Commission modelling inventory and knowledge management system (MIDAS)
Report generation date 05/11/2020

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Factsheet

SWD/2018/175 final

Impact assessment accompanying the document Proposal for a Directive of the European Parliament and of the Council: amending Directive 2008/96/EC on road infrastructure safety management

Supporting model(s)

PRIMES-TREMOVE

Impact assessment
SWD/2018/175 final

Fact sheet on model contributions

Source: Commission modelling inventory and knowledge management system (MIDAS)

Date of Report Generation: 05/11/2020

Overview

Title
Impact assessment accompanying the document Proposal for a Directive of the European Parliament and of the Council: amending Directive 2008/96/EC on road infrastructure safety management

Document ID
SWD/2018/175 final

Year of publication
2018

Led by
MOVE

Model(s) used
PRIMES-TREMOVE

Additional information on model use for this Impact assessment

The Baseline scenario builds on the *EU reference scenario 2016 Energy, transport and GHG emissions : trends to 2050, Luxembourg: Publications Office of the European Union, 2016, doi:10.2833/9127*, (in particular PRIMES-TREMOVE), but additionally includes few policy measures adopted after its cut-off date (end of 2014) and some updates in the technology costs assumptions. For details, please check the text of the impact assessment report.

To support the assessment of policy options, quantitative tools have been used. These are described or referred to in the text in the IA report.

PRIMES-TREMOVE

Full title

PRIMES-TREMOVE Transport Model

Run for this impact assessment by

Energy - Economy - Environment Modelling Laboratory, National Technical University of Athens

Contributed to

Baseline only

Details of the contribution

PRIMES-TREMOVE model has been used for the baseline scenario.

PRIMES-TREMOVE Transport Model

Fact sheet

Source: Commission modelling inventory and knowledge management system (MIDAS)

Date of Report Generation: 05/11/2020

Overview

Acronym PRIMES-TREMOVE
Full title PRIMES-TREMOVE Transport Model

Main purpose
PRIMES-TREMOVE simulates the transport modelling system and projects the evolution of the demand for passenger and freight transport by mode, energy consumption by fuel and emissions. The model is rich in the representation of policy measures and is used to assess policy impacts.

Summary
PRIMES-TREMOVE is a transport modelling system of multi-agent choices. The model has been developed by the E3MLab and is part of the PRIMES suite of models. Part of the model (i.e. the transport demand module), has been based on features of the open source TREMOVE model developed by Transport & Mobility Leuven. The model is suited for long term (up to 2050) projections in 5-year steps and covers all EU Member States and selected EFTA and candidate countries.

PRIMES-TREMOVE solves partial market equilibrium between the demand and the supply of transport services. Choices among alternative transport options and investment are represented by various agents' types, which differ in terms of their transport demand. Solving for equilibrium also involves the computation of energy consumption, emissions of pollutants and externality impacts related to the use of transportation means.

The model is used for policy formulation. Model projections include the transport demand by transport mode, technologies and fuels, including conventional and alternative types, and their penetration in various transport market segments. Model projections also include information about greenhouse gas and air pollution emissions, as well as impacts on external costs of congestion, noise and accidents. PRIMES-TREMOVE has been used for the 2011 Transport White Paper "Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system" (COM(2011) 144 final); for the "A European Strategy for low-emission mobility" (COM(2016) 501), for the 2050 Long-term Strategy (A Clean Planet for all - A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy; COM (2018) 773) and for many other policy documents and Impact Assessments.

Keywords
Transport , Energy , Environment , Climate , Climate policy , Air Pollution , transport demand , GHG emissions , technology innovation , market outlook

Model category (thematic)
Transport

Model home page
https://e3modelling.com/modelling-tools/primes-tremove

Ownership & license

Ownership
Sole copyright [3rd party]

Ownership details
The PRIMES-TREMOVE is a private model that has been developed and is maintained by E3MLab/ICCS of National Technical University of Athens and E3-Modelling SA.

Licence type
Non-Free Software licence. The license has one or more of the following restrictions: it prohibits creation of derivative works; it prohibits commercial use; it obliges to share the licensed or derivative works on the same conditions.

Details

PRIMES-TREMOVE structure and approach

The model consists of two main modules: the *transport demand allocation module* and the *technology choice and equipment operation module*. The two modules interact with each other and are solved simultaneously.

The *transport demand allocation module* simulates mobility decisions driven by macroeconomic drivers which distribute the transport activity over different transport modes and trip types, so as to calculate transport services by mode for both individuals and firms. The decision process is simulated as a utility maximisation problem under budget and other constraints for individual private passengers and as a cost minimisation problem for firms.

The *technology choice and equipment operation module* determines the mix of vehicle technologies (generally the transportation means), the operation of transport means by the trip type and fuel mix such as to meet the modal transport demand at the least cost. In the case of supply by transportation companies, the module calculates transportation tariffs (ticket prices). Consumer or firm choices at various levels of the supply module use total costs, inclusive of capital costs, or only variable costs, as appropriate. For example purchasing a new car involves total cost comparisons among alternative solutions, but the choice of the fuel type for an existing car, if that is possible, or determining the rate of use of an existing car naturally involves only variable costs. The choice of technology is generally the result of a discrete choice problem which considers relative costs which optionally include factors indicating impacts on externalities and the impacts of intangible costs (e.g. market acceptance, range anxiety).

Part of the supply of transport services is carried out by the same agent who is consuming such services; in other words, supply is split between self-supply of transport services and the purchasing of transport services from transportation companies. To self-supply the service, the consumer (individual or firm) faces both capital and variable costs, where capital costs correspond to the purchase of transportation means, whereas when purchasing transport services from transport suppliers the consumer faces only variable costs (corresponding to ticket prices). Transportation companies also face capital and variable costs. They sell their services at transport tariffs (ticket prices, etc.). Further, there is no capital rent for the self-supply of transport services and the consumer chooses between alternative self-supply solutions by comparing total costs, assuming the average cost pricing of alternative solutions.

Both the *transport demand allocation* and *technology choice and equipment operation* modules are dynamic over time, simulate capital turnover with possibility of premature replacement of equipment and keep track of equipment technology vintages.

Prices – as set by transportation companies – are based on marginal costs, which may allow for capital rents (e.g. aviation). Other transportation companies – owned by the state and subject to a

strong price regulation – apply average (instead of marginal) cost pricing rules to determine transportation tariffs. To include external costs, such as congestion, the model includes additional components in the equilibrium prices which is termed the "generalised price of transportation" and is calculated both for the self-production and for the business supply of transport services.

Computationally, the model is solved as a non-linear mixed complementarity problem. Optionally, policy targets related to externalities (or the overall efficiency or overall emissions) may be included as binding constraints; through the mixed complementarity formulation of the model, such overall constraints influence all choices in the demand and supply transport modules.

Formally, the model solves an equilibrium problem with equilibrium constraints (EPEC) simultaneously for multiple transport services and for multiple agents, some of which are individual consumers and firms, which consume or produce transport services. The EPEC formulation also includes overall constraints which represent policy targets, e.g. emissions, energy, etc., which influence both demand and supply. Solving for equilibrium also involves the computation of energy consumption, emissions of pollutants and externality impacts related to the use of transportation means.

Input and parametrization
The PRIMES-TREMOVE transport model is calibrated to 2005, 2010 and 2015 historical data.

The main data (such as activity and energy consumption) comes from EUROSTAT database and from the Statistical Pocketbook "EU transport in figures" (DG MOVE). Excise taxes are derived from DG TAXUD excise duty tables (https://ec.europa.eu/taxation_customs/tedb/splSearchForm.html;jsessionid=gDc40clH3ufxfoKOdXcM1t26oFiV84od01egfLest4uUPKZdXGiM!530641174).

Other data comes from different sources such as research projects (e.g. TRACCS project) and reports.

Main output
The PRIMES-TREMOVE model produces projections of transport activity, stock turnover of transport means, technology choice, energy consumption by fuel, greenhouse gas and air pollution emissions, and costs (including impacts on external costs of air pollution, congestion, noise and accidents). The projection includes details for a large number of transport means, technologies and fuels, including conventional and alternative types, and their penetration in various transport market segments.

Spatial - temporal extent
The output has the following spatial-temporal resolution and extent:

Parameter	Description
Spatial Extent / Country Coverage	EU27, EU27+UK and by Member State

(Spatial) resolution	Country
Temporal extent	2005 to 2050 time horizon
Temporal resolution	5-year time steps

Quality & transparency

Quality

Question	Answer	Details
Models are by definition affected by uncertainties (in input data, input parameters, scenario definitions, etc.). Have the model uncertainties been quantified? Are uncertainties accounted for in your simulations?	yes	The model accounts for the various uncertainties in specific input data assumptions by carrying out scenario analysis and modifying the values on selected or a set of input data. Such are the cases related to technology cost assumptions, GDP and fuel prices evolution and a combination of those. Scenarios analysis is also carried out on policy parameters like charges, taxation, vehicle standards, etc.
Sensitivity analysis helps identifying the uncertain inputs mostly responsible for the uncertainty in the model responses. Has the model undergone sensitivity analysis?	yes	The model has been frequently used for carrying out sensitivity analysis around specific uncertain inputs. The sensitivity analysis used in the model only considers changes in one input parameter such as fuel prices or GDP evolution.
Has the model undergone external peer review by a panel of experts, or have results been published in peer-reviewed journals?	yes	As module of the PRIMES energy system model, PRIMES-TREMOVE has been successfully peer reviewed in 2011. The model results have been communicated to the scientific audience (see list of relevant publications below). Model results have also been reviewed as part of deliverables in H2020 research projects.
Has model validation been done? Have model predictions been confronted with observed data (ex-post)?	yes	Validation consists in comparing to officially published policy indicators and on checking continuity of time series from past to future. The model includes calibration routines, which ensure that when the model runs retrospectively it replicates statistical data. With respect to future projections, validation is more complex because it relies on economic theory and practice. Academic validation is also practiced through publications subject to external peer review and comparisons to other studies and independent publications.

References related to external peer-review and publication in scientific journals:

- Capros, P., Zazias, G., Evangelopoulou, S., Kannavou, M., Fotiou, T., Siskos, P., … Sakellaris, K. (2019). Energy-system modelling of the EU strategy towards climate-neutrality. Energy Policy, 134, 110960. doi:10.1016/j.enpol.2019.110960
- Statharas, S., Moysoglou, Y., Siskos, P., Zazias, G., & Capros, P. (2019). Factors Influencing Electric Vehicle Penetration in the EU by 2030: A Model-Based Policy Assessment. Energies, 12(14), 2739. doi:10.3390/en12142739
- Siskos, P., & Moysoglou, Y. (2019). Assessing the impacts of setting CO2 emission targets on truck manufacturers: A model implementation and application for the EU. Transportation Research Part A: Policy and Practice, 125, 123–138. doi:10.1016/j.tra.2019.05.010
- Siskos, P., Zazias, G., Petropoulos, A., Evangelopoulou, S., & Capros, P. (2018). Implications of delaying transport decarbonisation in the EU: A systems analysis using the PRIMES model. Energy Policy, 121, 48–60. doi:10.1016/j.enpol.2018.06.016

- Capros, P., Kannavou, M., Evangelopoulou, S., Petropoulos, A., Siskos, P., Tasios, N., … DeVita, A. (2018). Outlook of the EU energy system up to 2050: The case of scenarios prepared for European Commission's "clean energy for all Europeans" package using the PRIMES model. Energy Strategy Reviews, 22, 255–263. doi:10.1016/j.esr.2018.06.009
- Siskos, P., Capros, P., & De Vita, A. (2015). CO 2 and energy efficiency car standards in the EU in the context of a decarbonisation strategy: A model-based policy assessment. Energy Policy, 84, 22–34. doi:10.1016/j.enpol.2015.04.024
- Capros, P., De Vita, A., Fragkos, P., Kouvaritakis, N., Paroussos, L., Fragkiadakis, K., … Siskos, P. (2015). The impact of hydrocarbon resources and GDP growth assumptions for the evolution of the EU energy system for the medium and long term. Energy Strategy Reviews, 6, 64–79. doi:10.1016/j.esr.2015.03.003

Transparency

Question	Answer	Details
Is the model underlying database (i.e. the database the model runs are based on) publicly available?	yes	Key databases upon which the model is built are publically available (e.g. EUROSTAT data on transport activity and energy balances).
Can model outputs be made publicly available?	yes	In publically available technical reports, scientific papers and research projects final reports.
Is the model transparently documented (including underlying data, assumptions and equations, architecture, results) and are these documents available to the general public?	yes	These are documented in selected publications in scientific journals and in the model documentation which is publically available.
Is the model source code publicly accessible or open for inspection?	no	

References related to documentation:

- No references provided in MIDAS

The model's policy relevance and intended role in the policy cycle

The model is designed to contribute to the following policy areas

- Climate action
- Energy
- Transport

The model is designed to contribute to the following phases of the policy cycle

- Formulation

The model's potential

The model can be used for policy formulation. Model projections include the transport demand by the transport mean, technologies and fuels, including conventional and alternative types, and their penetration in various transport market segments. It also includes details about greenhouse gases and air pollution emissions, as well as impacts on external costs of congestion, noise and accidents.

In the transport field, PRIMES-TREMOVE is suitable for modelling *soft measures* (e.g. eco-driving, deployment of Intelligent Transport Systems, labelling) *economic measures* (e.g. subsidies and taxes on fuels, vehicles, emissions; ETS for transport when linked with PRIMES; pricing of congestion and other externalities such as air pollution, accidents and noise; measures supporting R&D), *regulatory measures* (e.g. CO2 emission performance standards for new passenger cars, new light commercial vehicles and new heavy goods vehicles; EURO standards on road transport vehicles; technology standards for non-road transport technologies), *infrastructure policies for alternative fuels* (e.g. deployment of refuelling/recharging infrastructure for electricity, hydrogen, LNG, CNG). Used as a module which contributes to a broader PRIMES scenario, PRIMES-TREMOVE can show how policies and trends in the field of transport contribute to economy wide trends in energy use and emissions. Using data disaggregated per Member State, it can show differentiated trends across Member States.

The PRIMES-TREMOVE model has been used for the Impact Assessments accompanying the 2011 Transport White Paper , "Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system" (COM(2011) 144 final); for the "A European Strategy for low-emission mobility" (COM(2016) 501), for the 2050 Long-term Strategy (A Clean Planet for all - A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy; COM (2018) 773) and for many other policy documents and Impact Assessments.

PRIMES-TREMOVE can help to assess:

Pricing

- Infrastructure charging (e.g. Eurovignette) through:

    - Changing travel cost associated to specific infrastructures

- External costs charges (for all modes) through:
    - Changing travel costs of transport modes
- Public funding of transport (subsidies) through:
    - Changing travel cost of bus and rail

Taxation

- Energy taxation (identify energy and CO2 component) through: Changing fuel tax values by fuel type
- Vehicle taxation Changing through: cost of new vehicles

Regulation

- Standard - Transport safety through:
    - Reduction of accident factors
- Regulation on CO2 from road vehicles through:
    - Assumptions on CO2 emissions limits of new cars, light commercial vehicles and heavy goods vehicles are implemented
- Regulation on polluting emission from road vehicles (EURO standards) through:
    - Assumptions on polluting emissions limits of new cars and heavy goods vehicles are implemented
- Emissions standards for non-road modes (e.g. ICAO chapter 3 on aircraft emissions, Energy Efficiency Design Index for maritime, sulphur limits of marine fuels, etc.) through:
    - Assumptions on emissions limits of new trains/aircrafts, etc. are implemented; reduction of emissions factors for vessels
- Emissions Trading Scheme through:
    - Inclusion of aviation in EU ETS starting with 2012 – Changing transport costs of air transport
- Fuel quality through:
    - Changing fuel cost by fuel type

- Renewable energy directive through:
    - Mandatory fuels blending
- Clean Power for Transport andAvailability of refuelling/recharging Infrastructure through:
    - Changing parameters interpreting availability of refuelling/recharging infrastructures leading to faster penetration of alternative technologies

NOTE *The table 'Previous use of the model in ex-ante impact assessments of the European Commission' specifically reports the contributions of the model to the assessment of policy options.*

In addition, please note that the model has also been extensively used in impact assessments to contribute to the construction of the baseline as part of the modelling framework of the EU reference scenario 2016 Energy, transport and GHG emissions : trends to 2050, Luxembourg: Publications Office of the European Union, 2016, doi:10.2833/9127.

The use of the Reference Scenario is reported under 'Additional information' in the entries of the related impact assessments.

Previous use of the model in ex-ante impact assessments of the European Commission

Use of the model in ex-ante impact assessments since July 2017.

In the Year	PRIMES-TREMOVE contributed to the Impact assessment called	Led by	By providing input to the	The model was run by	Details of the contribution
2018	Impact assessment accompanying the document Proposal for a Regulation of the European Parliament and of the Council: setting CO2 emission performance standards for new heavy duty vehicles SWD/2018/185 final	CLIMA	Baseline and assessment of policy options	*Energy - Economy - Environment Modelling Laboratory, National Technical University of Athens*	Projections include details for a large number of transport means, technologies and fuels, and their penetration in various transport market segments. Include details about GHG and air pollution emissions, final energy demand.
2018	Impact assessment accompanying the document Proposal for a Regulation of the European Parliament and of the Council: establishing a European Maritime Single Window environment and repealing directive 2010/65/EU SWD/2018/181 final	MOVE	Baseline and assessment of policy options	*Energy - Economy - Environment Modelling Laboratory, National Technical University of Athens*	PRIMES-TREMOVE together with TRUST have been also used to assess the impacts of policy options on modal shift and CO2 emissions.
2018	Impact assessment accompanying the document Proposal for a Regulation of the European Parliament and of the Council on: electronic freight transport information SWD/2018/183 final	MOVE	Baseline and assessment of policy options	*Energy - Economy - Environment Modelling Laboratory, National Technical University of Athens*	PRIMES-TREMOVE has been used to assess the impacts of policy options on user costs, modal shift, energy use, CO2 and air pollutant emissions.
2018	Impact assessment accompanying the document Proposal for a Regulation of the European Parliament and of the Council on: streamlining measures for advancing the realisation of the trans-European transport network SWD/2018/178 final	MOVE	Baseline only	*Energy - Economy - Environment Modelling Laboratory, National Technical University of Athens*	The PRIMES-TREMOVE model was used to build the baseline scenario.
2018	Impact assessment accompanying the document Proposal for a Directive of the European Parliament and of the Council: amending Directive 2008/96/EC on road infrastructure safety management SWD/2018/175 final	MOVE	Baseline only	*Energy - Economy - Environment Modelling Laboratory, National Technical University of Athens*	PRIMES-TREMOVE model has been used for the baseline scenario.

2017	Impact assessment accompanying the document Proposal for a Directive of the European Parliament and of the Council: amending Directive 2009/33/EC on the promotion of clean and energy-efficient road transport vehicles SWD/2017/0366 final	MOVE	Baseline only	*Energy - Economy - Environment Modelling Laboratory, National Technical University of Athens*	The updated baseline was developed using the PRIMES-TREMOVE model.
2017	Impact assessment accompanying the document Proposal for a Regulation from the European Parliament and the Council on: rail passengers' rights and obligations (recast) SWD/2017/0318 final/2	MOVE	Baseline only	*Energy - Economy - Environment Modelling Laboratory, National Technical University of Athens*	Refer to Study: EU reference scenario 2016 Energy, transport and GHG emissions : trends to 2050. Documented in: - DOI 10.2833/001137
2017	Impact assessment accompanying the document Proposal for a Directive of the European Parliament and of the Council: amending Directive 92/106/EEC on the establishment of common rules for certain types of combined transport of goods between Member States SWD/2017/0362 final	MOVE	Baseline and assessment of policy options	*Energy - Economy - Environment Modelling Laboratory, National Technical University of Athens*	PRIMES-TREMOVE was used for the baseline and for the assessment of the environmental impacts.
2017	Impact assessment accompanying the document Proposal for a Regulation of the European Parliament and of the Council: amending Regulation (EC) No 1073/2009 on common rules for access to the international market for coach and bus services SWD/2017/0358 final	MOVE	Baseline only	*Energy - Economy - Environment Modelling Laboratory, National Technical University of Athens*	The baseline scenario has been developed with the PRIMES-TREMOVE model.
2017	Impact assessment accompanying the document Proposal for a Regulation of the European Parliament and of the Council: setting emission performance standards for new passenger cars and for new light commercial vehicles as part of the Union's integrated approach to reduce CO2 emissions from light-duty vehicles and amending Regulation (EC) No 715/2007 (recast) SWD/2017/0650 final	CLIMA	Baseline and assessment of policy options	*Energy - Economy - Environment Modelling Laboratory, National Technical University of Athens*	The PRIMES-TREMOVE model is used to project the evolution of the road transport sector.

Bibliographic references

- *Capros, P., Zazias, G., Evangelopoulou, S., Kannavou, M., Fotiou, T., Siskos, P., … Sakellaris, K. (2019). Energy-system modelling of the EU strategy towards climate-neutrality. Energy Policy, 134, 110960. doi:10.1016/j.enpol.2019.110960*
- *Statharas, S., Moysoglou, Y., Siskos, P., Zazias, G., & Capros, P. (2019). Factors Influencing Electric Vehicle Penetration in the EU by 2030: A Model-Based Policy Assessment. Energies, 12(14), 2739. doi:10.3390/en12142739*
- *Siskos, P., & Moysoglou, Y. (2019). Assessing the impacts of setting CO2 emission targets on truck manufacturers: A model implementation and application for the EU. Transportation Research Part A: Policy and Practice, 125, 123–138. doi:10.1016/j.tra.2019.05.010*
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