

“Introducing endogenous production capacity investments to a gas market model”

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This paper evaluates the effects of supply shocks in the Ukrainian and European natural gas market. It uses a new feature, “endogenous production capacity investments”, which is developed to enhance the dynamics of the existing modelling frameworks. The application is an evaluation of the effects of Russian ban on imports on the Ukrainian supply structure, calibrated to the New Policy Scenario of the International Energy Agency (2017). Our objective is to find other applications, and to demonstrate the validity of the model, e.g. for investment decisions in the Indian sub-continent, or Sub-Saharan Africa.