These initiatives should aim to neutralise any
77 attempt to reverse the trend towards energy and climate policies and regulations, aligning recovery
78 plans and energy transition.

79 The IEA proposes greater cooperation, coordination based on the national energy and climate plans
80 (NECPs) and working on the integration of the energy market, cross-border trade, and developing
81 stronger signals from the price of carbon (IEA, 2020a)³. Cooperation mechanisms included in the
82 European Renewable Energy Directive (OJEU, 2018) enable EU countries to work together to meet
83 their targets more cost-efficiently. The EGD is an opportunity to deepen measures affecting the EU
84 pooling investments in key innovative technologies. In general, GRPs should accelerate and prioritise
85 some of the action plans contemplated in the NECPs. Governments' role will be very relevant in
86 innovative public procurement processes setting the benchmark for companies (Lindström et al.,
87 2020; EC, 2014).

88 **4. Are there specific opportunities for the energy transition (e.g., more investment for more**
89 **employment-generating electricity production technologies) with these plans?**

³ Reasonable concerns may emerge on the fact that carbon taxes could derive into further austerity policy and hence not actually be a “recovery” measure. The recovery package designed by the EU requires some reforms for the funds to be released, including fiscal reforms of which carbon taxes may be a part. Actually, carbon taxes, particularly in the sectors not included in the ETS (Emissions Trading System), may be required as one of the policies needed to reduce emissions, and hence ensure that the recovery is aligned with the Green Deal. Carbon border taxes (or alternative mechanisms, such as climate contribution) are also needed to prevent relocation, and to help fund the decarbonization of industry and the recovery package. Both of them can (and probably should) include redistributive measures (such as refunds to households) to prevent the austerity that may create negative impacts on households.

90 There are several clear synergies between energy transition and job creation (IRENA, 2019) and
91 improved health. For instance, pollution associated with fossil fuel combustion takes premature lives
92 annually while increasing the respiratory risk associated with diseases such as COVID-19 (Vandyck
93 et al., 2018). Environmental and social ratings have been resilient during COVID-19 featuring higher
94 returns, and renewable energy technologies may yield environmental and health benefits (Guerriero
95 et al., 2020).

96 The IEA estimates that investing 0.7% of global GDP could create or save 9 million jobs a year in
97 improving the efficiency of buildings, grids, and renewables, but also in improving the energy
98 efficiency of manufacturing, food, and agriculture, textiles, infrastructure for low-carbon transport
99 (which should also be of low-carbon concrete and steel, e.g. for railway), and more efficient vehicles
100 (with the reasonable substitution of the vehicle park based on its useful life) with enhanced electricity
101 grids (IEA, 2020b).

102 In the business field, there have been "winners" in the COVID-19 crisis (e.g., technology, distribution,
103 food and pharmaceutical companies). Their expansion offers the chance to include them in the fight
104 against climate change actively. For instance, electronic commerce is here to stay. Therefore,
105 distribution companies must develop the modal shift towards electric vehicles (Shahmohammadi et
106 al., 2020). In the same vein, technology-based electricity-intensive companies should be encouraged
107 to keep low carbon footprints, penalising possible carbon leakage in carbon-intensive countries (Ortiz
108 et al., 2020; Jiborn et al., 2018) and including carbon border adjustment mechanisms (as intended by
109 EGD for selected sectors by 2021).

110 GRPs need to target not only the most relevant sectors in terms of emissions and economic growth
111 (e.g., airlines committed to reducing their emissions in the medium term, or industries focused on
112 fossil fuels that do not have much time to live in their current configuration) but also, significantly,
113 critical activities in which the conditionality of aids can be very effective towards decarbonisation
114 (e.g., the power sector or the automotive sector). The allocation of GRPs stimuli is crucial, because

115 it could increase global five-year emissions by -4.7% to 16.4% depending on the structures and
116 strength of incentives (Shan et al., 2021), and a "green GRP" could outperform an equivalent stimulus
117 package while reducing global energy CO₂ emissions by 10% (Pollitt et al., 2020).

118 Further opportunities arise from the investment in renewable electricity, hydrogen and energy storage
119 technologies, which are set to play a fundamental role. Promoting home-grown technology
120 production becomes relevant for job creation. In strategic sectors for Europe, such as electricity and
121 digital technologies, efforts may be made towards developments in the field of management, control,
122 security, and digitisation. In production technologies such as photovoltaics, aspects such as adaptation
123 to urban environments, integration in buildings, and advances in high-efficiency cells remain as
124 opportunities. Hydrogen research, especially electrolyzers, can be a differential technological factor.
125 Concentrated solar technology for electricity production is an example of such technological
126 leadership that could be promoted, being entirely consistent with the spirit of the objectives of the
127 EGD, supporting high-value-added and sustainable economic activity in southern European countries
128 like Spain, heavily hit by the crisis (Banaclouche et al., 2020).

129 The renovation of buildings offers an excellent opportunity to contribute to the economic recovery of
130 the construction sector. The solutions to improve the thermal insulation of façades in existing
131 buildings would not only redirect sectoral activity and avoid job losses but also fight against energy
132 poverty. Likewise, the tourism sector has great potential to decarbonise and become more resilient if
133 the necessary investments are made. It seems reasonable to implement plans at a regional and local
134 level aimed at improving energy efficiency, circular economy, and public awareness.

135 **5. Are there specific dangers to the energy transition, e.g. economic recovery measures that**
136 **could indirectly generate more pressure on the energy and environmental system?**

137 According to IEA (2020c), the energy investment has been reduced by 20% in 2020 due to supply
138 chain disruptions, lockdown measures, restrictions on people and goods' movement, and emerging

139 financing pressures. Moreover, some key lobbyists and stakeholders have expressed short-term
140 priorities for sustaining employment and economic growth of any kind. If so, there is a risk of
141 targeting aid to specific emission-intensive industries, incentivising vehicles' purchase, or protecting
142 traditional tourism, which would perpetuate unsustainable production and consumption patterns. In
143 the context of low oil prices, aggravated by the reduction in demand due to the pandemic, such
144 interventions would dangerously delay fossil fuels' substitution.

145 Furthermore, the potential rebound effects resulting from technology innovations and energy
146 efficiency improvements cannot be ignored (Greening et al., 2000; Sorrell et al., 2009; Antal and van
147 den Bergh, 2014). Several instruments and interventions should be considered to mitigate the
148 magnitude of the rebound effects: policies that promote changes in consumer behaviour and
149 sustainable lifestyles, environmental taxation, non-fiscal measures to increase the effective price of
150 energy services, or the development of new business models (Maxwell et al., 2011).

151 The pandemic also has the potential to change consumer preferences, alter social institutions, and
152 rearrange the structure and organization of production. Greening et al. (2000) refer to these potential
153 effects as transformational rebound effects. No theory exists to predict the sign of these effects, which
154 in the longer term could lead to higher or lower energy consumption, as well as to changes in the mix
155 of energies used in production and consumption throughout the economy. In this regard, it is worth
156 recalling the take-back in GHG emissions observed after the economic-financial crisis of 2008-2009,
157 or in leisure travel after the 9/11 terrorist attacks.

158 **6. What type of energy modelling can be particularly useful to address current challenges and**
159 **to anticipate advantageous situations and trade-offs from these plans?**

160 The COVID-19 pandemic has caught the world in the transition to a sustainable low-carbon energy
161 system and economy, and it raises new challenges to the existing ones. Environmental-energy-
162 economic models must adapt and report on the specific dimensions of those challenges. Modelling
163 energy transition in a post-COVID era must go beyond typical technical variables to meet

164 environmental and social goals, flexibility and uncertain parameters and indirect effects of increasing
165 renewables use (Tovar-Facio et al., 2021). Modellers are increasingly claimed to include aspects such
166 as uncertainty derived from agents' interactions or evolution in their behaviour, ability to integrate
167 shocks in both demand and supply, and non-enforcement of Say's Law or equilibrium or quick
168 adjustment in markets and sectors (Shan et al., 2021; Pollitt et al., 2020). The integration of social
169 indicators with a perspective of global supply chains to identify winner and losers from policy actions
170 or inaction can be crucial to improve models' relevance to the real world. To this end, insights from
171 political economy –regarding individuals not just as rational optimisers, mass movements, public
172 opinions, confidence and quality of institutions, trade linkages of sectors and trade policy, among
173 others– can be helpful, although hard to model due to data availability (Peng et al., 2021).

174 In the Appendix, we display some examples of current efforts in multidisciplinary energy modelling
175 to address the challenges of a sustainable energy transition, some of them already applied to the
176 implementation of Energy and Climate Plans in the Spanish context. Input-Output Tables (IOT) and
177 the extended Multiregional Input-Output (MRIO) models provide a systemic, multisectoral,
178 multiregional view, in which it is possible to include different indicators for policy advice (Wood et
179 al., 2020; Vanham et al., 2019; Wiedmann and Barrett, 2013): environmental impacts (emissions),
180 resource needs (water, land), socio-economic impacts (employment, qualifications), and social risks
181 along the value chains. They can help to define and quantify synergies and trade-offs between
182 different measures and investments. They are also useful to assess the resilience of the economy (and
183 in a sense, of the energy sector) to situations such as pandemic experiences since it allows modelling
184 the closures of sectors/countries or the resource/employment needs of specific sectors by identifying
185 bottlenecks and hotspots including all phases of the global production chain. On the demand side,
186 they allow elaborating scenarios of change in consumption patterns. Besides, MRIO-disaster models
187 deal explicitly with disequilibrium shortfalls in supply and demand in different markets and sectors
188 (Shan et al., 2021).

189 Energy systems modelling based on simulation/optimisation, such as TIMES (The Integrated
190 MARKAL-EFOM System, IEA-ETSAP, 2020), is the one chosen by, e.g., the Spanish Government
191 to establish the narratives of the energy system for long-term energy planning (Loulou et al., 2005).
192 In the same fashion as Computable General Equilibrium (CGE) models have been criticized for
193 assuming optimal (“rational”) behaviour, introducing optimising behaviours in the energy sector but
194 not anywhere else in the modelling would be inconsistent as well. Additionally, depending on the
195 scale of application and the dimension of analysis, we should implement other modelling types.
196 Linking MRIO models and energy systems optimisation models with methodologies such as Life
197 Cycle Sustainability Assessment (LCSA) allows understanding the implications of alternative
198 investment options in broader sustainability aspects (Navas-Anguita et al., 2020). LCSA typically
199 consists of an environmental life cycle assessment (LCA), a life cycle costing, and a social life cycle
200 assessment (S-LCA) within a consistent, holistic framework (UNEP/SETAC Life Cycle Initiative,
201 2011). In this regard, we note that decarbonization and sustainability are expected to continue to be
202 the drivers for policy action, especially regarding energy systems.

203 Environmental-Energy-Economic integrated assessment models (E³ IAMs) are useful tools to provide
204 ex-ante information on the potential impacts of recovery plans, but, to that end, they must be able to
205 report on the specific dimensions of the challenge. Accordingly, models should inform on
206 employment, income (distributional), and environmental impacts of different green policies
207 portfolios. Full multi-agent econometric input-output models should be included in the economic part
208 of the IAMs, as done in the WILIAM model, an IAM with detailed representations of the economic,
209 socio-demographic, resources (energy, materials, land, water) and environmental spheres⁴.

⁴ Developed in the LOCOMOTION (<https://www.locomotion-h2020.eu>) project. The economic module of the model departs from a structure inspired in the FIDELIO model (Kratena et al., 2013, 2017) and the DENIO model, used for the economic, employment, social and public health impact of the Spanish Integrated Energy and Climate Plan 2021-2030 (MTE, 2020).

210 The E3ME macro-econometric model (Cambridge Econometrics, 2019), based on post-Keynesian
211 theory, shows an IOT base to model sectors and countries relationships and integrates the energy
212 system, including bottom-up sub-models of several key energy sectors. It can be used to build
213 scenarios to reflect the critical aspects of the pandemic and allow consideration of both demand- and
214 supply-driven impacts derived from it (Pollitt et al., 2020). Besides, the model does not assume (as,
215 in general, CGE models do) that the economy adjusts quickly after the pandemic impact to full
216 employment of resources and allows fundamental uncertainty affecting spending and saving
217 behaviour.

218 Many models will have to adapt to the new challenges (Pfenninger et al., 2014; Solé et al., 2020) and
219 to the new features involved with the COVID-19 crisis and the coming times with the recovery plans
220 (Table 1). For example, they could use microdata to analyse, for specific groups of households (e.g.,
221 along with a set of socio-demographic characteristics of interest), the environmental and economic
222 implications of different recovery policies, including distributive impacts. Another critical feature is
223 linking the economic production and consumption functions to bottom-up energy and resources
224 modules, looking for higher resolution models in this aspect (Prina et al., 2020).

225 Additional aspects to implement include the criticality of the materials expected to be essential in the
226 energy transition, the role of citizens (such as human behaviour, types of demand and users), the use
227 of water, visual and sound impact, market regulatory advances (e.g., with schemes which avoid
228 speculation on energy storage), energy servitization (to check whether it brings social benefits and
229 improves the efficiency of the system), and adaptation mechanisms. Planning capacity at the regional
230 and city levels will be crucial to the success of national measures. These modelling developments
231 will pose a challenge for economists (input-output regionalization, recirculation, and dynamics),
232 systems engineers (complex simulation models with high load of artificial intelligence tools and big
233 data to configure demands, project resources, etc.), chemical engineers, and environmental scientists

234 (regionalization and dynamic inventories in LCA), as well as decision engineers (strategies, multi-
 235 criteria decision-making, PESTEL analysis, group work, governance models and policy design).

236 **Table 1. Key modelling developments for analysing energy transitions in the context of post**
 237 **COVID-19 green recovery funds.**

Advanced Feature	Description / Key aspects
Oil/gas scenarios & associated	Context of low oil prices, risks for renewables transition, but also potential for introducing further environmental taxation.
Carbon price scenarios	The IEA proposes developing stronger signals from the carbon price.
Renewables penetration	Supervening role of hydrogen, which requires developments of roadmaps, infrastructure, etc.
Electric car penetration	Different possible paths towards an electrical paradigm. Potential automotive sector redistribution.
Agents' heterogeneity / Firm heterogeneity	Use of different databases (e.g., EU surveys on consumption, income, etc., linked through statistical matching). Different demographic and socio-economic characteristics to identify potential social, environmental and economic implications of varying recovery policies, including distributive impacts, vulnerability, gender inequality, resilience, etc.
Bottom-up energy link to economic production & consumption	The monetary and physical spheres need to work together with a dual system guaranteeing full consistency. It is essential to capture the environmental effects of stimulus packages and investments.
Mobility restrictions/scenarios	COVID-19 has shown the strong effects of reduced mobility on CO ₂ emissions. Different restrictions may apply and scenarios to occur.
Foreign sector closures	Alternatives depending on trade and travel restrictions.
Full Multipliers Analysis (full scope/wide range of impacts)	Evaluating different implications of getting them with input-output, social accounting matrix and computable general models. Potentialities to obtain them from bottom-up renewable energy investments via investment matrices which link to macroeconomics and hybrid models.
Several impact levels (meaningful disaggregation level)	Multiregional, national, regional, city, etc. Sectoral disaggregation to allow uneven shocks and behaviour.

Non-equilibrium states	Allowing disequilibrium shortfalls in supply and demand of different markets in the short or medium term.
Additional uncertainty analysis	Uncertainty of fossil fuel resource availability, technology penetration, etc., but also consideration of <i>out-of-ordinary extremes</i> .
Biophysical limits	The limits on the availability of non-renewable and renewable energy resources and critical materials may determine some restrictions to growth.
Assessment and feedback of the impacts of climate change	Feedback of the impacts of climate change on the economy and well-being of society. Some of these relationships can have knock-on consequences.
Multi-objective criteria	Focus the results on multi-objective criteria of well-being. (SDG, social indicators, environmental indicators, ...)
Behavioural change	Change in social behaviour. Some changes in social behaviour, such as diets or transportation habits, can be decisive in the fight against climate change.

238

239 Finally, it is important to point out that “scenarios are the primary tool for examining how current
240 decisions shape the future, but the future is affected as much by out-of-ordinary extremes as by
241 generally expected trends. Energy modellers can study extremes both by incorporating them directly
242 within models and by using complementary off-model analyses” (McCollum et al., 2020). Thus,
243 uncertainty is an intrinsic attribute of macro-systems such as those evaluated by means of energy
244 systems models (cities, regions, countries...). In this sense, uncertainty will have an effect on
245 decisions and strategic planning. There are several types of uncertainties that affect decision-making
246 processes. Some uncertainties can be quantitatively addressed and some others not, which relates to
247 the rationale of ‘(un)known (un)knowns’ in Courtney et al. (1997): there are known knowns (things
248 we know we know), known unknowns (things we know that we do not know, and that typically are
249 addressed with varying parameters to reduce risks of error, testing robustness of results, etc.), and
250 unknown unknowns (things we do not know we do not know). While known unknowns could be
251 faced through sensitivity analysis on relevant systemic variables, unknown unknowns open the door

252 to qualitative strategic thinking based on out-of-the-box scenarios (what happens if a pandemic
253 arrives, what happens if oil price reaches 200 USD a barrel, etc.). As we conclude below, these
254 questions highlight the importance of a modelling approach that takes into account existing
255 uncertainty and that non-equilibrium outcomes are the common situations with changing and
256 heterogeneous patterns.

257 **7. Conclusions, final warnings, and recommendations**

258 Once the health crisis is over, it will be necessary to invest more in public health and communication
259 technologies with environmental and social sustainability criteria, not just monetary. Besides,
260 although it is required to reactivate the economy and recover the lost or at-risk jobs, it is essential to
261 redefine the productive schemes at all levels. This includes the commitment to a circular economy,
262 reducing the pressure on resources through innovative eco-design solutions, dematerialisation, and
263 creating second-life solutions away from precariousness and the underground economy. Besides, the
264 mobility model must be changed, and a sustainable work-life balance scheme should be promoted via
265 teleworking, whenever possible, not only to avoid the exponential expansion of contagions but also
266 to reduce pollution. Fourth, the EU's leadership has to extend beyond its borders, undertaking actions
267 to prevent carbon leakage, and engage in global actions and alliances disseminating experiences and
268 learnings.

269 Finally, some policies are likely to generate much better economic and distributive outcomes than
270 others. Energy-socio-economic-environmental modelling, which allows evaluating alternative and
271 non-ordinary scenarios, is crucial to provide information to policymakers to make informed decisions.
272 We emphasize the need for consistency with integrated modelling approaches that consider
273 uncertainty, non-optimising behaviours, heterogeneous agents, non-equilibrium outcomes across
274 sectors, rigidities, institutional frictions, etc. Specifically, we highlight the need to develop advanced
275 modelling frameworks that integrate dynamic econometric multiregional models and inter-sectoral
276 models of the EU economy, and multi-household micro-simulation models (representative of the

277 population of the EU), as well as developing national energy systems models oriented to production
278 technologies (electricity/fuels). Further research is needed to explore the possibility of hybridising
279 integrated models and methodologies from other fields, like behavioural economics, political science,
280 and social engineering. In this sense, there are analytical aspects that will require more outstanding
281 modelling efforts, such as the social dimension (via S-LCA, agent-based models, diffusion models,
282 physical models, neural networks, etc.), the adaptation of uncertainty analysis to the most relevant
283 parameters, and aspects related to sustainability and energy and resource security. In summary, in
284 order to tackle the significant challenges posed by the energy transition, applied research requires a
285 multidisciplinary approach with the participation of energy modellers, data scientists, specialists in
286 advanced governance and tax innovation, social researchers, philosophers, etc. Many of the
287 techniques and lessons we learn today will guide future crises.

288 **Funding information**

289 All the authors belong and thank the support to the MENTES network on Energy Modelling for a
290 Sustainable Energy Transition, by the Spanish Ministry of Science, Innovation and Universities
291 (project/grant RED2018-102794-T).

292 I.A. and I.C. thank the support of the Spanish Ministry of Science, Innovation and Universities
293 (MALCON, RTI2018-099858-A-I00), the Spanish State Research Agency through María de Maeztu
294 Excellence Unit accreditation 2018-2022 (Ref. MDM-2017-0714) and Basque Government BERC
295 Programme. L.J.M., I.A. and I.C. gratefully acknowledge the project LOCOMOTION H2020-LC-
296 CLA-2018-2 (No 821105) and L.J.M. MODESLOW, funded under the Spanish National Research,
297 Development and Innovation Programme (Ministry of Economy and Competitiveness of Spain, ref.
298 ECO2017-85110-R). I.C. and R.L thank the Spanish Ministry of Science, Innovation and Universities
299 (PID2019-106822RB-I00). M.A.C., L.A.L. and J.Z. thank the support of the University of Castilla-
300 La Mancha and the European Fund for Regional Development (FEDER) (Ref. 020-GRIN-29137).
301 P.L. gratefully acknowledges the support of project RTI2018-093692-B-I00 by the Spanish Ministry

302 of Science and Innovation (MCI), the National Research Agency (AEI) and the European Fund for
 303 Regional Development (FEDER). Y.L. and S.B. gratefully acknowledge the support of project
 304 MUSTEC, funded by the European Union's Horizon 2020 research and innovation programme under
 305 grant agreement no. 764626.

306 **References**

- 307 Antal, M., van den Bergh, J.C.J.M., 2014. Re-spending rebound: A macro-level assessment for OECD countries
 308 and emerging economies. *Energy Policy* 68, 585-590. <https://doi.org/10.1016/j.enpol.2013.11.016>
- 309 Banacloche, S., Gamarra, A.R., Téllez, F., Lechón, Y., 2020. Market Uptake of Solar Thermal Electricity
 310 through Cooperation Deliverable 9.1: Sustainability assessment of future CSP cooperation projects in
 311 Europe.
- 312 Barbier, E.B., 2010a. How is the Global Green New Deal going? *Nature* 464, 832-833.
 313 <https://doi.org/10.1038/464832a>
- 314 Barbier, E.B., 2010b. A Global Green New Deal: Rethinking the Economic Recovery. UN Environment
 315 Programme.
- 316 Bauhardt, C., 2014. Solutions to the crisis? The Green New Deal, Degrowth, and the Solidarity Economy:
 317 Alternatives to the capitalist growth economy from an ecofeminist economics perspective. *Ecol. Econ.*
 318 102, 60-68. <https://doi.org/10.1016/j.ecolecon.2014.03.015>
- 319 Cambridge Econometrics, 2019. E3ME Manual: Version 6.0.
- 320 Campiglio, E., 2014. Beyond carbon pricing: The role of banking and monetary policy in financing the
 321 transition to a low-carbon economy.
- 322 CAT, 2020. A government roadmap for addressing the climate and post COVID-19 economic crises.
- 323 Courtney, H., Kirkland, J., Viguerie, P., 1997. Strategy under uncertainty. *Harvard Bus. Rev.* Nov-Dec.
- 324 Cowen, T., 2021. The Best Way to Judge Any Green Energy Policy. Bloom. Opin.
- 325 EC, 2020. European Economic Forecast – Spring 2020. Statistical annex.
 326 https://doi.org/10.1787/empl_outlook-2015-10-en
- 327 EC, 2021a. Statistics Eurostat. GDP.
- 328 EC, 2021b. Statistics Eurostat. Employment.
- 329 EC, 2021c. Statistics Eurostat. Deficit.
- 330 EC, 2021d. Eurostat. CO₂ emissions from energy use clearly decreased in the EU in 2020. Products Eurostat
 331 News.
- 332 EC, 2021e. The Recovery and Resilience Facility.
- 333 EC, 2021f. The EU's 2021-2027 long-term budget & NextGenerationEU.
- 334 Escribano, G., Lázaro, L., Bersalli, G., Lilliestam, J., 2020. Geopolitics and energy security of CSP deployment
 335 for domestic use and intra-European trade in the time of COVID-19. Deliverable 9.2 MUSTEC project.
- 336 EU, 2020. Standard Eurobarometer: Public Opinion in the European Union.

- 337 European Commission, 2018. Communication from the Commission to the European Parliament, the European
338 Council, the Council, the European Central Bank, the European Economic and Social Committee and the
339 Committee of the Regions Action Plan: Financing Sustainable Growth.
- 340 Forster, P.M., Forster, H.I., Evans, M.J., Gidden, M.J., Jones, C.D., Keller, C.A., Lamboll, R.D., Quéré, C. Le,
341 Rogelj, J., Rosen, D., Schleussner, C.-F., Richardson, T.B., Smith, C.J., Turnock, S.T., 2020. Current and
342 future global climate impacts resulting from COVID-19. *Nat. Clim. Chang.*
343 <https://doi.org/10.1038/s41558-020-0883-0>
- 344 Galvin, R., Healy, N., 2020. The Green New Deal Is More Relevant Than Ever. *Sci. Am. Obs. | Opin.*
- 345 Greening, L.A., Green, D.L., Difiglio, C., 2000. Energy efficiency and consumption—The rebound effect—A
346 survey. *Energy Policy* 28, 389–401.
- 347 Guan, D., Wang, D., Hallegatte, S., Huo, J., Li, S., Liang, X., Xu, B., Lu, X., Wang, S., Hubacek, K., Gong, P.,
348 2020. Global economic footprint of the COVID-19 pandemic. *Res. Sq. (Preprint)*.
349 <https://doi.org/10.21203/rs.3.rs-25857/v1>
- 350 Guerriero, C., Haines, A., Pagano, M., 2020. Health and sustainability in post-pandemic economic policies.
351 *Nat. Sustain.* 3, 494–496. <https://doi.org/10.1038/s41893-020-0563-0>
- 352 IEA-ETSAP, 2020. The IEA-ETSAP methodology (the TIMES energy system model).
- 353 IEA, 2021. Global Energy Review: CO2 Emissions in 2020.
- 354 IEA, 2020a. European Union 2020. Energy Policy Review.
- 355 IEA, 2020b. World Energy Investment 2020.
- 356 Jevons, W.S., s. f. The Coal Question; An Inquiry concerning the Progress of the Nation, and the Probable
357 Exhaustion of our Coal-mines, Second edi. ed. MacMillan and Co, London.
- 358 Khazzoom, J.D., 1980. Economic Implications of Mandated Efficiency Standards for Household Appliances.
359 *Energy J.* 1, 21–40. <https://doi.org/10.5547/issn0195-6574-ej-vol11-no4-2>
- 360 Kratena, K., Streicher, G., Salotti, S., Sommer, M., Valderas Jaramillo, J., 2017. FIDELIO 2: Overview and
361 theoretical foundations of the second version of the Fully Interregional Dynamic Econometric Long-term
362 Input- Output model for the EU-27. <https://doi.org/10.2760/313390>
- 363 Kratena, K., Streicher, G., Temurshoev, U., Amores, A.F., Arto, I., Mongelli, I., Neuwahl, F., Rueda-Cantuche,
364 J.M., Andreoni, V., 2013. FIDELIO 1: Fully Interregional Dynamic Econometric Long-term Input-
365 Output Model for the EU27, JRC Scientific and Policy Reports. <https://doi.org/10.2791/17619>
- 366 Le Quéré, C., Jackson, R.B., Jones, M.W., Smith, A.J.P., Abernethy, S., Andrew, R.M., De-Gol, A.J., Willis,
367 D.R., Shan, Y., Canadell, J.G., Friedlingstein, P., Creutzig, F., Peters, G.P., 2020. Temporary reduction
368 in daily global CO₂ emissions during the COVID-19 forced confinement. *Nat. Clim. Chang.* 10, 647–653.
369 <https://doi.org/10.1038/s41558-020-0797-x>
- 370 Linares, P., 2020. Natural Gas News Can We Use The Covid-19 Crisis To Move Towards A More Sustainable
371 Economy? *Oxford Inst. Energy Stud. A Q. J. debating energy issues policies.*
- 372 Loulou, R., Remne, U., Kanudia, A., Lehtila, A., Goldstein, G., 2005. Documentation for the TIMES Model
373 PART I.
- 374 Maxwell, D., Owen, P., McAndrew, L., Muehmel, K., Neubauer, A., 2011. Addressing the Rebound Effect, a
375 report for the European Commission DG Environment. 26 April 2011.
- 376 McCollum, D.L., Gambhir, A., Rogelj, J., Wilson, C., 2020. Energy modellers should explore extremes more
377 systematically in scenarios. *Nat. Energy* 5, 104–107. <https://doi.org/10.1038/s41560-020-0555-3>
- 378 McKibbin, W.J., Fernando, R., 2020. The Global Macroeconomic Impacts of COVID-19: Seven Scenarios.
379 *SSRN Electron. J.* 1–43. <https://doi.org/10.2139/ssrn.3547729>

- 380 Micale, V., Macquarie, R., 2020. How the coronavirus recovery effort can support a European Green Deal.
381 Clim. Home News.
- 382 Mintz-Woo, K., Dennig, F., Liu, H., Schinko, T., 2020. Carbon pricing and COVID-19. *Clim. Policy* (in press).
383 <https://doi.org/10.1080/14693062.2020.1831432>
- 384 MTE, 2020. National Integrated Energy and Climate Plan (PNIEC) 2021-2030, Gobierno de España.
- 385 Navas-Anguita, Z., García-Gusano, D., Iribarren, D., 2020. Long-term production technology mix of alternative
386 fuels for road transport: A focus on Spain. *Energy Convers. Manag.* 226, 113498.
387 <https://doi.org/10.1016/j.enconman.2020.113498>.
- 388 Obergassel, W., Hermwille, L., Oberthür, S., 2020. Harnessing international climate governance to drive a
389 sustainable recovery from the COVID-19 pandemic. *Clim. Policy* (in press).
390 <https://doi.org/10.1080/14693062.2020.1835603>
- 391 OECD, 2020. OECD Policy Responses to Coronavirus (Covid-19): Evaluating the initial impact of COVID-19
392 containment measures on economic activity.
- 393 OJEU (Official Journal of the European Union), 2020. REGULATION (EU) 2020/852 OF THE EUROPEAN
394 PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on the establishment of a framework to
395 facilitate sustainable investment, and amending Regulation (EU) 2019/2088.
- 396 OJEU (Official Journal of the European Union), 2018. DIRECTIVE (EU) 2018/2001 OF THE EUROPEAN
397 PARLIAMENT AND OF THE COUNCIL of 11 December 2018 on the promotion of the use of energy
398 from renewable sources (recast) (Text with EEA relevance).
- 399 Oxford_Economics, 2020. World Economic Prospects (March, April, May/June) 2020.
- 400 Patel, R., Goodman, J., 2020. The Long New Deal. *J. Peasant Stud.* 47, 431-463.
401 <https://doi.org/10.1080/03066150.2020.1741551>
- 402 Pfenninger, S., Hawkes, A., Keirstead, J., 2014. Energy systems modeling for twenty-first century energy
403 challenges. *Renew. Sustain. Energy Rev.* 33, 74-86.
404 <https://doi.org/https://doi.org/10.1016/j.rser.2014.02.003>
- 405 Pianta, S., Brutschin, E., van Ruijven, B., Bosetti, V., 2021. Faster or slower decarbonization? Policymaker and
406 stakeholder expectations on the effect of the COVID-19 pandemic on the global energy transition. *Energy*
407 *Res. Soc. Sci.* 76, 102025. <https://doi.org/10.1016/j.erss.2021.102025>
- 408 Pollitt, H., Lewney, R., Kiss-Dobronyi, B., Lin, X., 2020. A post-Keynesian approach to modelling the
409 economic effects of Covid-19 and possible recovery plans.
- 410 Prina, M.G., Manzolini, G., Moser, D., Nastasi, B., Sparber, W., 2020. Classification and challenges of bottom-
411 up energy system models - A review. *Renew. Sustain. Energy Rev.* 129, 109917.
412 <https://doi.org/10.1016/j.rser.2020.109917>
- 413 Salter, E., 2020. Coronavirus Recovery Needs a Green New Deal. *Tribune*.
- 414 Schumacher, I., Cazarro, I., Duarte, R., Sarasa, C., Serrano, A., Xepapadeas, A., Freire-González, J., Vivanco,
415 D.V., Peña-Lévano, L.M., Escalante, C.L., López-Feldman, A., Chávez, C., Vélez, M.A., Bejarano, H.,
416 Chimeli, A.B., Féres, J., Robalino, J., Sal, A., 2020. Perspectives on the Economics of the Environment
417 in the Shadow of Coronavirus. *Environ. Resour. Econ.* 76, 447-517. <https://doi.org/10.1007/s10640-020-00493-2>
- 419 Shan, Y., Ou, J., Wang, D., Zeng, Z., Zhang, S., Guan, D., Hubacek, K., 2021. Impacts of COVID-19 and fiscal
420 stimuli on global emissions and the Paris Agreement. *Nat. Clim. Chang.* 11, 200-206.
421 <https://doi.org/10.1038/s41558-020-00977-5>
- 422 Solé, J., Samsó, R., García-Ladona, E., García-Olivares, A., Ballabrera-Poy, J., Madurell, T., Turiel, A.,
423 Osychenko, O., Álvarez, D., Bardi, U., Baumann, M., Buchmann, K., Capellán-Pérez, Černý, M.,

- 424 Carpintero, De Blas, I., De Castro, C., De Lathouwer, J.D., Duce, C., Egger, L., Enríquez, J.M., Falsini,
425 S., Feng, K., Ferreras, N., Frechoso, F., Hubacek, K., Jones, A., Kacliková, R., Kerschner, C., Kimmich,
426 C., Lobejón, L.F., Lomas, P.L., Martelloni, G., Mediavilla, M., Miguel, L.J., Natalini, D., Nieto, J.,
427 Nikolaev, A., Parrado, G., Papagianni, S., Perissi, I., Ploiner, C., Radulov, L., Rodrigo, P., Sun, L.,
428 Theofilidi, M., 2020. Modelling the renewable transition: Scenarios and pathways for a decarbonized
429 future using pymedeas, a new open-source energy systems model. *Renew. Sustain. Energy Rev.* 132, 37-
430 49. <https://doi.org/10.1016/j.rser.2020.110105>
- 431 Sorrell, S., Dimitropoulos, J., 2008. The rebound effect: Microeconomic definitions, limitations and extensions.
432 *Ecol. Econ.* 65, 636-649. <https://doi.org/https://doi.org/10.1016/j.ecolecon.2007.08.013>
- 433 Sorrell, S., Dimitropoulos, J., Sommerville, M., 2009. Empirical estimates of the direct rebound effect: A
434 review. *Energy Policy* 37, 1356-1371. <https://doi.org/https://doi.org/10.1016/j.enpol.2008.11.026>
- 435 Tukker, A., Dietzenbacher, E., 2013. Global multiregional input-output frameworks: an introduction and
436 outlook. *Econ. Syst. Res.* 25, 1-19. <https://doi.org/10.1080/09535314.2012.761179>
- 437 UNEP, 2009. Rethinking the Economic Recovery: A Global Green New Deal. Environment.
- 438 UNEP/SETAC Life Cycle Initiative, 2011. Towards a Life Cycle Sustainability Assessment. Making informed
439 choices on products.
- 440 Werth, A., Gravino, P., Prevedello, G., 2021. Impact analysis of COVID-19 responses on energy grid dynamics
441 in Europe. *Appl. Energy* 281, 116045. <https://doi.org/https://doi.org/10.1016/j.apenergy.2020.116045>
- 442 Wiedmann, T., Barrett, J., 2013. Policy-relevant applications of environmentally extended MRIO databases -
443 experiences from the UK. *Econ. Syst. Res.* 25, 143-156. <https://doi.org/10.1080/09535314.2012.761596>

444 **Appendix. Some multidisciplinary models to address the energy transition challenges in the**
 445 **context of post-COVID-19 green recovery funds.**

Model/ tool	Features	Potentialities/Questions	Publication/Project
DENIO model	<p>Hybrid between an econometric input-output model and a computable general equilibrium model. Integration of rigidities and institutional frictions that make fiscal policies and investments have a different impact in the short term and in the long term.</p> <p>High detail in the energy sectors (and link to bottom-up ones), and high detail of households and estimates using and merging (through Statistical Matching) micro-data from the Household Budget Survey and the Living Conditions Survey.</p>	<p>The cited features make it highly useful for linking micro and macroeconomics in terms of, e.g., distribution questions.</p> <p>Capable of evaluating the economic impact of different plans and strategies designed by the Government of Spain such as the Integrated National Energy and Climate Plan (PNIEC 2021-2030), the Long-Term decarbonisation Strategy (ELP 2050) or the "Long-term Strategy" for specific sectors.</p> <p>Also used by the European Commission to analyse the economic impact of the Clean Air Package.</p>	<p>Inspired by Kratena et al. (2013, 2017).</p> <p>González-Eguino et al. (2020), MITECO (2020a, 2020b, 2020c), Arto et al. (2015, 2019), MITMA (2020).</p> <p>A similar one in the Basque Country: DERIO (Dynamic Econometric Regional Input-Output model)</p>
PICASO energy systems optimisation model	<p>Thorough technology breakdown of (alternative) fuel production technologies.</p> <p>Integration of life-cycle sustainability indicators.</p>	<p>To assist energy decision- and policy-makers in developing roadmaps focused on prospective technology production mixes of alternative fuels for road transport, with time horizon 2050.</p>	<p>Related to the national project PICASO (ENE2015-74607-JIN AEI/FEDER/UE)</p> <p>Navas-Anguita et al. (2020)</p>
EDISON* tools	<p>Supply-Use Tables (SUTs), input-output tables (IOTs), social accounting matrices (SAMs), input-output & computable general equilibrium models for energy policy analysis.</p> <p>Capable of capturing flexible forms in production and consumption, with all sectors in the economy, and detail in specific industries/products such as electricity.</p>	<p>The cited features make it highly useful for evaluating footprints (notably GHG emissions), questions on drivers of change and scenario analysis on the energy transition, decarbonisation, etc. in Spain and in the world.</p> <p>Currently questions on electricity self-production and self-consumption using disaggregated SUTs are specifically addressed.</p>	<p>Cazcarro et al. (2014, 2015, 2020), Doumax-Tagliavini & Sarasa (2018), Duarte et al. (2010, 2017, 2018), Langarita et al. (2019, 2020), Schumacher et al. (2020)</p>
ENERKAD	<p>Energy assessment tool for urban scenarios that performs energy and environmental simulations. Through energy simulation, ENERKAD calculates the annual and hourly energy demand and consumption at building, district or city level, allowing the analysis and comparison of current and future scenarios based on the</p>	<p>It has an easy-to-use interface based on QGIS, facilitating the visualisation of the results obtained, helping to make decisions to reduce energy consumption and CO₂ emissions and promoting sustainability. It is based on the so-called Building Stock Models (BSM) and allows calculating on an hourly basis the energy demand, energy consumption and environmental emissions associated with such</p>	<p>ENERKAD</p>

	application of different strategies.	consumption for each building in a city, using data from the cadastre and basic cartography. This data is combined with information such as building envelope characteristics, consumption patterns and climate information for the area, among others, to characterize the model as a whole.	
LEAP-OSeMOSYS	Modelling tool based on an accounting framework (energy balances) and parametric simulation of energy flows. Its foundation is based on the idea of scenario analysis.	LEAP allows the analysis of energy consumption, production and resource extraction in all sectors of the economy, as well as emissions. Its versatility allows analyses to be carried out on any scale (from local and regional to national and supranational). Depending on the behavioural rules chosen, behaviour based on sectoral or technological activity can be introduced, as well as deterministic relationship rules on how entities consume/produce energy. Coupling with OSeMOSYS or NEMO allows for optimisation (cost minimization subject to constraints).	LEAP-OSeMOSYS
SIAM_EX	Sustainability Impact Assessment Model for Extremadura (SIAM_EX) is an extended (social, economic and environmental) multiregional input-output model with detail at regional level from the EUREGIO Database.	The model allows a complete assessment of socio-economic impacts by productive sectors, ranging from the generation of added value (wages and benefits), to the identification of wage income generated by income quintiles or by population density, as well as to indicators of employment generated by gender, age, occupation or education attained.	PEIEC 2030 – Integrated Plan of Energy and Climate for Extremadura (Spain) 2030
FISA	Framework for Integrated Sustainability Assessment (FISA) is based on a combination of a multiregional input-output analysis (MRIO) and a social risk database entitled "Social Hotspots Database" (SHDB)	The combined framework allows for the simultaneously capture of the socioeconomic and environmental impacts as well as the social risks involved within the supply chain of projects.	Rodríguez-Serrano et al. (2017a, 2017b)
TIMES-Spain	Energy optimisation model of the TIMES family representing the Spanish energy system. TIMES (The Integrated MARKAL-EFOM System) (IEA-ETSAP, 2020) is a generator of optimisation models to estimate long-term and multi-period energy dynamics developed by the IEA in the frame of the ETSAP	TIMES optimisation models aim to provide energy services at the lowest cost by simultaneously making investment and operating decisions in equipment, primary energy supply and energy trading. The investment decisions made by the models are based on the analysis of the characteristics of alternative generation technologies, on the economic analysis of energy supply, and on environmental criteria.	The TIMES-Spain energy model has been developed by CIEMAT within the framework of several European projects (NEEDS project https://cordis.europa.eu/project/id/502687 ; RES2020 project https://ec.europa.eu/energy/intelligent/projects/en/projects/res2020 REACCESS project https://cordis.europa.eu/project/id/212011) Information of the model can be found in García-Gusano (2014) and Labriet et al. (2010)

	Technology Collaboration Programme.		
--	-------------------------------------	--	--

446

447 Appendix references

- 448 Arto, I., González-Eguino, M., Rodríguez-Zuñiga, A., Tomás, M., 2019. Impacto económico de la rehabilitación energética
449 de viviendas en España en el periodo 2021-2030. Estudio (07) para la ERESEE 2020 “Estrategia a largo plazo para la
450 Rehabilitación Energética en el Sector de la Edificación en España”. Ministerio de Fomento, Subdirección General
451 de Políticas Urbanas, Dirección General de Arquitectura, Vivienda y Suelo.
- 452 Arto, I., Kratena, K., Amores, A.F., Temurshoev, U., Streicher, G., 2015. Market-based instruments to reduce air emissions
453 from household heating appliances. Analysis of scrappage policy scenarios. European Commission, Joint Research
454 Centre, Institute for Prospective Technological Studies. ISBN 978-92-79-50850-9.
- 455 Cazcarro, I.; Duarte, R., Sánchez Chóliz, J., Sarasa, C. and Serrano, A. (2014): "Environmental footprints and scenario
456 analysis for assessing the impacts of the agri-food industry on a regional economy. A case study in Spain". *Journal
457 of Industrial Ecology*. DOI: 10.1111/jiec.12209
- 458 Cazcarro, I.; Duarte, R., Sánchez Chóliz, J., Sarasa, C. and Serrano, A. (2015): Modelling regional policy scenarios in the
459 agri-food sector: A case study of a Spanish region. *Applied Economics*. DOI: 10.1080/00036846.2015.1102842.
- 460 Cazcarro, I.; Langarita, R., Sánchez Chóliz, J. and Sarasa, C. (2020). Exploring sustainable scenarios for renewable
461 electricity: Analysing higher electricity self-production and self-consumption using disaggregated supply and use
462 tables. Versión previa presentada en ERSA Web Conference 2020. *Working paper*.
- 463 Doumax-Tagliavini, V.; Sarasa, C. (2018). "Looking towards policies supporting biofuels and technological change:
464 Evidence from France". *Renewable & Sustainable Energy Reviews*, 94, 430-439. DOI: 10.1016/j.enpol.2018.03.065
- 465 Duarte Pac, R.; Mainar, A.; Sánchez-Chóliz, J. (2010). The impact of household consumption patterns on emissions in
466 Spain, *Energy Economics*, 32(1), pages 176-185.
- 467 Duarte Pac, R.; Langarita Tejero, R.; Sánchez Chóliz, J. (2017). The electricity industry in Spain: a structural analysis using
468 a disaggregated input-output model. *Energy*. 141, pp. 2640 - 2651. 2017. DOI: 10.1016/j.energy.2017.08.088.
- 469 Duarte Pac, R.; Sánchez Chóliz, J.; Sarasa, C. (2018). Consumer-side actions in a low-carbon economy: A dynamic CGE
470 analysis for Spain. *Energy Policy*. 118, pp. 199 - 210. 2018. DOI: 10.1016/j.enpol.2018.03.065.
- 471 García-Gusano, D., 2014. A long-term analysis of the Spanish environmental policies using the life cycle assessment method
472 and enegy optimisation modeling.
- 473 González-Eguino, M., Arto, I., Rodríguez-Zuñiga, A., García-Muros, X., Sampedro, J., Kratena, K., Cazcarro, I., Sorman,
474 A.H., Pizarro-Irizar, C., Sanz-Sánchez, M.J., 2020. Análisis de impacto del Plan Nacional Integrado de Energía y
475 Clima (PNIEC) 2021-2030 de España. *Papeles de Economía Española*, 163, 9-22.
- 476 Kratena, K., Streicher, G., Salotti, S., Sommer, M., Valderas Jaramillo, J.M., 2017. FIDELIO 2: Overview and theoretical
477 foundations of the second version of the Fully Interregional Dynamic Econometric Long-term Input-Output model
478 for the EU-27. European Commission, Joint Research Centre, Institute for Prospective Technological Studies. ISBN
479 978-92-79-66258-4.
- 480 Kratena, K., Streicher, G., Temurshoev, U., Amores, A.F., Arto, I., Mongelli, I., Neuwahl, F., Rueda-Cantuche, J.M.,
481 Andreoni, V., 2013. FIDELIO 1: Fully Interregional Dynamic Econometric Long-term Input-Output Model for the
482 EU27. Luxembourg. European Commission. ISBN 978-92-79-30009-7.
- 483 Labriet, M., Cabal, H., Lechón, Y., Giannakidis, G., Kanudia, A., 2010. The implementation of the EU renewable directive
484 in Spain. Strategies and challenges. *Energy Policy* 38. <https://doi.org/10.1016/j.enpol.2009.12.015>
- 485 Langarita, R.; Sánchez-Chóliz, J.; Sarasa, C.; Duarte, R.; Jiménez, S. (2017) "Electricity costs in irrigated agriculture: A
486 case study for an irrigation scheme in Spain", *Renewable & Sustainable Energy Reviews*, 68(2), 1008-1019. DOI:
487 10.1016/j.rser.2016.05.075.
- 488 Langarita, R.; Duarte, R.; Hewings, G.; Sanchez-Choliz, J. (2019). Testing European goals for the Spanish electricity system
489 using a disaggregated CGE model. *Energy*, 179, 1288 - 1301. ISSN 0360-5442. DOI: 10.1016/j.energy.2019.04.175.
- 490 Langarita, R., Cazcarro, I.; Sánchez Chóliz, J. and Sarasa, C. (2020). Modelling fiscal changes for the electricity sector
491 using a computable general equilibrium model for Spain. 15th Conference on Sustainable Development of Energy,
492 Water and Environment Systems – SDEWES. *Working paper*.
- 493 MITECO. 2020a. Plan Nacional integrado de Energía y Clima, PNIEC 2021-2030.
- 494 MITECO. 2020b. Impacto económico, de empleo, social y sobre la salud pública del Plan Nacional Integrado de Energía y
495 Clima 2021-2030.
- 496 MITECO. 2020c. Estrategia de Descarbonización a Largo Plazo, 2050. Estrategia a largo plazo para una economía española
497 moderna, competitiva y climáticamente neutra en 2050.

- 498 MITMA. ERESEE 2020, Actualización 2020 de la Estrategia a largo plazo para la Rehabilitación Energética en el Sector
499 de la Edificación en España.
- 500 Navas-Anguita, Z., García-Gusano, D., Iribarren, D. Long-term production technology mix of alternative fuels for road
501 transport: A focus on Spain. *Energy Conversion and Management*; 226 (2020) 113498.
502 <https://doi.org/10.1016/j.enconman.2020.113498>.
- 503 Schumacher, I., Cazcarro, I., Duarte, R., Sarasa, C., Serrano, A., Xepapadeas, A., Freire-González, J., Vivanco, D.V., Peña-
504 Lévano, L.M., Escalante, C.L., López-Feldman, A., Chávez, C., Vélez, M.A., Bejarano, H., Chimeli, A.B., Féres, J.,
505 Robalino, J., Sal, A., 2020. Perspectives on the Economics of the Environment in the Shadow of Coronavirus. *Environ.*
506 *Resour. Econ.* 76, 447–517. <https://doi.org/10.1007/s10640-020-00493-2>.
- 507 Rodríguez-Serrano, I., Caldés, N., de la Rúa, C., & Lechón, Y. (2017a). Assessing the three sustainability pillars through
508 the Framework for Integrated Sustainability Assessment (FISA): Case study of a Solar Thermal Electricity project in
509 Mexico. *Journal of Cleaner Production*, 149, 1127-1143.
- 510 Rodríguez-Serrano, I., Caldés, N., de la Rúa, C., & Lechón, Y. (2017b). Assessing the three sustainability pillars through
511 the Framework for Integrated Sustainability Assessment (FISA): Case study of a Solar Thermal Electricity project in
512 Mexico. *Journal of Cleaner Production*, 149, 1127-1143.