#### School of Earth & Environment



#### More tools in the policy box: Can exergy analysis give new insights on energy use and rebound?

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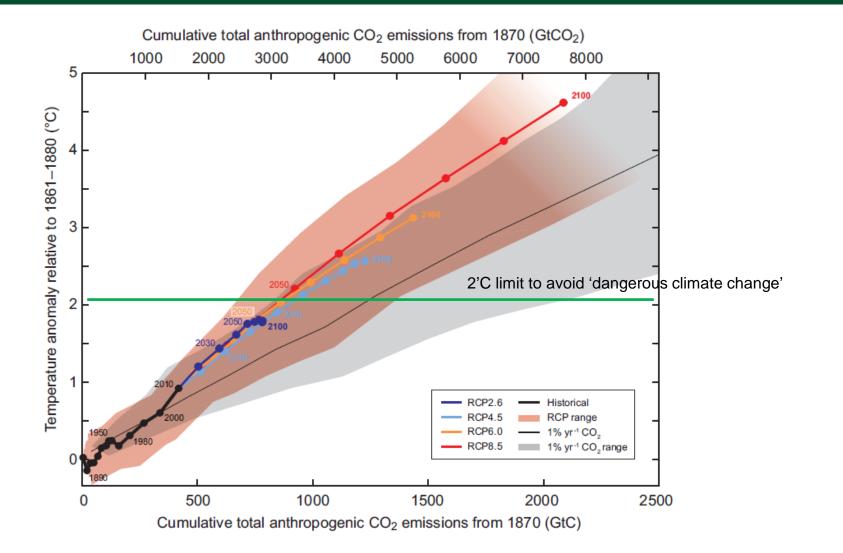


Can exergy analysis give new insights to energy use and rebound?

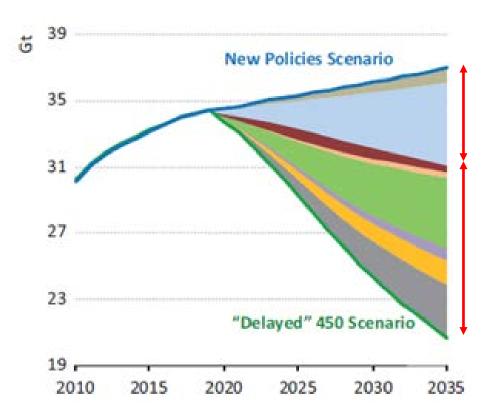


- 1. The issue: climate mitigation and thermodynamic failings of mainstream energy economics
- 2. An alternative approach: using exergy analysis to study economy-wide energy use and rebound

## The problem: the need to reduce carbon emissions



# The 'solution': 1. energy reduction and 2. decarbonisation



со	2 Abatement	2025	2035
	Demand	5%	5%
	End-use efficiency	27%	31%
	Power plant efficiency	11%	3%
	Fuel and technology	2%	2%
	switch		
	Renewables	25%	26%
	Biofuels	5%	5%
	Nuclear	9%	9%
	CCS	15%	20%
	Total (Gt CO <sub>2</sub> )	6.2	16.4



Key energy questions remain unanswered in relation to wedge #1 (energy reduction):

- 1. How should we measure energy efficiency?
- 2. How large is the energy rebound effect?
- 3. How much energy will we need in the future?

Can exergy analysis give new insights to energy use and rebound?



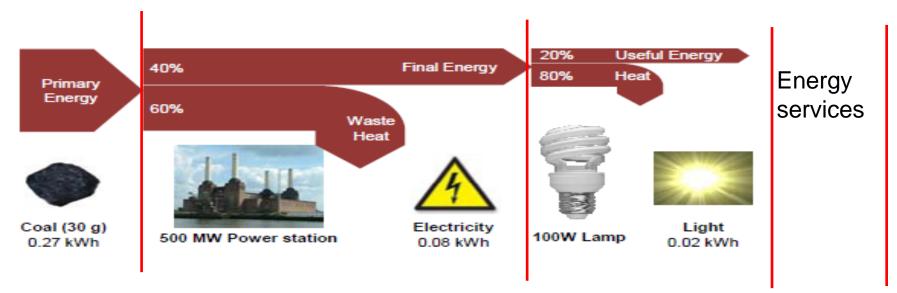
- 1. The issue: climate mitigation and thermodynamic failings of mainstream energy economics
- 2. An alternative approach: using exergy analysis to study economy-wide energy use and rebound
  - Qu. 1: Energy (exergy) efficiency
  - Qu. 2: Energy rebound
  - Qu. 3: Future energy demand

An alternative approach: Thermodynamic based exergy efficiency



Exergy is the usable part of energy

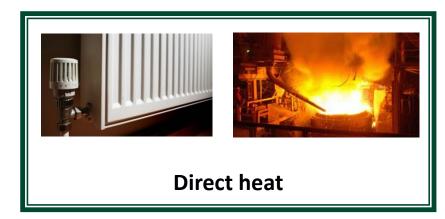
Useful exergy is the minimum exergy input to achieve task work transfer:



Courtesy of T. Domingos, IST, Lisbon

#### Exergy analysis@ national-level







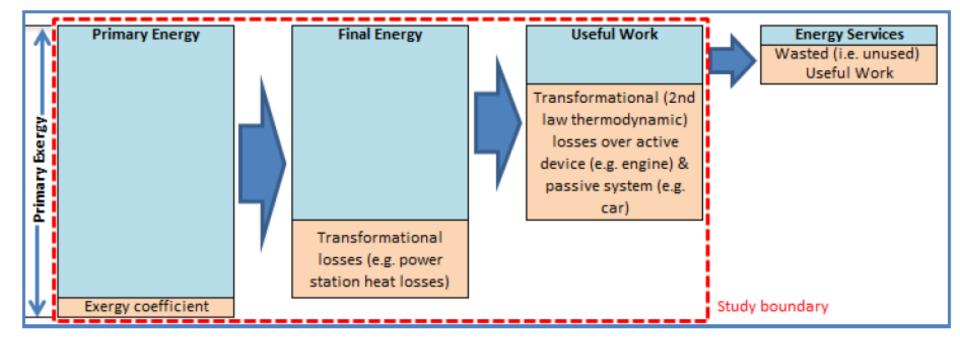




#### **Manual Labour**

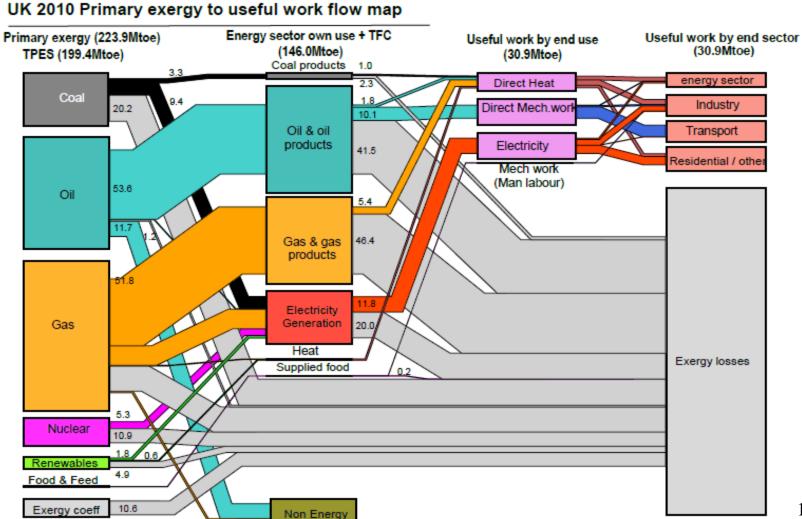
## Exergy analysis: methodology at national-scale





### Exergy analysis: methodology at national-scale

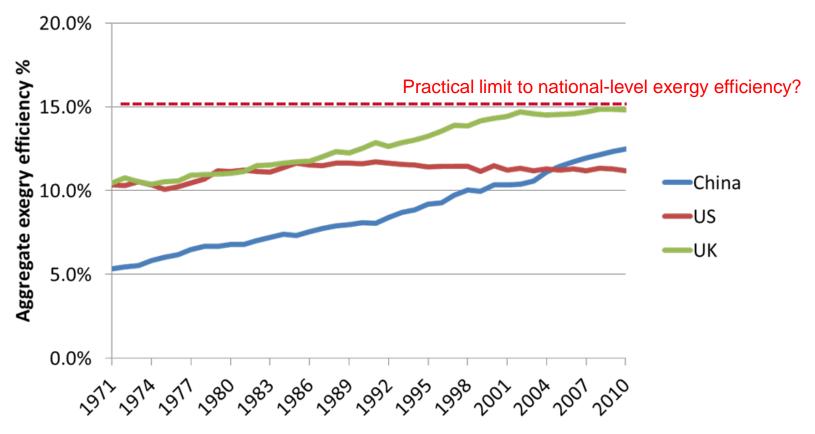




Qu. 1: National-level energy efficiency: 15% ceiling due to efficiency dilution



Exergy efficiency China-US-UK 1971-2010



US-UK data from Brockway, P. et al (2014) *Divergence of trends in US and UK aggregate exergy efficiencies 1960-2010*, Environ. Sci. Technol. 48, pp.9874–9881

## Qu. 2: Energy rebound: missing from energy models and energy policy



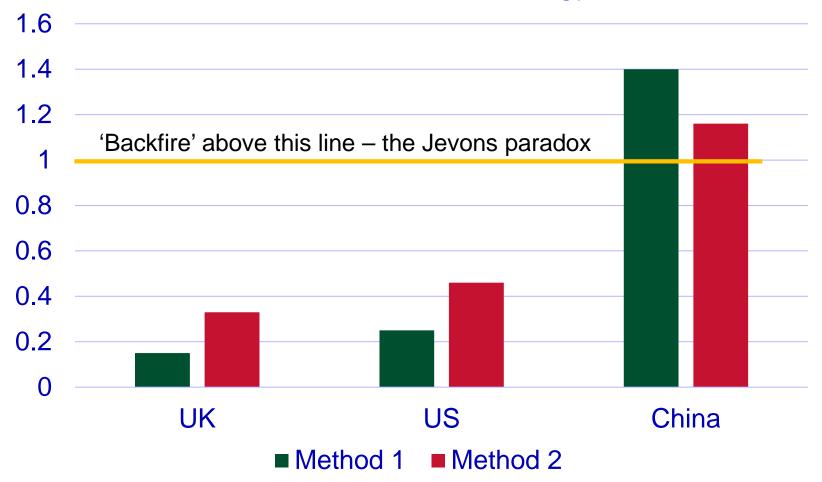
			1	
	Producer : Direct	Consumer : Direct		
	Producer : Indirect	Consumer : Indirect		
Macro-economic				

Components of energy rebound

## Qu. 2: Energy rebound – exergy approach may unlock new rebound insights **и**ми



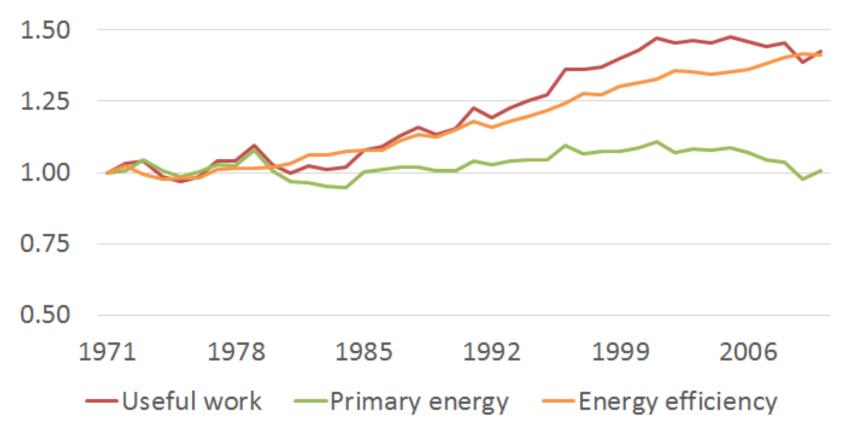
#### Estimates of national-level energy rebound



## Qu. 3 – future energy forecasts: insights from exergy analysis

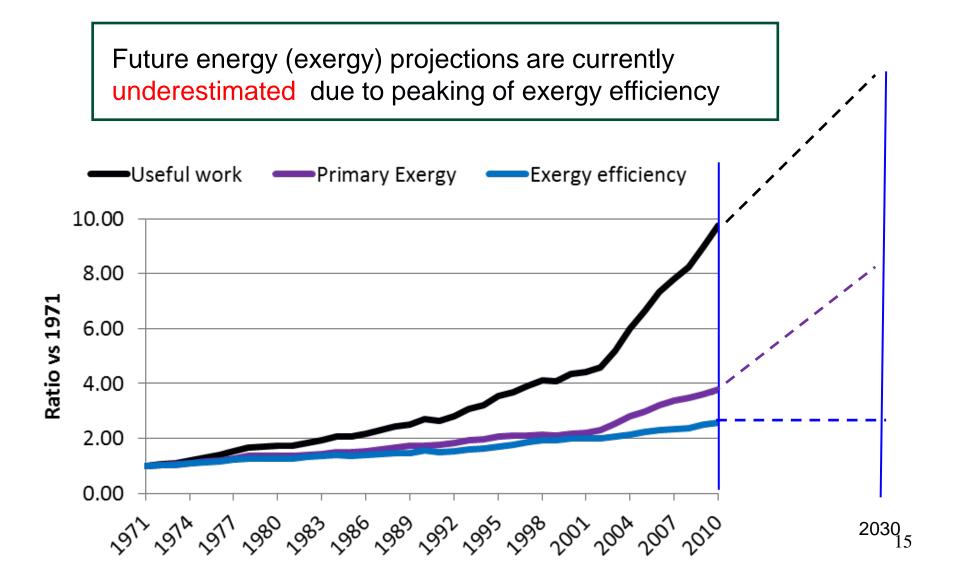


#### UK time-series: change in values 1971



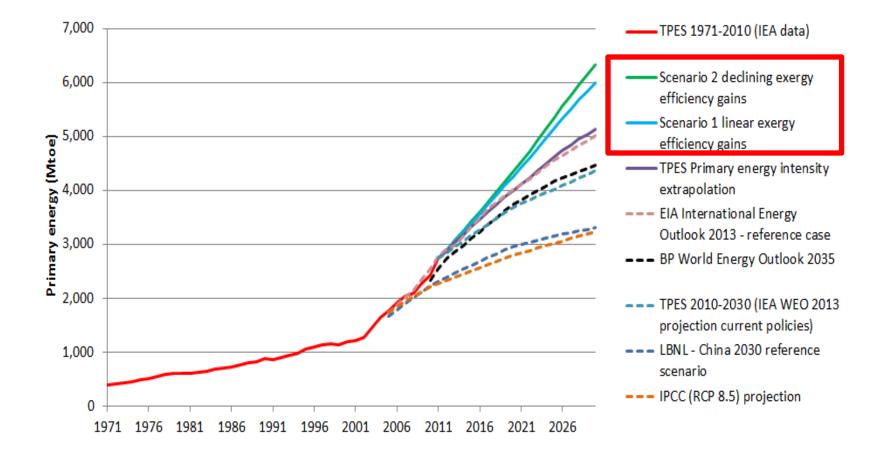
### Qu. 3 – primary energy scenarios using exergy approach





## Qu. 3 – primary energy scenarios using exergy approach: results for China





Source: Brockway, P. et al (2015) Understanding China's past and future energy demand: an exergy efficiency and decomposition analysis Applied Energy http://dx.doi.org/10.1016/j.apenergy.2015.05.082

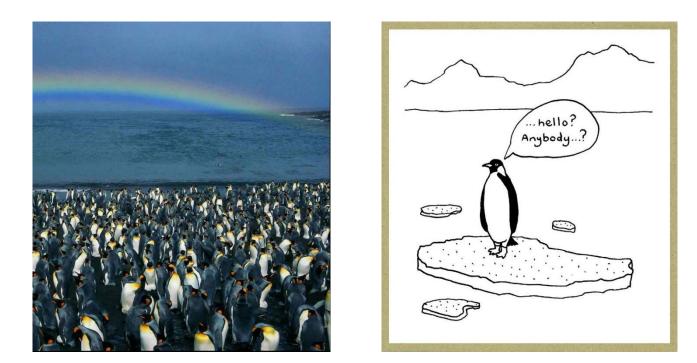




- 1. Given time issues, we need to be using all the tools in the policy box.
- 2. Exergy-based studies suggest energy efficiency and energy supply policies need to be account for:
  - Efficiency dilution
  - Energy rebound
- 3. Exergy analysis can be included in mainstream modelling approaches: equilibrium, econometric, cost-optomisation.

#### Thank you for listening





#### **Energy economists**

#### **Exergy economists**

- Brockway P.E., Barrett J.R., Foxon T.J. & Steinberger J.K. (2014) Divergence of trends in US and UK aggregate exergy efficiencies 1960-2010. *Environ. Sci. Technol.* **48**, pp.9874–9881 Available at DOI: 10.1021/es501217t
- Brockway P.E., Steinberger J.K, Barrett J.R. & Foxon T.J. (2015) Understanding China's past and future energy demand: An exergy efficiency and decomposition analysis. *Applied Energy* 155, pp.892–903 Available at DOI: 10.1016/j.apenergy.2015.05.082