

# Open Source Tools for National Applied General Equilibrium Modeling

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## Blaise Pascal, Treatise on Vacuum (c.1651)

*Je n'ai fait celle-ci plus longue que parce que je n'ai pas eu le loisir de la faire plus courte.*

*I would have written a shorter letter, but I did not have the time.*

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## Motivation in Current Work with EDF

*An important byproduct of our project will be an open-source dataset suitable for analysis of energy-economy-environment issues in North America. We begin with the national input-output table and downscale to the county level using regional economic statistics from the Bureau of Economic Analysis (sectoral value added and price household expenditure). We also employ data from Census Bureaus (foreign trade statistics) and International Trade Administration for bilateral trade statistics. Input-output tables will further be complemented by physical energy quantities and energy prices from the Department of Energys State Energy Data System (SEDS) of EIA.*

## Additional Motivation

Existing subnational models have largely relied on a commercial database (IMPLAN) to characterize base year state and county-level economic activity in the United States. IMPLAN sells a national dataset at the state level for \$. A national *county-level* database is available but very expensive. The open-source tools for combining data and building a benchmark equilibrium database will be useful to many research groups across the country.

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# Existing Models which could Use This Dataset

## ADAGE (US EPA)

The screenshot shows the EPA website page for Climate Economic Modeling. The URL is [www.epa.gov/climatechange/EPAactivities/economics/modeling.html](http://www.epa.gov/climatechange/EPAactivities/economics/modeling.html). The page features the EPA logo and navigation tabs for 'LEARN THE ISSUES', 'SCIENCE & TECHNOLOGY', 'LAWS & REGULATIONS', and 'ABOUT EPA'. A 'Climate Change' section is highlighted, with a sub-menu on the left containing links like 'Climate Change Home', 'Basic Information', 'Greenhouse Gas Emissions', 'Science', 'Impacts & Adaptation', 'What EPA is Doing', 'Regulatory Initiatives', 'Voluntary Programs', 'Evaluating Policies', 'International Partnerships', 'State, Local, and Tribal Partnerships', 'What You Can Do', 'Newsroom', 'Glossary', and 'Students' Site'. The main content area is titled 'Climate Economic Modeling' and includes a breadcrumb trail: 'You are here: EPA Home » Climate Change » What EPA is Doing » Economics » Modeling'. The text explains that EPA uses various economic models and analytical tools, categorized into Economy-Wide Models, Mitigation Models, and Integrated Assessment Models. A list of specific models is provided, including the Applied Dynamic Analysis of the Global Economy, Intertemporal General Equilibrium Model, Non-CO2 Projections and Abatement Models, Foresty and Agricultural Sector Optimization Model - Greenhouse Gas Version, Global Timber Model, Global Change Assessment Model, and Detailed Electricity Sector Model. A link is provided to see results of EPA's economic analyses of proposed climate legislation.

**Climate Economic Modeling**

EPA uses a variety of economic models and analytical tools when conducting climate economic modeling. The specific models used by EPA, categorized by model type, economy-wide models, mitigation assessment models, and detailed sector models. Each model has certain strengths that, when used in conjunction with analytical tools, can produce thorough analyses of climate change mitigation programs.

- **Economy-Wide Models**
  - Applied Dynamic Analysis of the Global Economy
  - Intertemporal General Equilibrium Model
- **Mitigation Models**
  - Non-CO<sub>2</sub> Projections and Abatement Models
  - Foresty and Agricultural Sector Optimization Model - Greenhouse Gas Version
  - Global Timber Model
- **Integrated Assessment Model**
  - Global Change Assessment Model
  - Detailed Electricity Sector Model
  - Integrated Planning Model

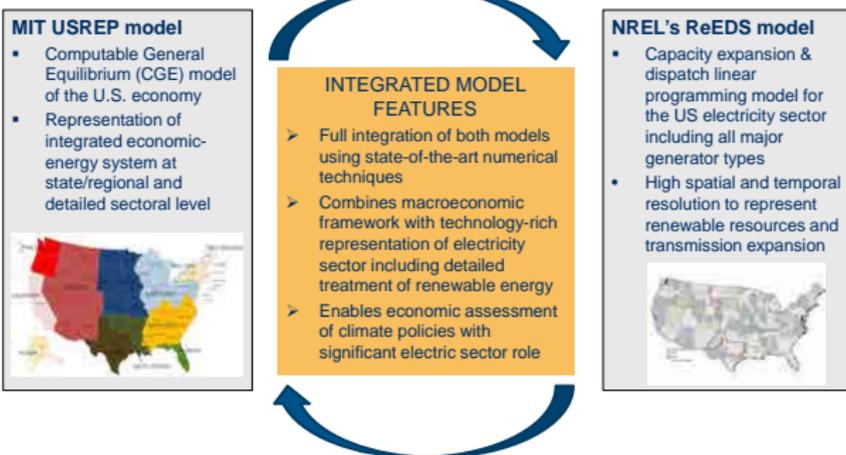
To see results of EPA's economic analyses of proposed climate legislation, please see the [Legislation](#) page.

**Applied Dynamic Analysis of the Global Economy**

The Applied Dynamic Analysis of the Global Economy model (ADAGE) is a dynamic computable general equilibrium model capable of examining many types of economic, energy, environmental, climate change mitigation policies at the international, national, U.S. regional, and U.S. state levels. To investigate proposed climate change policies, the ADAGE model combines a consistent theoretical structure with economic data covering all interactions among households, firms, and governments.

# USREP (MIT Joint Program)

## Integration of economy-wide CGE model with electricity-sector optimization model



# NewERA (NERA Economic Consulting)

www.nera.com/practice-areas/energy/newera-model.html

**NERA**  
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## NewERA Model

NERA's proprietary NewERA model allows us to provide invaluable help to companies managing unprecedented change and uncertainty in the energy sectors related to factors such as technology improvements and environmental regulation.

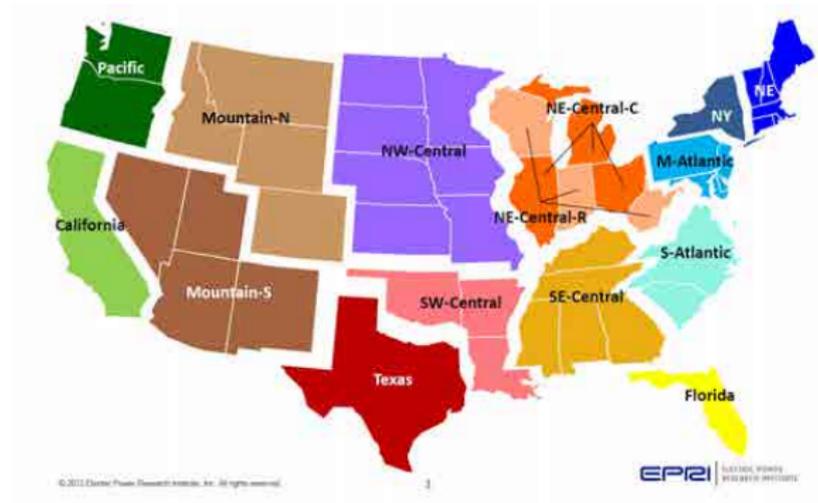
The NewERA model is a unique tool for effectively measuring the macroeconomic and detailed sectoral impacts of changes affecting the energy system. Its macroeconomic outputs include forecasts of prices of energy commodities, demand and supply of all goods and services, changes in imports and exports, gross domestic product, gross regional product, consumption, investment, disposable income, and changes in employment statistics. Detailed electric sector outputs include new builds, retrofits and dispatch decisions for generating units.

Applying the expertise of leading economic modellers and the extensive energy industry experience of NERA Economic Consulting, the model allows for:

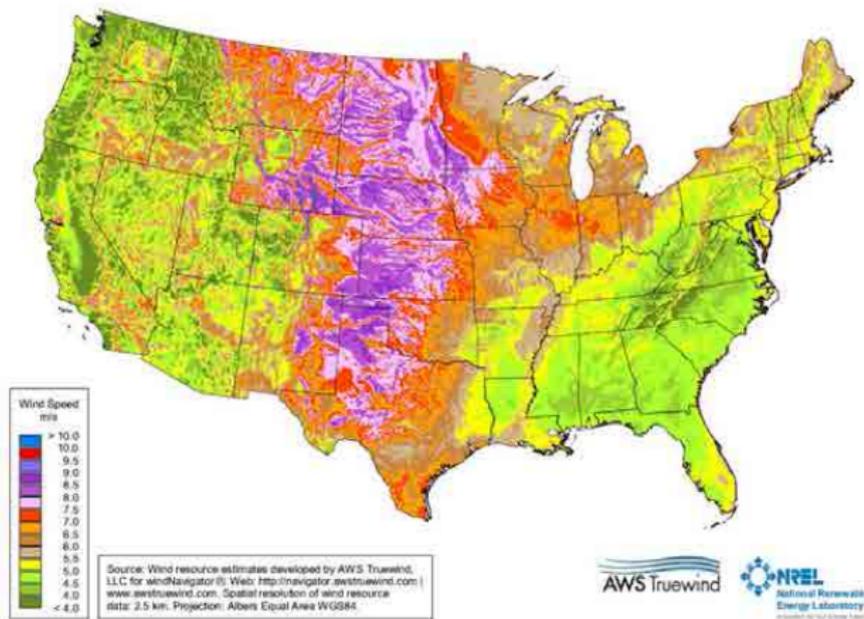
- Full evaluation of how new and potential future policy, technology, and other changes will interact with each other and influence the key market drivers for the energy sector.
- Assessment of the economic consequences those changes may have on the non-energy sectors of the economy, for which



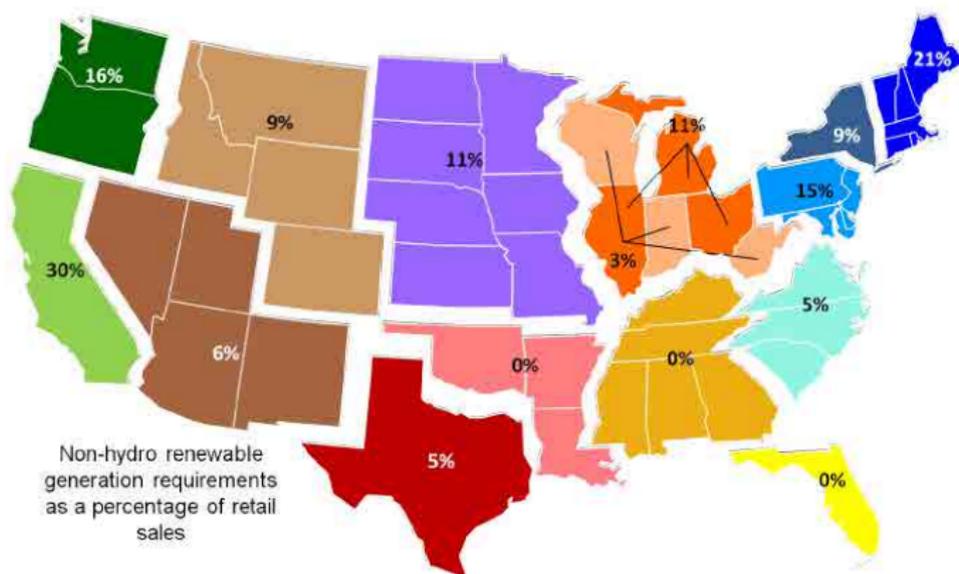
# The US REGEN Model (Blanford and Young)



# Assessment of Wind Resources



## Regional Policies Incorporated in the Model



**Figure 2-17**  
State-level RPS requirements aggregated to 15 US-REGEN regions

## A Cautionary Perspective: Curb Your Enthusiasm

It is well-known that modelers and policy analysts gain access to policymaking arenas based on what they know. Therefore, critics of models are quick to employ various types of technical standards when evaluating policy models in order to assess validity and reliability of claims to knowledge. This article argues that, in the effort to make models better, overreliance on technical standards misses the important political and policy reasons to model: models call attention to the modelers and to their advice about important policy problems of the day. In this sense, models are used as symbols, as claims to authority, whether or not the underlying knowledge is technically up to snuff. Drawing on the experience of energy policy models, this article explores the problem of models as knowledge versus models as symbols and it examines the muddle that conflicts between them produce. (*Policy Sciences* February 1984, Volume 16, Issue 3, pp 227-243)

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# A Partial Work Agenda

- Representation of trade flows and integration of gravity estimates based on the commodity flow survey.
- Integration of household data from the American Community Survey (PUMS)
- Direct access to US Census records could improve both trade and household data collection.
- Data set construction and reconciliation tools based on commercial modeling language (GAMS), yet this should not restrict access for non-commercial users (NEOS).



Topics  
Population, Economy

Geography  
Maps, Products

Library  
Infographics, Publications

Data  
Tools, Developers

Surveys/Programs  
Respond, Survey Data

Newsroom  
News, Blogs

You are here: [Census.gov](#) > [Business & Industry](#) > [Other Economic Programs](#) > Commodity Flow Survey

# Commodity Flow Survey

Main

About the Survey

Get Forms

Historical Data

How the Data are Collected

Definitions

FAQs

Public Use Microdata

GET EMAIL UPDATES

## Site Resources

- Press Release

## Are You In a Survey?

- Is this form legitimate?
- Get help with your form

## Related Sites

- American FactFinder
- Business Help Site
- Economic Census
- NAICS
- Bureau of Transportation Statistics
  - North American
- Transportation Statistics Database

## Contact Us

Need help with findings or

## Commodity Flow Survey

The Commodity Flow Survey (CFS), undertaken through a partnership between the Census Bureau and the Bureau of Transportation Statistics (BTS) is the Economic Census. The CFS produces data on the movement of goods in the United States. It provides information on commodities shipped, their volume, and destination of shipments of commodities from manufacturing, mining, wholesale, and selected retail and services establishments.

### 2017 Commodity Flow Survey Respondents

Collection for the 2017 Commodity Flow Survey is ongoing. For inquiries on the Commodity Flow Survey, please visit the following:

- New** To complete your 2017 Survey Questionnaire through our online reporting system, please click [here](#).
- New** To contact the Commodity Flow Survey Staff about the 2017 Survey Questionnaire, please click [here](#).

### 2012 Data

**New** The 2012 CFS Public Use Microdata file is now available through the [Public Use Microdata](#) tab on this page.

- 2012 CFS Final estimates are now available on the [American FactFinder](#).
- For more information on metropolitan areas in the CFS, please visit the [Economic Census CFS Areas](#).
- For instructions on how to navigate through American FactFinder for the CFS: [Navigate Through AFF for CFS](#) [PDF, 2.7 MB]
- The 2012 CFS data are also available in a print report series:

[U.S. Summary Report](#) [PDF, 8.3 MB]

## American Community Survey (ACS)

[About the Survey](#)
[Respond to the Survey](#)
[News & Updates](#)

### Data

[Data Tables & Tools](#)
[Data via FTP](#)
[Summary File Data](#)

#### PUMS Data

[Variance Replicate Tables](#)
[Race/Ethnicity and American Indian & Alaska Native Data](#)
[Custom Tables](#)
[Guidance for Data Users](#)
[Geography & ACS](#)
[Technical Documentation](#)
[Methodology](#)
[Library](#)
[Operations and Administration](#)

### PUMS Data

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Supporting documentation for the data below is available on the [PUMS Documentation](#) page.

#### PUMS Data 2005 - Current

Available through the [American FactFinder](#) website.

[2011-2015 ACS 5-year PUMS](#)
[2015 ACS 1-year PUMS](#)
[2010-2014 ACS 5-year PUMS](#)
[2014 ACS 1-year PUMS](#)
[2009-2013 ACS 5-year PUMS](#)
[2011-2013 ACS 3-year PUMS](#)
[2013 ACS 1-year PUMS](#)
[2008-2012 ACS 5-year PUMS](#)
[2010-2012 ACS 3-year PUMS](#)
[2012 ACS 1-year PUMS](#)
[2007-2011 ACS 5-year PUMS](#)
[2009-2011 ACS 3-year PUMS](#)
[2005 ACS 1-year PUMS](#)

#### Available through the FTP site

[2004 ACS PUMS](#)
[2003 ACS PUMS](#)
[2002 ACS PUMS](#)
[2001 ACS PUMS](#)
[2000 ACS PUMS](#)

#### 1996-98 PUMS Files Available on DVD

Microdata for select test areas is available on DVD.

- To request a DVD, email your name and mailing address and specify dataset (PUMS 1996-1998) to [acso.dvd.order@census.gov](mailto:acso.dvd.order@census.gov). You may be contacted for additional information before your request is filled.



WiscRDC

UNIVERSITY OF WISCONSIN-MADISON

## NEWS AND UPDATES

- **2017 RDC Annual Conference at UCLA**  
September 16, 2017
- **DATA AVAILABLE: 2014 Quarterly Survey of Plant Capacity Utilization** August 14, 2017
- **Dissertation Mentorship Program** August 9, 2017
- **New Data Linking Research Spending, Employment, and Businesses** August 1, 2017
- **Prof. Burns has a new AHRQ project** July 24, 2017
- **New Researchers** June

## Welcome to WiscRDC

WiscRDC is a branch of the U.S. Census Bureau's Federal Statistical Research Data Center (FSRDC) network.

FSRDCs make available otherwise confidential microdata from the Census Bureau, the IRS, the National Center for Health Statistics (NCHS), and the Agency for Healthcare Research and Quality (AHRQ).

Qualifying for access to data in the FSRDC requires Bureau approval of a research project that is not only scientifically rigorous but, crucially, satisfies the Bureau's own need for feedback about the quality and coverage of its data and that of its partners in the FSRDC program. A central responsibility of those who administer an FSRDC is to work with researchers to craft proposals that will be acceptable to the Bureau in both respects.

To conform to the law respecting the confidentiality of microdata gathered in federal censuses and surveys, individual researchers must be granted Special Sworn Status (SSS) by the Census Bureau.

✦ [U.S. Census & FSRDC Links](#)



## NEOS Server: State-of-the-Art Solvers for Numerical Optimization

The **NEOS Server** is a free internet-based service for solving numerical optimization problems. Hosted by the Wisconsin Institute for Discovery at the University of Wisconsin in Madison, the NEOS Server provides access to more than 60 state-of-the-art solvers in more than a dozen optimization categories. Solvers hosted by the University of Wisconsin in Madison run on distributed high-performance machines enabled by the HTCondor software; remote solvers run on machines at Arizona State University, the University of Klagenfurt in Austria, and the University of Minho in Portugal.

The **NEOS Guide** website complements the NEOS Server, showcasing optimization case studies, presenting optimization information and resources, and providing background information on the NEOS Server.

### Latest NEOS News

- June 27, 2017 **The NEOS Server will be down for maintenance Wednesday, July 5th from 8am - 10am CDT.**
- June 10, 2017 You can use your NEOS user account to submit authenticated jobs through the web or XML-RPC interfaces. More information is available in our XML-RPC API.
- May 28, 2017 We have re-enabled user accounts with improved functionality and security. You will need to [reset your password](#) to access an existing account.
- Jan 1, 2017 **Sign up for a NEOS user account to receive better service!** When you [Sign Up](#) for a user account and Sign In before you submit your jobs, you will

### NEOS Guide

- NEOS Case Studies
- NEOS Optimization Guide
- NEOS Server Information
- Optimization Resources, LP FAQ and NLP FAQ

### NEOS Server

- Submit a job to NEOS
- View Job Queue and Job Results
- User's Guide to the NEOS Server
- NEOS Server FAQ
- NEOS Support

### Advanced Tools

- Statistics: solvers, web sites, cluster
- Job Archives (password required)
- Downloads: Client Tools (GitHub) and Kestrel

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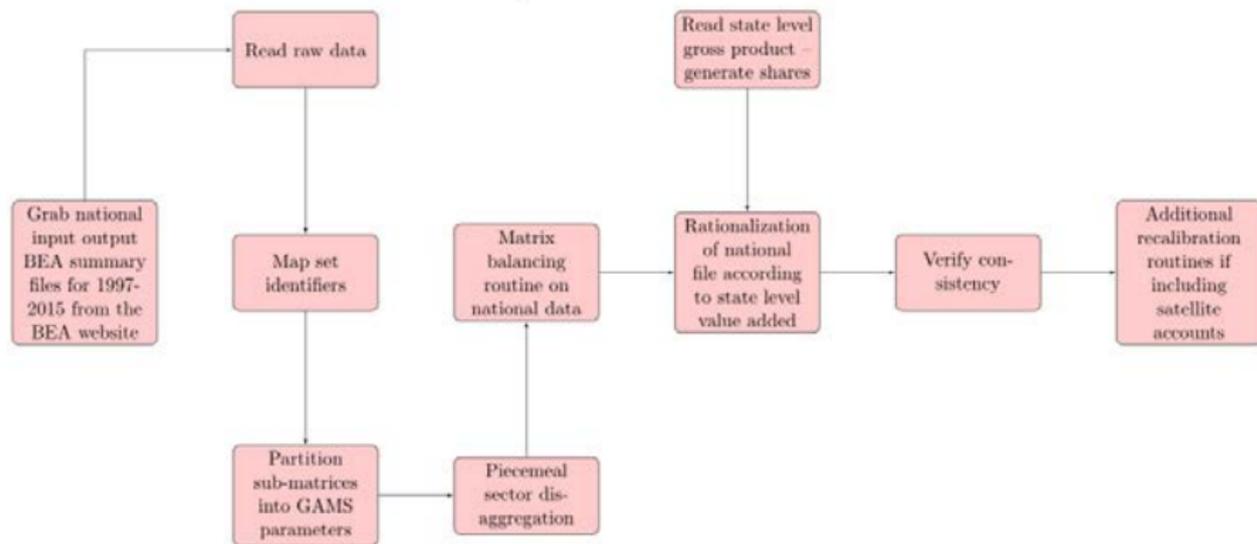
# Status Report

- Features of the package: micro-consistent state level data, the build stream, a MR/MS CGE model and tools for adding in additional data and rebalancing.
- Flow chart: highlighting build structure and where data sources are from.
- Overview of the social accounting matrix.
- Dimensionality
- The canonical regional model (flows).
- SEDS integration for an energy oriented model?
- Hydrology applications – Central Sands water data
- **blueNOTE** (National Open source Tools for general Equilibrium modeling)

# Package

- Micro-consistent sub-national social accounting matrices.
- All code for the build stream.
- A multi-regional, multi-sectoral computable general equilibrium model
- Matrix balancing routines for inclusion of additional satellite data
- Access to online platform for solving the model without GAMS license (NEOS)

# Build stream



# Model/data syntax: Variables and sets

Table 1: Nomenclature in the Regional CGE Model

Type	Item	Description
<b>Sets:</b>	$s, g$	Sectors/Goods
	$r$	Regions
	$m$	Margin type
	$va$	Value added component
<b>Activity Levels:</b>	$Y_{r,s}$	Sectoral output
	$A_{r,s}$	Armington composite
	$X_{r,s}$	Supply allocation
	$M_{r,m}$	Margin supply
<b>Prices:</b>	$p_{r,s}^Y$	Output market price
	$p_{r,s}^A$	Armington composite price index
	$p_{r,s}^D$	Regional market price for goods
	$p_s^N$	National market price for goods
	$p^{FX}$	Foreign exchange rate
	$p_{r,va}^{VA}$	Value added rates
	$p_m^M$	Margins markup

# Model/data syntax: Parameters

Table 2: Parameters in the Regional CGE Model

Parameter	Description
$\bar{y}_{r,g,s}$	Sectoral supply
$\bar{i}d_{r,s,g}$	Intermediate demand
$\bar{v}a_{r,va,s}$	Factor demand
$\bar{m}_{r,s}$	Imports
$\bar{x}_{r,s}$	Exports of goods and services
$\bar{m}n_{r,s}$	National imports
$\bar{x}n_{r,s}$	National exports
$\bar{d}_{r,s}$	Regional supply
$\bar{m}s_{r,s,m}$	Margin supply
$\bar{m}d_{r,m,s}$	Margin demand
$\bar{s}_{r,s}$	Aggregate supply
$\bar{a}_{r,s}$	Armington supply
$\bar{t}a_{r,s}$	Tax net subsidy rate on intermediate demand
$\bar{t}m_{r,s}$	Import tariff
$\bar{c}d_{r,s}$	Final demand
$\bar{y}h_{r,s}$	Household production
$\bar{b}op_r$	Balance of payments
$\bar{g}_{r,s}$	Government demand
$\bar{i}_{r,s}$	Investment demand

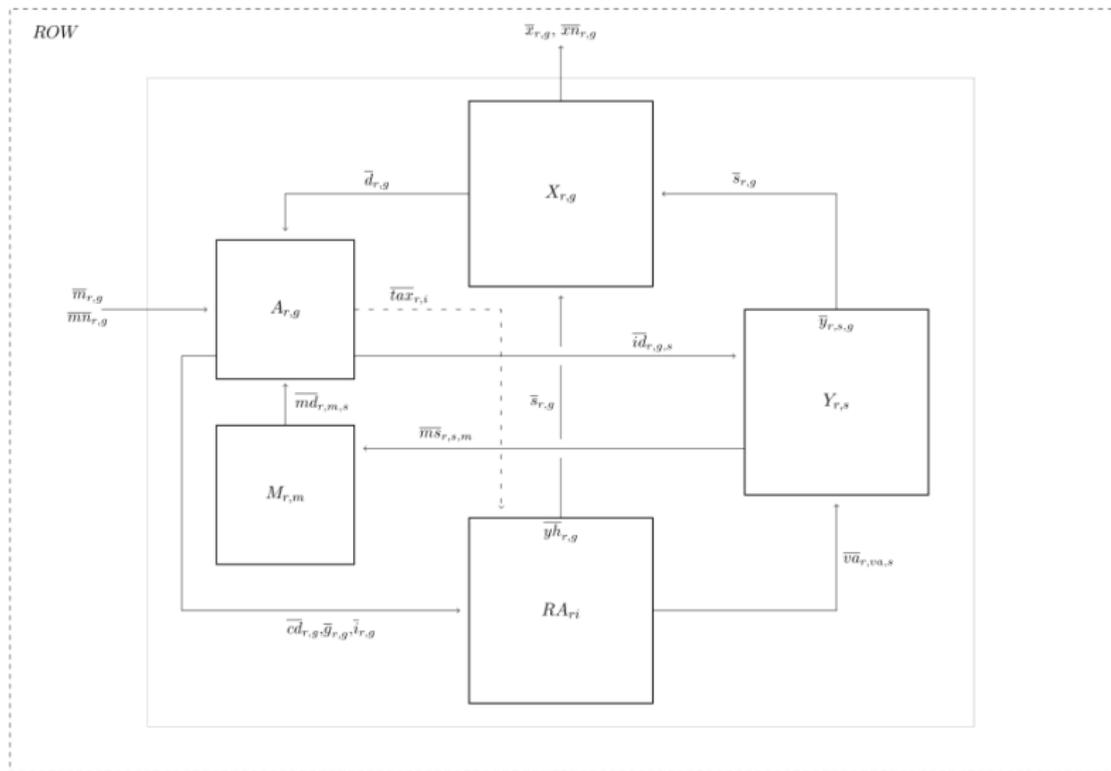
# Social Accounting Matrix

Table 3: Regional Social Accounting Matrix

		Production	Exports	Absorption Composite	Margins	Output Market	Regional Market	National Market	Domestic Composite	Factors	Margins Market	Trade	Institutions
		$Y_{r,s}$	$X_{r,s}$	$A_{r,s}$	$M_{r,m}$	$P_{r,s}^Y$	$P_{r,s}^D$	$P_s^N$	$P_{r,s}^A$	$P_{r,m}^{VA}$	$P_m^M$	$P^{FX}$	
Production	$Y_{r,s}$					$y_{r,s}^G$							
Exports	$X_{r,s}$						$d_{r,s}$	$xn_{r,s}$				$\bar{x}_{r,s}$	
Absorption Composite	$A_{r,s}$								$\bar{d}_{r,s}$				
Margins	$M_{r,m}$										$m\bar{s}_{r,m}$		
Output Market	$P_{r,s}^Y$		$z_{r,s}$		$m\bar{s}_{r,m}$								
Regional Market	$P_{r,s}^D$			$d_{r,s}$									
National Market	$P_s^N$			$mn_{r,s}$									
Domestic Composite	$P_{r,s}^A$	$\bar{d}_{r,s}$											$\bar{c}\bar{d}_{r,s}$ $\bar{g}_{r,s}\bar{d}_{r,s}$
Factors	$P_{r,m}^{VA}$	$\bar{v}\bar{a}_{r,m,s}$											
Margins Market	$P_m^M$			$m\bar{d}_{r,m,s}$									
Trade	$P^{FX}$			$\bar{m}_{r,s}$									
Institutions						$y\bar{h}_{r,s}$				$\bar{v}\bar{a}_{r,m,s}$		$\bar{h}\bar{o}p_r$	

# Model Flows

Figure 1: The Regional Economic Structure



# Dimensionality of the dataset

Social accounting matrices for all 50 states from 1997-2014.

- Based on summary files of 57 sectors.
- Option for disaggregation using the 2007 389 sectoring scheme.
- Regionalization achieved mainly through gross state product data.

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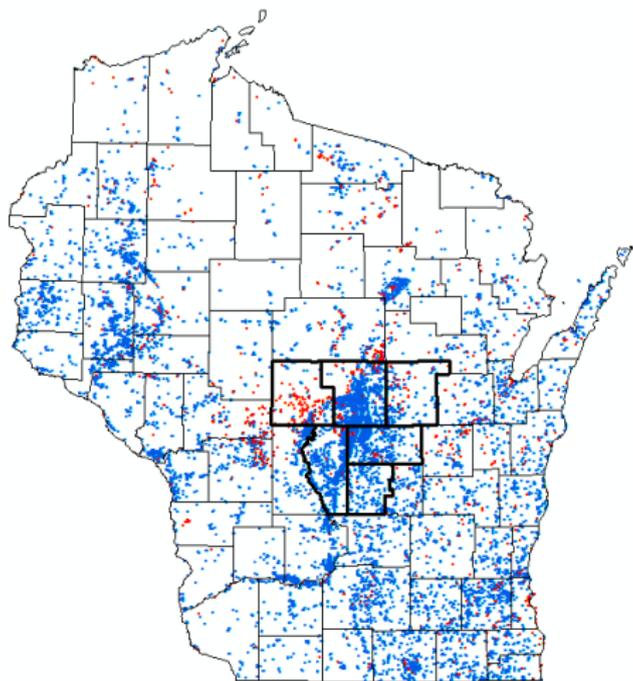
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# Irrigation in the Central Sands

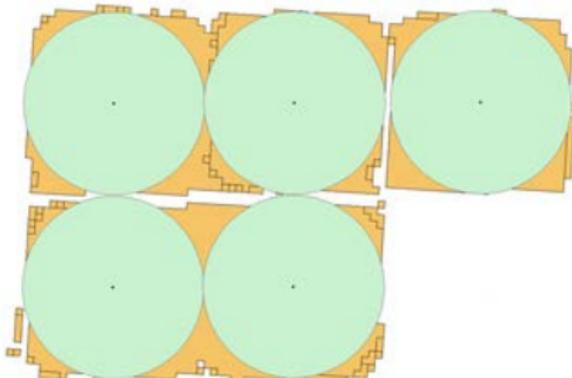
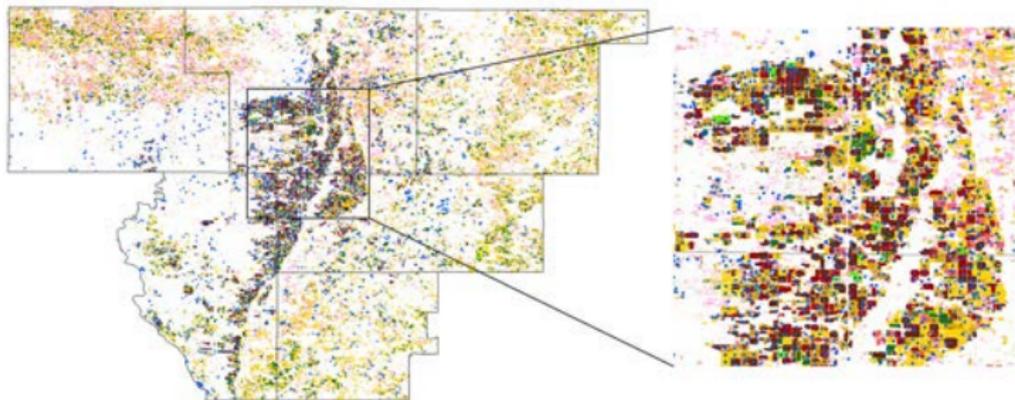
Water withdrawal satellite accounts are derived from Wisconsin Department of Natural Resources GIS data on registered water withdrawal wells in Wisconsin.

- Groundwater, surface water from the Great Lakes and non-Great Lakes.
- Aggregate use categories are provided: Irrigation, Public Supply, etc.
- Irrigation water withdrawals are mapped to crop types using the Cropland Data Layer (CDL) from the National Agricultural Statistical Service.

# Irrigation in the Central Sands



# Data: Water Mapping



# Groundwater Statistics

Table 5: Groundwater Withdrawals

		Adams	Marquette	Portage	Waupaca	Waushara	Wood
<b>Withdrawals</b> (bill. gallons)	<i>Grains</i>	6.7	0.5	6.0	0.5	5.0	0.2
	<i>Vegetables, fruit, and nuts</i>	6.8	0.1	7.0	0.2	5.9	0.9
	<i>Oil seeds</i>	1.1	0.1	0.7	0.1	1.1	
	<i>Other crops</i>	0.4	0.1	0.7	0.1	0.6	0.1
	<i>Raw milk</i>			0.1	0.1		
	<i>Public administration</i>	0.3	0.1	2.7	1.4	0.2	1.6
<b>Gallons per</b> <b>dollar output</b>	<i>Grains</i>	850.2	53.5	389	29.9	421.5	17.4
	<i>Vegetables, fruit, and nuts</i>	127.4	6	57.9	17.7	102.6	21.9
	<i>Oil seeds</i>	313.1	16.3	149.6	18.3	244.8	8.1
	<i>Other crops</i>	97.7	19.1	68.3	12	97.9	3.4
	<i>Raw milk</i>		1.1	2.4	0.6	0.3	
	<i>Public administration</i>	2.4	2.1	4.4	3.4	1.6	0.8

Notes: Groundwater withdrawals are provided in billions of gallons for the year 2011. Empty elements in tier 1 are associated with non-empty elements of tier 2 due to rounding. Some sectors were omitted due to negligible levels of withdrawals. Surface water withdrawals are excluded from the table. See table 22 in appendix E for more information.

Sources: Wisconsin DNR, USDA Cropland Data Layer.