Reproduction code package for "How delayed learning about climate uncertainty impacts decarbonization investment strategies"

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To cite our working paper that uses these codes: Bauer, A. M., F. McIsaac, S. Hallegatte. *How Delayed Learning about Climate Uncertainty Impacts Decarbonization Investment Strategies*. World Bank Policy Research Working Paper No. WPS10743, World Bank Group, Washington DC, 2024.

General package overview

This set of codes reproduces all of the figures and analysis carried out in *How delayed learning about climate uncertainty impacts decarbonization investment strategies*. This package uses Gurobi, a commerical nonlinear programming solver that is free for academics, but may not be free for everyone. (It is unclear to me if it's freely available for *all* researchers or just researchers *at universities*. I imagine Gurobi will handle this on a case-by-case basis, so just shoot their customer support staff an email and they can help.)

Each code is assigned a number corresponding to the figure it creates. Note an `si` before the script name indicates that figure is in the *Supplementary Information*. So code `01_xxx.py` makes Figure 1 from the *main text*, which shows our calibration of the marginal abatement cost curves, while code `si01_xxx.py` makes the Figure 1 from the *Supplementary Information*. Here is the full table for both versions:

Figure Desired	Code to Run	Notes
Figure 1: Calibrating marginal abatement costs	`01_mac_calibration.sh`	-
Figure 2: Effect of delayed learning on aggregate policy cost	`02_effect_of_learning_low_linear.sh`	-
Figure 3: Effect of delayed learning on the temporal distribution of spending	`03_temporal_redistribution_low_linear.sh`	-
Figure 4: Effect of delayed learning on sectoral allocation of abatement investment	`04_sectoral_response.sh`	-
Figure 5: Effect of delayed learning on the carbon price	`05_carbon_price_response.sh`	-
Figure SI 1: Effect of delayed learning on aggregate policy cost including direct air capture technologies	`si01_dac_effect_of_learning.sh`	-
Figure SI 2: Impact of delayed learning on sectoral allocation of abatement investment when direct air capture technologies are present	`si02_dac_vs_no_dac_comp.sh`	-
Figure SI 3: Effect of delayed learning on aggregate policy cost, growing emissions baseline	`si03_effect_of_learning_emis.sh`	-
Figure SI 4: Effect of delayed learning on the temporal distribution of spending, growing emissions baseline	`si04_temporal_redistribution_emis.sh`	-
Figure SI 5: Effect of delayed learning on aggregate policy cost, high-bound calibration	`si05_effect_of_learning_high_linear.sh`	-

Figure Desired	Code to Run	Notes
Figure SI 6: Effect of delayed learning on the temporal distribution of spending, high-bound calibration	`si06_temporal_redistribution_high_linear.sh`	-
Figure SI 7: Effect of delayed learning on aggregate policy cost, nonlinear calibration	`si07_effect_of_learning_pow.sh`	This figure was verified virtually. See *Known issues* below.
Figure SI 8: Effect of delayed learning on the temporal distribution of spending, nonlinear calibration	`si08_temporal_redistribution_pow.sh`	This figure was verified virtually. See *Known issues* below.
Figure SI 9: Effect of delayed learning on aggregate policy cost, T*= 1.5 deg C	`si09_effect_of_learning_t15.sh`	-
Figure SI 10: Effect of delayed learning on the temporal distribution of spending, T*=1.5 deg C	`si10_temporal_redistribution_t15.sh`	-

If you're an academic, you can email Gurobi customer support to get a free academic license. It's easy to install, and once it's installed, I believe you'll be good to go to run the codes.

A final note is that you should consider using the `.yml` file provided in this directory to establish a virtual python environment that should include all of the necessary dependencies for the code to run smoothly. I recommend using `conda` to do this.

How to run the code

To run the codes, simply navigate to the `codes` directory and run the numbered code to recreate the desired figure. If you want to run the program `script_name`, you may need to execute:

```
chmod +x script_name
```

to grant execution permissions (hence the `+x`) to the script you want to run.

As an example, if you want to recreate Figure 1 which shows our calibration of the marginal abatement cost curves, you would simply run:

```
./01_mac_calibration.sh
```

Notice the first bit of the above program name, `01_mac_calibration.sh`, matches the figure number we wanted to create, Figure 1.

All figures will be deposited into the `codes/figs` folder. To run indiviudal simulations, you can run any of the files in `simulation_mains`, and to make individual figures, you can run any file in the `figure_mains` folder. **Note:** You should run all scripts from the `codes` directory. As an example, let's say you want to run the `invBase_cvxpy_main.py` file in the `ar6_15` calibration, but not save the output. Then in your command line, you'd use:

```
python simulation_mains/invBase_cvxpy_main.py ar6_15 1 0
```

Note: You should be operating in the Python environment provided at the head directory. Without it, I make no guarantees any of this will run on your machine (and even then, well, mileage may vary. . .).

Known issues

The only figures that were not able to be reproduced on a member of the World Bank Group's Reproducibility team's computer were scripts `si07` and `si08`. These figures were verified virtually, with a team member joining via video call and watching the code run on the author's laptop.

The hypothesized reason is that both `si07` and `si08` have highly convex objective functions, which requires more powerful hardware to solve precisely than what was available to the reproducibility team member. The team member got an `optimal_inaccurate` solution during optimization. The code will throw an error when anything other than an `optimal` solution is found. It was verified that the original author of the code gets an `optimal` solution when the `si07` and `si08` codes are run.

If a user gets an `optimal_inaccurate` solution for either of these codes, one possible course of action is to edit the `scale` parameter found in the `codes/simulation_mains/invRec_RiskPrem_cvxpy_main.py` file. This can be found on lines 34 through 42.

The hardware of the original author is a 2023 MacBook Pro with an M2 Pro Chip and 16 GB of RAM.

Last edited: 7 June, 2024.

Data Availability Statement for "How delayed learning about climate uncertainty impacts decarbonization investment strategies"

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This directory contains a set of codes that reproduces all of the figures and analysis carried out in: *How delayed learning about climate uncertainty impacts decarbonization investment strategies* by Bauer, McIsaac, and Hallegatte.

To cite our working paper that uses these codes: Bauer, A. M., F. McIsaac, S. Hallegatte. *How Delayed Learning about Climate Uncertainty Impacts Decarbonization Investment Strategies.* World Bank Policy Research Working Paper No. WPS10743, World Bank Group, Washington DC, 2024.

All of the data used in our study is taken and/or interpreted from publically available publications and reports. Raw data is used to calibrate the numerical model. Individual numbers used in the simulations can be found in the `codes/data/cal/` files for each simulation. All values are taken from the following papers or reports:

- Data for the remaining carbon budget and its uncertainty is taken from Dvorak *et al.*, 2022, see Table 2, the "No cessation" rows.
- Marginal abatement costs and abatement potentials in each economic sector we considered is taken from the Intergovernmental Panel on Climate Change's Sixth Assessment Report, specifically the contributions of Working Group III, Figure SPM.7 on p. 38 of the *Summary for Policymakers*. An excel spreadsheet of this data was provided to AMB by one of the authors of the IPCC Report, and is available upon request.
- Capital depreciation rates are taken from Philibert, C., 2007, see Figure 8. The capital depreciation rate is the inverse of the capital lifetime.
- The social discount rate is taken from Drupp *et al.*, 2018, their median estimate.

Last edited: 5 April, 2024.