

Agents' behaviour and long-term investments

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Behavioural economics suggests that individual decision-making deviates from the homo oeconomicus paradigm. The ALICE project seeks to improve our understanding of the impact of individual biases on corporate decisions on long-term investments in the energy sector. On the micro level we examine actual behaviour of companies in the electricity sector by qualitative case studies and econometric approaches. On the sectoral level, these results feed into the construction of an energy market model to develop sectoral instruments for efficiently improving climate protection measures. On the global level, coupling the sectoral model to an integrated assessment model ameliorates analysis and assessment of macro-economic and trade-related effects of climate change.