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CGE Analysis

~ How nuclear power generation affects marginal cost ? ~

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About model -sectors and commodities-

- Original data (IO table by METI) 107 sectors 113 commodities
- Integrated data

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41 sectors46 commodities

About model -environment and year-

- Treated environment
 CO₂
- Benchmark year and Target year From 2000 to 2010 Recursive calculation

Analysis on benchmark year

• GDP

About 520 trillion yen

Industry construction



Analysis on benchmark year

Power generation construction



Purpose and Method

- Evaluate how the reduction depends on nuclear power generation
 - Increase scenario

Annual 1% increase of nuclear power generation lower limit

• Decrease scenario

Annual 0.1% decrease of nuclear power generation upper limit

Purpose and Method

Estimate marginal reduction cost

MOE represents 0.6% increase of emission in 2010 compared with 1990 (means annual 0.04% decrease)

In this analysis, I assume annual 0.1% decrease of emission right

Excess emission demand generates the price of emission right



Output

Output (Marginal cost)

9



year

Output (Price of electricity)



Conclusion and problem

 Increase of nuclear power generation makes marginal cost and electricity price lower than the decrease case

But...

• Various costs and risks to increase nuclear power generation are not considered in this analysis