Technische
Universität
Berlin

Energy Systems, Summer Semester 2021
Lecture 1: Organisation & Introduction

Prof. Tom Brown
Department of 'Digital Transformation in Energy Systems', Institute of Energy Technology

Table of Contents

1. Administration
2. Course Structure
3. What is Energy System Modelling?
4. The Greenhouse Gas Challenge & The Energy System
5. Invitation: Balancing Variable Renewable Energy in Europe

Administration

Team Details

Prof. Dr. Tom Brown

Department of ‘Digital Transformation in Energy Systems’, Institute of Energy Technology

I specialise in the modelling of energy systems to meet strict greenhouse gas emission targets. I work at the intersection of engineering, economics, informatics, mathematics & meteorology.

Dr. Elena Timofeeva is a scientist in the group and will lead the tutorials; she can also answer any organisational questions (**elena.timofeeva@tu-berlin.de**).

Group website (with **open MA theses**): **https://www.ensys.tu-berlin.de/**

Personal website: **https://nworbmot.org/**

Course Website

You can find lecture notes, exercise sheets and all other information on ISIS:

https://isis.tu-berlin.de/course/view.php?id=24652

Course abbreviation: EnSys SS21

Password: MeritordeR21

Annoucements will also be made there, and you can ask questions in the discussion forum.

Course Structure: 6 ECTS or 9 ECTS if you also attend seminar

You have two options for taking the course ‘Energy Systems’:

- ‘Energy Systems’ Lectures + Tutorials + 90-minute Written Exam = 6 ECTS
- ‘Energy Systems’ as above + Seminar ‘New Developments in Energy Markets’ = 9 ECTS (Portfolioprüfung für Projekt EVT: Energiesysteme)

Registration:

- Qispos
- Freie Wahl oder Zusatzmodul: Prüfungsamt und “gelber Zettel”
- Erasmus: Email

Written Exam

- 90-minute written exam in July/August (probably July), time and place to be announced
- Non-programmable calculator allowed
- Paper is provided
- Sample exam in the last week of lectures
- Content: as in lecture and tutorials
- Voluntary group project (six unsupervised study periods) can boost grade

Seminar ‘New Developments in Energy Markets’

- Students analyse a current topic in energy markets, prepare a presentation and present it for discussion
- Presentations as a block at the end of the lecture-free period
- Supervision and discussion led by Prof. Erdmann, Prof. Grübel and scientific employees of the department
- Students work on topic with a supervisor during semester
- Topics will be presented on 11.05.2021, presentations in September 2021
- Example topics: market reform, EEG, European Green Deal, e-mobility, hydrogen economy, industrial decarbonisation, flexibility markets, etc.

Schedule for Lectures and Tutorials

Due to the novel corona virus, this lecture course will take place online on **Zoom**.

Day	Time	Event
Tuesday	1400-1600	Lecture
Wednesday	1400-1600	Tutorial
Thursday	1400-1600	Lecture

First lecture: Tuesday 13th April 2021, last tutorial: Thursday 15th July 2021

Some of the exercises will require you to program in **Python**, so please do an online tutorial in Python if you don't know it. We will help you to install Python and the requisite libraries.

Mathematics requirements: linear algebra, Fourier analysis, basic calculus, basic statistics.

Literature

There is no book which covers all aspects of this course. In particular there is no good source for the combination of data analysis, complex network theory, optimisation and energy systems. But there are lots of online lecture notes. The world of renewables also changes fast...

The following are concise:

- Joshua Adam Taylor, "Convex Optimization of Power Systems", Cambridge University Press, 2018
- Volker Quashning, "Regenerative Energiesysteme", Carl Hanser Verlag München, 2015
- Leon Freris, David Infield, "Renewable Energy in Power Systems", Wiley, 2006
- Göran Andersson Skript, "Elektrische Energiesysteme: Vorlesungsteil Energieübertragung," online
- D.R. Biggar, M.R. Hesamzadeh, "The Economics of Electricity Markets," Wiley, 2014

Course Structure

Inter-Disciplinary Methods Required!

Energy System Modelling requires methods and skills from several disciplines:

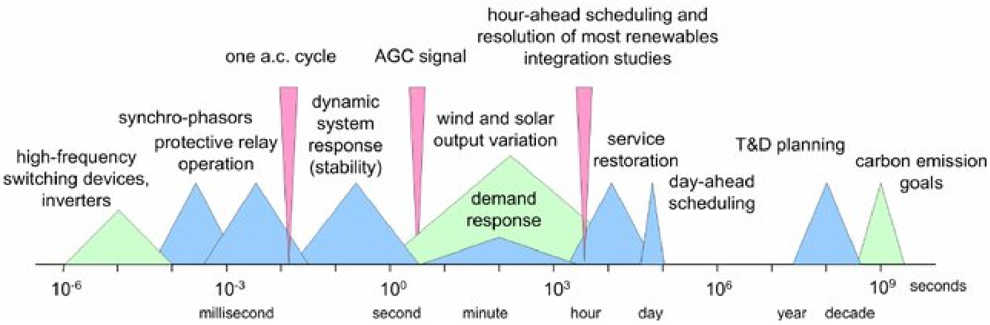
- **Engineering:** Technical description of energy system components and interactions
- **Economics:** Efficient allocation of resources and infrastructure to meet consumer preferences
- **Informatics:** Large datasets, complex interactions
- **Meteorology:** Influence of weather and climate on demand and variable renewables
- **Geology:** Underground storage, geothermal power
- **Biology:** Biomass-Food-Water nexus
- **Sociology:** Impacts of consumer behaviour and preferences on energy system
- **Politics:** What policies are feasible and can be enabled in time

Course outline

- Measuring energy, energy balances
- Input-output analysis
- Time series analysis for demand and renewables
- Backup generation, curtailment
- Network modelling in power systems
- Storage modelling
- Optimization theory
- Resource management
- Learning curves and long-term dynamics
- Current research topics

Different time scales

We will focus on the righthand side (hours to decades):



Source: **doi:10.1109/EPQU.2011.6128888**

What is Energy System Modelling?

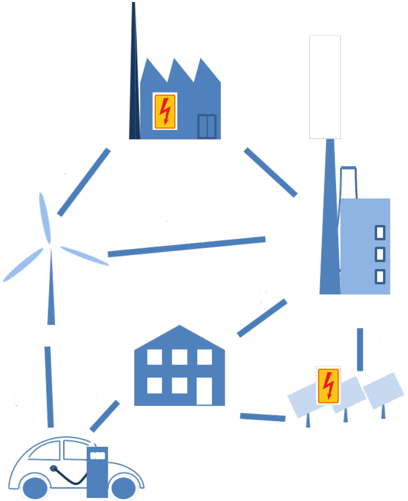
What is Energy System Modelling?

Energy System Modelling is about the overall **design** and **operation** of the energy system.

- What are our **energy needs**?
- What **infrastructure** do they require?
- **Where** should it go?
- How much will it **cost**?

The answers to these questions affect **hundreds of billions** of euros of spending per year in Europe.

Researchers deal with these questions by **building computer models** of the energy system and then, for example, **optimizing** its design and operation.



Energy System Modelling: Who is it for?

Broadly speaking, we model energy systems to help **society** make decisions. Examples:

Government agencies commission studies to look at possible future scenarios:

Bundesministerium für Wirtschaft und Energie

ARTIKEL Energiedaten und -szenarien

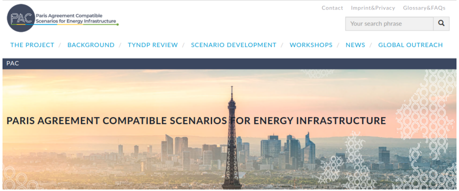
Langfrist- und Klimaszenarien

But also companies and non-governmental organisations:

TRANSNET BW

Eine Studie der TransnetBW GmbH

STROMNETZ 2050

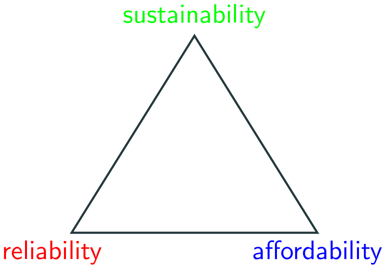


PAC Paris Agreement Compatible Scenarios for Energy Infrastructure

PARIS AGREEMENT COMPATIBLE SCENARIOS FOR ENERGY INFRASTRUCTURE

Guildelines: Energy Trilemma

Optimization - but with respect to what? We design with respect to three goals:

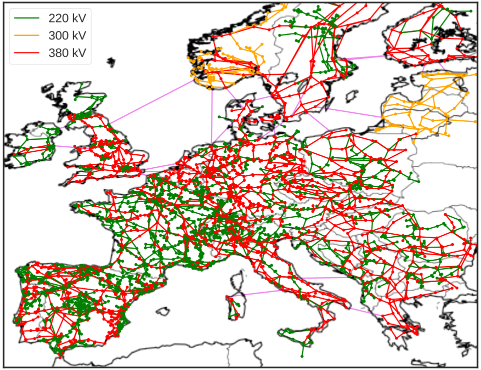


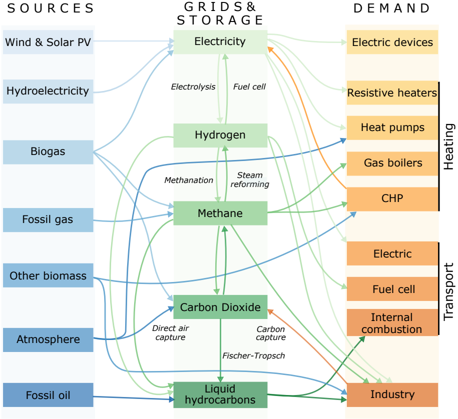
- **Sustainability**: Respect environmental constraints (greenhouse gases, air quality, preservation of wildlife), as well as social and political constraints (public acceptance of transmission lines, onshore wind, nuclear power)
- **Reliability**: Ensure energy services are delivered whenever needed, even when the wind isn't blowing and the sun isn't shining, and even when components fail
- **Affordability**: Deliver energy at a reasonable cost

Some of these policy targets can come into **conflict** - an **energy trilemma**.

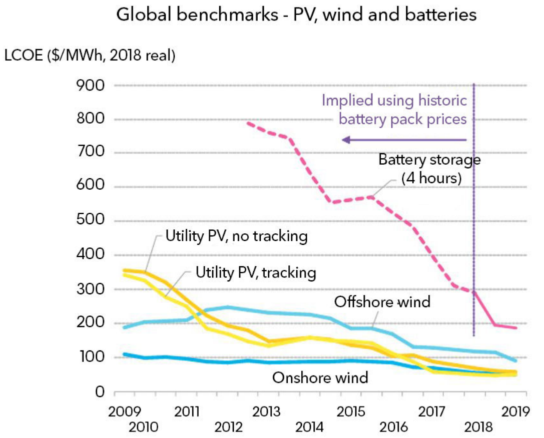
Why it's hard: many components and interactions

Need to model: (at least) all of Europe for market integration; enough spatial and temporal detail to capture all important effects; all interactions between energy sectors; correct physics.





Why it's hard: non-linearities and social effects

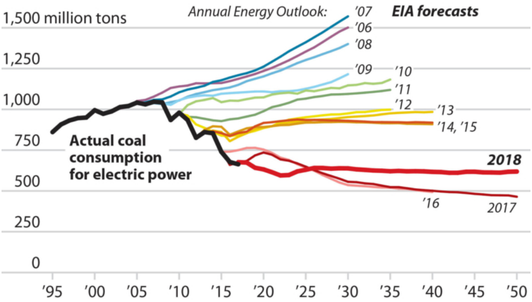


Source: BloombergNEF. Note: The global benchmark is a country weighed-average using the latest annual capacity additions. The storage LCOE is reflective of a utility-scale Li-ion battery storage system running at a daily cycle and includes charging costs assumed to be 60% of whole sale base power price in each country.

Not everyone gets it right...

EIA Coal Consumption Forecasts, 2006-2018

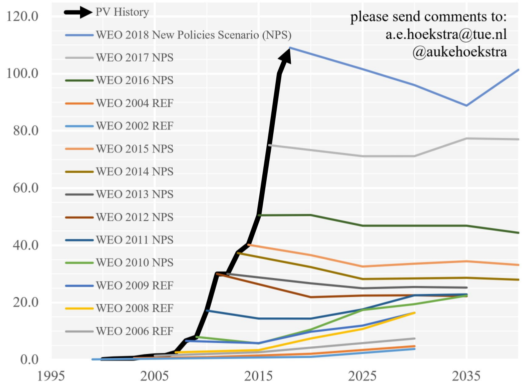
Each year, the Energy Information Administration releases its Annual Energy Outlook, which includes a long-term forecast for U.S. coal consumption for electric power generation. However, the forecasts have been wildly inaccurate, even in the near term.



Source: Energy Information Administration

Annual PV additions: historic data vs IEA WEO predictions

In GW of added capacity per year - source International Energy Agency - World Energy Outlook



please send comments to:
a.e.hoekstra@tue.nl
@aukehoekstra

…and it's not always uncontroversial

Home • Politik • Energiewende • Hans-Werner Sinn vom ifo Institut über Windenergie und Energiewende

05.02.2014

ifo-Chef Sinn zur Energiewende

"Die einzige Hoffnung der Menschheit war die Atomkraft"

Von Nils-Viktor Sorge

Wirtschaftsforscher Sinn: "Ruinen einer völlig verzerrten und ideologischen Energiepolitik"

Sinn's study was **debunked** using an open model (he exaggerated storage requirements by 'up to **two orders of magnitude**')

HOME » WIRTSCHAFT » E-AUTO: HANS-WERNER SINN RÄUMT MIT WEIT VERBREITETEM MYTHOS AUF

„Großer Schwindel": Hans-Werner Sinn räumt mit Mythos über E-Autos auf

Business Insider Deutschland

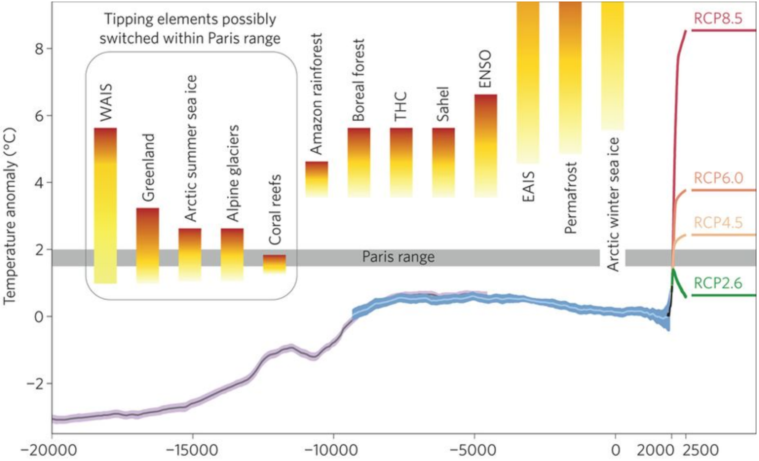
26 Dec 2019

Sinn's study was **debunked**, shown to use cherry-picked assumptions

The Greenhouse Gas Challenge & The Energy System

2015 Paris Agreement

The 2015 Paris Agreement pledged its signatories to ‘pursue efforts to limit [global warming above pre-industrial levels] to **1.5°C**’ and hold ‘the increase...to **well below 2°C**’. These targets were chosen to avoid potentially irreversible **tipping points** in the Earth’s systems.



WAIS: West Antarctic Ice Sheet (⇒ 5m sea level rise)

Greenland (7m)

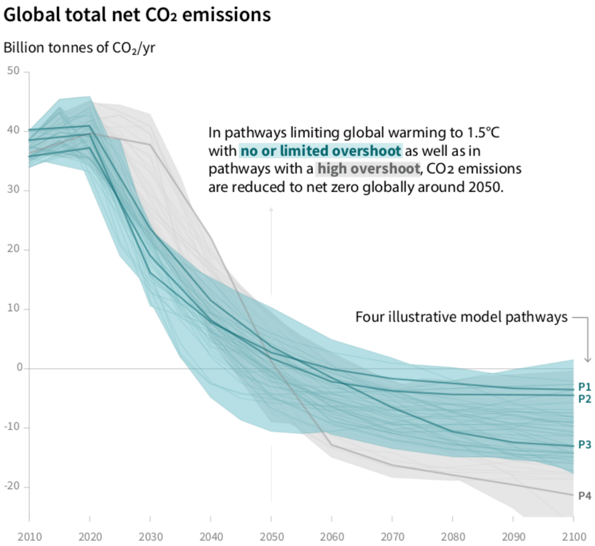
THC: thermohaline circulation (warms Europe)

ENSO: El Niño–Southern Oscillation (extreme weather)

EAIS: East Antarctic Ice Sheet (> 50 m)

Source: **‘Why the right climate target was agreed in Paris’**, Nature Climate Change, 2016

The Global Carbon Dioxide Challenge: Net-Zero Emissions by 2050



Global total net CO₂ emissions

Billion tonnes of CO₂/yr

In pathways limiting global warming to 1.5°C with **no or limited overshoot** as well as in pathways with a **high overshoot**, CO2 emissions are reduced to net zero globally around 2050.

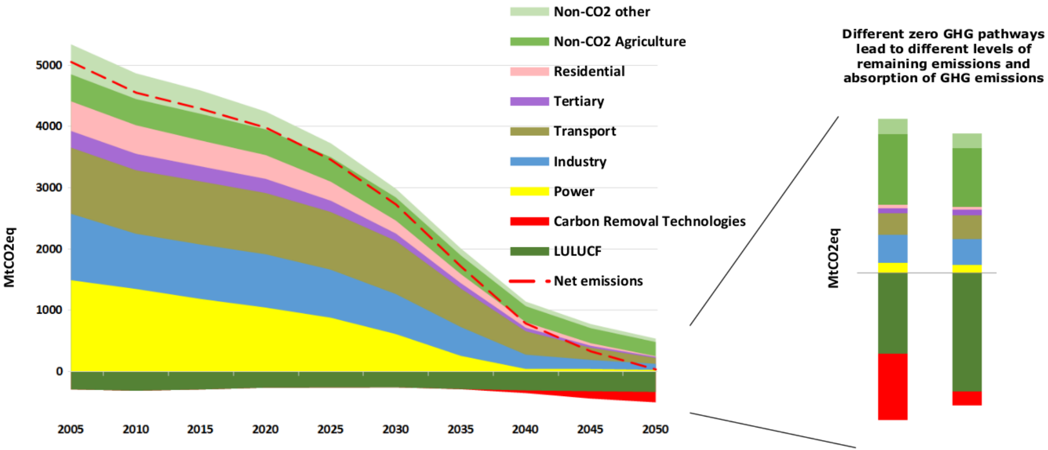
Four illustrative model pathways

- Scenarios for global CO_2 emissions that limit warming to 1.5°C about industrial levels (**Paris agreement**)
- Today emissions **still rising**
- Level of use of negative emission technologies (NET) depends on rate of progress
- 2°C target without NET also needs rapid fall by 2050
- Common theme: **net-zero by 2050**

Source: IPCC SR15 on 1.5C, 2018

The Greenhouse Gas Challenge: Net-Zero Emissions by 2050

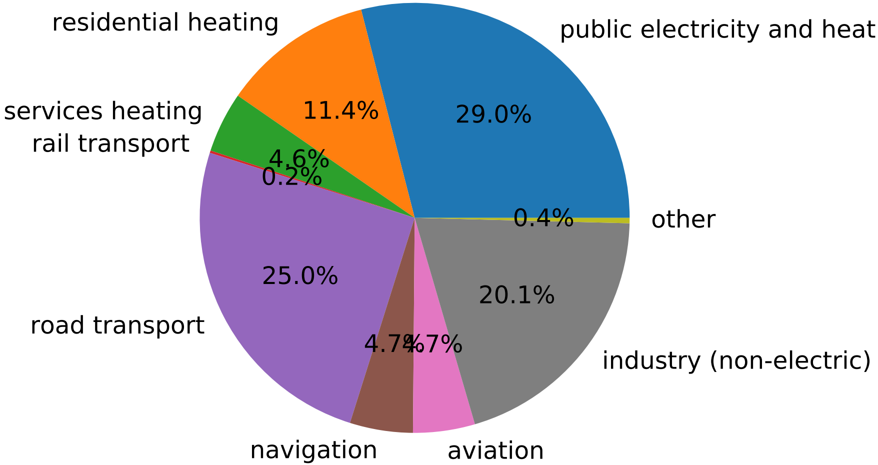
Paris-compliant 1.5° C scenarios from European Commission for **net-zero GHG in EU by 2050**. This target has been adopted by the EU and enshrined in the **European Green Deal**.



Source: European Commission 'Clean Planet for All', 2018

It’s not just about electricity demand...

EU28 CO_2 emissions in 2016 (total 3.5 Gt CO_2, 9.7% of global):



Source: Brown, data from **EEA**

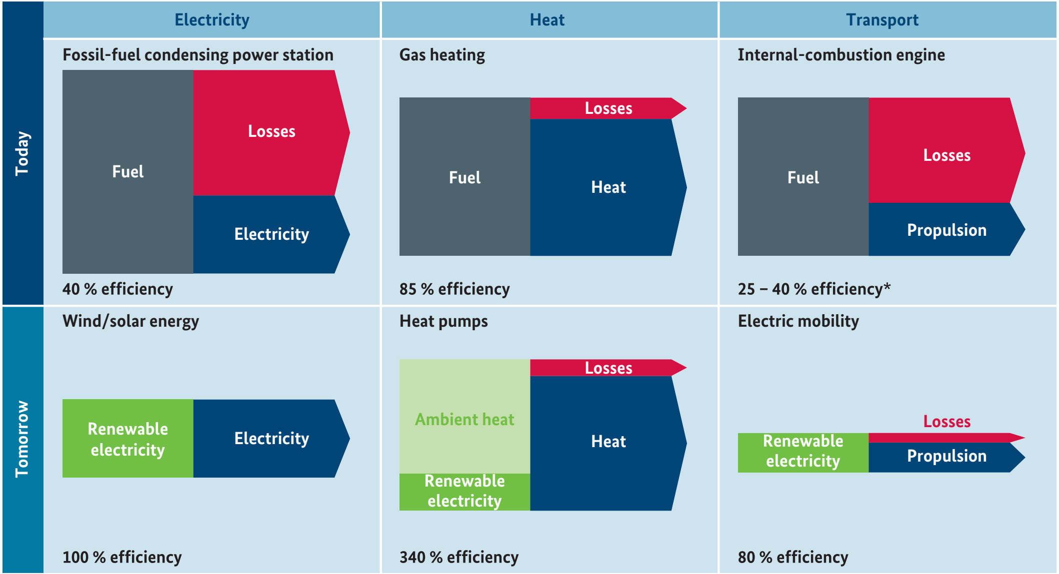
...but electrification of other sectors is critical for decarbonisation

Electrification is essential to decarbonise sectors such as transport, heating and industry, since we can use low-emission electricity from e.g. wind and solar to displace fossil-fuelled transport with electric vehicles, and fossil-fuelled heating with electric heat pumps.

Some scenarios show a **doubling or more of electricity demand**.

Source: Tesla; heat pump: **Kristoferb at English Wikipedia**

Efficiency of renewables and sector coupling

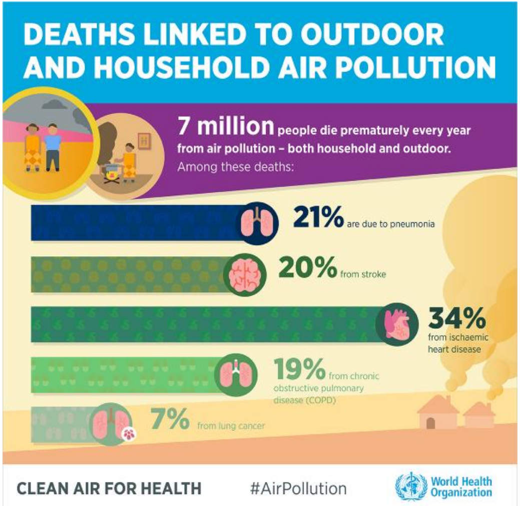


	Electricity	Heat	Transport
Today	**Fossil-fuel condensing power station** Fuel → Losses, Electricity 40 % efficiency	**Gas heating** Fuel → Losses, Heat 85 % efficiency	**Internal-combustion engine** Fuel → Losses, Propulsion 25 – 40 % efficiency*
Tomorrow	**Wind/solar energy** Renewable electricity → Electricity 100 % efficiency	**Heat pumps** Ambient heat, Renewable electricity → Losses, Heat 340 % efficiency	**Electric mobility** Renewable electricity → Losses, Propulsion 80 % efficiency

Source: BMWi White Paper 2015

Not just climate change: air pollution is a silent killer

Air pollution from fossil fuel burning is linked to higher mortality (deaths) and morbidity (diseases, e.g. aggravation of asthma).



DEATHS LINKED TO OUTDOOR AND HOUSEHOLD AIR POLLUTION

7 million people die prematurely every year from air pollution – both household and outdoor.

Among these deaths:

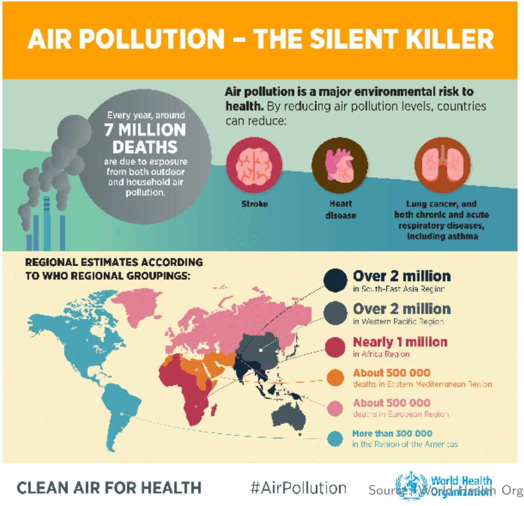
21% are due to pneumonia

20% from stroke

34% from ischaemic heart disease

19% from chronic obstructive pulmonary disease (COPD)

7% from lung cancer



AIR POLLUTION – THE SILENT KILLER

Every year, around **7 MILLION DEATHS** are due to exposure from both outdoor and household air pollution.

Air pollution is a major environmental risk to health. By reducing air pollution levels, countries can reduce:

- Stroke
- Heart disease
- Lung cancer, and both chronic and acute respiratory diseases, including asthma

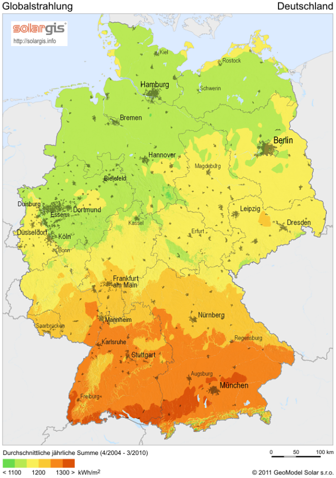
REGIONAL ESTIMATES ACCORDING TO WHO REGIONAL GROUPINGS:

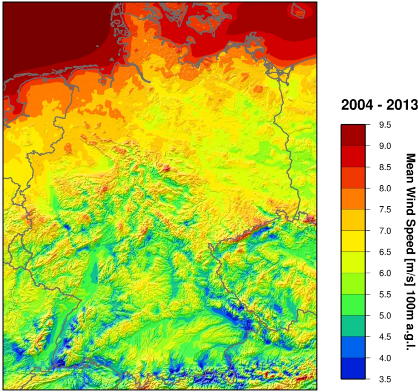
- **Over 2 million** in South-East Asia Region
- **Over 2 million** in Western Pacific Region
- **Nearly 1 million** in Africa Region
- **About 500 000** deaths in Eastern Mediterranean Region
- **About 500 000** deaths in European Region
- **More than 300 000** in the Region of the Americas

Source: World Health Organisation

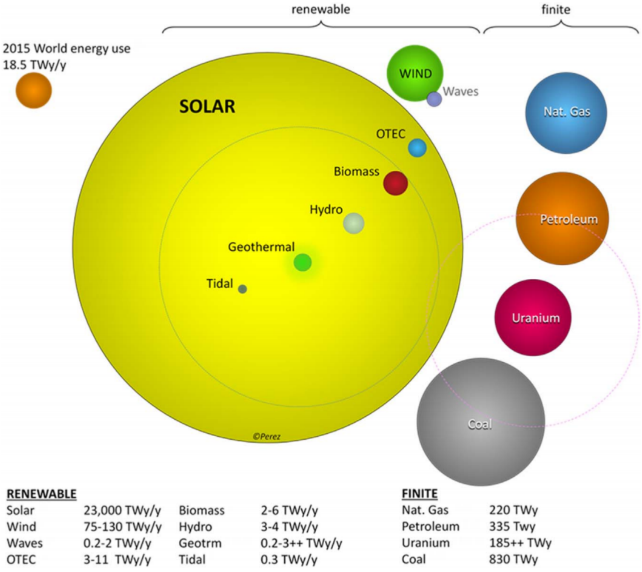
Why focus on wind and solar for electricity generation?

- construction and operation have low greenhouse gas emissions
- good wind and sun are available in many parts of the world
- worldwide potential that exceeds demand by many factors
- rapidly falling costs





Worldwide potentials



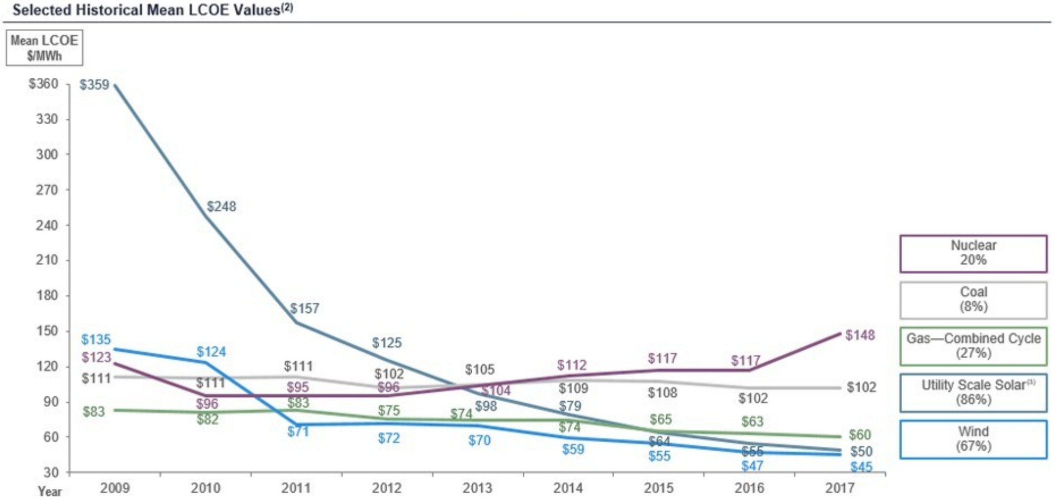
RENEWABLE				FINITE	
Solar	23,000 TWy/y	Biomass	2-6 TWy/y	Nat. Gas	220 TWy
Wind	75-130 TWy/y	Hydro	3-4 TWy/y	Petroleum	335 Twy
Waves	0.2-2 TWy/y	Geotrm	0.2-3++ TWy/y	Uranium	185++ TWy
OTEC	3-11 TWy/y	Tidal	0.3 TWy/y	Coal	830 TWy

- Potentials for wind and solar exceed current demand by many factors (ignoring variability)
- Other renewable sources include wave, tidal, geothermal, biomass and hydroelectricity
- Uranium depends on the reactor: conventional thermal reactors can extract 50-70 times less than fast breeders

Source: **Perez et al, Applied Policy, 2016**

Low cost of wind & solar per MWh in 2017 (NB: ignores variability)

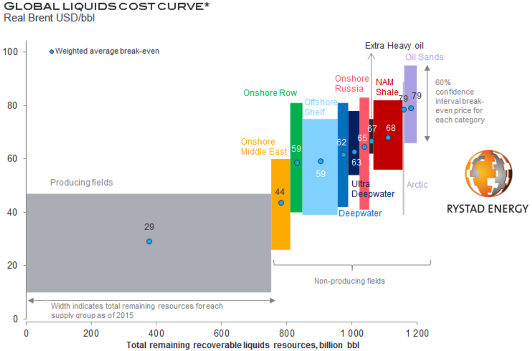
LCOE = **Levelised Cost of Energy** = Total Costs / Energy Output



Source: **Lazard's LCOE Analysis V11**

Fundamental shift from scarce exhaustible to renewable energy

Fossil fuel costs rise with exploitation (can also drop with innovation)

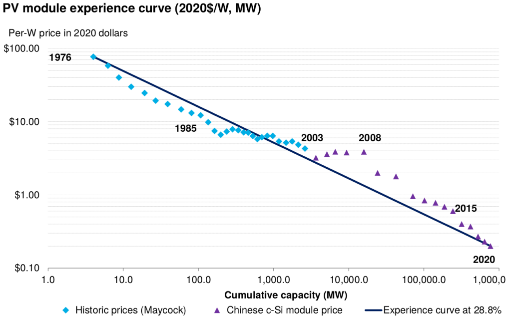


GLOBAL LIQUIDS COST CURVE*
Real Brent USD/bbl

*The break-even price is the Brent oil price at which NPV equals zero using a real discount rate of 7.5%. Resources are split into two life cycle categories: producing and non-producing (under development and discoveries). The latter is further split into several supply segment groups. The curve is made up of more than 20,000 unique assets based on each asset's break-even price and remaining liquids resources in 2015.
Source: Rystad Energy UCube September 2015

(2019 consumption was $\sim$37 billion barrels)

Solar and wind costs drop with innovation (can rise locally where land is scarce)

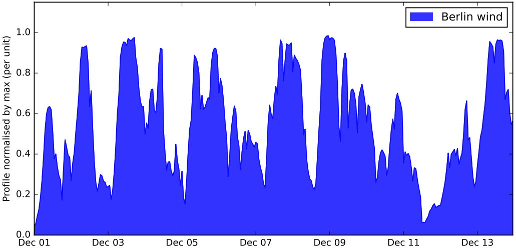


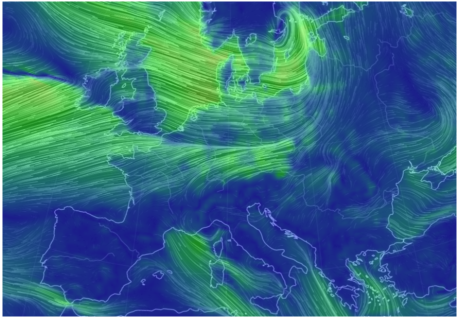
PV module experience curve (2020$/W, MW)

(1 TW of solar generates $\sim$1200 TWh/a compared to global electricity demand of $\sim$24,000 TWh/a)

Source: BNEF 2021

But must take account of variability...





...and social & political constraints

Sustainability doesn't just mean taking account of environmental constraints.

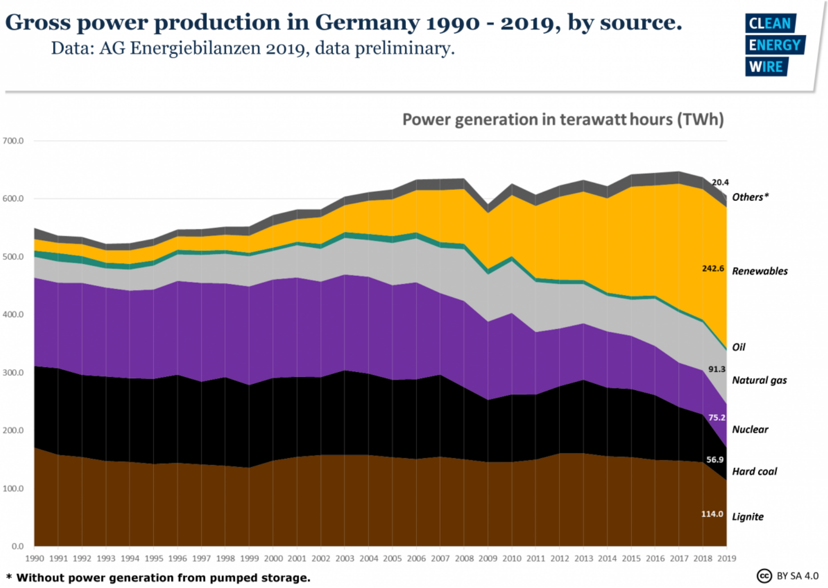
There are also **social and political constraints**, particularly for transmission grid and onshore wind development.

Energy Transition: Several changes happening simultaneously

Energiewende: The Energy Transition, consists of several parts:

- Transition to an energy system with low greenhouse gas emissions
- Renewables replace fossil-fuelled generation (and nuclear in some countries)
- Increasing integration of international electricity markets
- Better integration of transmission constraints in electricity markets
- Sector coupling: heating, transport and industry electrify
- More decentralised location and ownership in the power sector

Renewables reached 40% of gross electricity in Germany in 2019



Gross power production in Germany 1990 - 2019, by source.

Data: AG Energiebilanzen 2019, data preliminary.

*** Without power generation from pumped storage.**

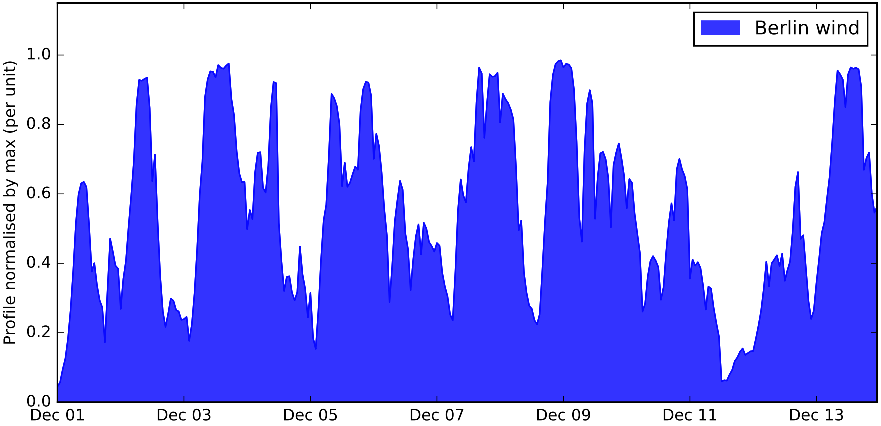
Invitation: Balancing Variable Renewable Energy in Europe

Goals for Energy System Modelling

1. What **infrastructure** (wind, solar, hydro generators, heating/cooling units, storage and networks) does a highly renewable energy system require and **where** should it go?
2. Given a desired CO_2 emissions reduction (e.g. 95% compared to 1990), what is the **cost-optimal** combination of infrastructure?
3. How do we deal with the **variability** of wind and solar: balancing in space with networks or in time with storage?

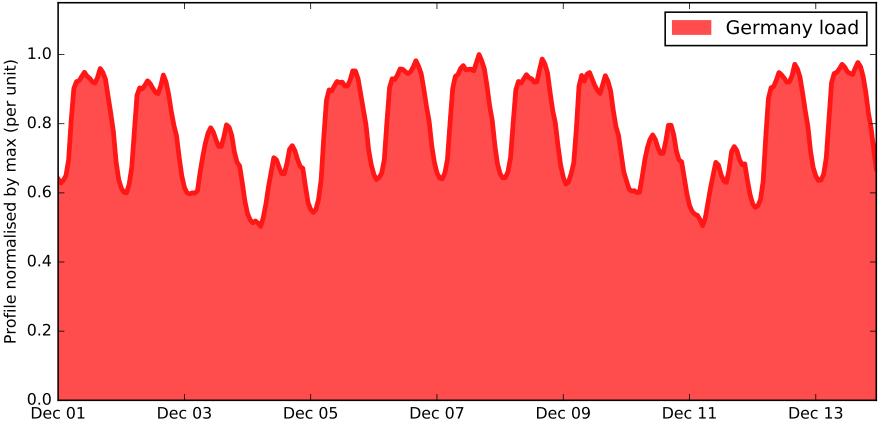
Variability: Single wind site in Berlin

Looking at the wind output of a single wind plant over two weeks, it is highly variable, frequently dropping close to zero and fluctuating strongly.



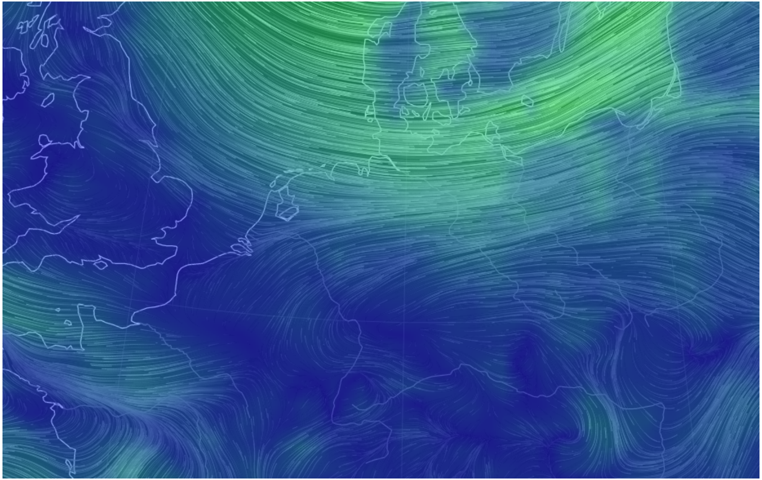
Electricity consumption is much more regular

Electrical demand is much more regular over time - dealing with the **mismatch** between locally-produced wind and the demand would require a lot of storage...



Variability: Different wind conditions over Germany

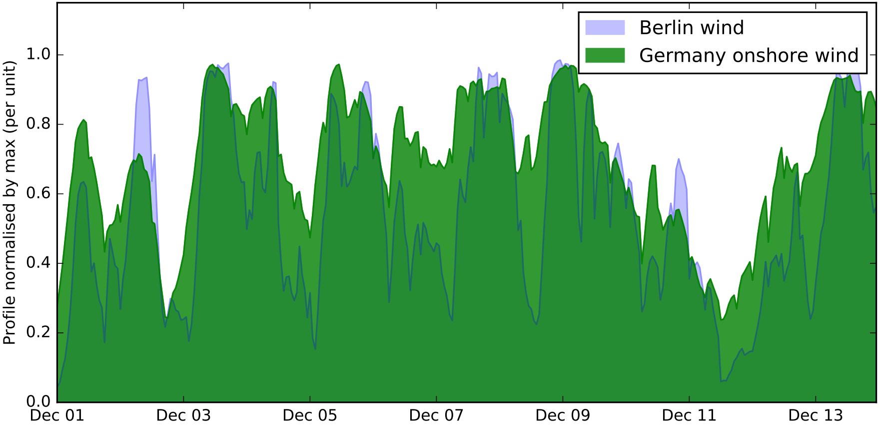
The wind does not blow the same at every site at every time: at a given time there are a variety of wind conditions across Germany. These differences **balance out over time and space**.



Source: `https://earth.nullschool.net/`

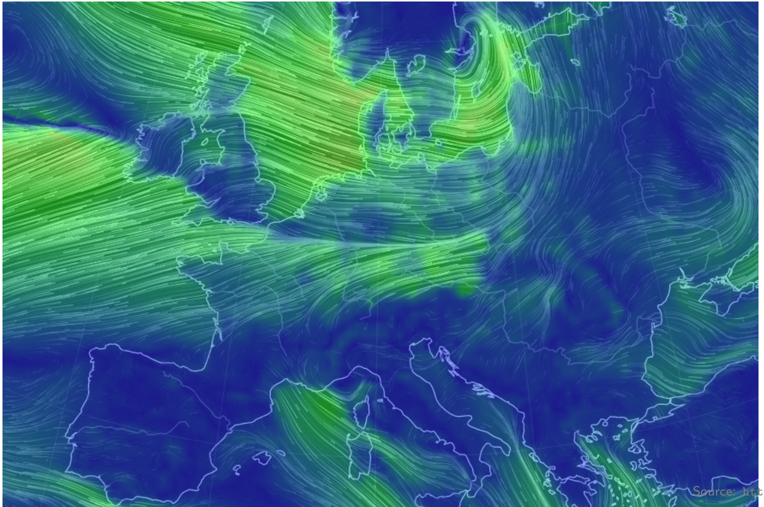
Variability: Single country: Germany

For a whole country like Germany this results in valleys and peaks that are somewhat smoother, but the profile still frequently drops close to zero.



Variability: Different wind conditions over Europe

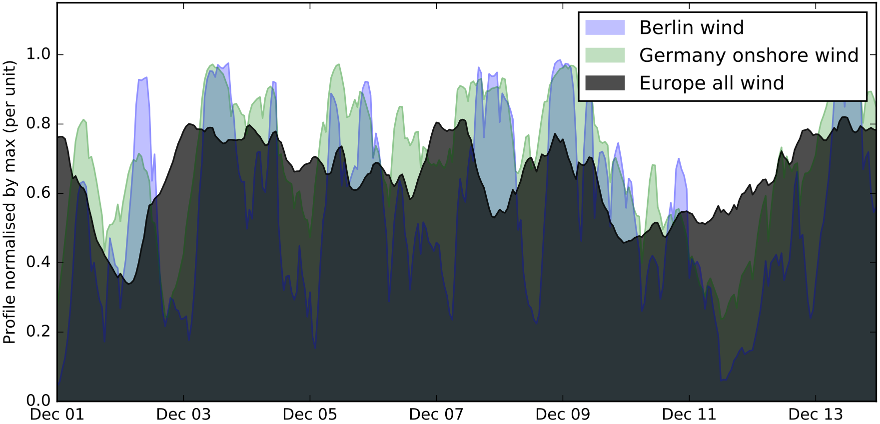
The scale of the weather systems are bigger than countries, so to leverage the full smoothing effects, you need to integrate wind at the **continental scale**.



Source: `https://earth.nullschool.net/`

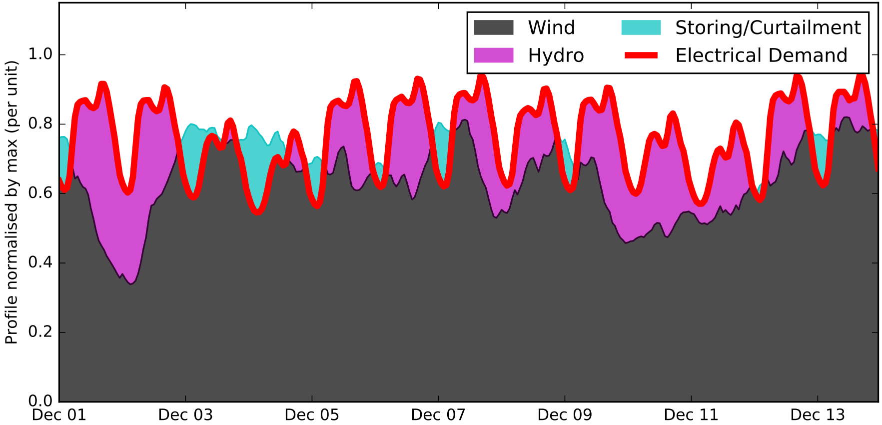
Variability: A continent: Europe

If we can integrate the feed-in of wind turbines across the European continent, the feed-in is considerably smoother: we've eliminated most valleys and peaks.

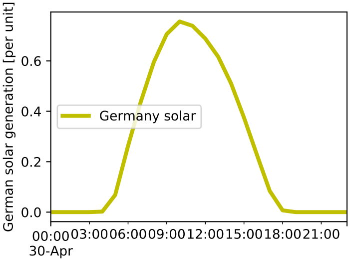


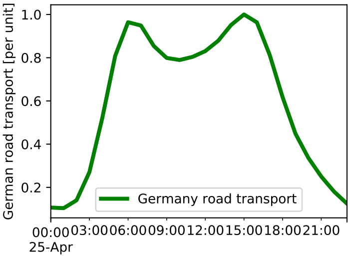
Variability: A continent: Wind plus Hydro

Flexible, renewable hydroelectricity from storage dams in Scandinavia and the Alps can fill many of the valleys; excess energy can either be curtailed (spilled) or stored.



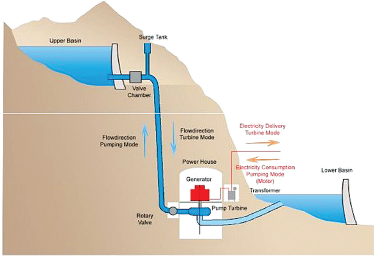
Daily variations: challenges and solutions



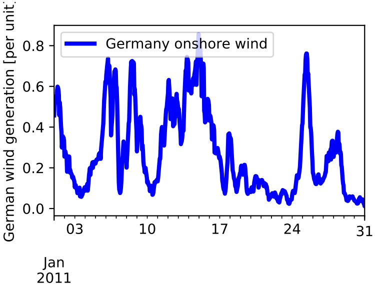


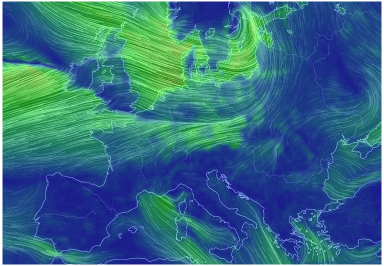
Daily variations in supply and demand can be balanced by

- **short-term storage** (e.g. batteries, pumped-hydro, small thermal storage)
- **demand-side management** (e.g. battery electric vehicles, industry)
- **east-west grids over multiple time zones**



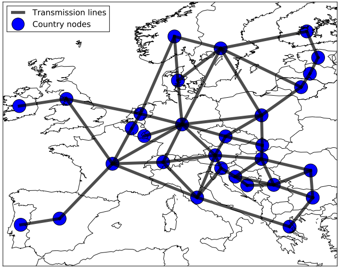
Weekly variations: challenges and solutions



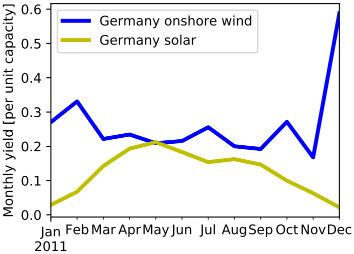


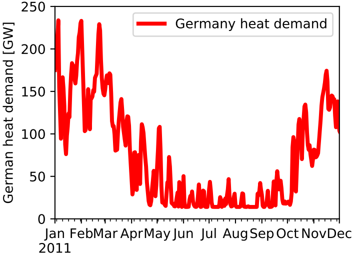
Weekly variations in supply and demand can be balanced by

- **medium-term storage** (e.g. chemically with hydrogen or methane storage, thermal energy storage, hydro reservoirs)
- **continent-wide grids**



Seasonal variations: challenges and solutions

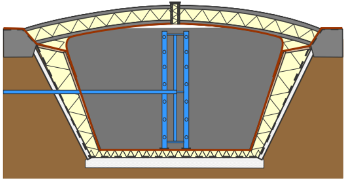




Seasonal variations in supply and demand can be balanced by

- **long-term storage** (e.g. chemically with hydrogen or methane storage, long-term thermal energy storage, hydro reservoirs)
- **north-south grids over multiple latitudes**

Pit thermal energy storage (PTES)
(60 to 80 kWh/m³)



Research approach

Avoid too many assumptions. Fix the **boundary conditions**:

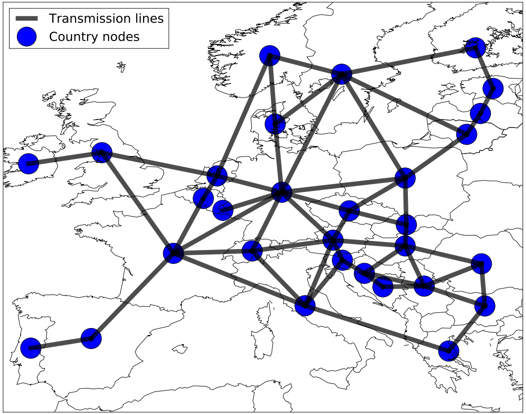
- Meet demand for energy services
- Reduce CO_2 emissions
- Conservative predictions for cost developments
- No/minimal/optimal grid expansion

Then **let the math decide the rest**, i.e. choose the number of wind turbines / solar panels / storage units / transmission lines to minimise total costs (investment **and** operation).

Generation, storage and transmission optimised **jointly** because they are **strongly interacting**.

Determine optimal electricity system

- Meet all electricity demand.
- Reduce CO_2 by 95% compared to 1990.
- **Generation** (where potentials allow): onshore and offshore wind, solar, hydroelectricity, backup from natural gas.
- **Storage**: batteries for short term, electrolyse hydrogen gas for long term.
- **Grid expansion**: simulate everything from no grid expansion (like a **decentralised solution**) to optimal grid expansion (with significant **cross-border trade**).



Source: PyPSA-Eur, based on ENTSO-E map

Linear optimisation of annual system costs

Find the long-term cost-optimal energy system, including investments and short-term costs:

$$\text{Minimise}\left(\begin{array}{c}\textbf{Yearly}\\ \textbf{system costs}\end{array}\right)=\sum_{n}\left(\begin{array}{c}\textbf{Annualised}\\ \textbf{capital costs}\end{array}\right)+\sum_{n,t}\left(\begin{array}{c}\textbf{Marginal}\\ \textbf{costs}\end{array}\right)$$

subject to

- meeting **energy demand** at each node n (e.g. region) and time t (e.g. hour of year)
- wind, solar, hydro (variable renewables) **availability time series** $\forall\, n, t$
- **transmission constraints** between nodes, **linearised power flow**
- (installed capacity) $\leq$ (**geographical potentials** for renewables)
- **CO_2 constraint** (e.g. 95% reduction compared to 1990)

In short: mostly-greenfield investment optimisation, multi-period with linear power flow.

Optimise transmission, generation and storage **jointly**, since they're strongly interacting.

Model Inputs and Outputs

Inputs	Description
$d_{i,t}$	Demand (completely inelastic)
$G_{i,s,t}$	Per unit availability for wind and solar
$\hat{G}_{i,s}$	Generator installable potentials
various	Existing hydro data
various	Grid topology
η_*	Storage efficiencies
$c_{i,s}$	Generator capital costs
$o_{i,s,t}$	Generator marginal costs
c_ℓ	Line costs

→

Outputs	Description
$G_{i,s}$	Generator capacities
$g_{i,s,t}$	Generator dispatch
F_ℓ	Line capacities
$f_{\ell,t}$	Line flows
λ_*, μ_*	Lagrange/KKT multipliers of all constraints
f	Total system costs

Costs and assumptions for the electricity sector (projections for 2030)

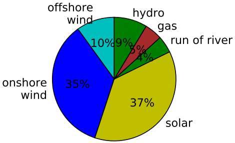
Quantity	Overnight Cost [€]	Unit	FOM [%/a]	Lifetime [a]
Wind onshore	1182	kW_{el}	3	20
Wind offshore	2506	kW_{el}	3	20
Solar PV	600	kW_{el}	4	20
Gas	400	kW_{el}	4	30
Battery storage	1275	kW_{el}	3	20
Hydrogen storage	2070	kW_{el}	1.7	20
Transmission line	400	MWkm	2	40

Interest rate of 7%, storage efficiency losses, only gas has CO_2 emissions, gas marginal costs.

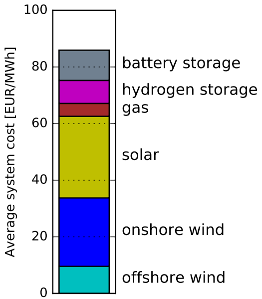
Batteries can store for 6 hours at maximal rating (efficiency 0.9×0.9), hydrogen storage for 168 hours (efficiency 0.75×0.58).

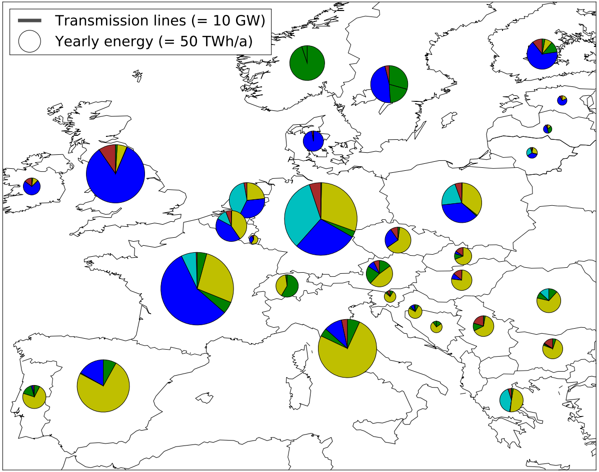
Costs: No interconnecting transmission allowed

Technology by energy:



Average cost **€86/MWh**:

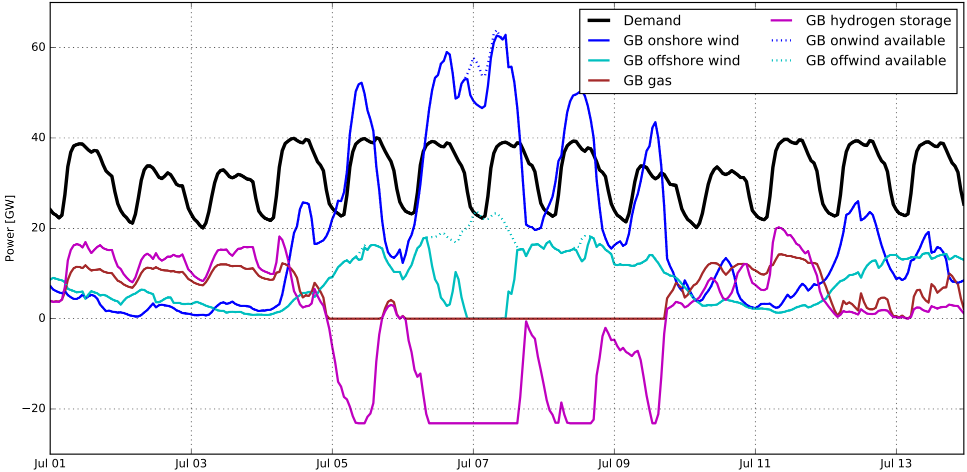




Countries must be self-sufficient at all times; lots of storage and some gas to deal with fluctuations of wind and solar.

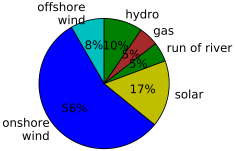
Dispatch with no interconnecting transmission

For Great Britain with no interconnecting transmission, excess wind is either stored as hydrogen or curtailed:

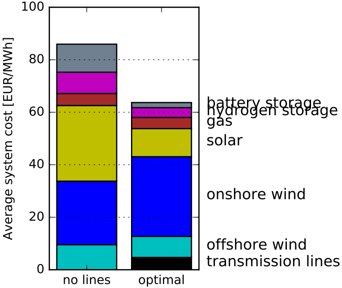


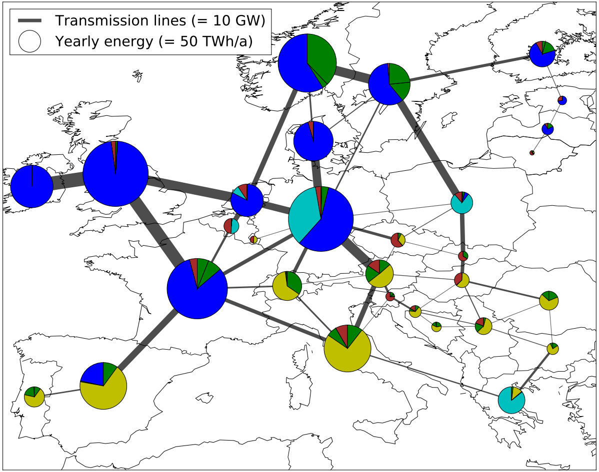
Costs: Cost-optimal expansion of interconnecting transmission

Technology by energy:



Average cost **€64/MWh**:

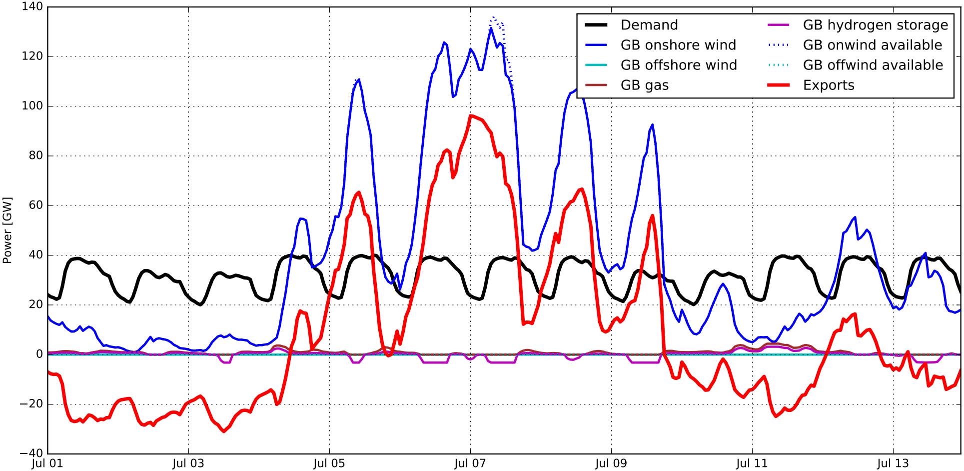




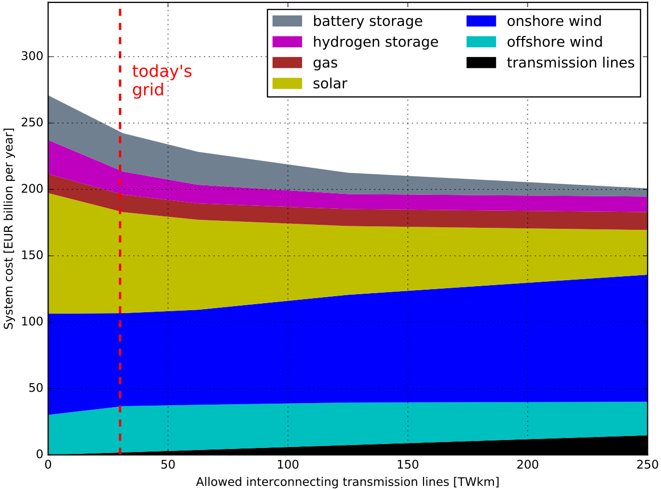
Large transmission expansion; onshore wind dominates. This optimal solution may run into public acceptance problems.

Dispatch with cost-optimal interconnecting transmission

Almost all excess wind can be now be exported:

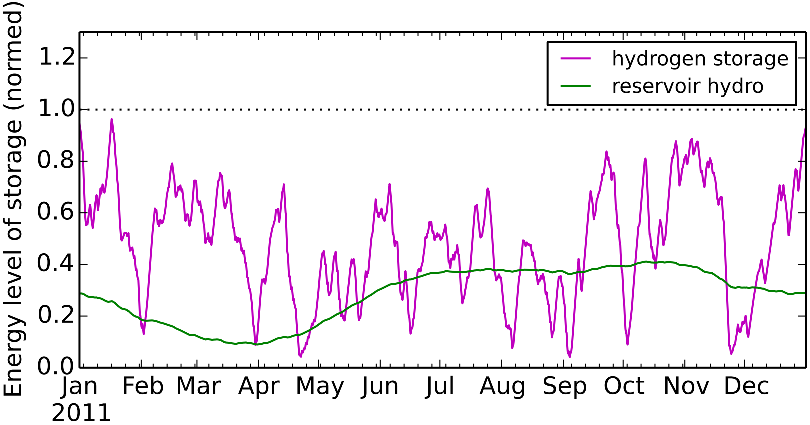


Electricity Only Costs Comparison



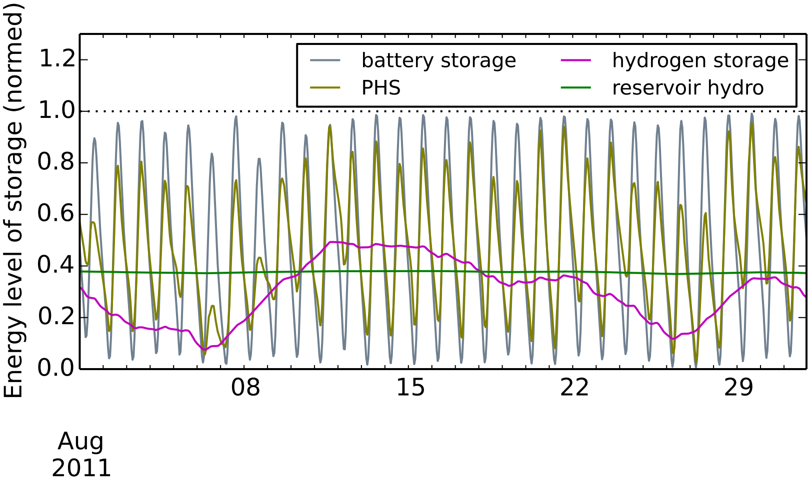
- Average total system costs can be as low as € 64/MWh
- Energy is dominated by wind (64% for the cost-optimal system), followed by hydro (15%) and solar (17%)
- Restricting transmission results in more storage to deal with variability, driving up the costs by up to 34%
- Many benefits already locked in at a few multiples of today's grid

Different flexibility options have difference temporal scales



- Hydro reservoirs are **seasonal**
- Hydrogen storage is **multi-weekly**

Different flexibility options have difference temporal scales



- Pumped hydro and battery storage are **daily**

Features of this example

This example has several features which will accompany us through the lecture course:

1. We have to account for the variations of wind and solar in **time** and **space**.
2. These variations take place at **different scales** (daily, multi-week, seasonal).
3. We often have a choice between balancing in **time** (with storage) or in **space** (with networks).
4. Optimisation is important to increase cost-effectiveness, but we should also look at **near-optimal** solutions.

Full paper reference: D. Schlachtberger, T. Brown, S. Schramm, M. Greiner, "The Benefits of Cooperation in a Highly Renewable European Electricity Network", Energy, 134, 469-481, 2017, arXiv:1704.05492.