



Vanadium redox-flow batteries - Installation at Risø for characterisation measurements

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Risø International Energy Conference 2007

Energy Solutions for Sustainable Development

Presentations

Session 1 - Future Global Development Options

Energy Efficiency. Achieving more with less, Stefan Denig, Siemens AG

Energy Implications of Climate Mitigation Policies, Massimo Tavoni, FEEM

Promotion strategies for electricity from renewables in the EU—lessons learned, Reinhard Haas, Vienna University of Technology

Session 2 - Scenarios and Policy Options

Perspectives of the IDA Energy Year 2006 project, Per Nørgård, Risø National Laboratory, the Technical University of Denmark

Integrated European Energy RTD as part of the innovation chain to enhance renewable energy market breakthrough, Peter Lund, Helsinki University of Technology

Impacts of high energy prices on long-term energy-economic scenarios for Germany, Volker Krey, Dag Martinsen, Peter Markewitz, Research Centre Jülich, Institute of Energy Research - Systems Analysis and Technology, Evaluation (IEF-STE), Jülich, Germany

Session 3 – Clean Coal Technologies

Polygeneration, Thomas Rostrup-Nielsen, HALDOR TOPSOE A/S

Session 4 – Bioenergy

Sustainable bioethanol production combining biorefinery principles and intercropping strategies, Mette Hedegaard Thomsen, Henrik Hauggaard-Nielsen, Anneli Petersson, Anne Belinda Thomsen, Erik Steen Jensen, Risø National Laboratory, the Technical University of Denmark

Session 5 - Renewable Energy for the Transport Sector

Co-ordination of Renewable Energy Support Schemes in the EU, Poul Erik Morthorst and Stine Grenaa Jensen, Risø National Laboratory, The Technical University of Denmark

Bioethanol. Second generation Bio-fuel – close to commercialization. Charles Nielsen, DONG Energy.

Long-term biofuels scenarios: preliminary results from REFUEL –A European Road Map for Biofuels, Henrik Duer, COWI A/S, Denmark

Session 6 – Wind

Upwind. A Wind Research Project under the 6th Framework Programme, Peter Hjuler Jensen, Risø National Laboratory, the Technical University of Denmark

Wind Power Costs in Portugal, Carla Saleiro, Madalena Araújo, Paula Ferreira, Universidade do Minho

Economic and Financial Feasibility of Wind, Energy - Case Study of Philippines, Jyoti Prasad Painuly, UNEP Risø Centre, Risø National Laboratory, the Technical University of Denmark

Session 7 – Solar and Wave Energy

Wave Energy – challenges and possibilities, Per Resen Steenstrup, WaveStar Energy

Session 8 – Systems with High Level of Renewable Energy

Operational costs induced by fluctuating wind power production in Germany and Scandinavia, Peter Meibom, Risø National Laboratory, Technical University of Denmark, Christoph Weber, University Duisburg-Essen, Rüdiger Barth & Heike Brand, IER, University of Stuttgart

Session 9 – End Use Technologies and Efficiency Improvements

A cooling system for buildings using wind energy, Hamid Daiyan, Azad University-Semnan Branch, Iran

Energy Demand Patterns. The Effects Substitution and Productivity, Nico Bauer
Potsdam Institute for Climate Impact Research (PIK).

Session 10 – Systems Aspects – Distributed Production

STREAM: A Model for a Common Energy Future, Peter Markussen, DONG Energy

Vanadium redox-flow batteries –Installation at Risøfor characterisation measurements, Henrik Bindner, Risø National Laboratory, the Technical University of Denmark

Centralised and decentralised control –a power system point of view, Oliver Gehrke and Stephanie Ropenus, Risø National Laboratory, the Technical University of Denmark, Philippe Venne (UQAR)

Session 11 - Low Level CO₂ Strategies for Developing Countries

Assessing the Role of Energy in Development and Climate Policies in Large Developing Countries, Amit Garg and Kirsten Halsnæs, Risø National Laboratory, the Technical University of Denmark

Sustainable Transport Practices in Latin America, Jorge Rogat and Miriam Hinostrroza, UNEP Risø Centre, Risø National Laboratory, the Technical University of Denmark

Session 12 – Carbon Capture and Storage Contribution to Stabilization

Environmental Analysis of Coal-based Power Production with Amine-based Carbon Capture, W. Kuckshinrichs, J. Nazarko, A. Schreiber, P. Zapp, Institute of Energy Research, Systems Analysis and Technology Evaluation (IEF-STE), Fuel Cells (IEF3), Forschungszentrum Jülich GmbH

Session 13 – Hydrogen Economy

Solid Oxide Electrolysis for Fuel Production, Sune D. Ebbesen, Anne Hauch, Søren H. Jensen, and Mogens Mogensen, Risø National Laboratory, the Technical University of Denmark

Session 14 – Fuel Cells

Use of Alternative Fuels in Solid Oxide Fuel Cells, Anke Hagen, Risø National Laboratory

Fuel Cell - Shaft Power Packs, Frank Elefsen, Danish Technological Institute

Session 15- R&D Priorities

Overview of U.S. DOE's Coal RD&D Programs, Scott M. Smouse, National Energy Technology Laboratory, Office of Fossil Energy, U.S. Department of Energy

The UK Energy Research Atlas: A Tool for Prioritising and Planning Energy R&D, Jim Skea, Research Director, UKERC

European and global perspectives for CCS, Martine Uytterlinde, Heleen Groenenberg, Energy Research Centre of the Netherlands

Solar Energy, Status and Perspectives, Peter Ahm, Director, PA Energy A/S

Energy Efficiency

Achieving more with less

Risø International Energy Conference
Roskilde, 22 May 2007

Stefan Denig, Siemens AG

Challenges:

Climate change is a fact, threatening humans and biosphere

Climate change and impact

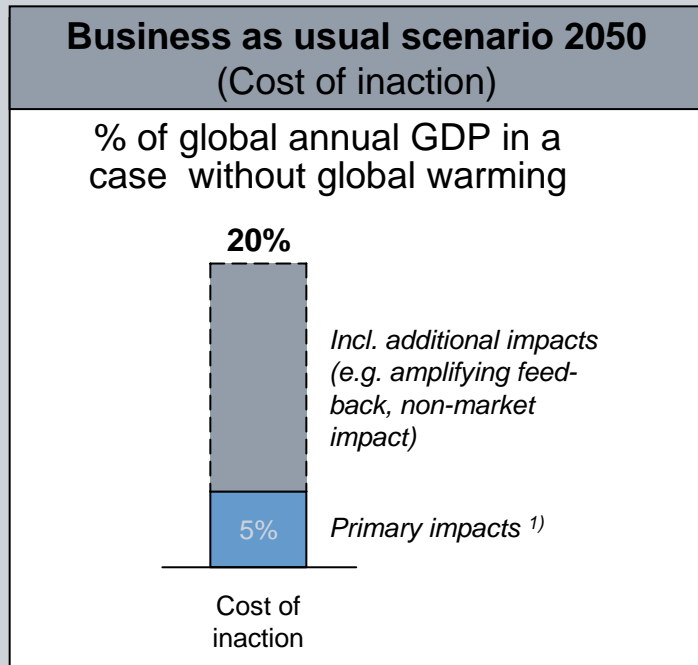
<p>Climate change ...</p>	<ul style="list-style-type: none"> Anthropogenic greenhouse gas emissions ¹⁾ from fossil fuel burning and land use shift the radiation balance of the earth and cause warming Scientific consensus that doubling of CO₂ from pre-industrial levels (280 ppm) by non-acting till 2035 causes unacceptable global temperature increase Feedback amplifies warming 	<p>Effect of greenhouse gases</p>
<p>... threatens humans and biosphere</p>	<ul style="list-style-type: none"> Melting may cause flooding of >4 million km² affecting > 300 million people Spread of diseases expected (Malaria, Dengue fever etc.) More frequent extreme weather conditions jeopardize crops and living conditions 15-20% of species face extinction at only 2°C warming 	<p>Urgent need for action</p>

1) Carbon dioxide, methane, nitrous oxides, etc.

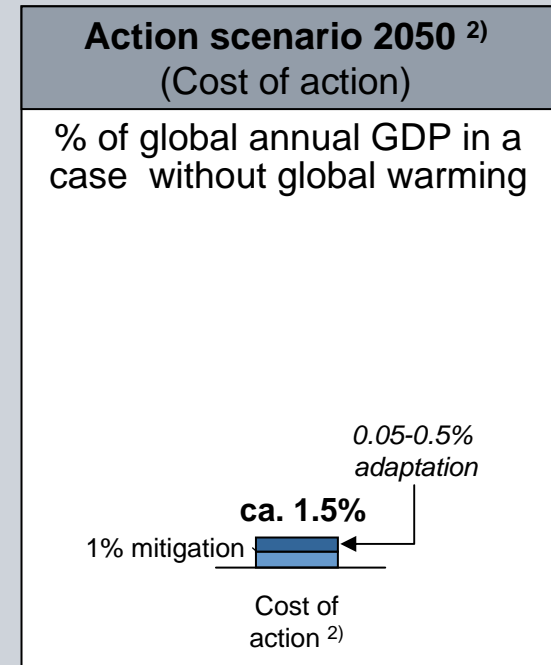
Most likely

Challenges: Business as usual will be more costly than action

- Long-term cost of inaction (Business as usual) and action



Climate change has serious impacts on growth and development



The costs of stabilizing the climate are significant but manageable

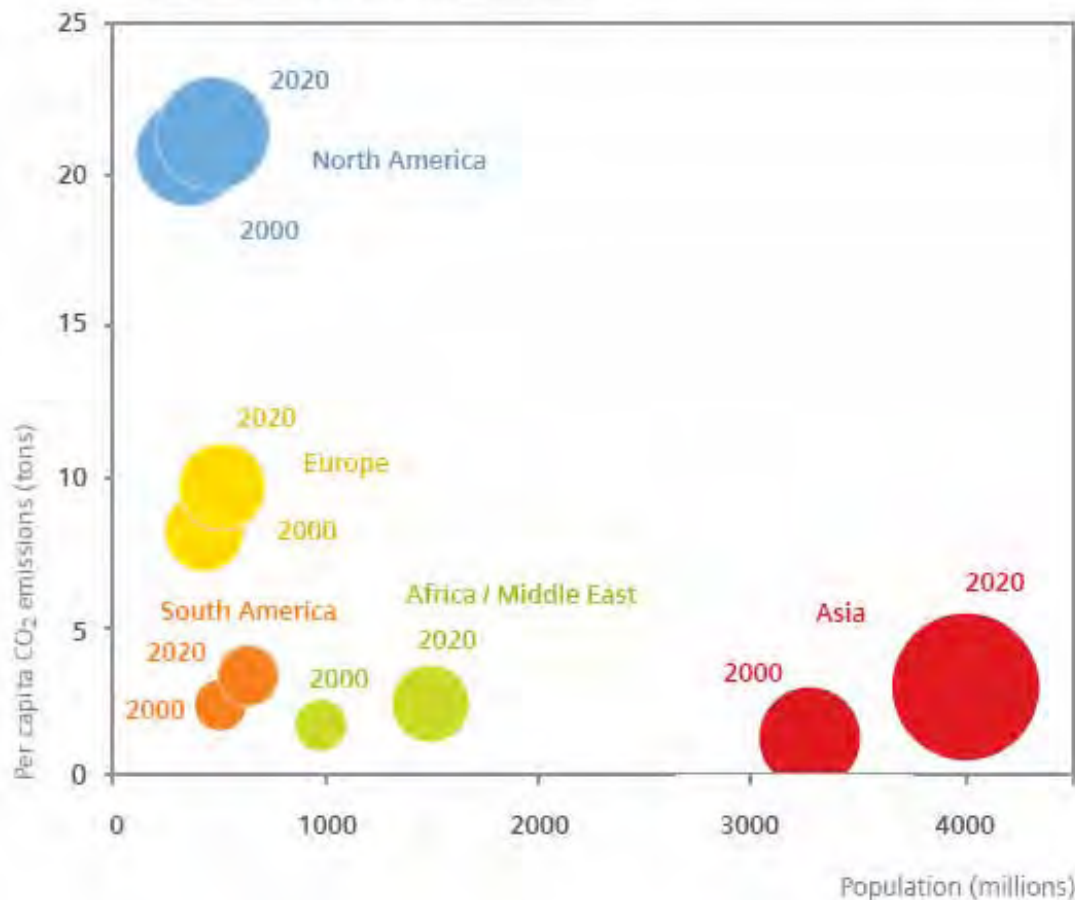
1) Assumes 5°C temperature increase by 2050

Source: Stern Review

2) Keep GHG between 500 and 550 CO₂e ppm

Challenges: Highest CO₂ emissions in North America and Asia

Population size times average annual per capita emissions. The size of the circles indicates the product of these variables and therefore the region's total CO₂ emissions in 2000 and 2020



Source: EC 2003

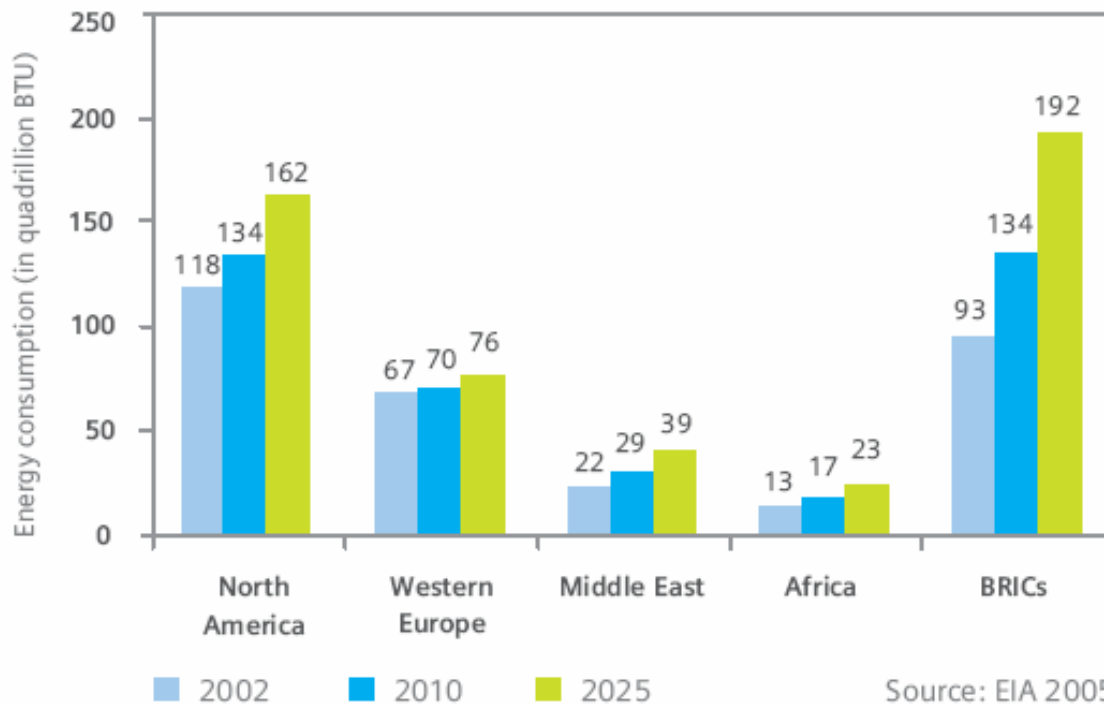
Development of CO₂ emissions

- GHG emissions – responsible for global warming – will increase
- Level of GHG emissions will remain high in industrialized countries, but will increase particularly in emerging countries

Challenges:

Rapidly increasing energy consumption, mainly in BRIC countries

Energy consumption in different world regions, 2002-2025

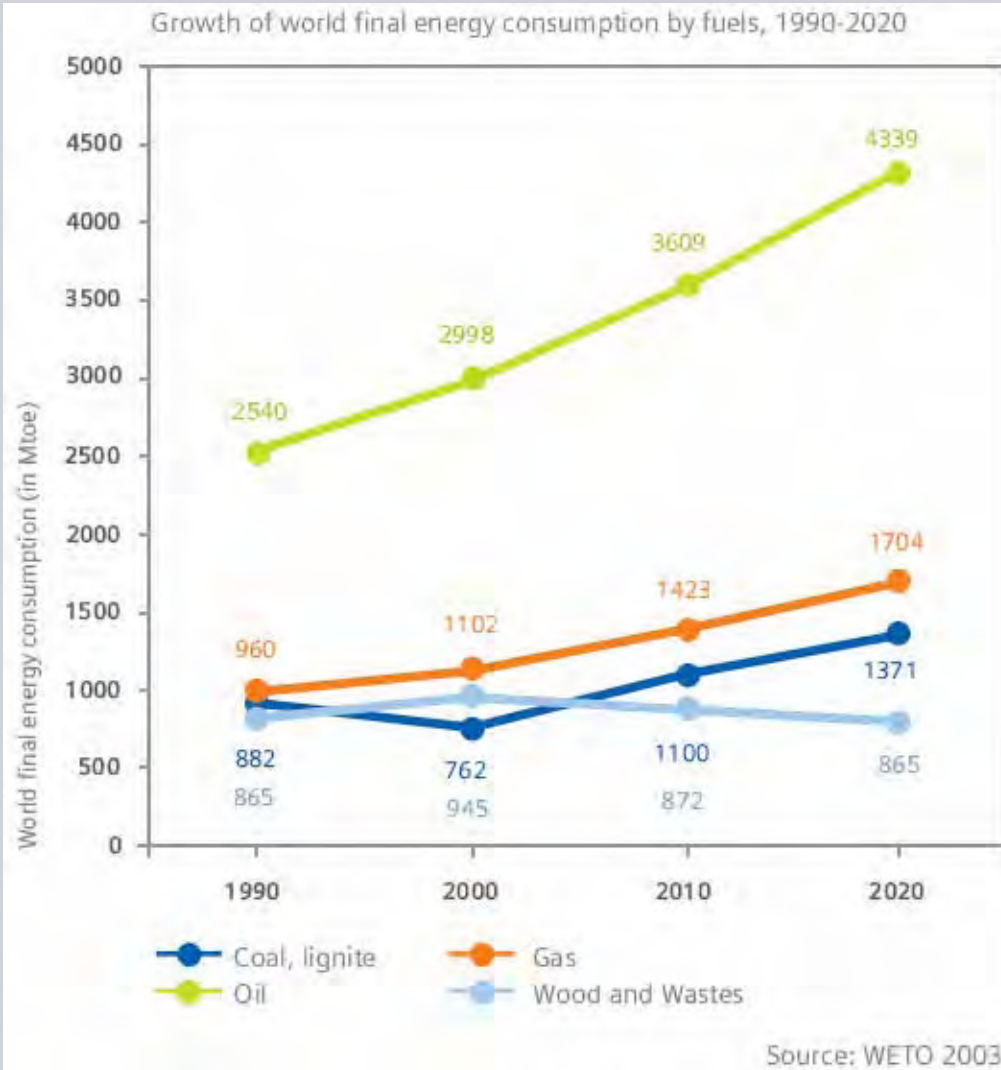


Most rapid growth expected in non-OECD countries

- Fastest growth evident in BRIC economies
- Growth driven by industrialization and rising per capita consumption, although per capita consumption remains at low level

Challenges:

Large growth of world final energy consumption

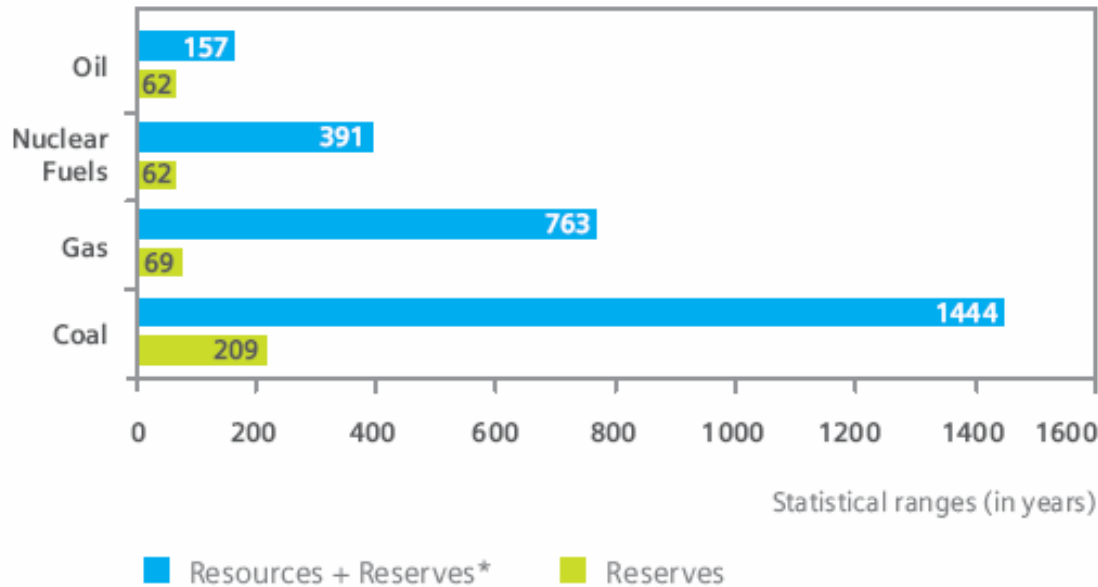


Growing consumption of natural resources

- Energy consumption is rising dramatically
- Fossil fuels to remain of vital importance
- Ongoing growth in the demand for oil, gas and coal

Challenges: Coal will last the longest

Statistical ranges of fossil and nuclear fuels



* Reserves: The amount currently technologically and economically recoverable.

Resources: Quantities technically or economically not (yet) recoverable or not yet proven.

Source: Dresdner Bank 2005

Ensuring the supply of resources

- Improve production infrastructure in order to assure supply
- Manage political crisis
- Promote diversification in order to guarantee long-term supply
- Promote renewable energy use on individual level

Challenges: Growing relevance of energy security

Political implications

- Energy supply questions are entering the political agenda:
Nationalization of energy industries (e.g. in Russia, Bolivia, Venezuela)
- China: Energy supply is vital for economic development (e.g. contracts with Iran to secure supply create dependencies and influence diplomatic behavior)
- Inter-regional trade of energy resources increasingly important (international attention will focus on maintaining the security of sea-lanes and pipelines)

Managing political conflict

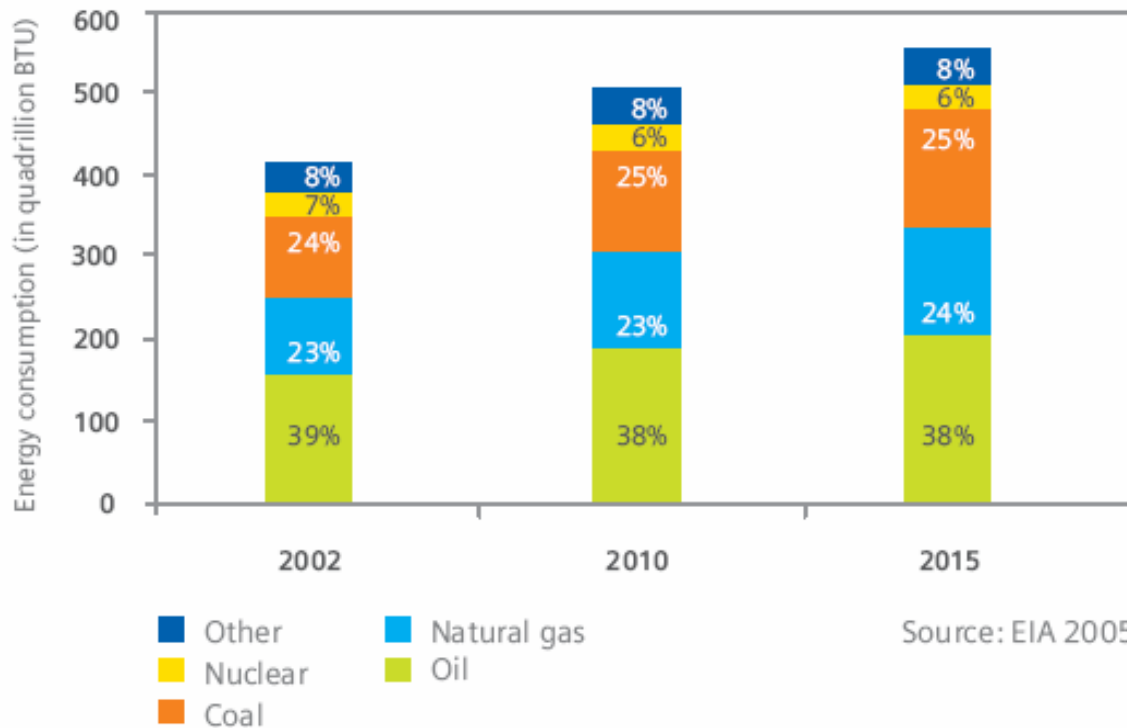
- Challenge of fair resource supply needs to be addressed
- Conflicts have to be prevented



Challenges:

Energy diversity will not change fundamentally in the next 10 years

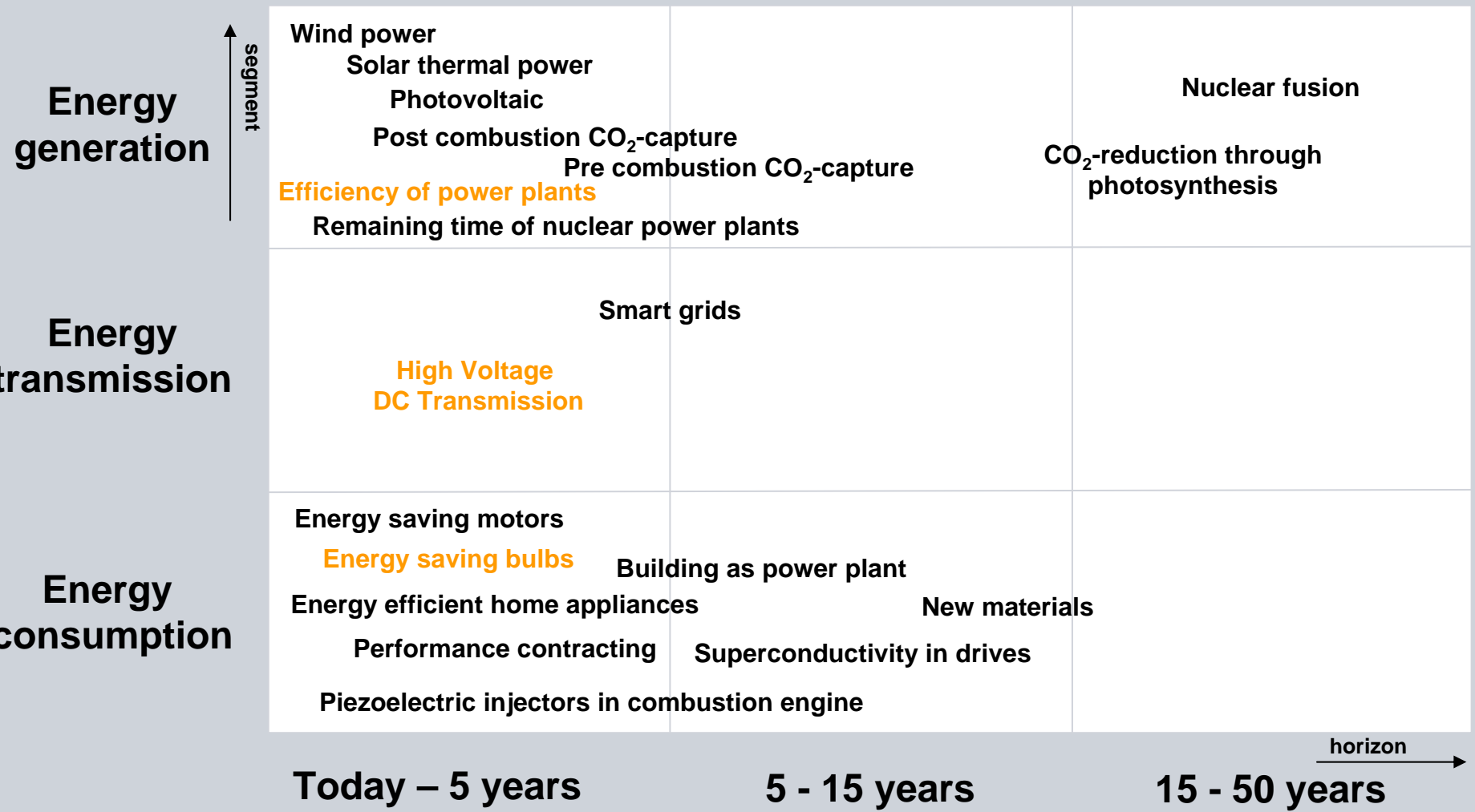
Growth of energy use and percentage shares of energy sources, 2002-2015



Increasing importance of energy diversity

- Energy diversity will have to be a more prominent issue on the political agenda
- Use of renewables to expand diversity of supply
- Development of other alternative energy sources

Solutions: Achieving more with less



Solutions:

Energy generation - Efficiency of up to 60% is possible

World's largest and most efficient gas turbine:

- Can supply electricity to 620,000 three-person households or a city the size of Barcelona, Spain
- Combined-cycle power plant with this gas turbine will have an efficiency of over 60% – world record
- In comparison with a coal-fired power plant (average efficiency 38%), it saves 2.8 million tons of CO₂ per year – more than Siemens emits



Shanghai – Efficient coal plant Waigaoqiao:

- China's largest and most modern coal-fired power plant, two 900 MW blocks installed, third in preparation
- Efficiency 42 percent (scheduled to rise to 45), highest of its kind in China (average efficiency of black coal power plants in Germany: 37 percent)
- Sets also new standards in low-level nitrogen oxide and sulfur dioxide emissions

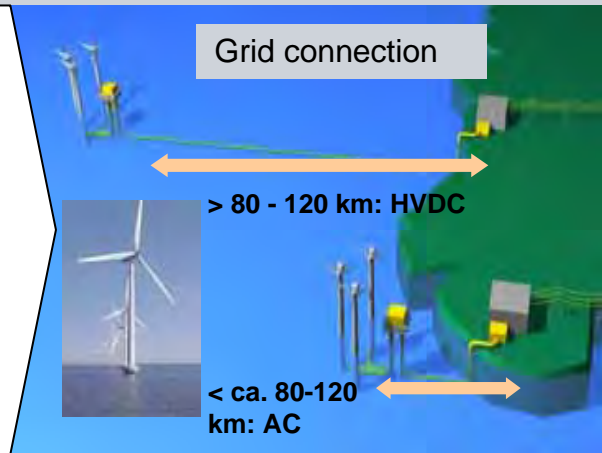


Solutions:

Energy transmission – HVDC enables use of remote sources

Low loss connection of remote power sources:

- Low energy loss in long distance power transmission (e.g. coal and hydro power (e.g. China), offshore wind parks in Europe)
- Opens up large renewable power potential worldwide
- Allows for decoupling of power generation and load centers
- Flexibility in power sourcing and trading



Solutions:

Energy consumption – Huge potential for energy savings

New Siemens trains use 30% less energy than Oslo's current trains:

- Less energy needed by feeding braking energy back into power grid and by using mostly aluminum for the lightweight body design
- Comprehensive disposal concept: 95% of each train can be utilized (85% through recycling, 10% through burning)
- Over their entire lifecycle the trains burden the environment with just 2.6 grams of CO₂ per kilometer traveled and per ton of vehicle weight – a very low value for metros (2.0 grams for actual train operation, depending on energy mix)



Energy saving bulbs use 80% less electricity:

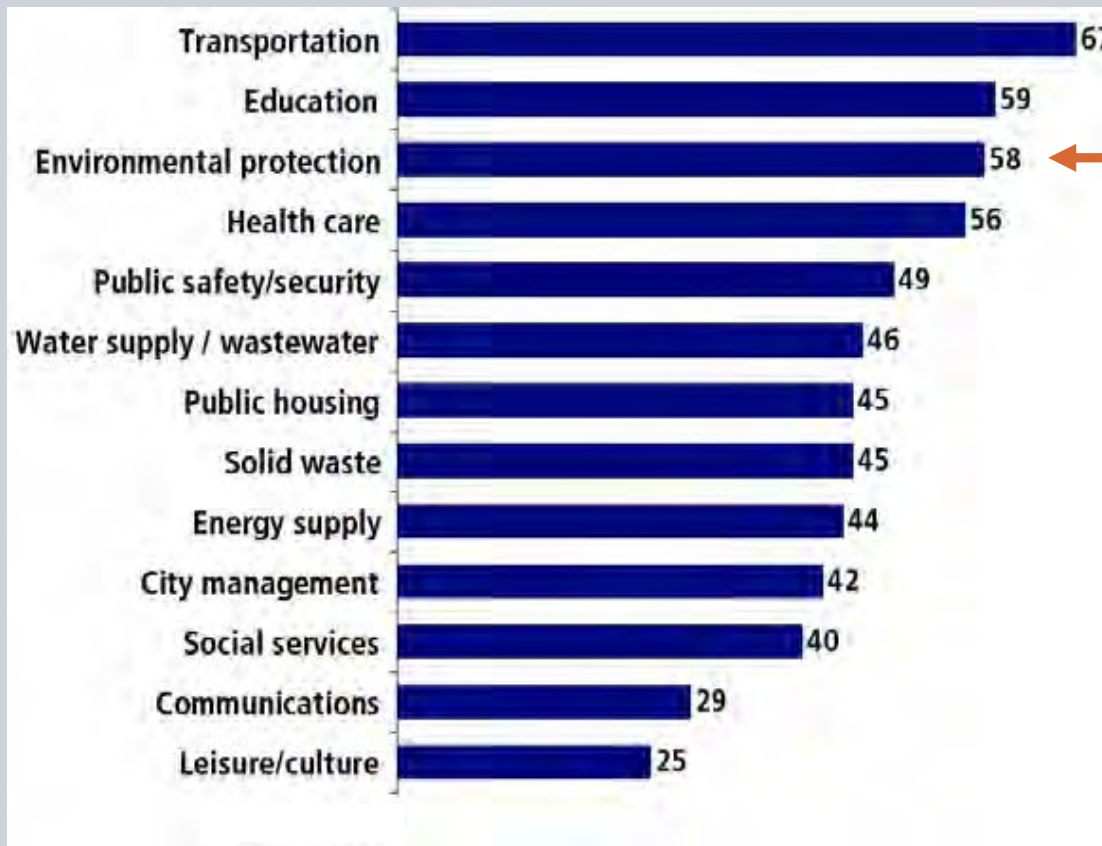
- Lighting accounts for 19% of power demand worldwide
- Life of energy saving bulbs is up to 15 times longer than life of conventional bulbs; LED's life is up to 50 times longer
- Savings per energy saving bulb and LED: several hundred euros p.a. and 0.5 t of CO₂



Increasing awareness: Environment in top tier of megacities' infrastructure priorities

Need for Investment

Average % of "Very High" Across All Cities (522 key decision makers in the 25 largest cities worldwide)



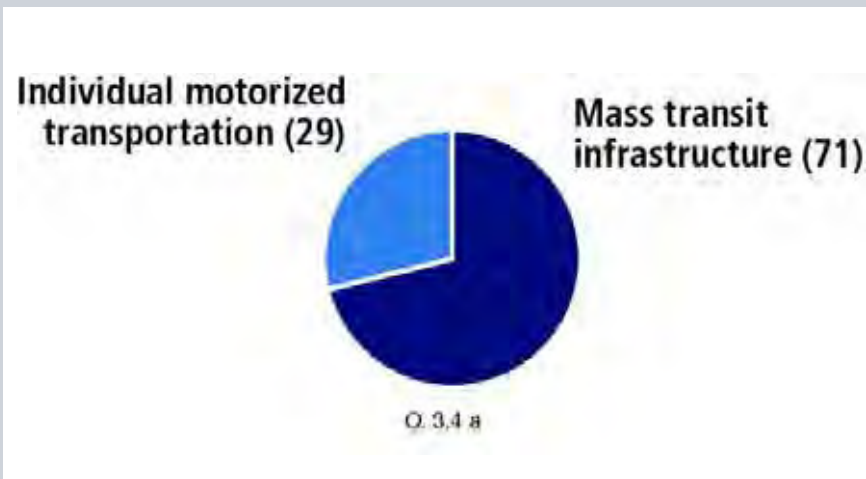
Source: Siemens Megacity Report 2007

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Increasing awareness: Environment matters...

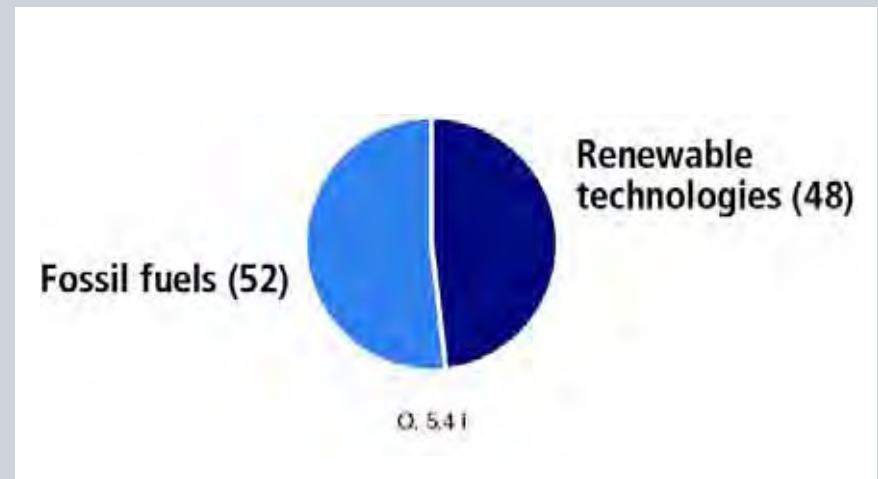
Mass transit is the priority

Predicted by transport experts



Strong role for renewables

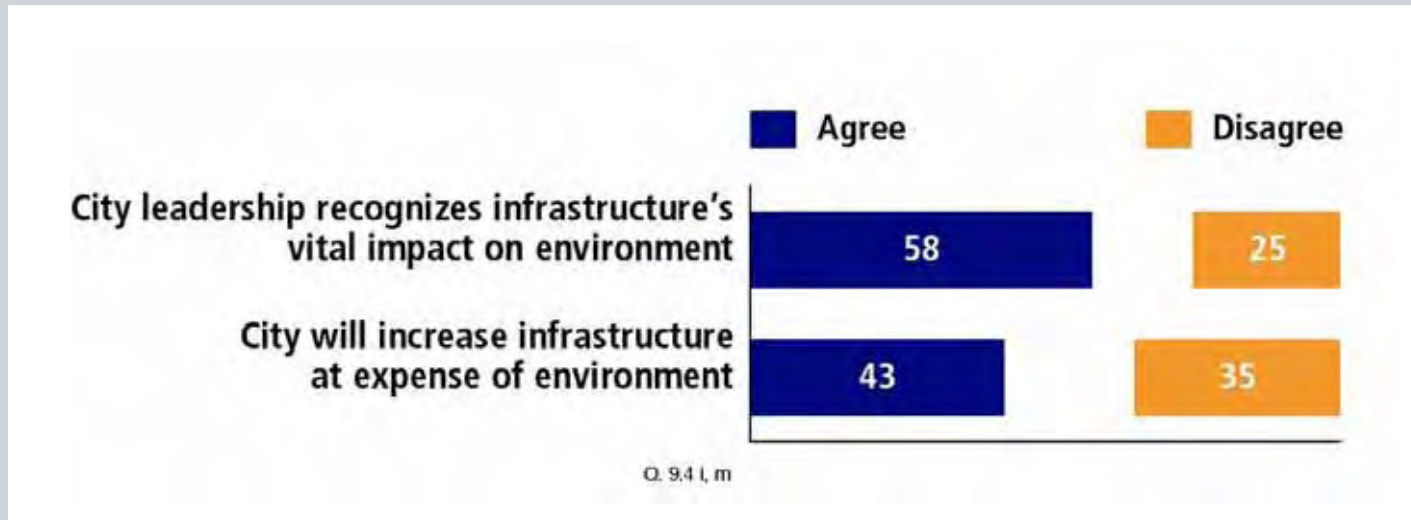
Predicted by electricity experts



Source: Siemens Megacity Report 2007

Increasing awareness: ... but may be sacrificed for growth

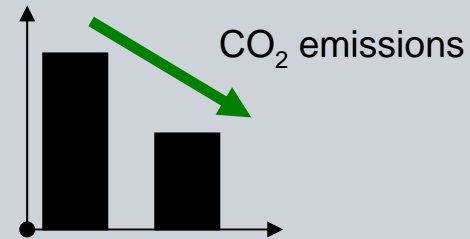
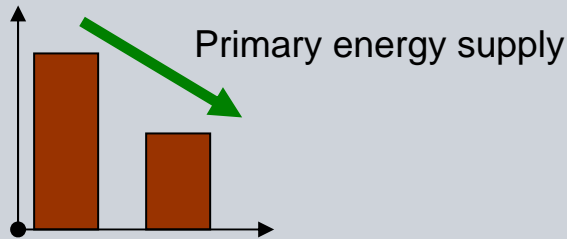
Views of knowledgeable stakeholders



Source: Siemens Megacity Report 2007

The efficiency champion: How to reduce megacities' energy consumption and CO₂ emissions with technolog. innovations

SIEMENS



Siemens' total emissions:
2.7 million tons in 2005

Energy balance-sheet of a virtual German megacity – What are the levers to reduce energy consumption?

10 million inhabitants, energy data from 2004

Energy-related CO₂ emissions
106 million tons of CO₂ per year

Total primary energy supply
1750 PJ per year



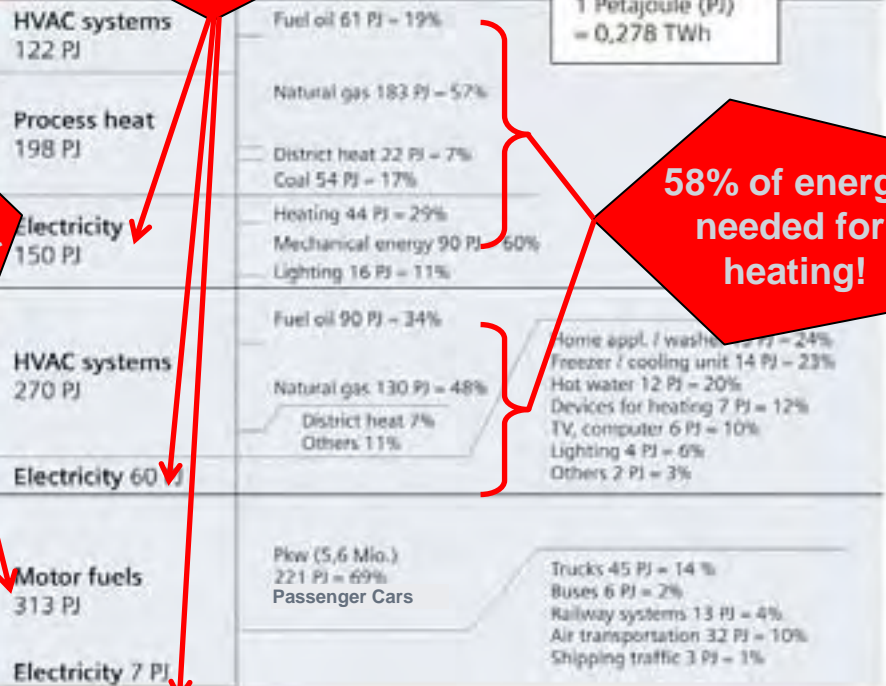
Losses during energy generation and distribution as well as consumption in the energy supply chain:
630 PJ = 36%

Site energy consumption:
1120 PJ per year

Industry and business
470 PJ = 42%

Households
330 PJ = 29,5%

Transportation
320 PJ = 28,5%



20% of energy needed as electricity.
Equals 38% of primary energy!

28% of energy needed as motor fuels
(20% for passenger cars)

58% of energy needed for heating!

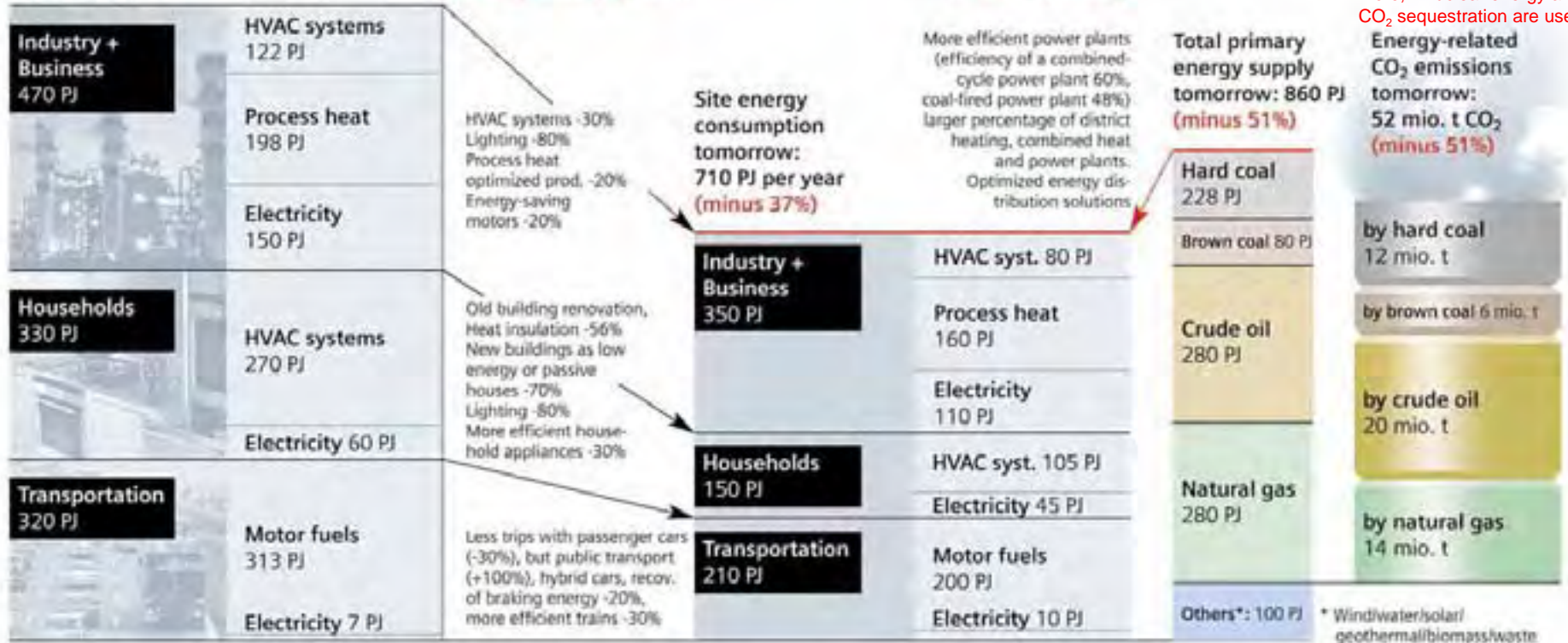
1 Petajoule (PJ)
= 0,278 TWh

Possible scenario of tomorrow's megacity

Virtual German Megacity – tomorrow

Many measures are realized regarding efficiency increase and energy savings

Site energy consumption today:
1120 PJ per year

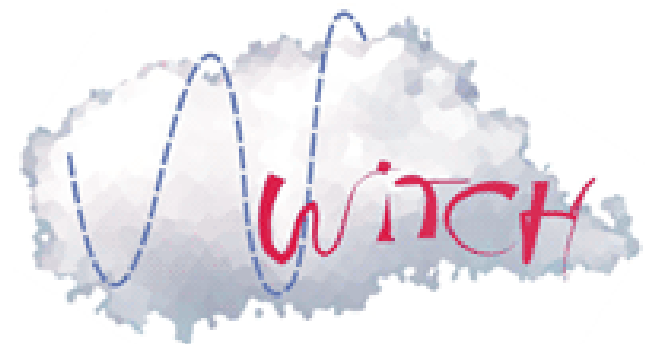


Energy Implications of Climate Mitigation Policies

Riso International Energy Conference 2007, 22 May 2007

Massimo Tavoni, FEEM

- The WITCH model
- Cost-benefit glimpse
- Climate mitigation policies
 - energy
 - costs vs delaying
 - uncertainty



A World Induced Technical Change Hybrid Model

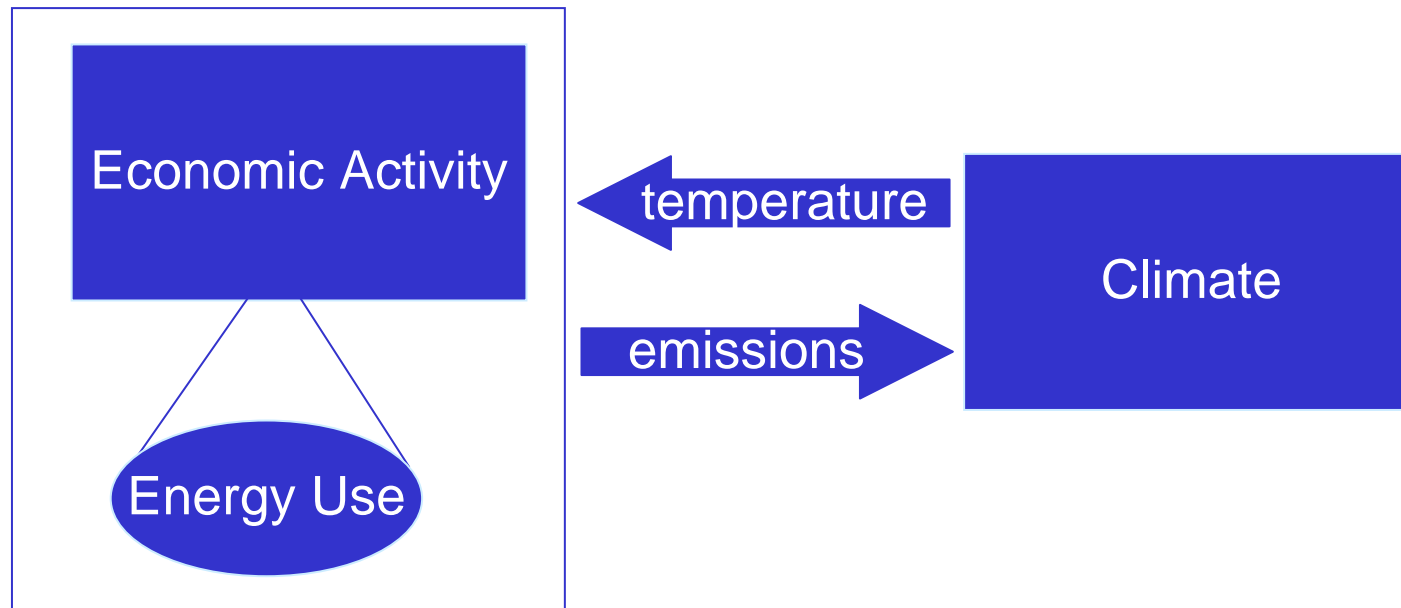
WITCH

World Induced Technical Change Hybrid model

Bosetti V., C. Carraro, M. Galeotti, E. Massetti and M. Tavoni, (2006), "WITCH: A World Induced Technical Change Hybrid Model", *The Energy Journal*, Special Issue. Hybrid Modeling of Energy-Environment Policies: Reconciling Bottom-up and Top-down, 13-38.

Hybrid I.A.M.:

- **Economy:** Top-down optimal growth (inter-temporal)
- **Energy:** Energy sector detail (technology scenarios)
- **Climate:** Damage feedback (global variable)

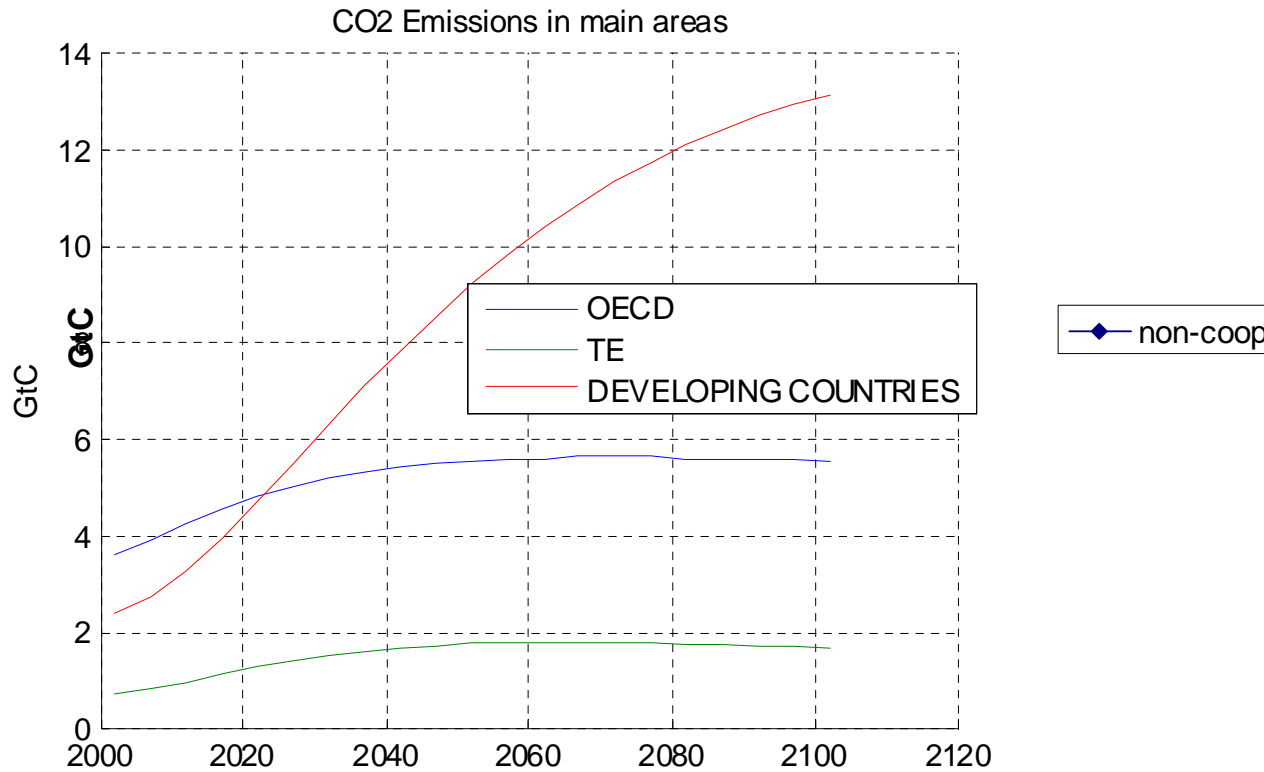


Two solutions:

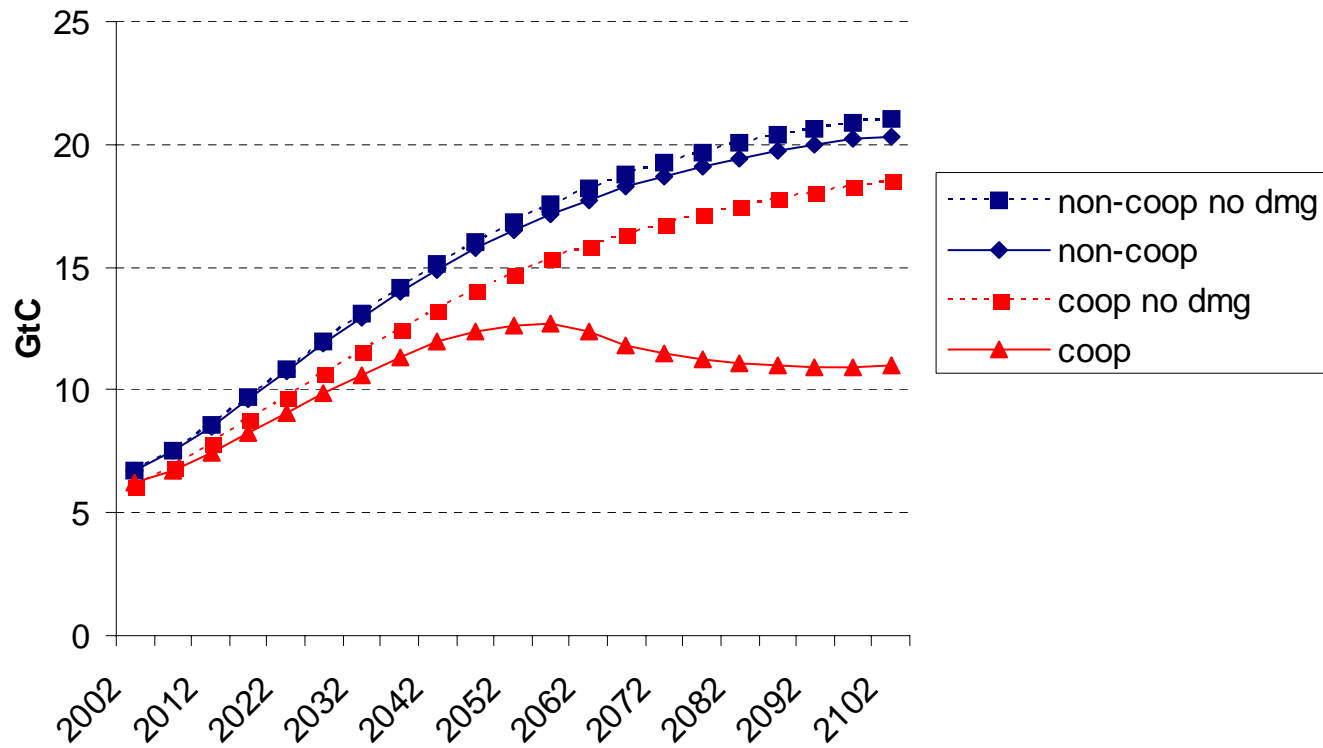
- **Cooperative** (world best)
- **Non-cooperative** (Nash), interactions among regions on:
 - Environmental externality (carbon)
 - Exhaustible resources (oil, gas, coal, uranium)
 - Technological spillover
 - Trade of emission permits

C.B.A. non-coop vs coop

World Carbon Emissions

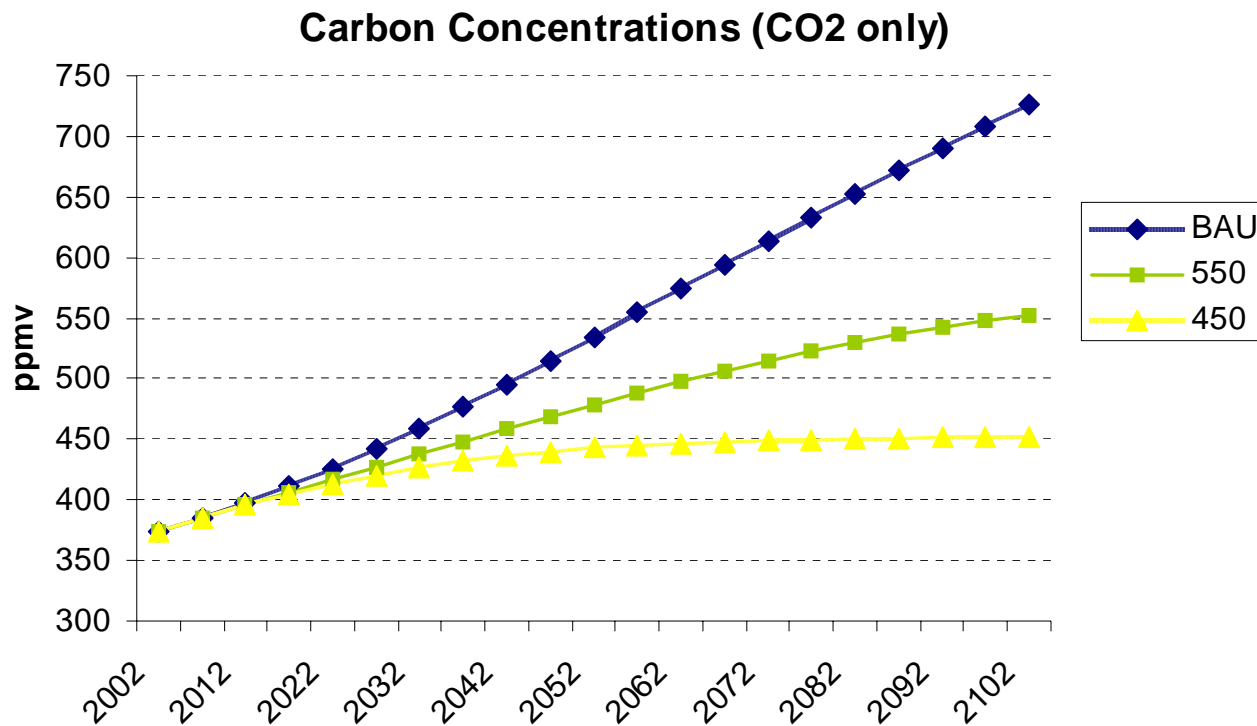


World Carbon Emissions



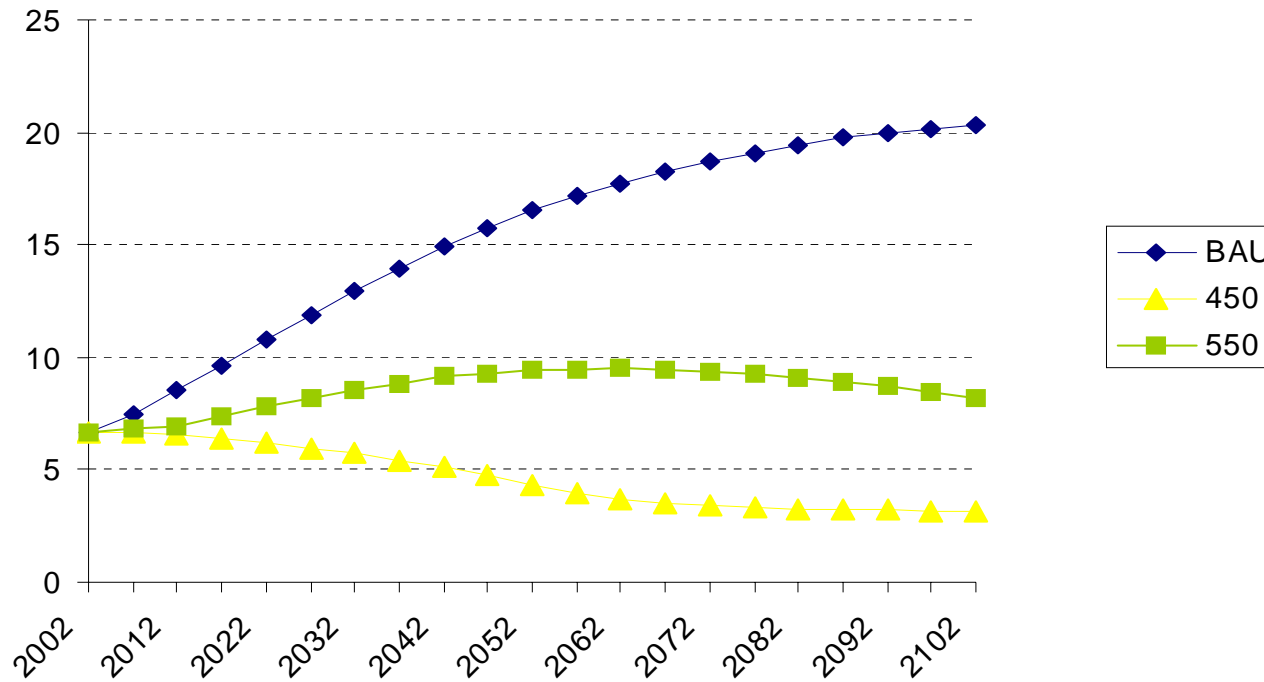
CO₂ Mitigation: C.E. Analysis

Mitigation Target: 450 and 550 ppmv

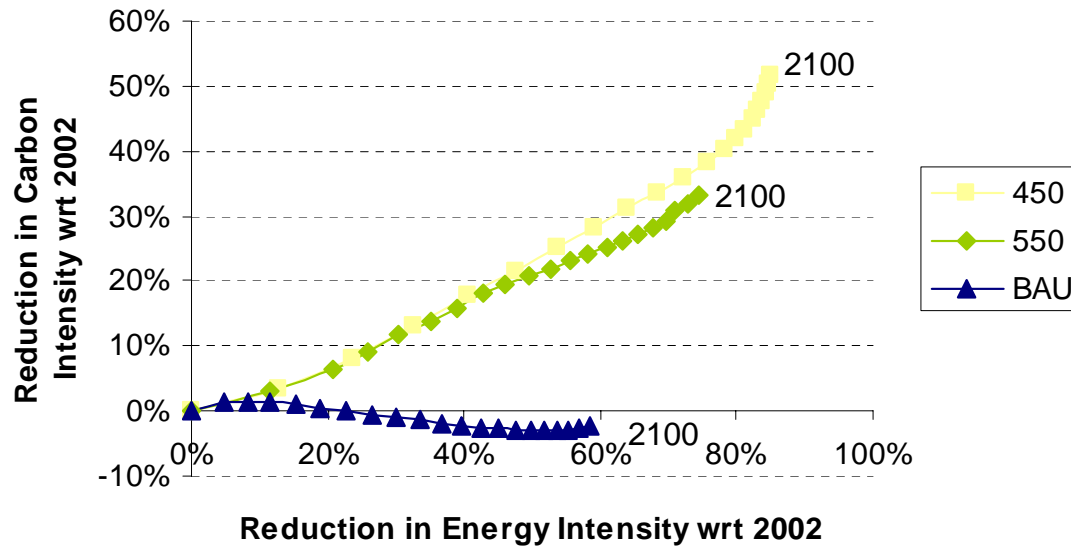


Mitigation Target: 450 and 550 ppmv

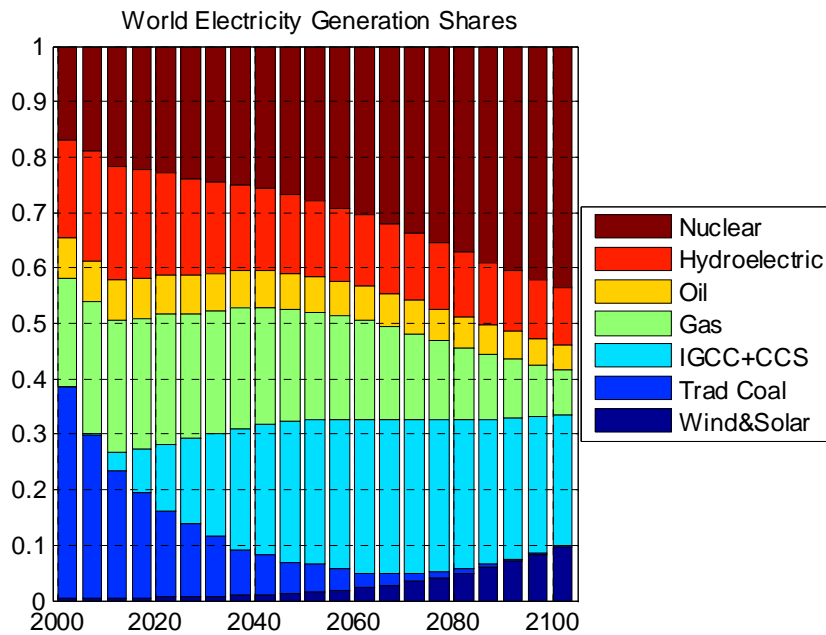
World Industrial Carbon Emissions (GtC)



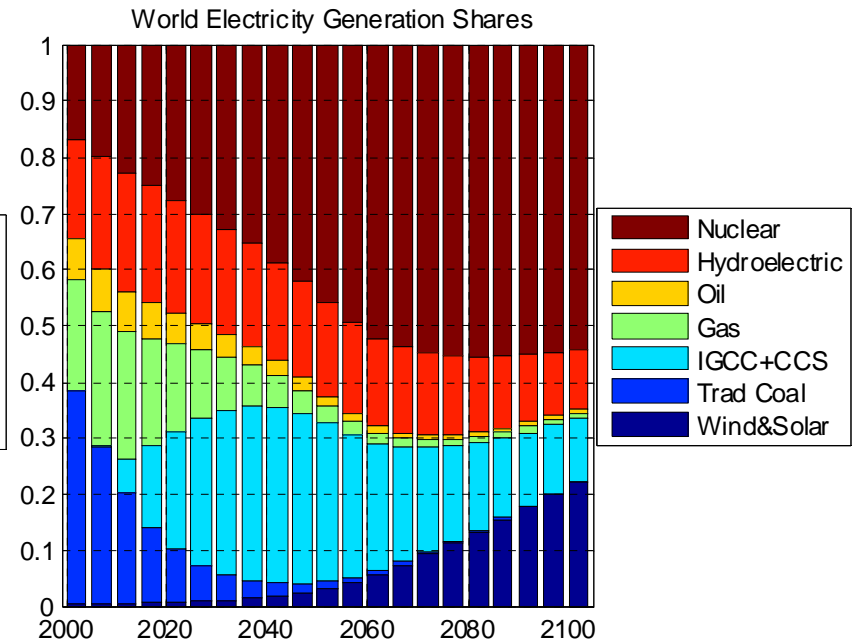
Trajectories in the energy intensity/carbon intensity wrt 2002

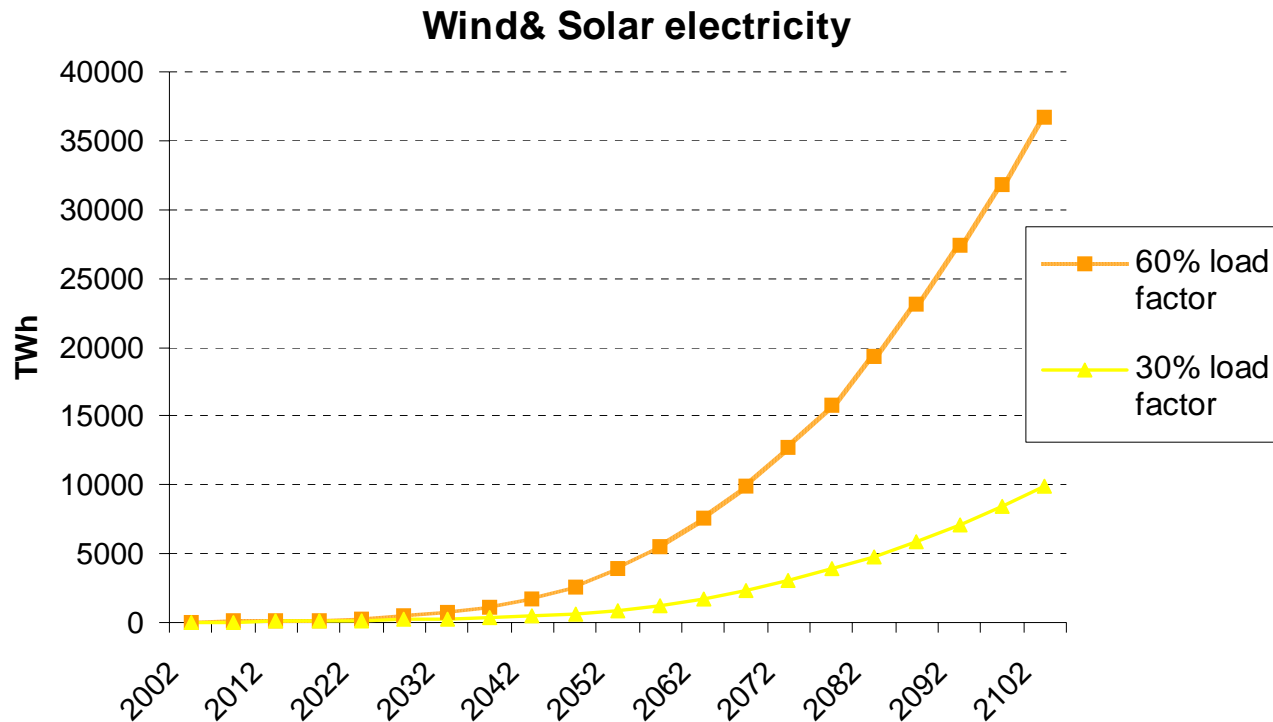


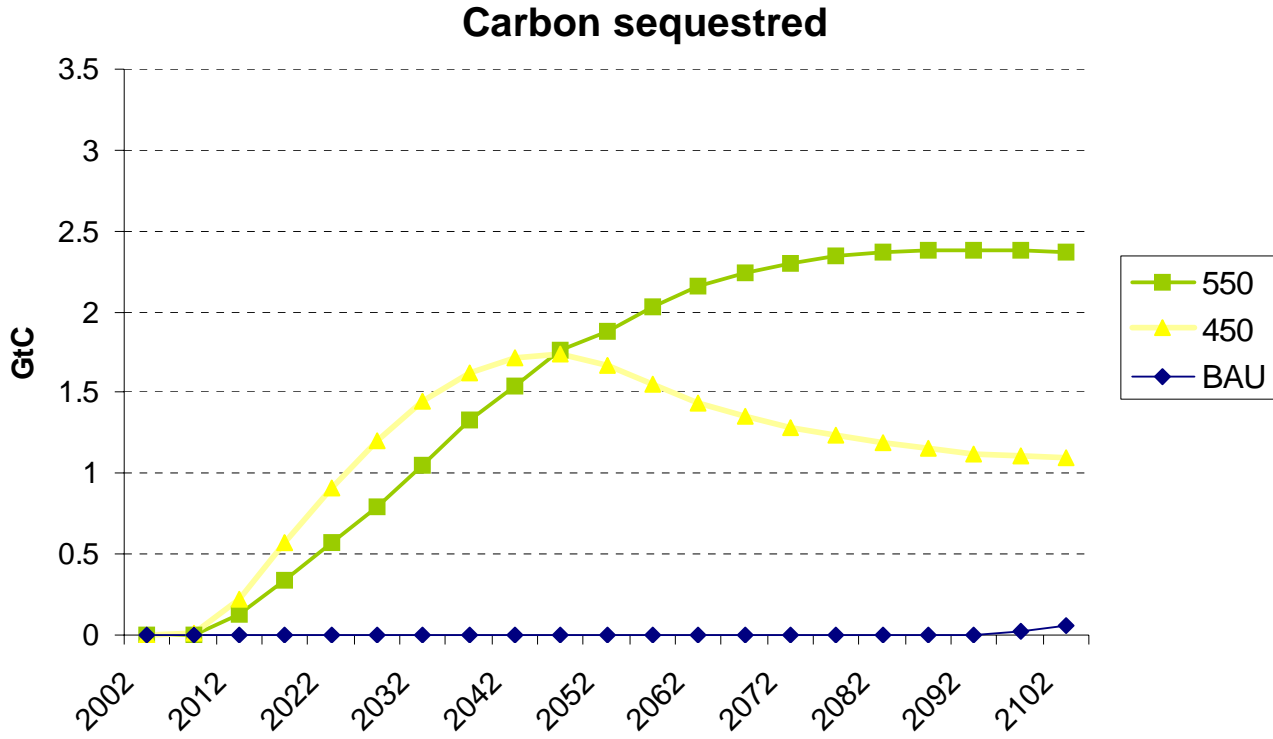
550ppmv



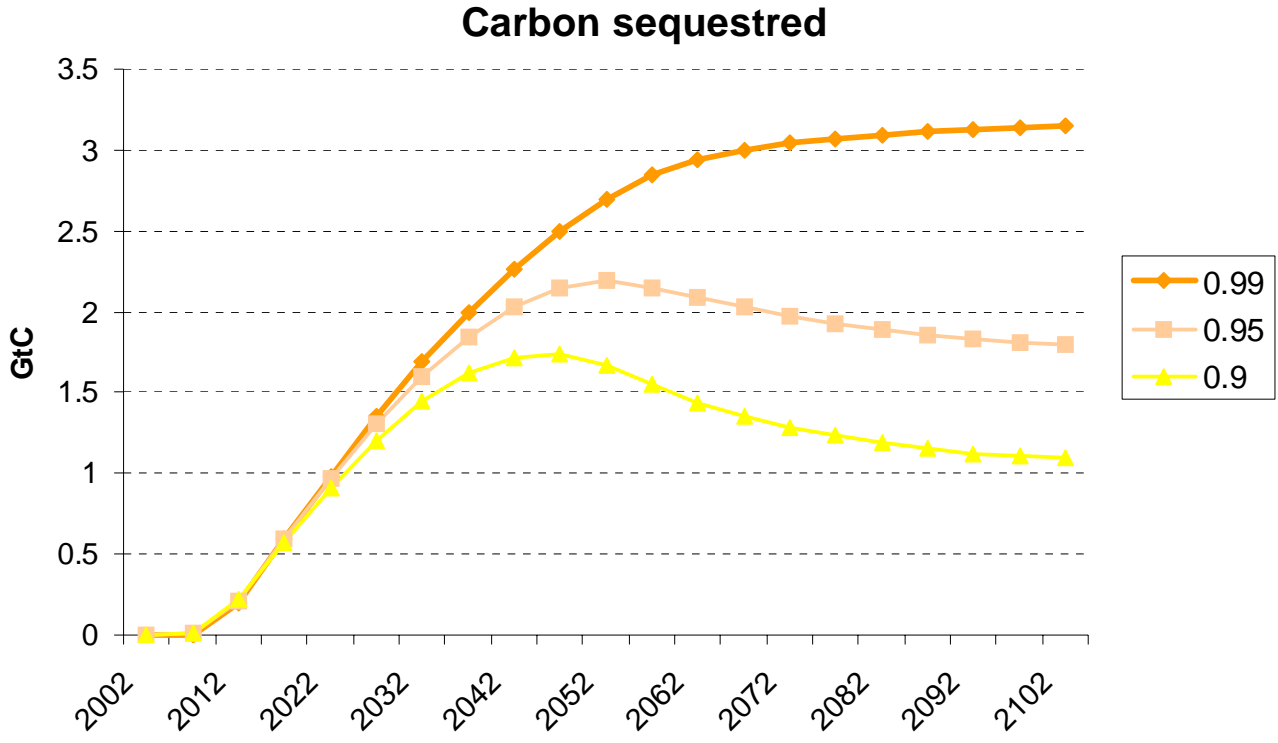
450ppmv



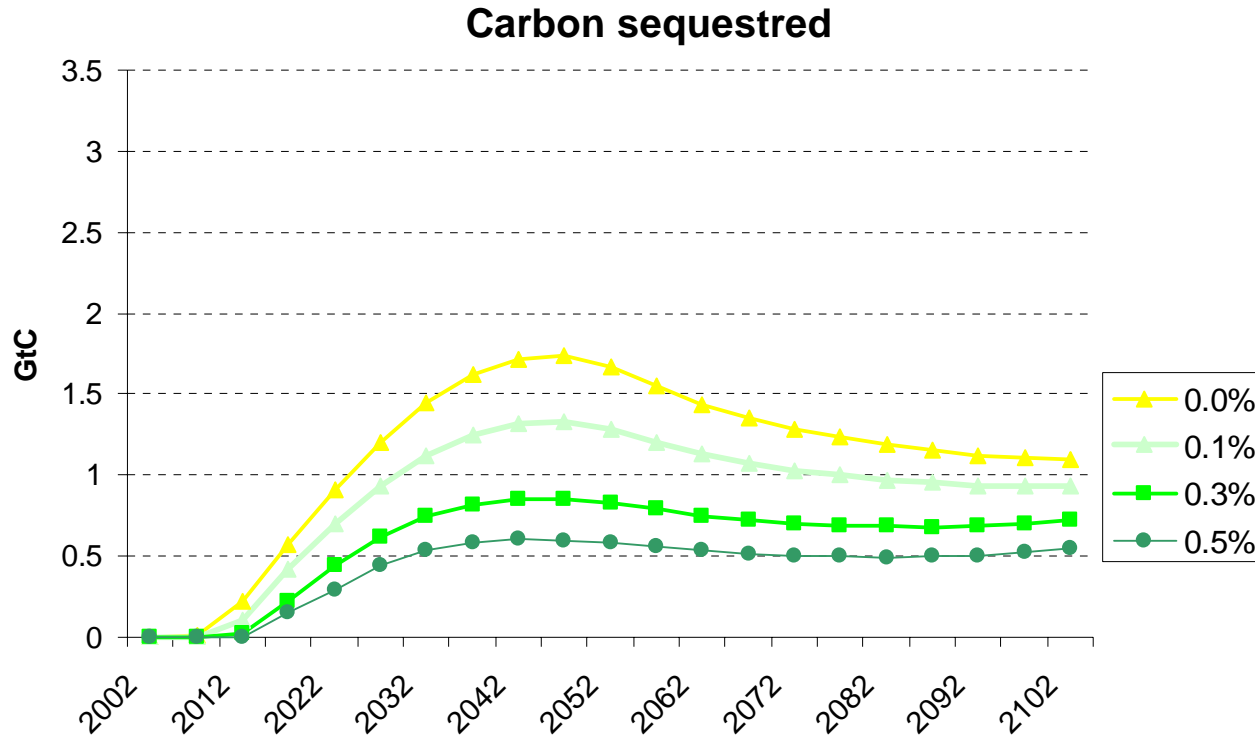




CCS: effect of capture rate in a 450ppmv

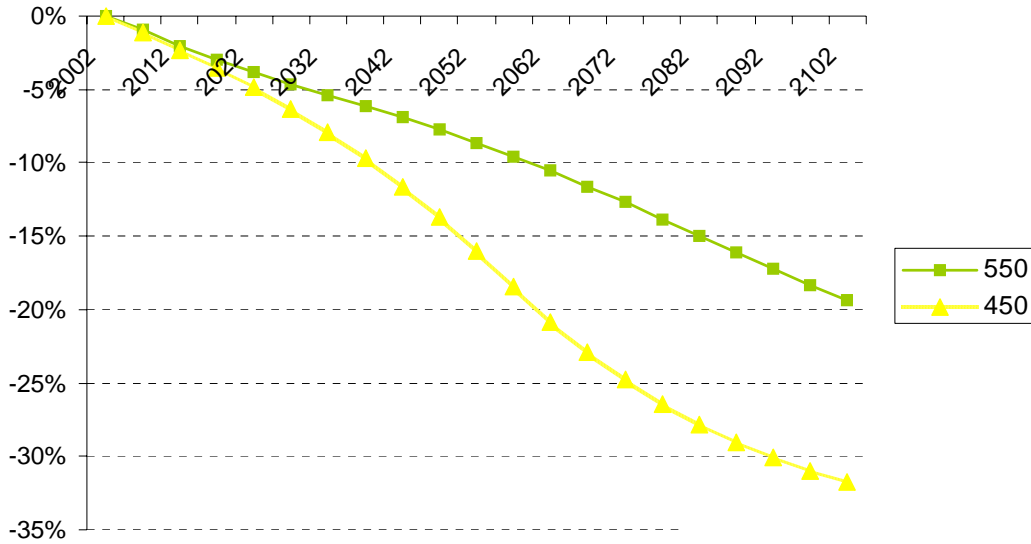


CCS: effect of leakage rate in a 450ppmv

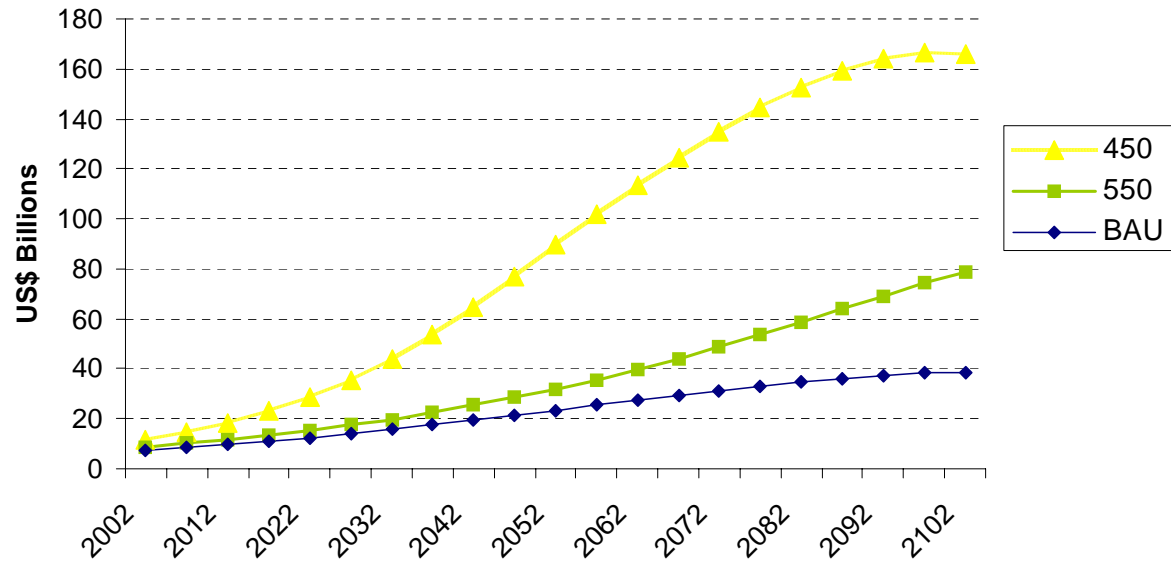


Endogenous Technical Change

LbD: Investment cost of wind&solar plants wrt to BAU

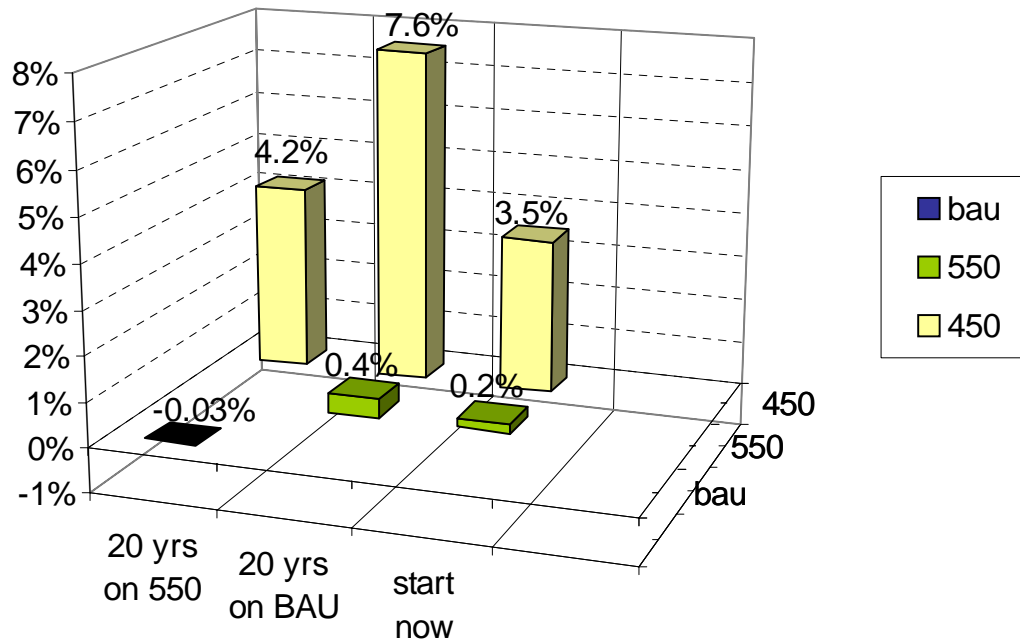


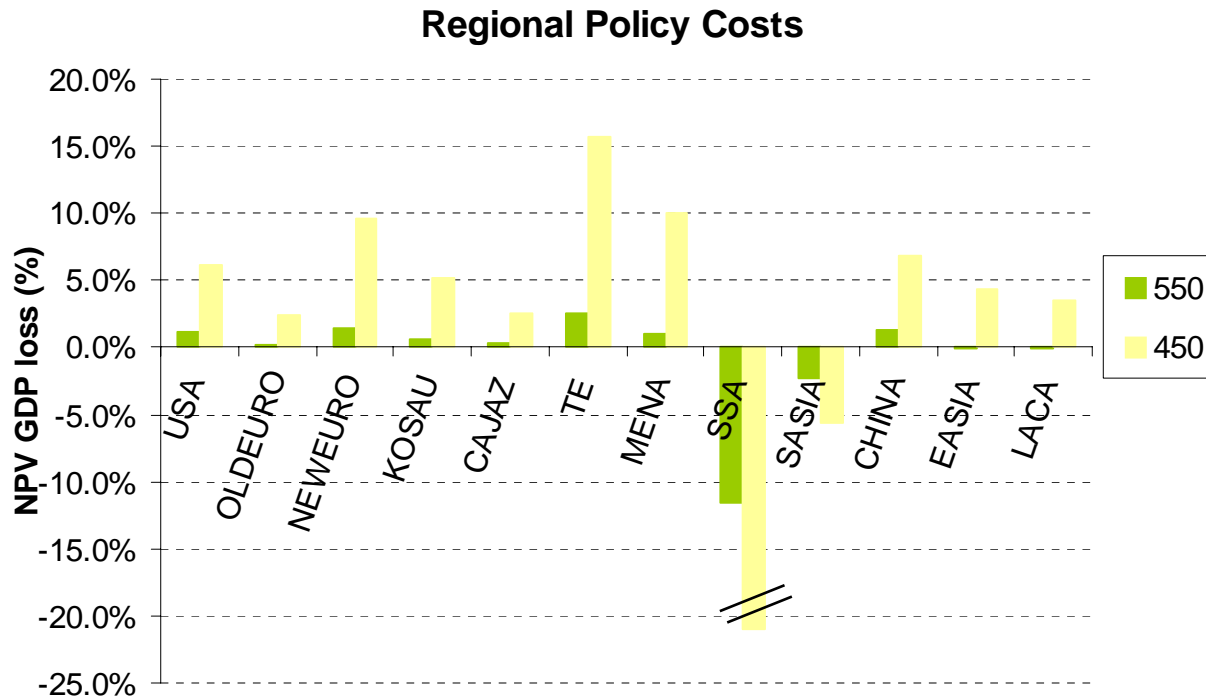
Energy R&D investments

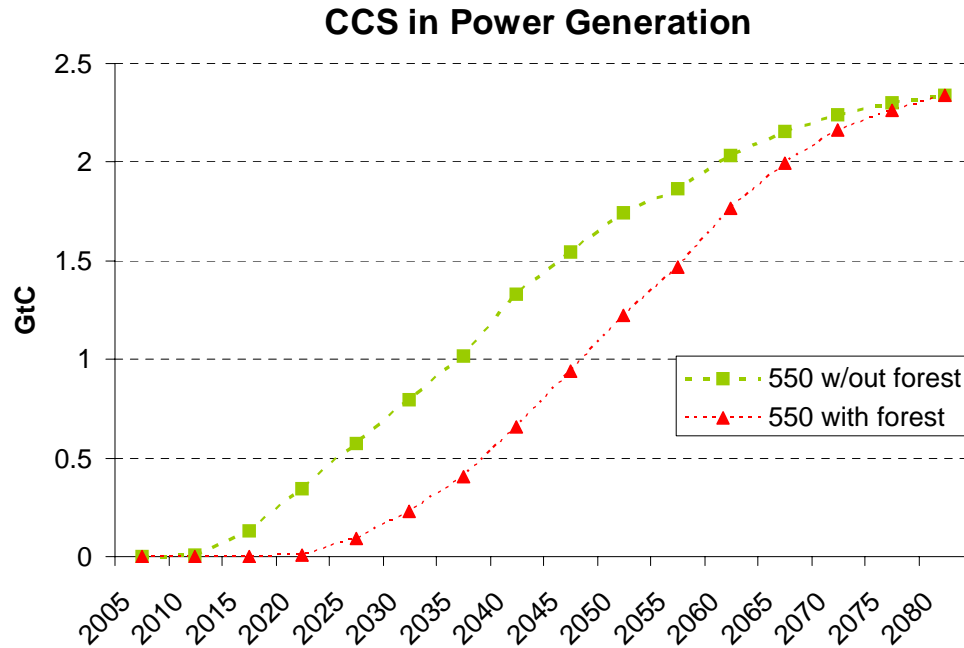


Policy Costs

Costs of procrastination: 3% discounted



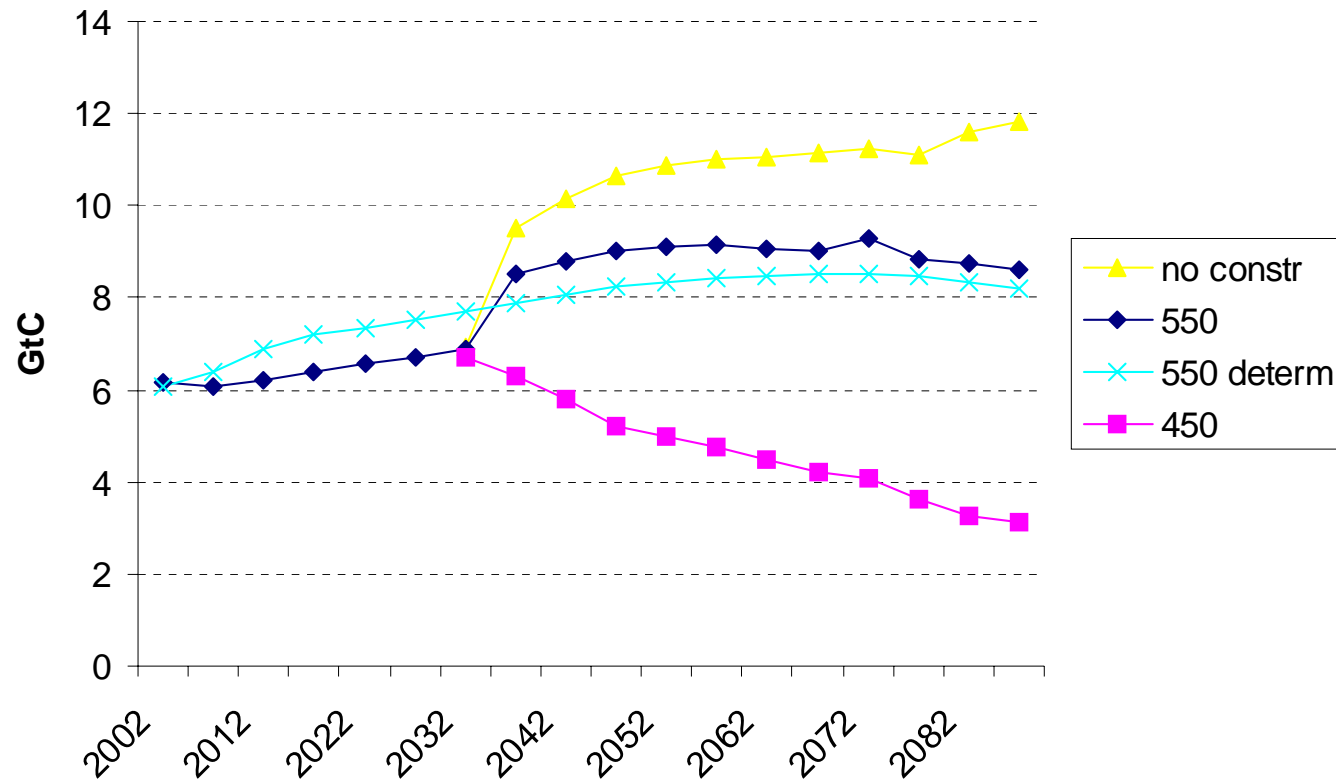




- » halves 550ppmv policy costs
- » achieves 50ppmv extra at no cost
- » delay energy abatement

* M. Tavoni, B. Songhèn and V. Bosetti (2007) "Forestry and the carbon market response to stabilize climate", FEEM w.p. 15-2007

Uncertain concentration targets



Optimal abatement (CBA)

- Coop CBA implies lower emissions (600 ppmv at 2100).
- Non-cooperative CBA does not suggest emission levels that scientists might like, mainly because of “global externality” nature of problem.
- Real issue is countries free-riding and how to induce cooperation

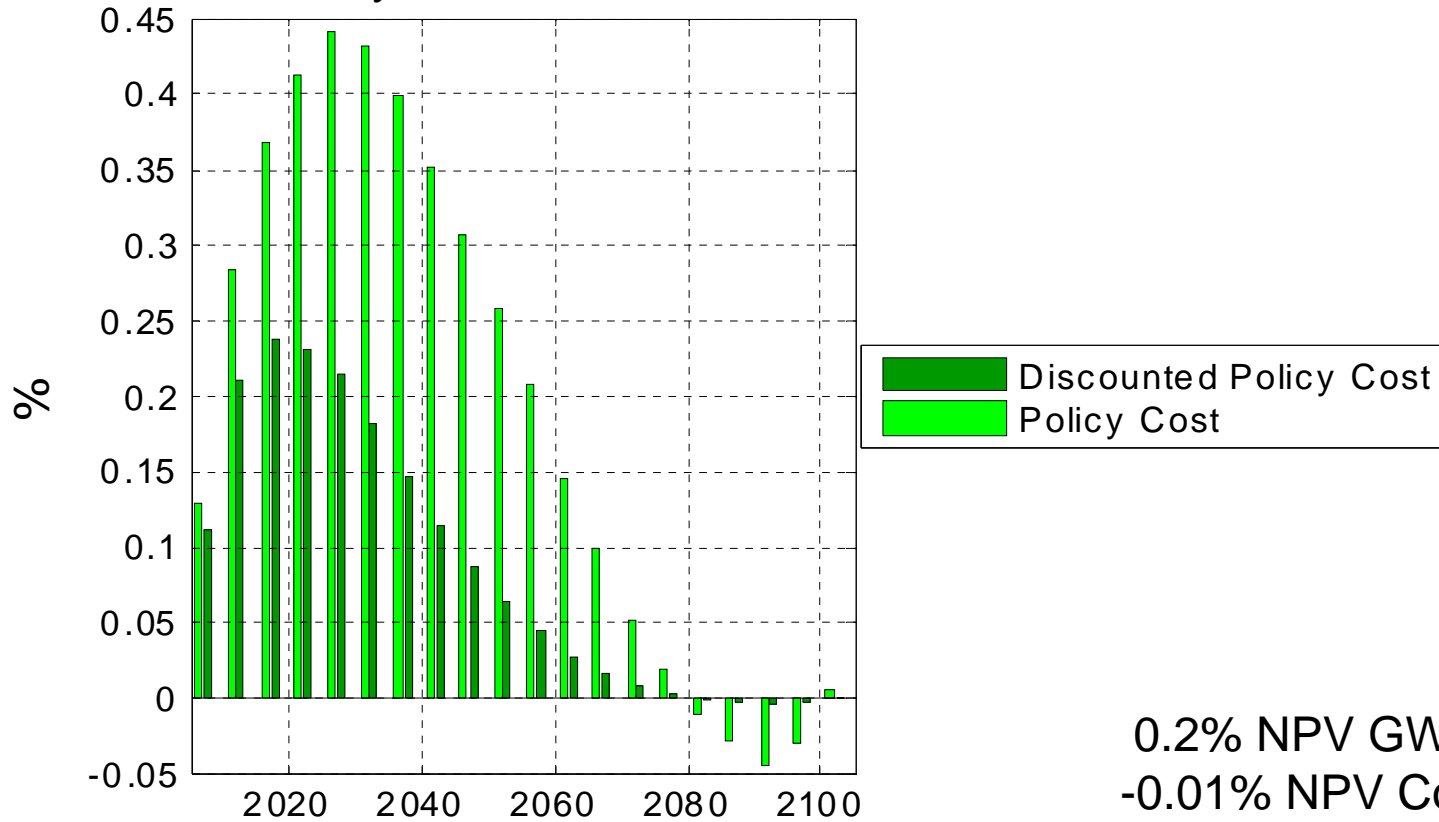
Stabilization Policies (C.E.)

- 550 “cheap” target, 450 tougher (real climate damages, tech. evolution)
- Power sector can do the job but needs Nuclear, CCS and Renewables
- Forestry important mitigation option with a bearing on carbon market/energ abat
- 550 no regret option, 20 yrs on BAU 450 is gone
- Climate uncertainties: more intermediate mitigation/interim conc. targets

massimo.tavoni@feem.it

www.feem-web.it/WITCH

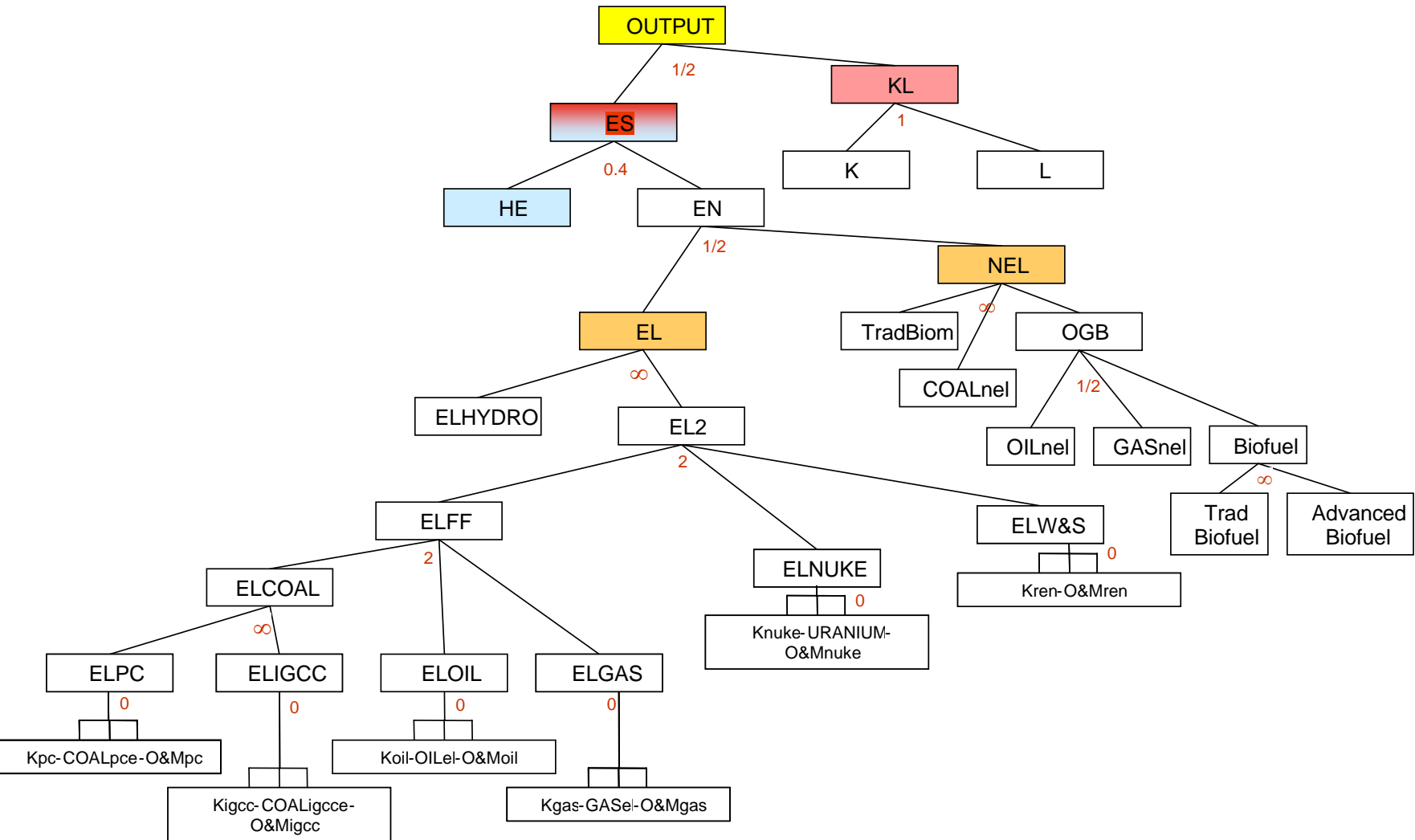
C-E Analysis World GWP loss



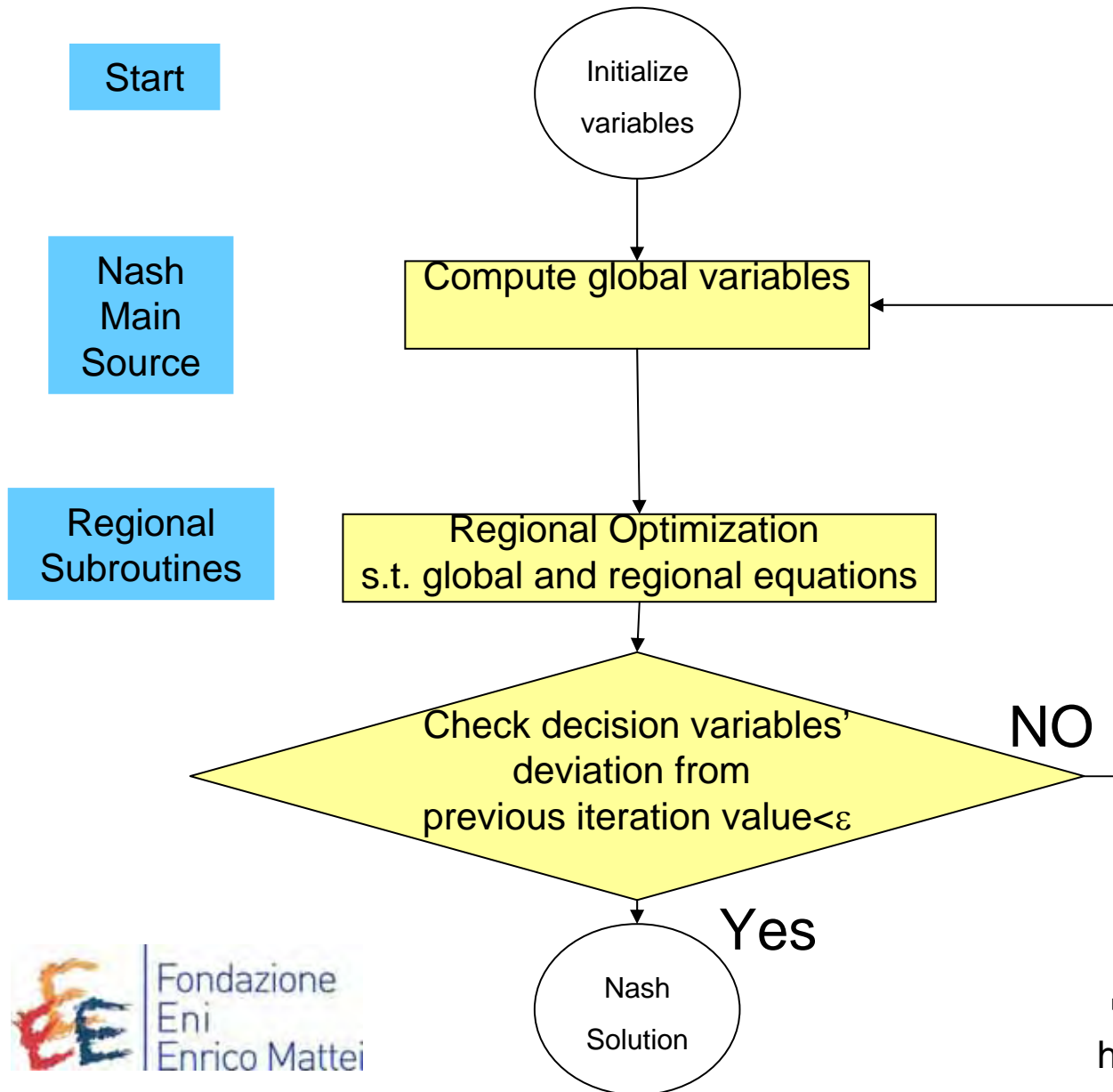
0.2% NPV GWP loss
-0.01% NPV Consumpt. loss

Distinguishing Features

- Focus on **energy sector**



Algorithm



To ease solution searching problem. Each region's problem solved assuming no interactions

To compute Temp, price of resources, W&S capacity installed necessary in each regional optimization problem

$\forall n \in N$

▪The algorithm does not handle global constraints.

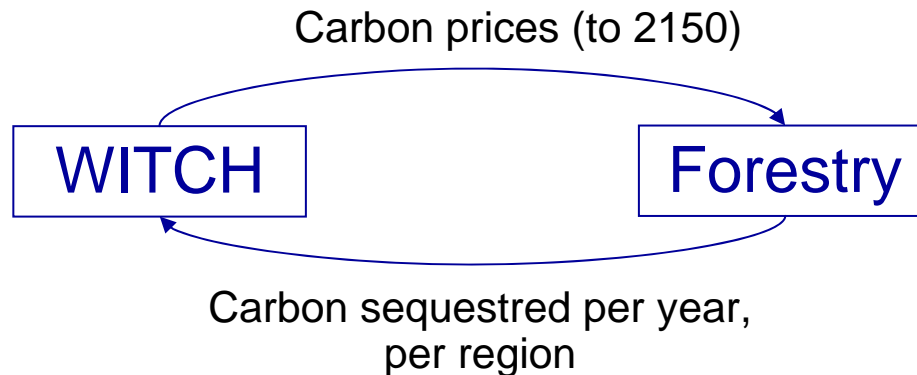
Investigating the role of forestry as a stabilization option

Motivating Issue:

Missing analysis of carbon market response to forestry mgmt

General idea:

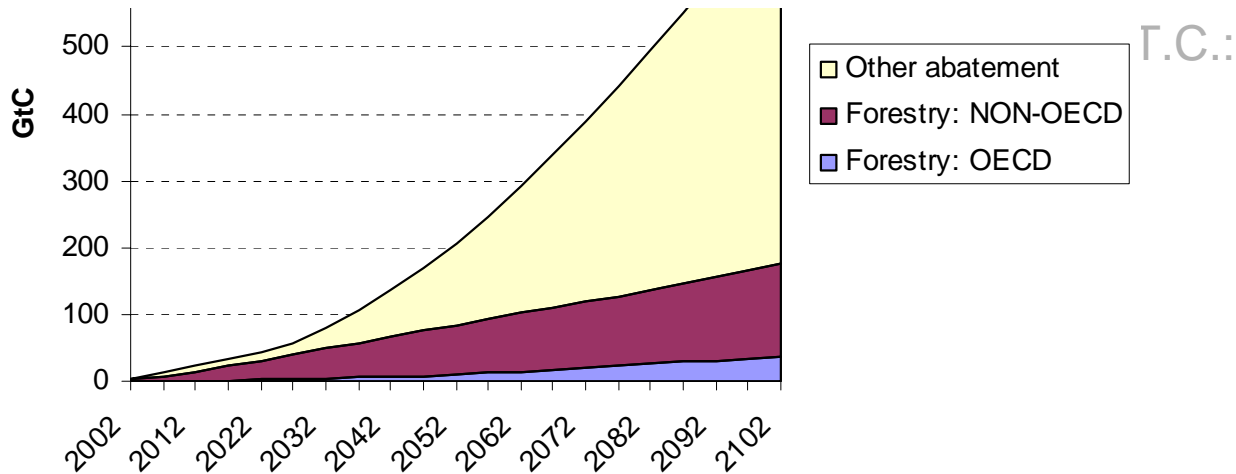
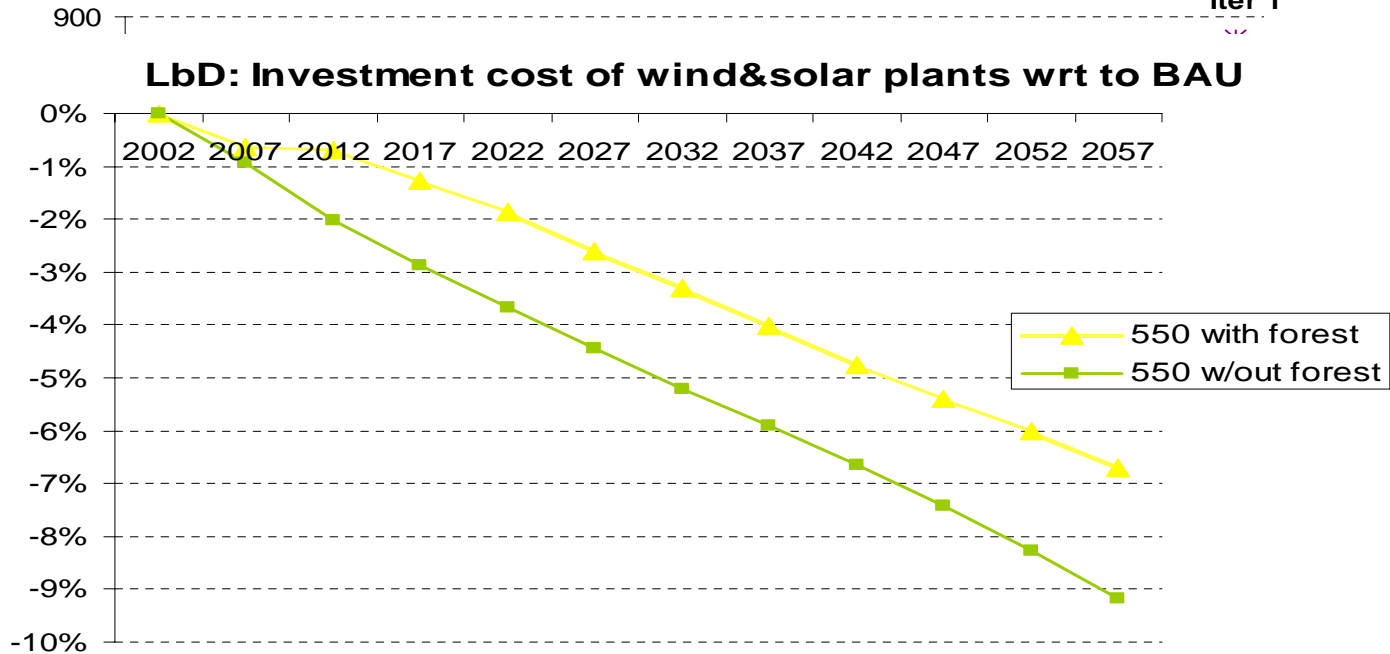
Coupling WITCH with a forestry model (Brent Sohngen, Ohio State Univ.)



PC

iter 1

LbD: Investment cost of wind&solar plants wrt to BAU



- Cost-Benefit Analysis
- Cost-effectiveness Analysis of climate policies
- Linking Forestry Management to Climate Change Policy
- **Role of Uncertainty in Technological Change Processes**
- Energy Technology Spillovers
- Role of Free Riding
- Role of Discounting

Investigating uncertain effectiveness of innovation in backstop technology

Motivating Issues:

Literature concentrates on uncertainty of climate damages and costs

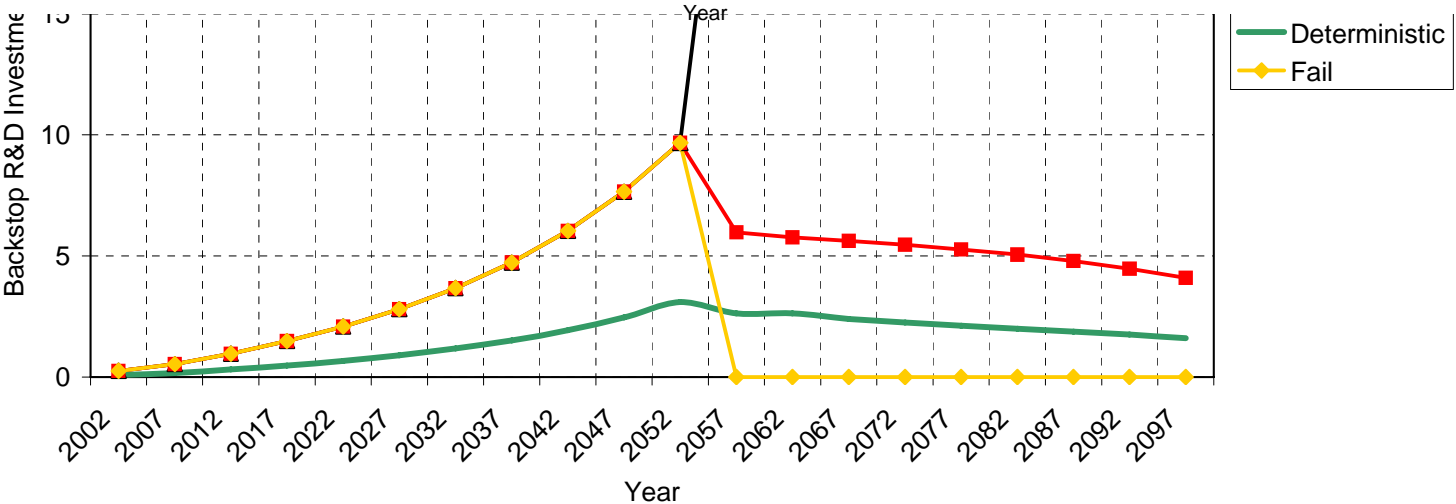
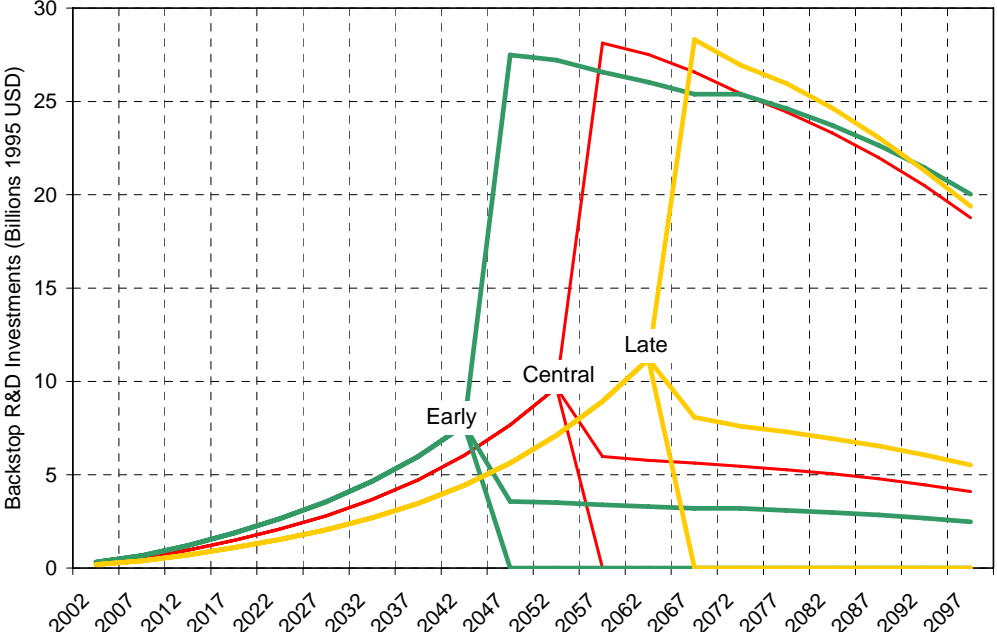
1. Some preliminary research on uncertain future arrival of a backstop technology
2. Just few studies (Baker *et al.* 2006) on uncertain effectiveness of R&D

General idea:

Develop a stochastic version of WITCH and analyze the effect of uncertainty on:

- » optimal levels of investment in R&D fostering the arrival of a carbon-free backstop technology
- » the costs of a stringent climate policy

Uncertainty Results



- Interactions between **energy markets** and climate policy
- **Uncertainty** of climate **damages**
- **Spillovers** and **uncertain technological breakthroughs**
- Linking **land use management**-forestry-energy and climate policy
- CDM and **embodied technological spillover**
- Accounting for non-cooperative behaviors in choosing the optimal climate policy instrument under uncertainty
- **Mitigation** vs **Adaptation** strategies

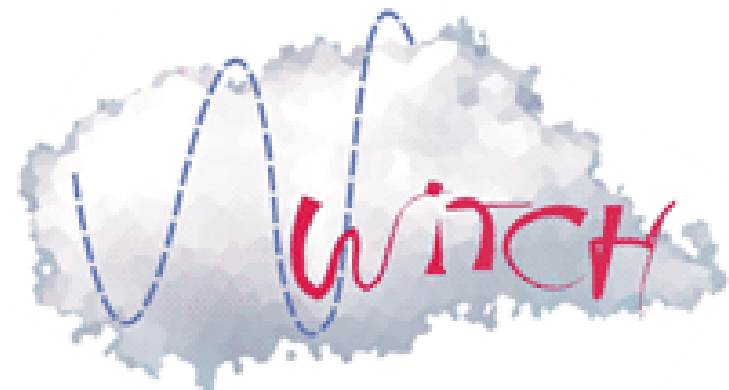
*Bosetti V., C. Carraro, M. Galeotti, E. Massetti and M. Tavoni, (2006), "WITCH: A World Induced Technical Change Hybrid Model", *The Energy Journal*, Special Issue. Hybrid Modeling of Energy-Environment Policies: Reconciling Bottom-up and Top-down, 13-38.

*Valentina Bosetti, Carlo Carraro, Emanuele Massetti, Massimo Tavoni (2007) "Optimal Investment Strategies to stabilize GHG Atmospheric Concentrations" FEEM working paper

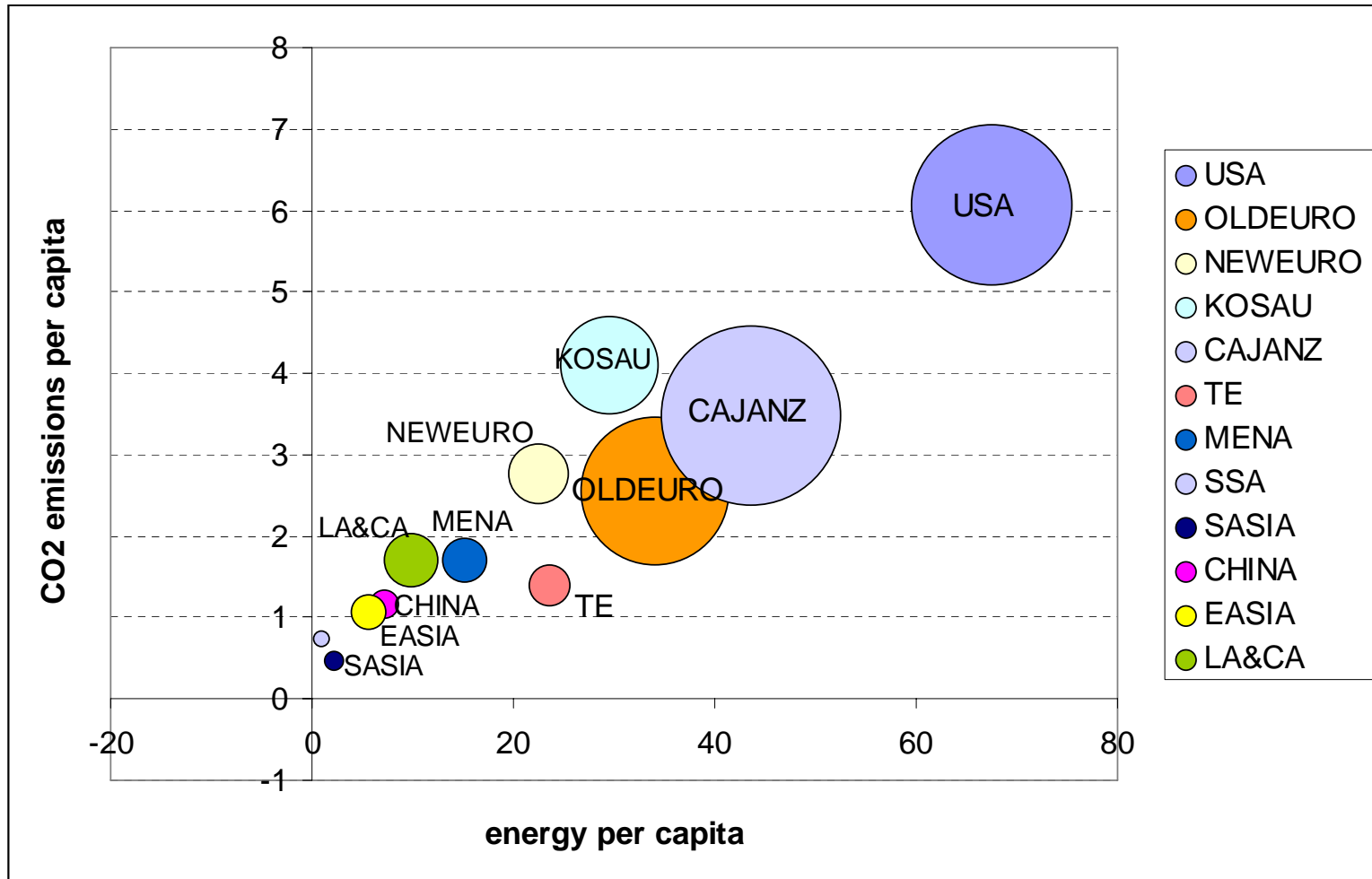
*M. Tavoni, B. Songhen and V. Bosetti (2007) "Forestry and the carbon market response to stabilize climate", FEEM working paper

*V. Bosetti, M. Tavoni (2007) "Uncertain R&D, Backstop Technology and GHG Stabilization", FEEM working paper

www.feem-web.it/witch



CO2, energy and income



TOP DOWN

- DICE (Nordhaus) and Entice-BR (Popp) no energy detail nor regional disaggregation.
- DEMETER (Gerlagh), no regional disaggregation nor strategic choice of optimal investment profiles.

BOTTOM UP

- Energy system models (e.g., Markal, Message), no forward looking nor accounting for strategic behavior and related inefficiencies.

HYBRID MODELS SOFT LINKED

- MERGE (Richels et al.) stand-alone optimization nor accounting for strategic behavior and related inefficiencies.

HYBRID MODELS HARD LINKED

- MIND (Edenhofer et al.) no regional disaggregation nor strategic choice of optimal investment profiles. Single fuel.
- **WITCH** (World Induced Technical Change Hybrid model)

The Objective Function

For each region (n) forward-looking central planner maximizes present value of (\log) per capita consumption (5-yr time steps):

$$(1) \quad W(n) = \sum_t L(n,t) \{ \log [c(n,t)] \} R(t)$$

choosing the optimal path of investment variables simultaneously and strategically with respect to the other decision makers.

Consumption of the single final good obeys to the economy budget constraint:

$$(2) \quad C(n,t) = Y(n,t) - I_C(n,t) - \sum_j I_{R\&D,j}(n,t) - \sum_j I_j(n,t) - \sum_j O\&M_j(n,t) \\ - \sum_f P_f(n,t) X_f(n,t) - P_{CCS}(n,t) CCS(n,t)$$

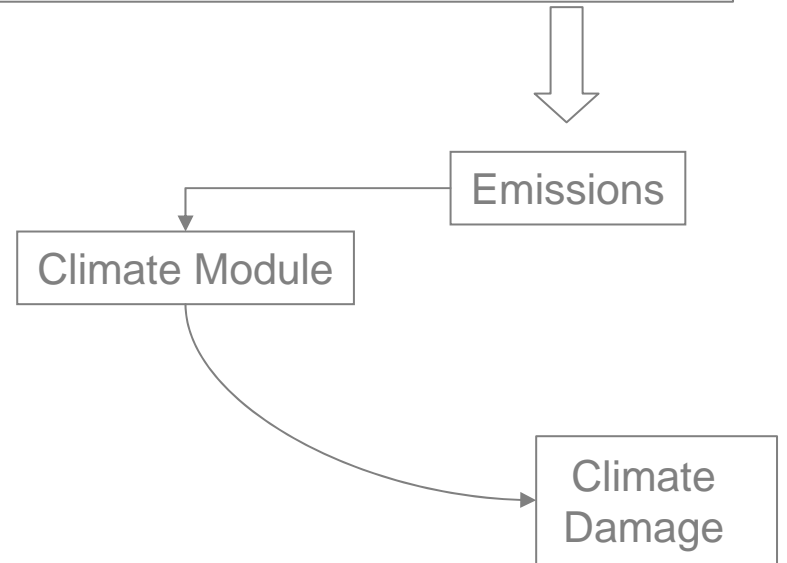
Final Good
Energy R&Ds
Electricity Generation
Operation & Maintenance

Net fuel expenditures
CCS (Transport and storage costs)

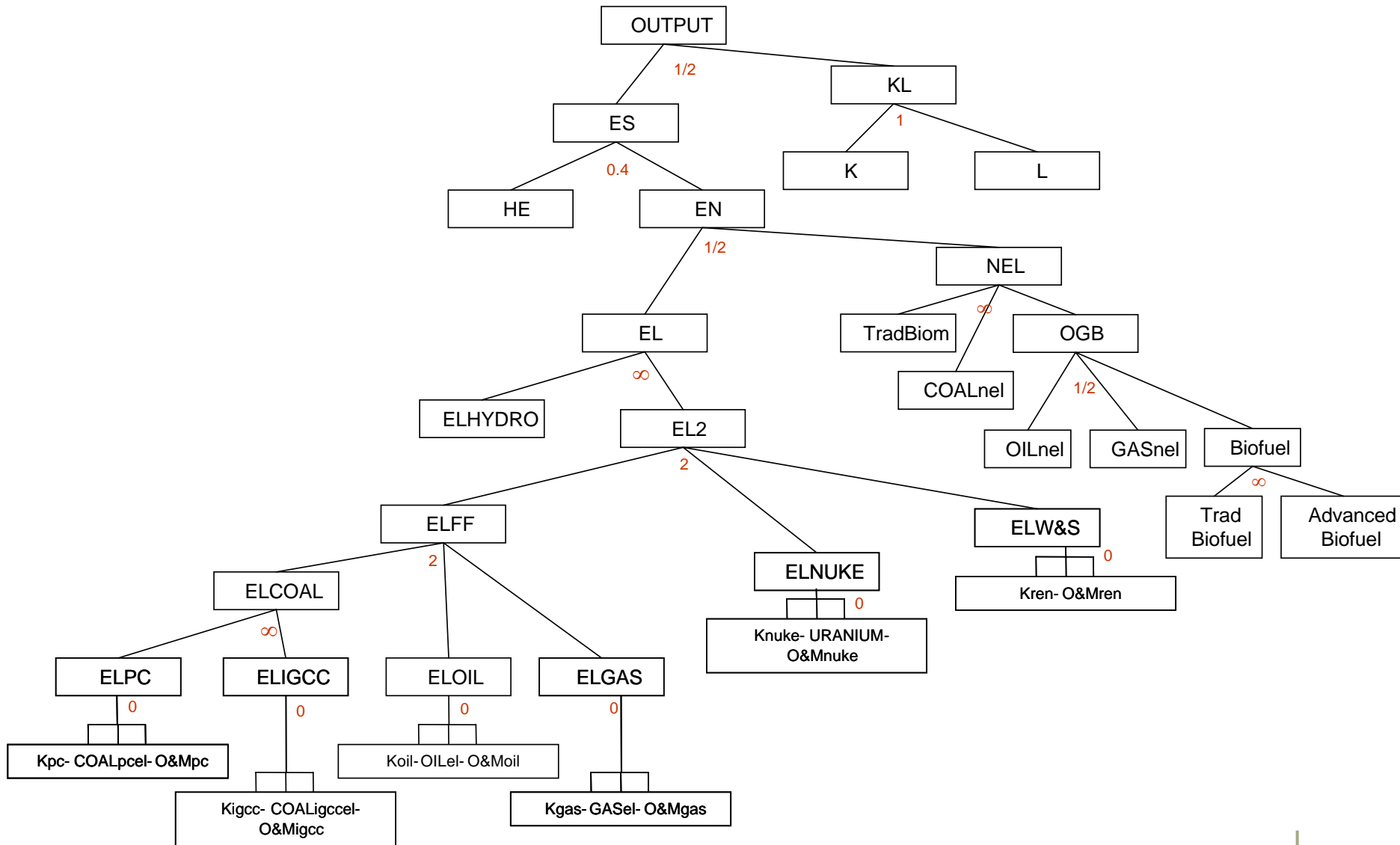
Output and Climate Damage

Gross output produced via capital, labour (=population) and energy services.

$$(3) \quad Y(n,t) = \frac{TFP(n,t) \left[\alpha(n) \cdot \left(K_C^{1-\beta(n)}(n,t) L^{\beta(n)}(n,t) \right)^\rho + (1-\alpha(n)) \cdot ES(n,t)^\rho \right]^{1/\rho}}{\Omega(n,t)}$$



The Energy Sector



ETC is represented through both *accumulation of experience* and *R&D investment*:

i. **Learning by Doing** via experience curves in power plants investment cost

$$(4) \quad SC_j(n, t) = B_j \sum_n K_j(n, t-1)^{-\log_2 PR_j} + \xi_n$$

world learning, assume technology spillover

ii. **Energy R&D** for increasing **energy efficiency** (Popp)

$$(5) \quad ES(n, t) = \left[\alpha_H HE(n, t)^\rho + \alpha_{EN} EN(n, t)^\rho \right]^{1/\rho}$$

$$(6) \quad HE(n, t+1) = a I_{R\&D}(n, t)^b HE(n, t)^c + HE(n, t)(1 - \delta_{R\&D})$$



PROMOTION STRATEGIES FOR ELECTRICITY FROM RENEWABLES IN THE EU – LESSONS LEARNED

Reinhard Haas

Energy Economics Group,
Vienna University of Technology

ROSKILDE, 22nd May 2007

1. Introduction

2. Additional costs for final customers

3. A comparison of the success

4. Achievements and prospects

5. The issue of competition

6. Conclusions

**Thanks to the EC (DG RESEARCH,
DG TREN)**

CORE MOTIVATION:

**Policy targets for an
INCREASE of RES-E!**

**(e.g. currently discussed targets of
20% for 2020)**

SURVEY ON INSTRUMENTS TO PROMOTE ELECTRICITY FROM RENEWABLES

		REGULATORY	VOLUNTARY
Capacity-driven strategies	Generation-based	<ul style="list-style-type: none"> • RPS • Quota-based TGCs 	<ul style="list-style-type: none"> • National generation targets
	Investment focused	<ul style="list-style-type: none"> • Bidding/Tendering 	<ul style="list-style-type: none"> • National installation or capacity targets
Price-driven strategies	Generation-based	<ul style="list-style-type: none"> • feed-in tariffs, • Rate based incentives • Net metering 	<ul style="list-style-type: none"> • Green Power Marketing <ul style="list-style-type: none"> • Green tariffs • Solar stock exchange
	Investment focused	<ul style="list-style-type: none"> • Rebates • Soft loans • Tax incentives 	<ul style="list-style-type: none"> • Contracting • Shareholder progr. • Contribution <ul style="list-style-type: none"> • Bidding
Other		–	<ul style="list-style-type: none"> • NGO-marketing • Selling green buildings <ul style="list-style-type: none"> • Retailer progr. <ul style="list-style-type: none"> • Financing • Public building prog.

What is the problem?

Which instrument fits best?

Should an **ambitious RES-E target** be met in the short and long-term?

Should it reflect the external costs?

Should RES-E technologies be promoted on broad scale?

Should it be compatible with the conventional electricity market?

Answer depends on POLICY OBJECTIVE

Should the system be implemented on a national or international level?

Is international burden sharing for consumer an important goal?

How should the premium costs / burden for consumer be distributed over time?

MAJOR PROBLEM:

**Correct design of
policy**

- with respect to:
 - renewable targets
 - Financial incentives
 - Credibility for investors
- Consideration of external costs?

2 THE ISSUE OF TRANSFER COSTS

*All regulatory promotion schemes
(Quota-based TGC systems, tendering
systems, Feed-in tariffs) create an
artificial market*

and cause

transfer costs (additional costs)

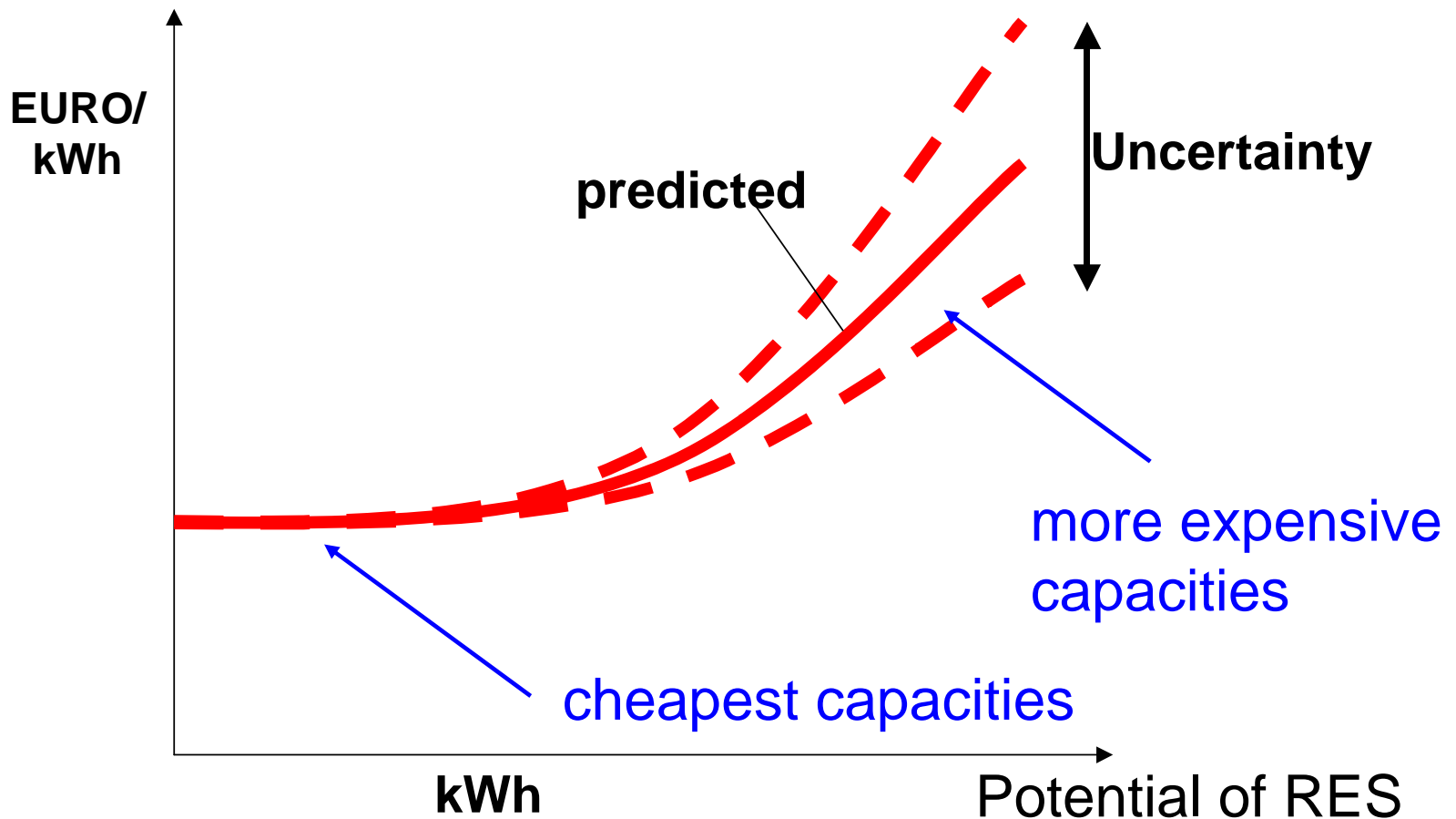
*It is important to minimize
these additional transfer costs.*

Why?

***These additional costs have finally to be
paid by the electricity customers***

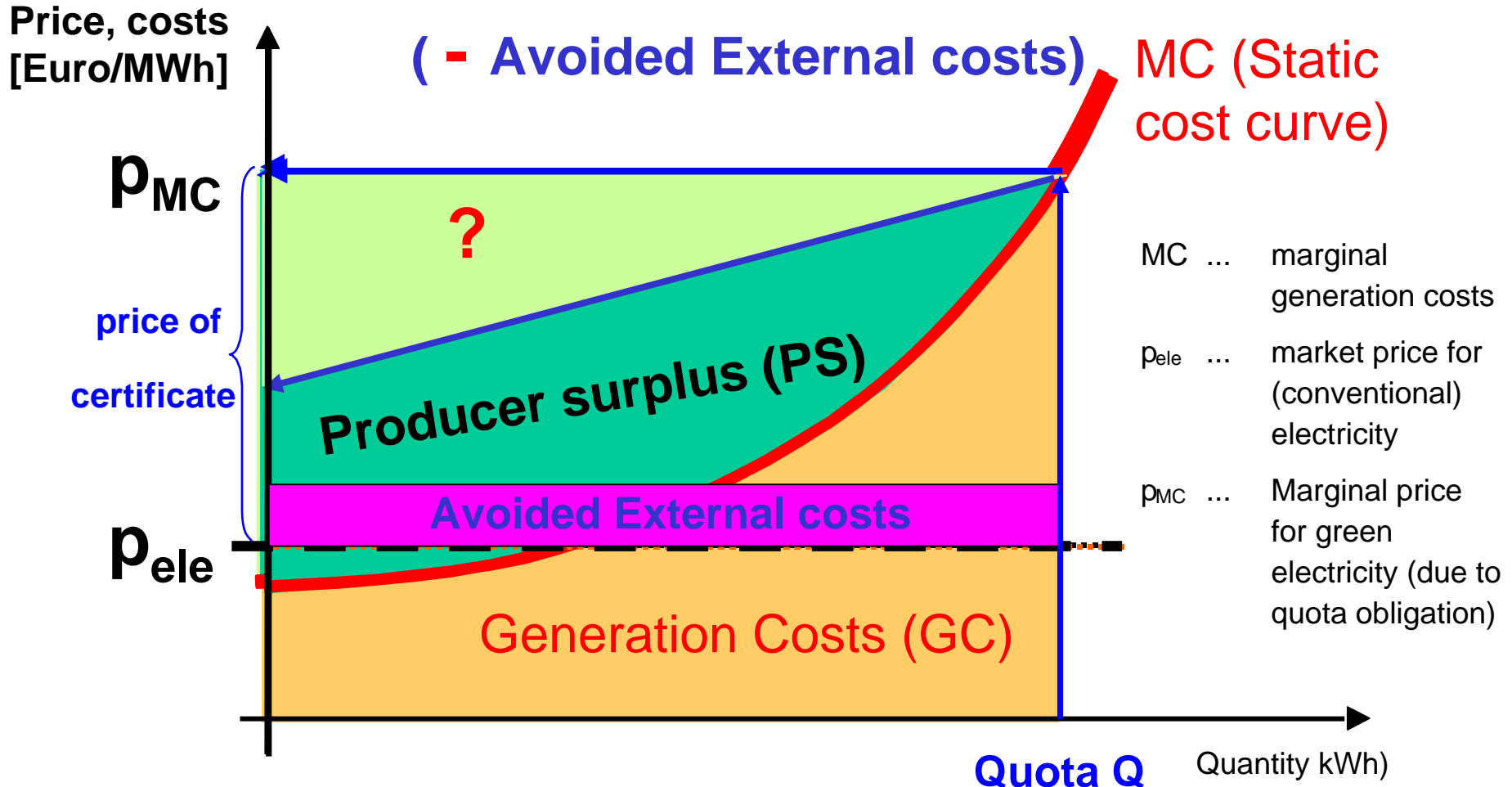
**(regardless which promotion scheme is
chosen)**

STATIC COST RESOURCE CURVES



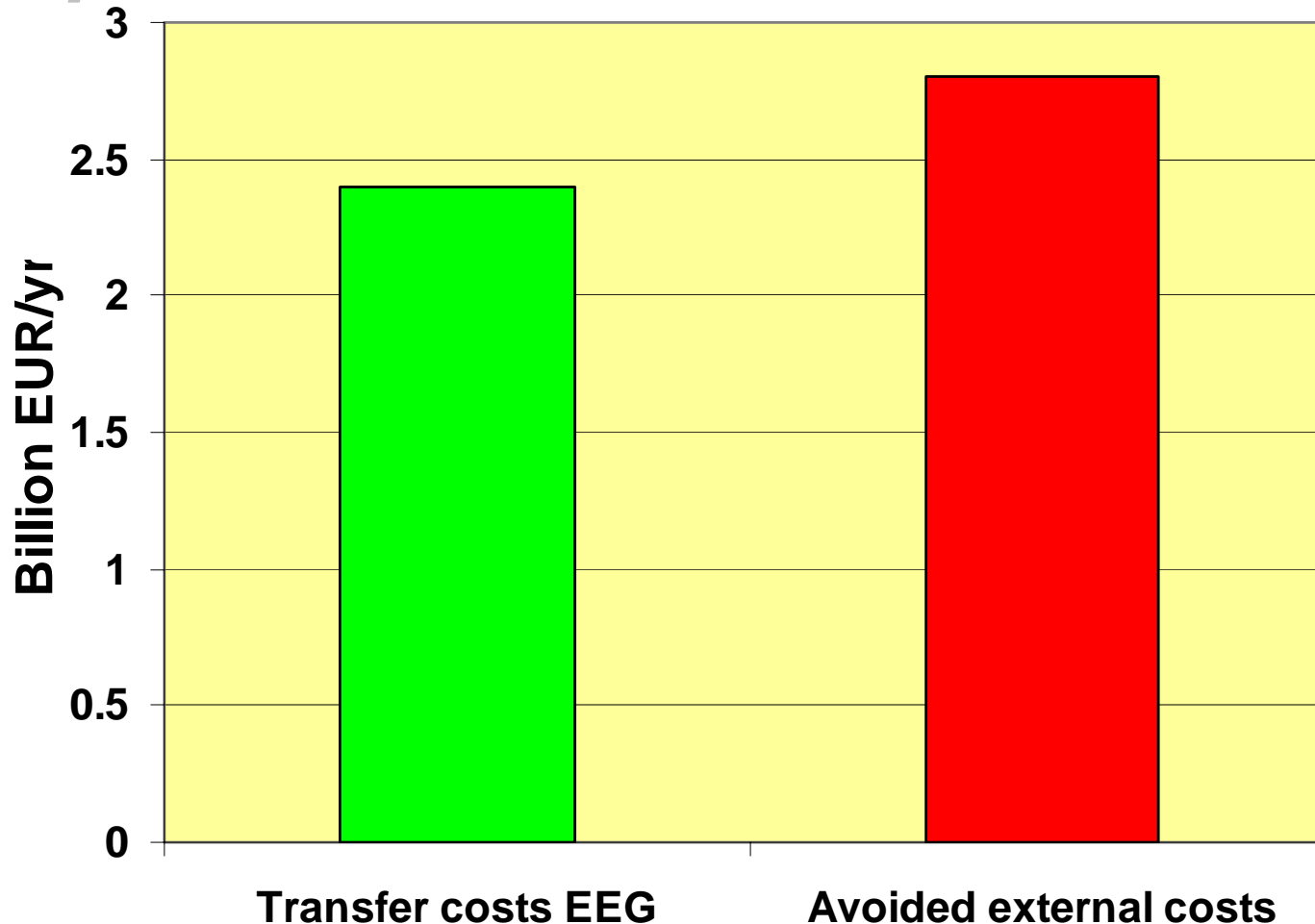
Method of approach (EU-project GREEN-X)

Minimise additional costs for consumers = **Producer Surplus** + Generation costs - Revenues electricity market



Transfer costs vs avoided costs

Example: Promotion of wind in Germany 2005



Source: Krewitt/Schlomann: Externe Kosten ... (2006)

***The lower the additional costs
(=transfer costs) are which have
finally to be paid by electricity
customers***

the higher will be public acceptance

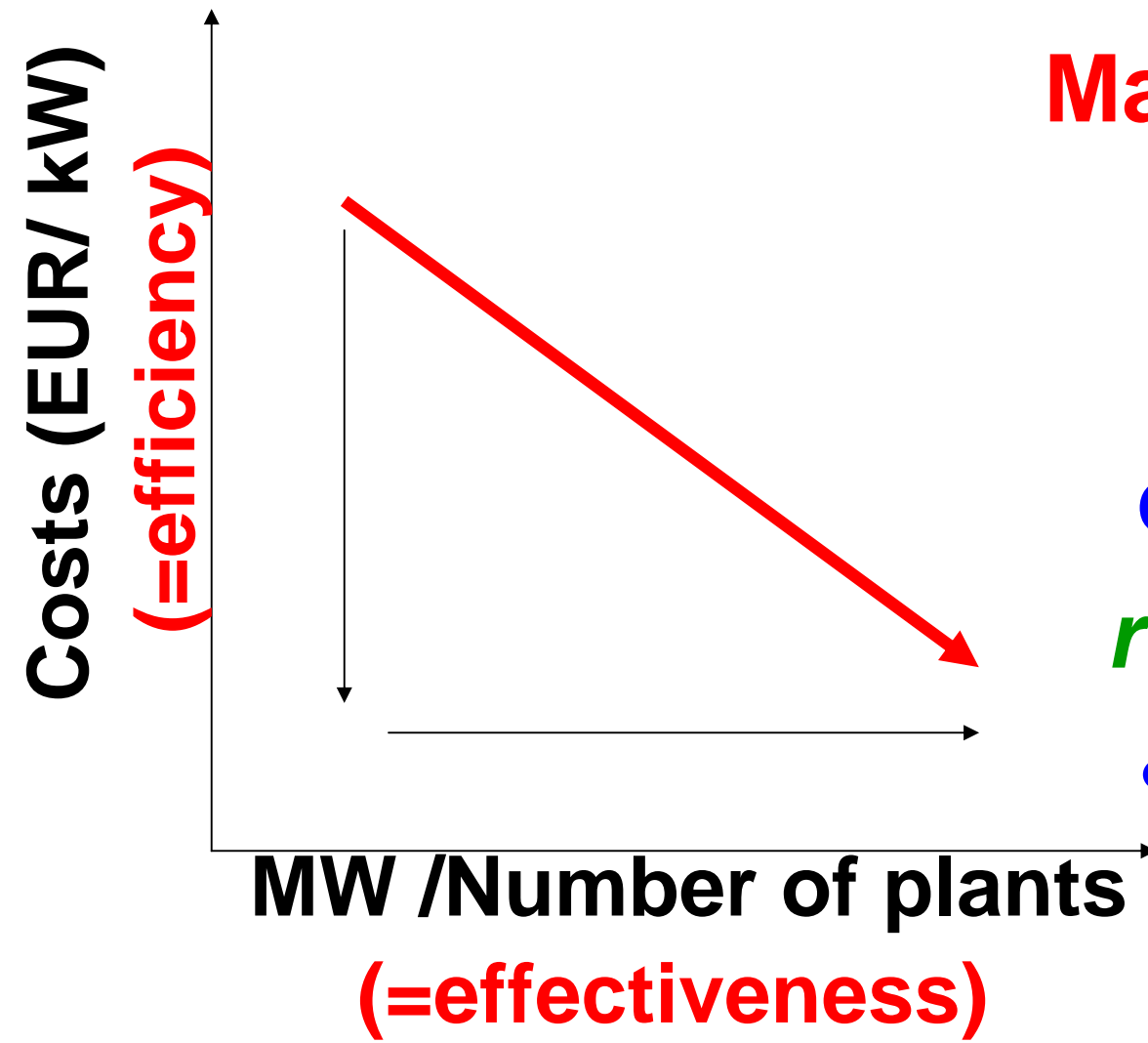
***the larger will be the amount of
additional electricity generated from
RES.***

An example from the conventional electricity market:

in several countries (e.g. Germany, Belgium) customers are fed up with the high profits the large incumbent utilities make in the “free” market

they request a re-regulation of electricity prices!

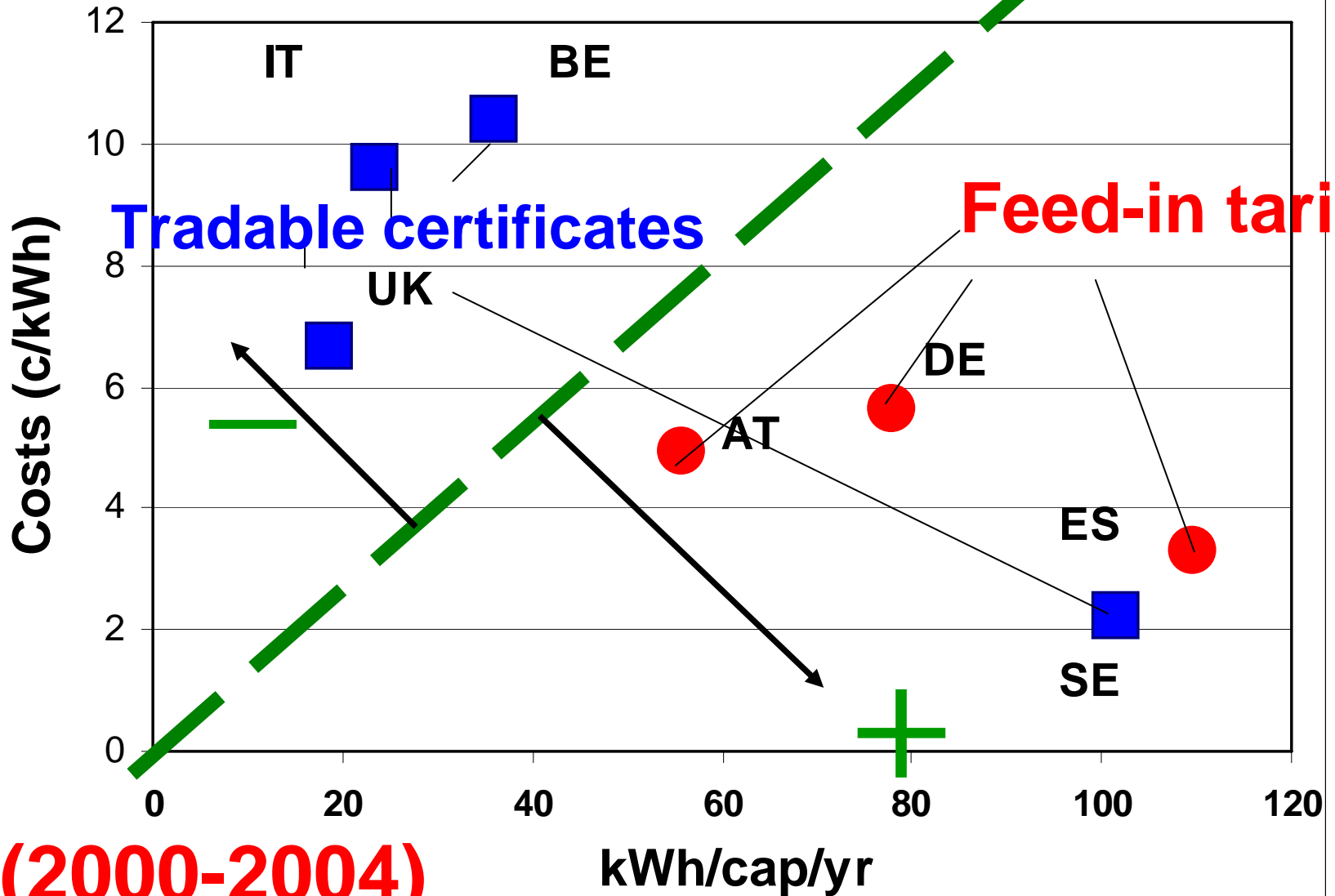
TO SUCCESSFUL STRATEGIES



Major objectives:

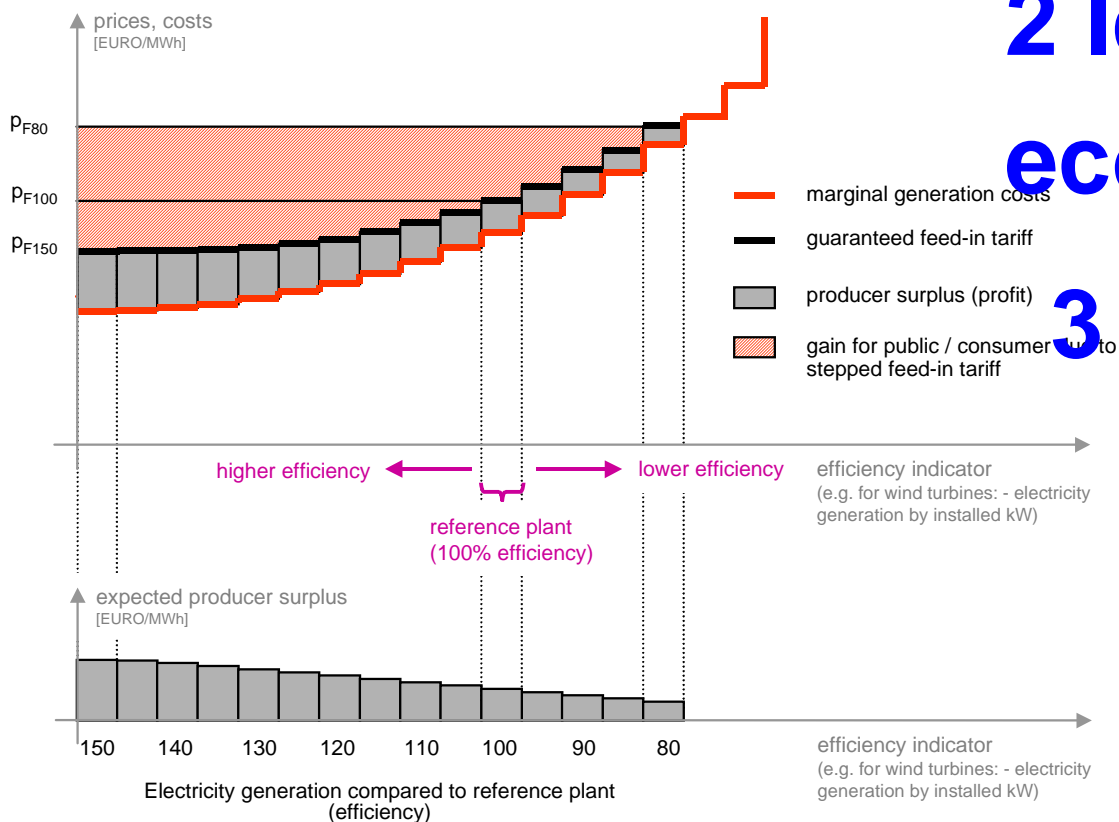
- increase the amount of electricity from *renewables* and
- reduce costs!

EFFECTIVENESS VS COSTS



(2000-2004)

1 Use a stepped FIT and calculate starting values carefully



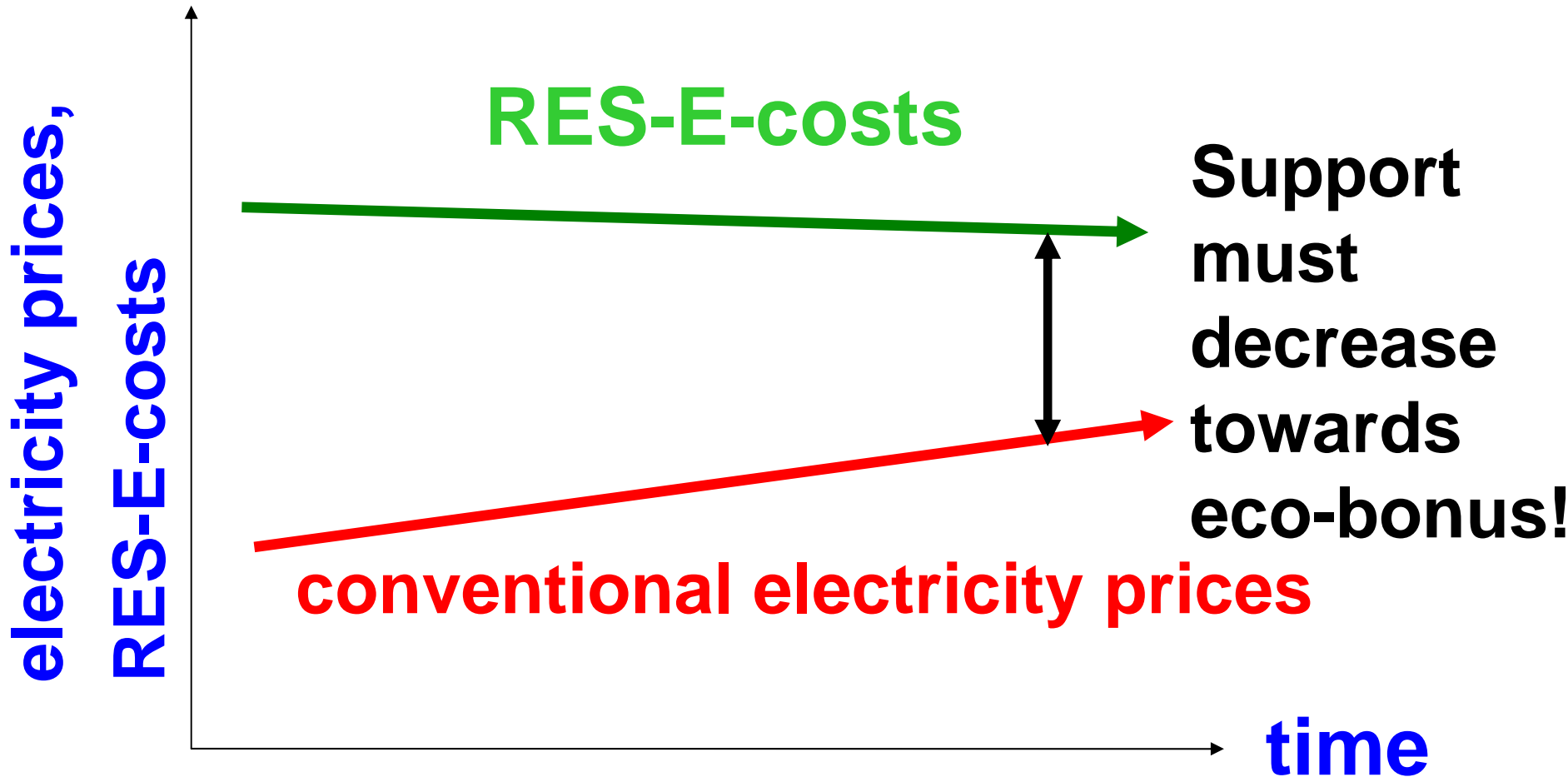
2 Identify ecological bonus

3 Decrease over

time, link to

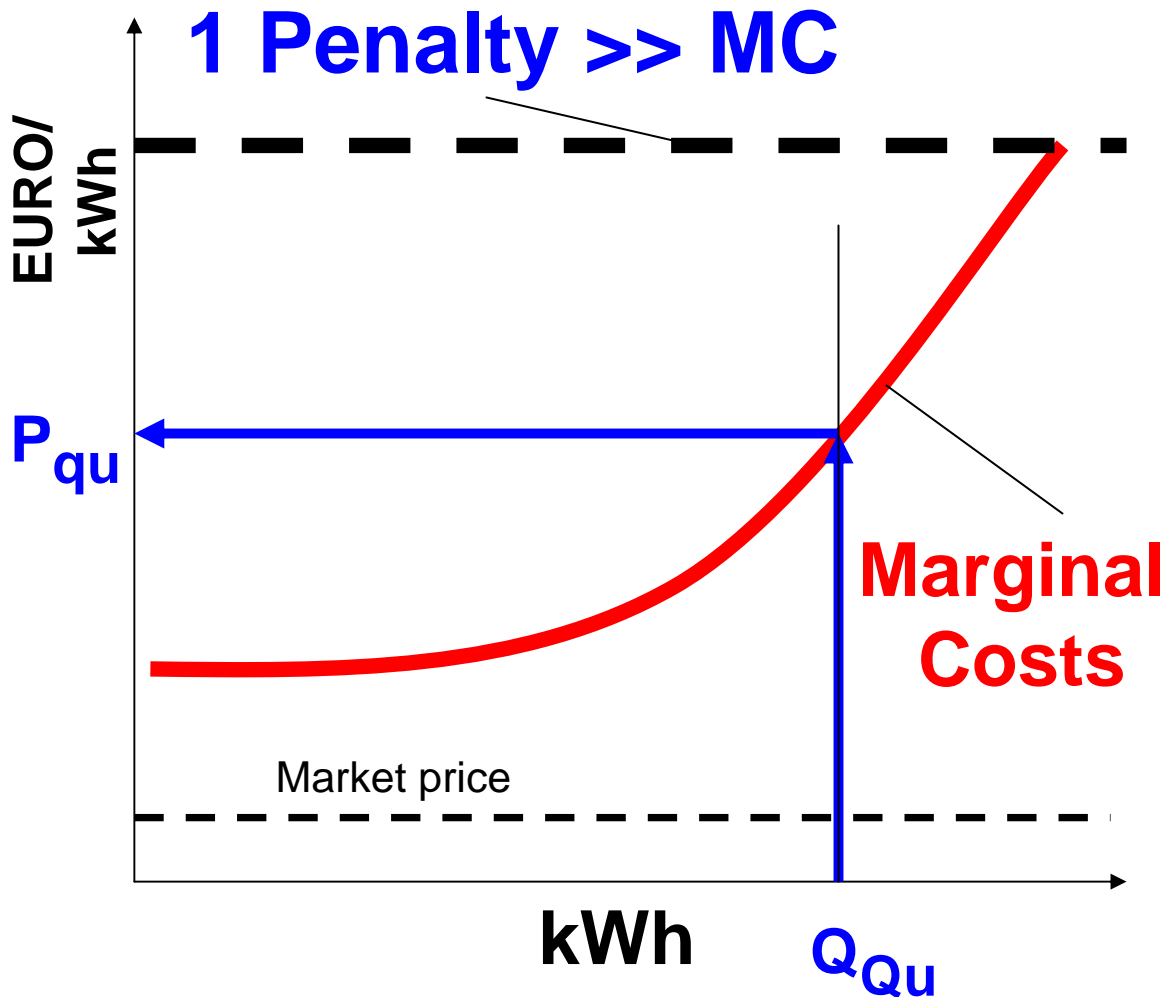
conv. electr.

market prices



- For FIT/premium: Consider „learning“ by a dynamic component!

FOR QUOTA-BASED TGC'S



2 Ensure long-term planning horizon!

3 Focus on new plants

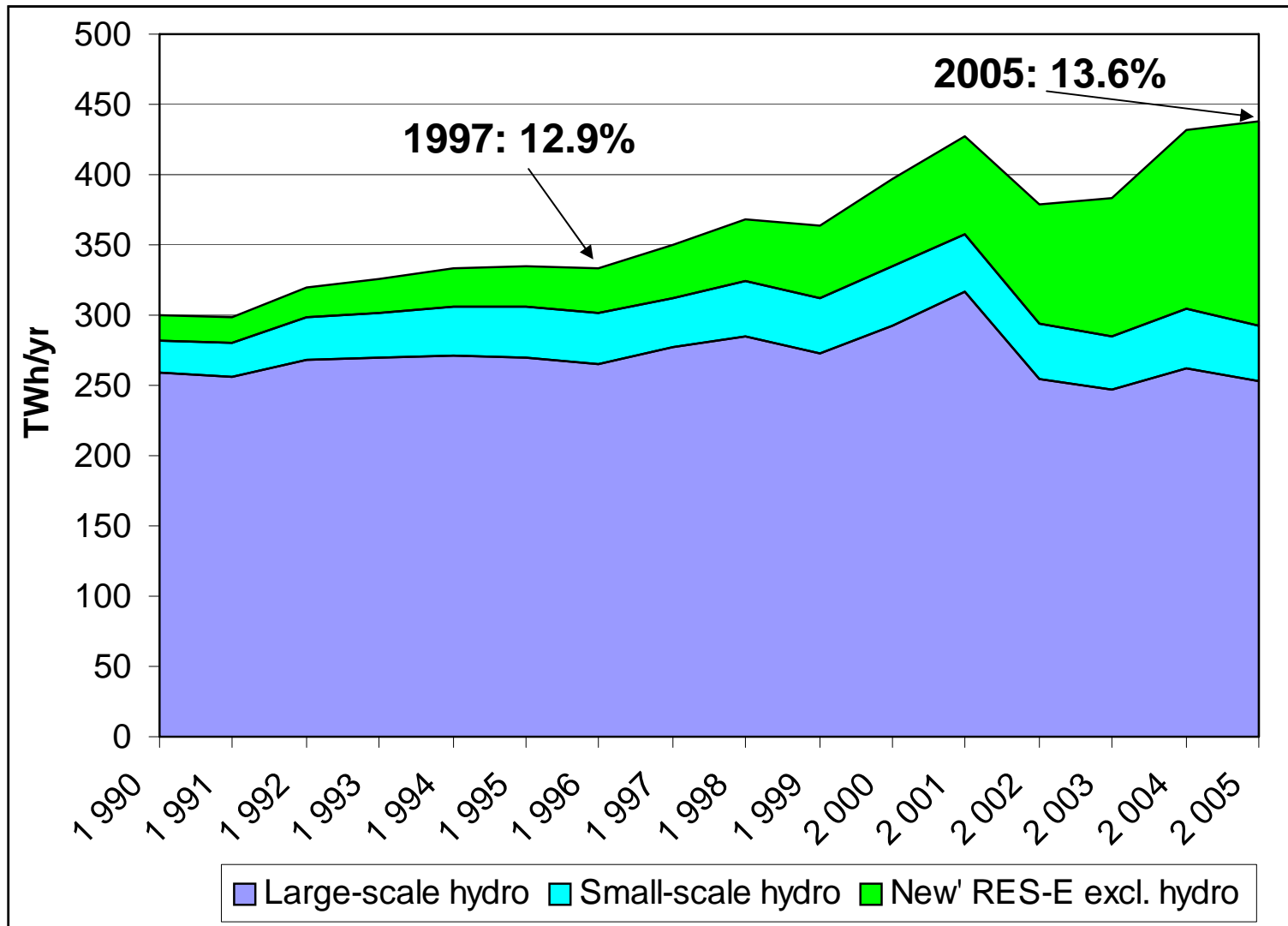
4 Allow banking

MAJOR PITFALLS FOR QUOTA-BASED TGC's

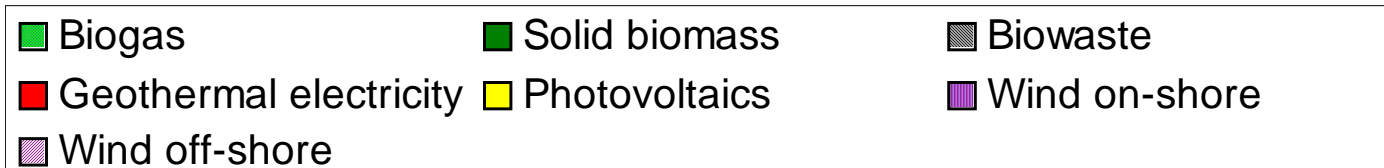
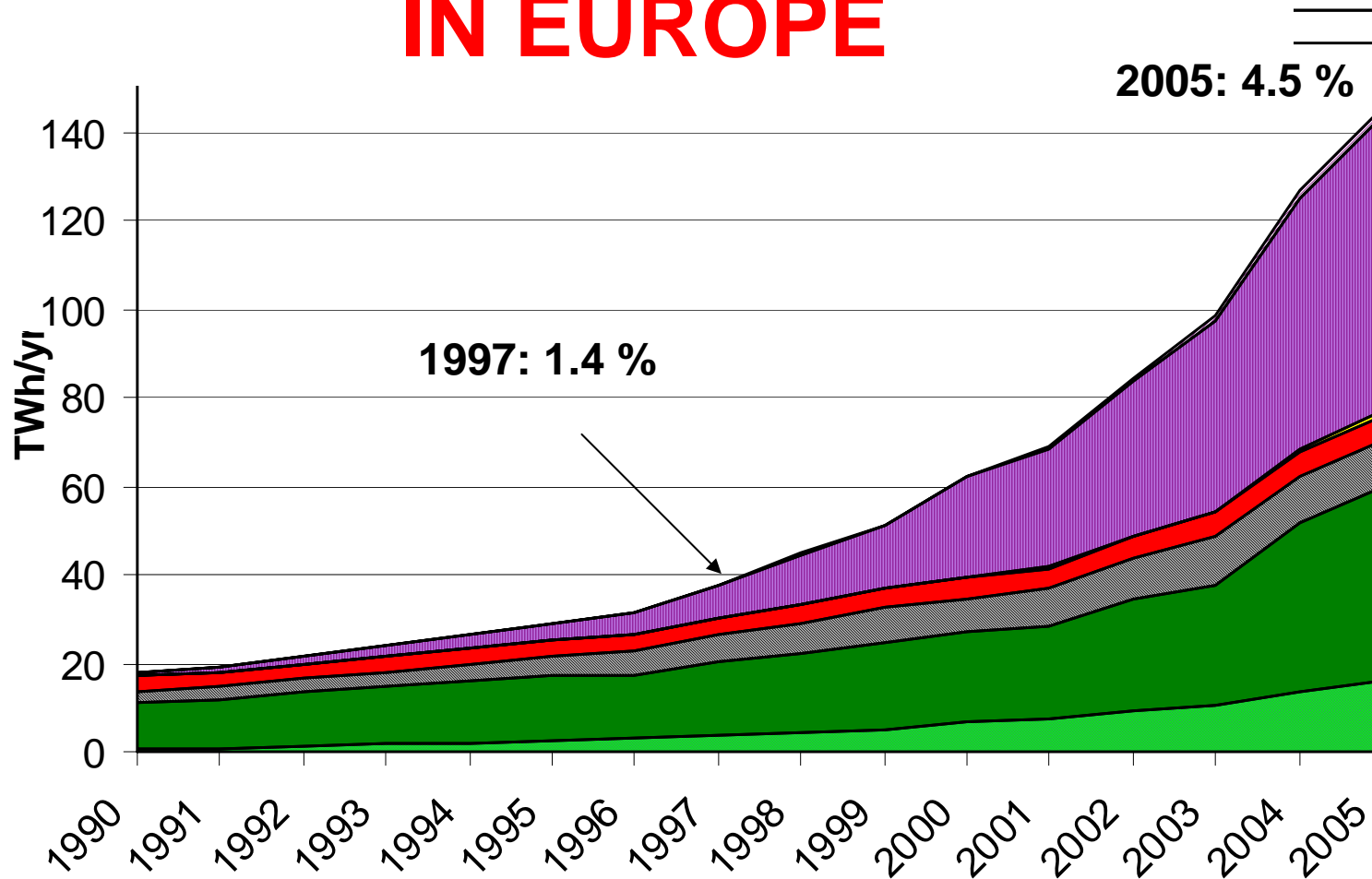
- 1 Market too small: e.g. in a small country for one technology with very limited potential -> Non-Liquid because every single plant is known (e.g. Flanders (BE))**
- 2 Penalty is too low (e.g. UK)**
- 3 Short planning horizon (e.g. UK 2003, Italy)**
- 4 The problem of windfall profits for (existing) capacities (e.g. Flanders (BE), Sweden)**

4. WHAT HAS BEEN ACHIEVED SO FAR AND WHAT CAN BE EXPECTED FOR THE FUTURE?

RENEWABLES IN EUROPE

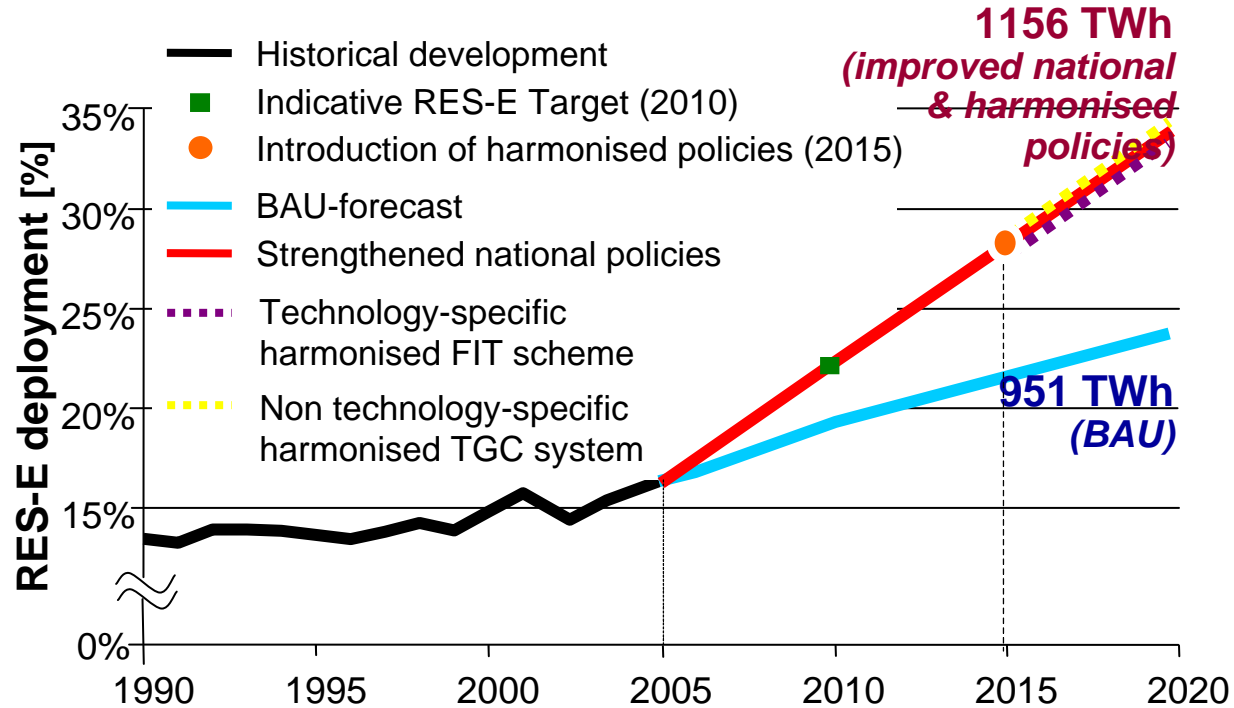


ELECTRICITY GENERATION FROM „NEW“ RENEWABLES IN EUROPE

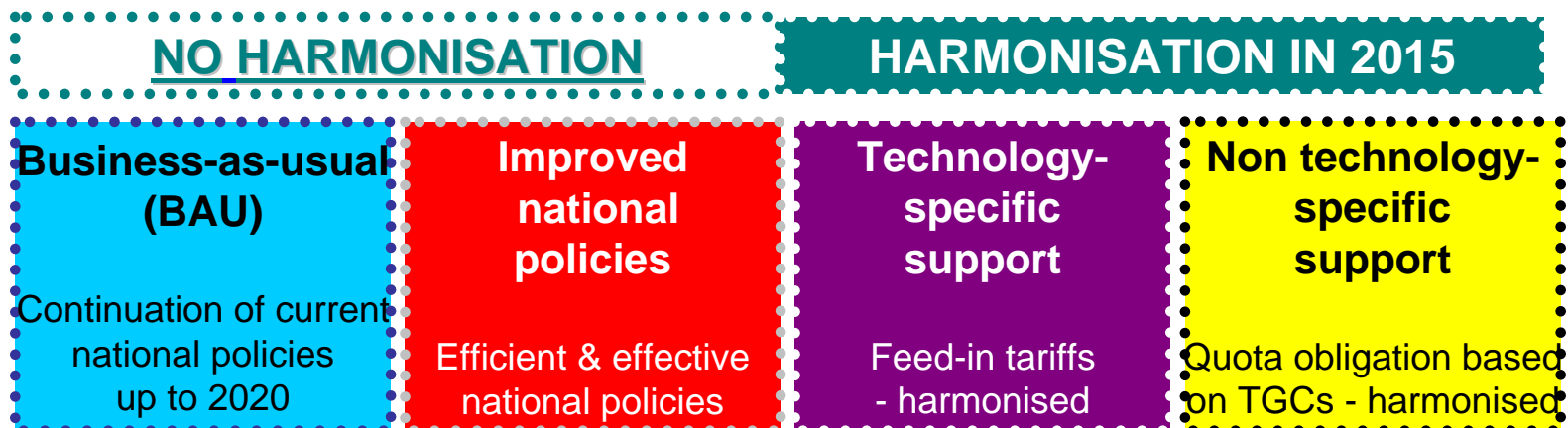


SOME RESULTS OF GREEN-X: CASE STUDY 2020

Total current electricity consumption: 3200 TWh



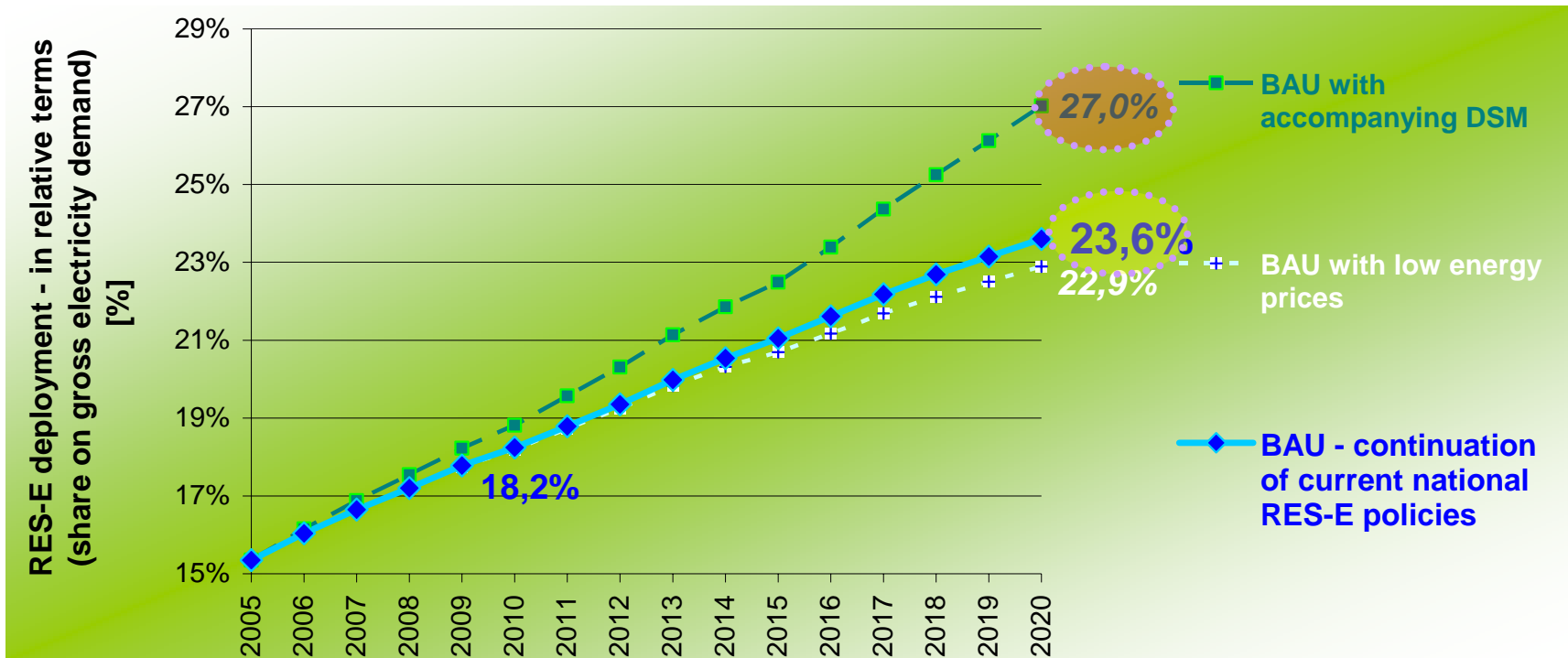
Investigated cases:



Total electricity generation from RES (EU25) as share of gross electricity demand

BAU scenario

... how far will we come with current RES policies?



... the impact of an active DSM policy and conventional energy prices

5. COMPETITION ?

- conventional electricity **market**: To maximize profits utilities merge to avoid **competition**
- hard to imagine that a European-wide TGC market will work disconnected from these large incumbents
- TGC markets: Why should competition work if it does not in the conventional electricity market?
- Utilities/generators are in favour of TGC because they can make much more money and control the market, the construction of new plants much better

- We are far away from an optimal solution but we are on the way!
- **Careful design of strategies:**
by far the most important success criteria!
- There should be a clear focus on **NEW capacities!**
- **To ensure significant RES-E deployment in the long-term, it is essential to promote a broad portfolio of different technologies**
- **Ensure credibility of the system! Avoid „stop-and-go“ approaches**

- Currently, a well-designed (dynamic) FIT system provides a certain deployment of RES-e fastest

• **IMPROVE THE CURRENT SYSTEMS!**

• e.g. Feed-in-cooperation DE and ES -> why not a “Club” of TGC – countries (learning from SE)?

In the long run?

- Re-regulation?
- Priority production from renewables should persist
- Ecological bonus of the magnitude of external cost relief could prevail “eternally” (at least as long as no environmental taxes are introduced)
- However, for sustainable policy -> parallel focus on demand-side conservation of high priority!

INTERESTED IN FURTHER INFORMATION?

- Download reports from:
[www . eeg . tuwien . ac . at](http://www.eeg.tuwien.ac.at)
[www . green-x . at](http://www.green-x.at)
[www . optres . fhg . de](http://www.optres.fhg.de)

- E-Mail to:

[Reinhard.Haas @ tuwien. ac.at](mailto:Reinhard.Haas@tuwien.ac.at)

The **cost of the cellulosic biofuels**, $P_{ADV BIO}(n,t)$, is modeled as decreasing with investments in dedicated R&D through a power formulation:

$$(7) \quad P_{ADV BIO}(n,t) = P_{ADV BIO}(n,0) \cdot (TOT_{R\&D,ADV BIO}(n,t))^{-\eta}$$

where η for the relationship between new knowledge and cost and $LAG=2$

$$(8) \quad TOT_{R\&D,ADV BIO}(n,t) = \sum_n K_{R\&D,ADV BIO}(n,t - LAG) + \sum_{\tau=t-1}^t I_{R\&D,ADV BIO}(n,\tau)$$

Spillovers: different assumptions on completeness of spillovers (through lag time)

Perspectives of the IDA Energy Year 2006 project

**Per Nørgård
Risø DTU, Denmark**

**Henrik Lund and Brian Vad Mathiesen
Aalborg University, Denmark**

The Danish Society of Engineers' Energy Plan 2030

SUMMARY

IDA Energy Year 2006 project

A one-year process

- Involving 1600 professionals

2 conferences

- Jan 2006: Opening
- Dec 2006: Concluding

40 workshops

- knowledge workshops
- vision workshops
- roadmap workshops

Energy technologies in 2030

- performance
- price

7 themes:

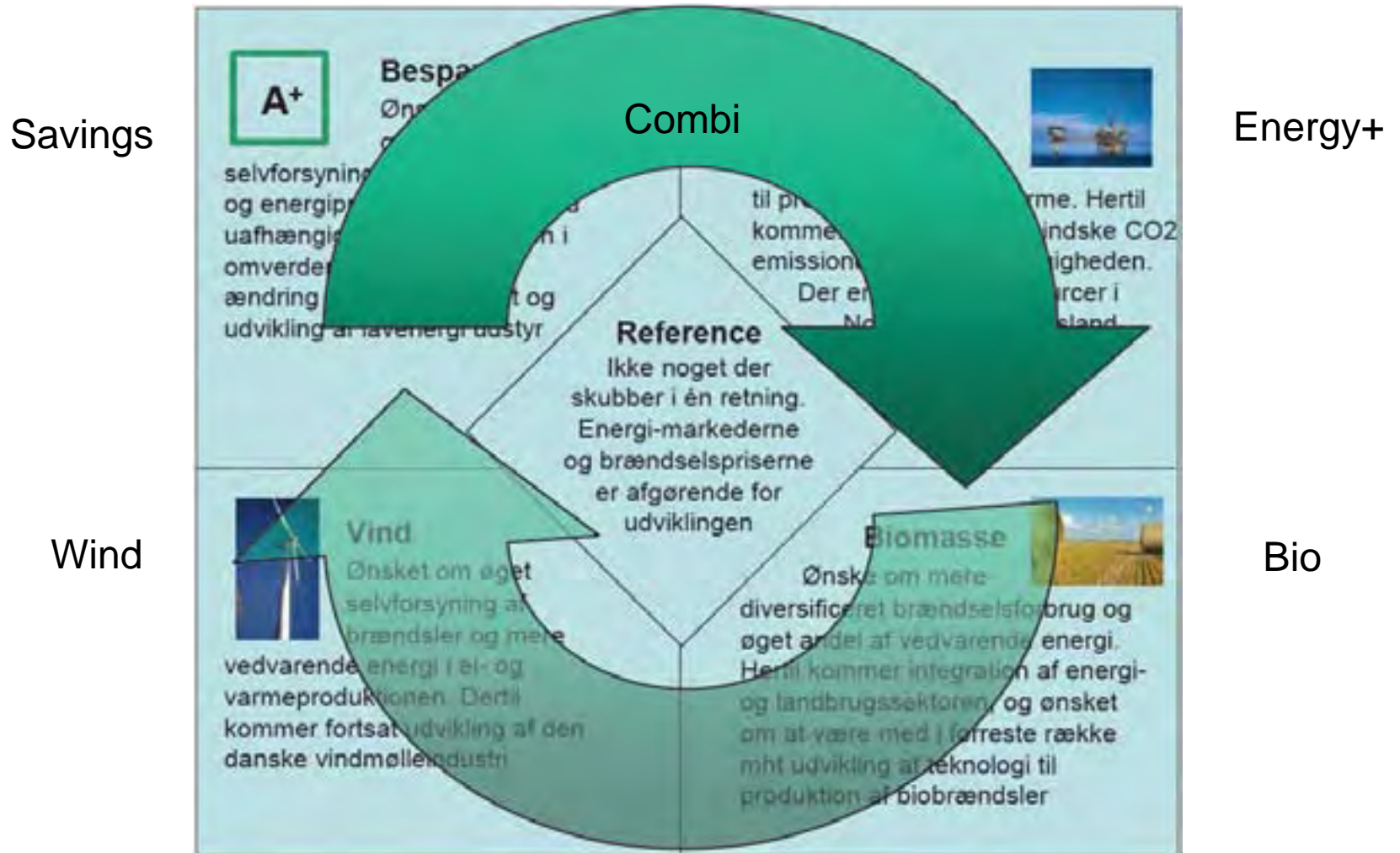
- Buildings
- Transport
- Wind, sun & waves
- Fuel cells, hydrogen, bio & batteries
- Oil & gas
- Industrial processes
- Energy systems

IDA objectives

by year 2030

- environment
 - to reduce the CO₂-emission by 50%
- energy
 - to maintain the security of energy supply
- business
 - to increase the technology export by 200%

Danish Board of Technology – Energy Combi Scenario



Reference scenario

DK Energy Strategy 2025

- by The Danish Energy Authority,
for The Danish Ministry of
Transport and Energy, 2005
- IDA: 2025 -> 2030

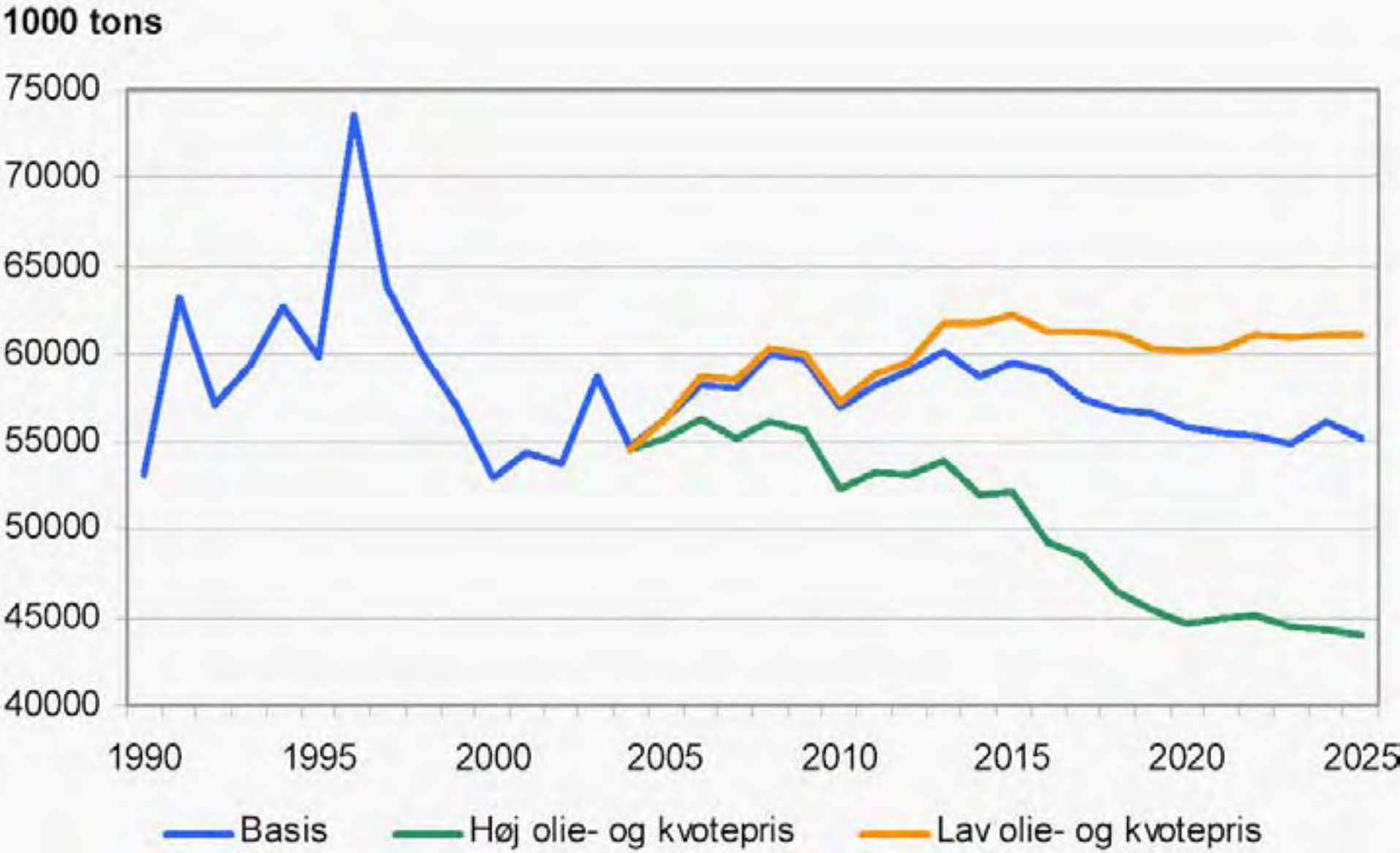
Energistrategi 2025

Perspektiver frem mod 2025 og

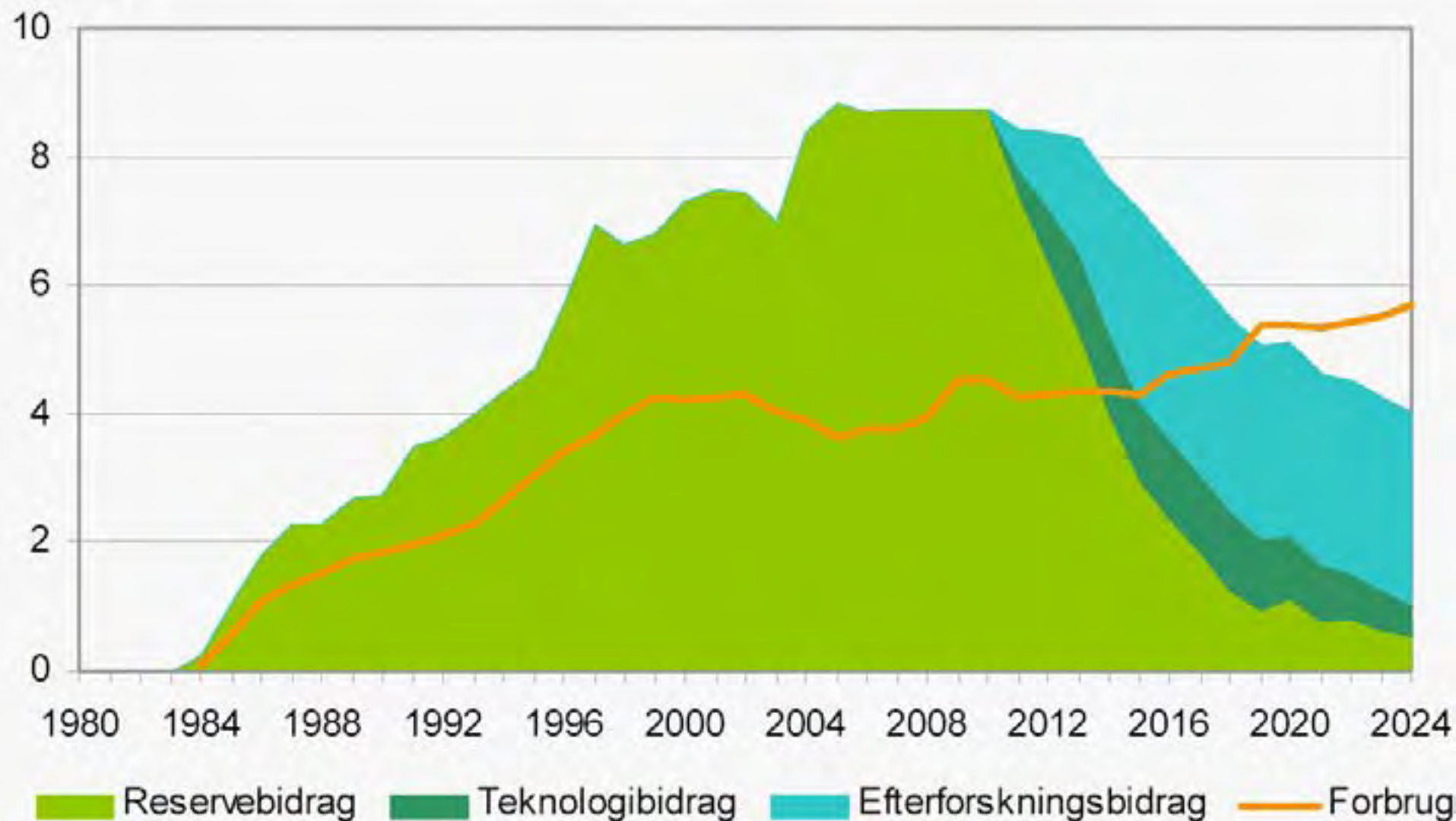
Oplæg til handlingsplan for den
fremtidige el-infrastruktur



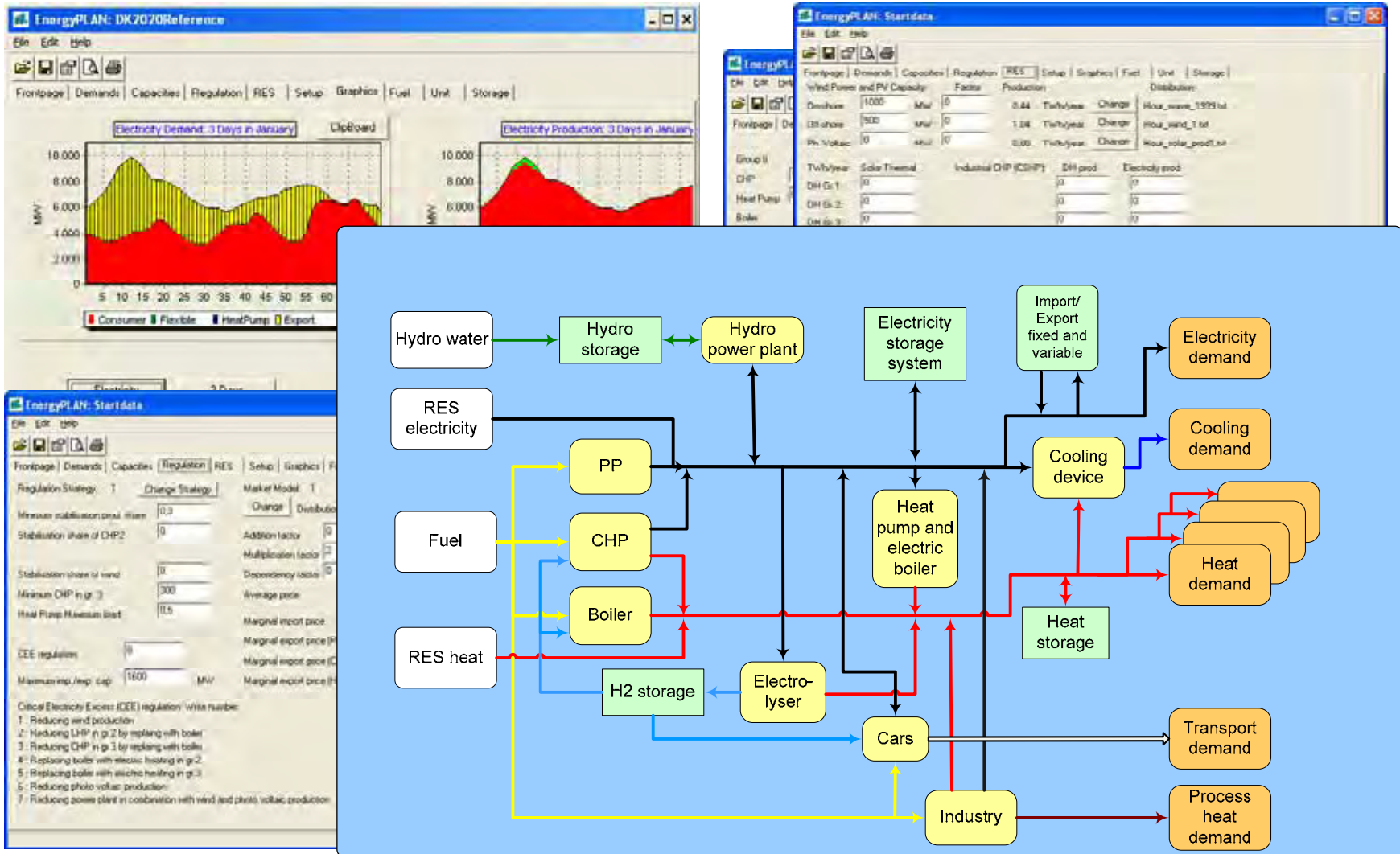
Reference - DK energy projections



Reference - DK oil and gas

mia. m³

EnergyPLAN - Energi System Analyse Model



EnergyPLAN simulation

EnergyPLAN characteristics:

- Time series analysis on hourly basis
- All energy exchange in one node
- Links between energy sectors
- Include energy storage

EnergyPLAN simulations include:

- Heat buffer capacity in district heating systems
- Conversion from electricity to heat by heat pumps
- Electricity buffering by electrical cars

Measures

Buildings

- Energy for space heating:
-50 % relative to Ref 2030
- Solar heating:
30 % of heating
- Electricity consumption:
-50 % relative to Ref 2030

Industry

- Fuel consumption:
-40 % relative to Ref 2030
- Electricity consumption:
-30 % relative to Ref 2030
- Industrial CHP:
+20 % electricity
- Biofuels:
+80 PJ

Measures

Wind, sun, wave

- Wind:
+3000 MW
- Wave:
5% of electricity in 2030
- Photovoltaic:
2% of electricity in 2030

Oil & gas

- North Sea:
-45 % CO₂ emission

Measures

Transport

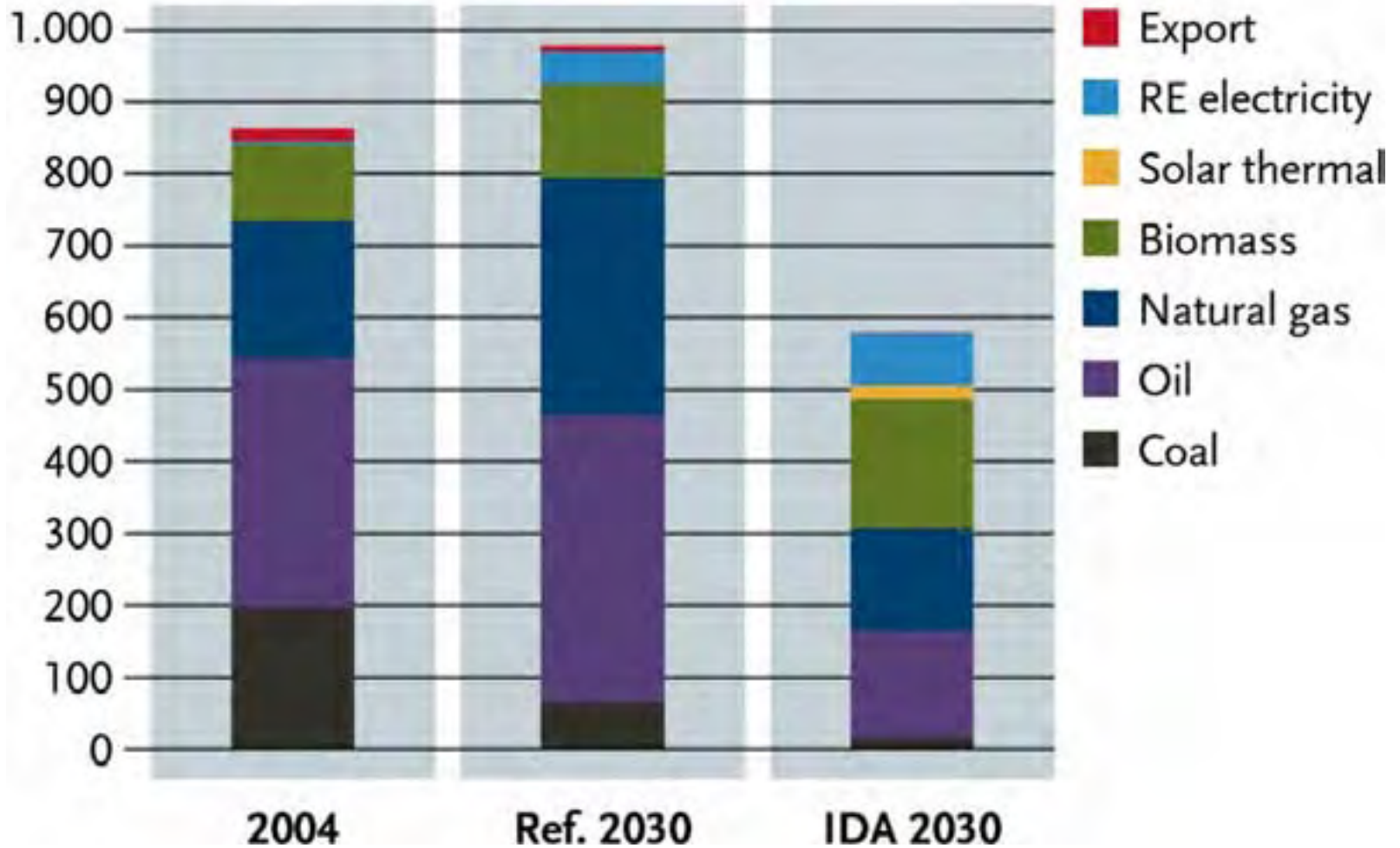
- Stabilising the total person-transport work
- Air traffic: 50% -> 30% increase (2005 – 2030)
- 20% transport work from road to rail and ship
- Energy efficiency: +30 %
- Biofuels in 2030: 20 %
- Electricity in 2030: 20 %

Biomass

- In 2030: 30 % of primary

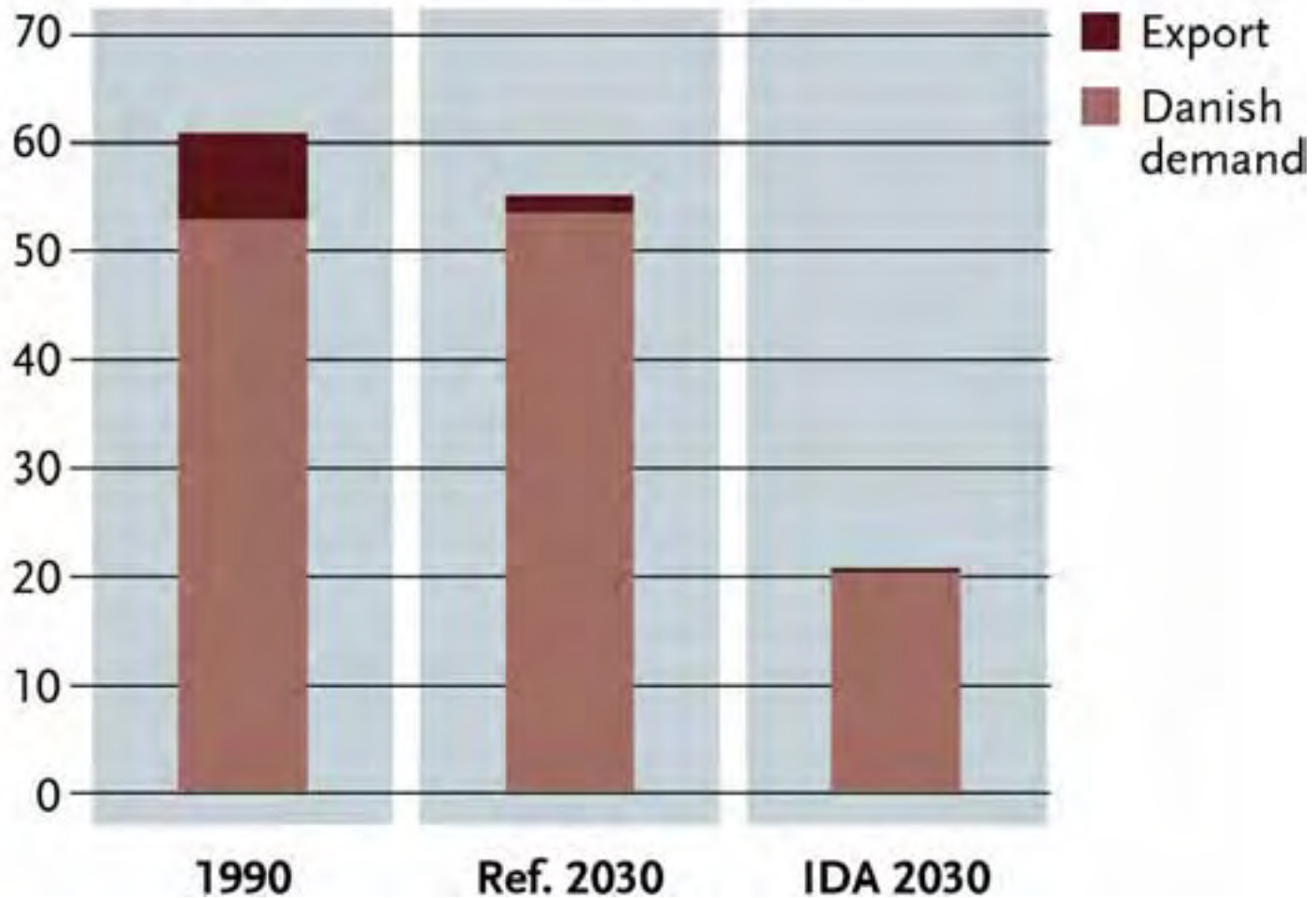
Results - Primary energy supply

Peta Joule (PJ)

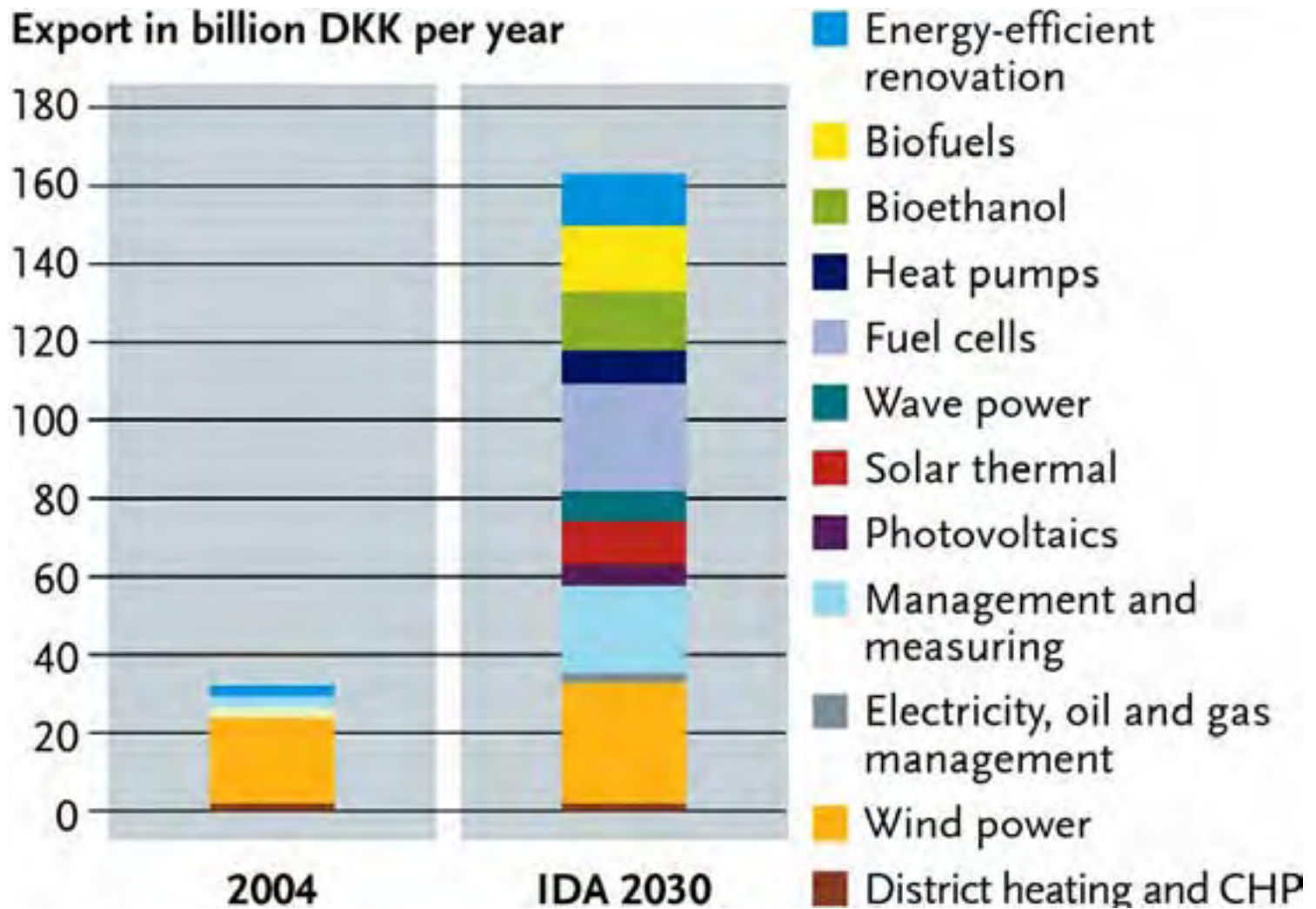


Results - CO2 emissions

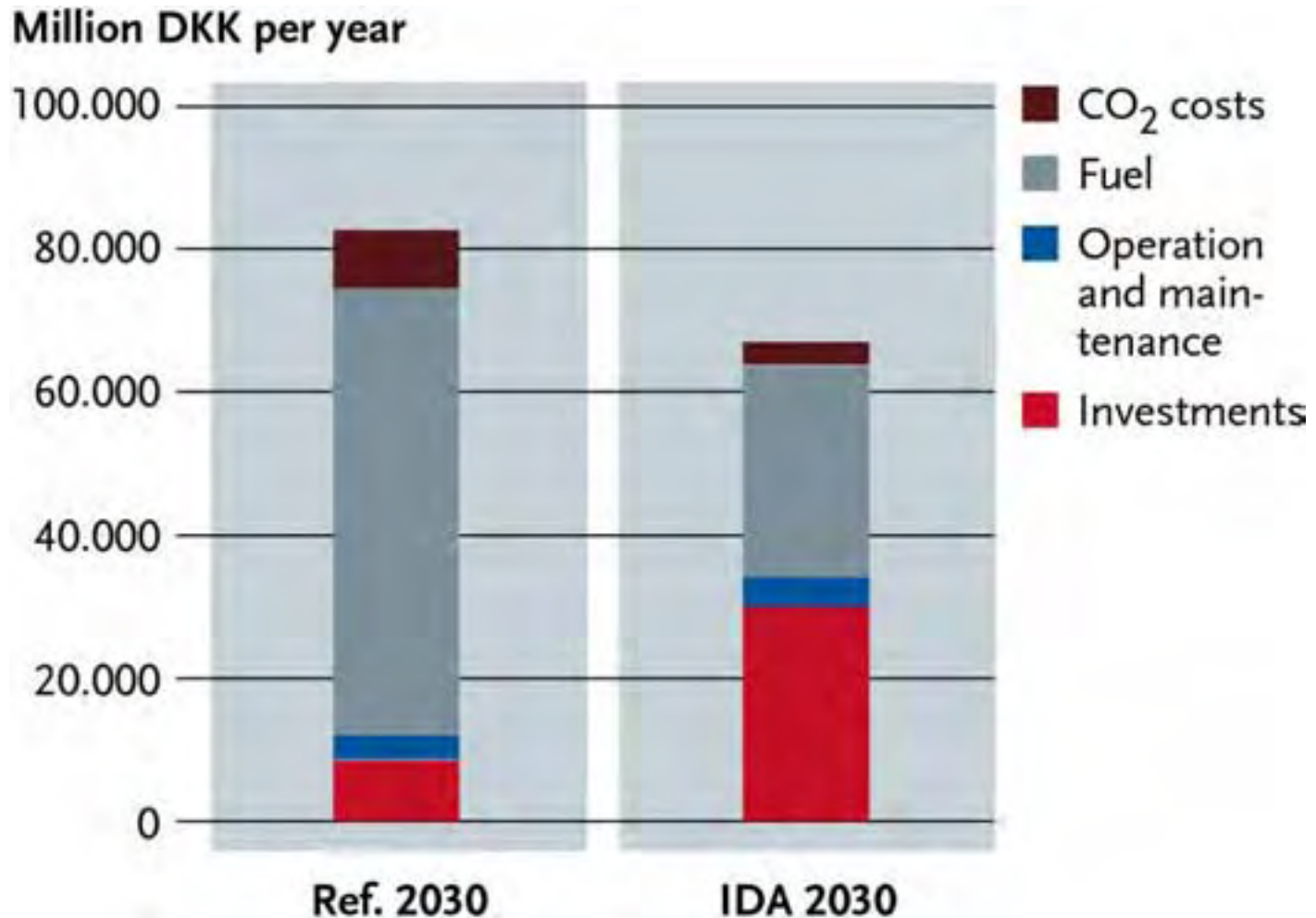
Million ton per year



Results - Business potential

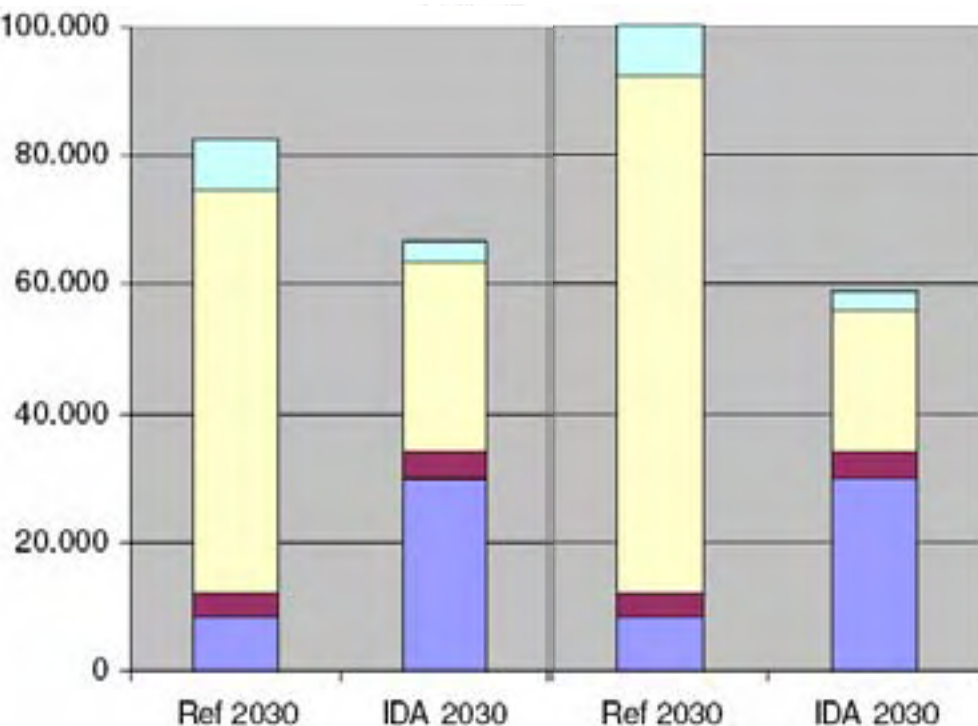


Results - Economic costs

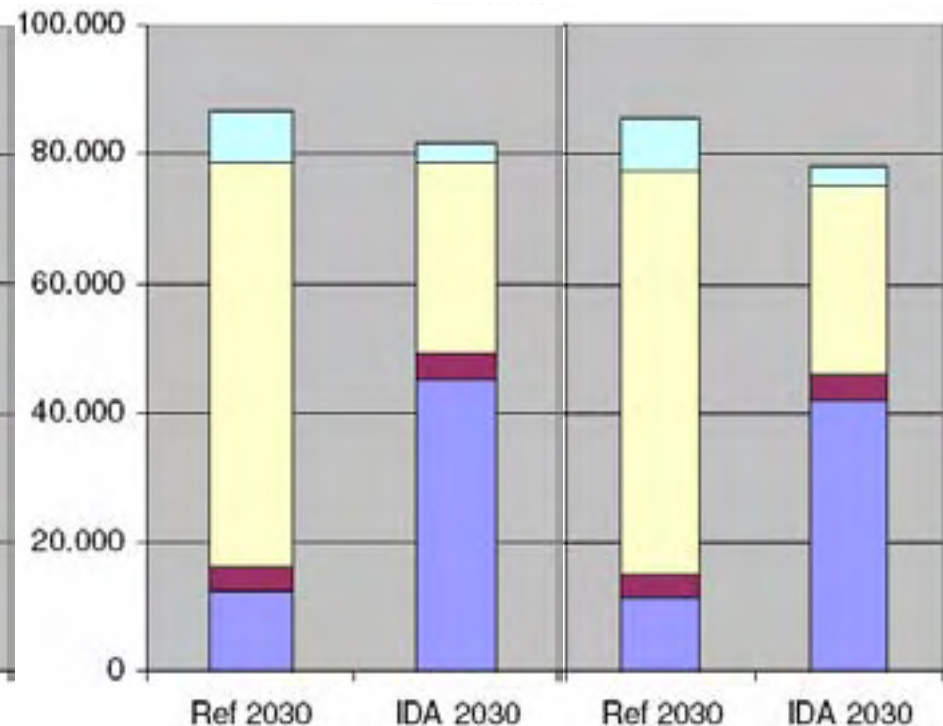


Sensitivity analysis

Fluctuating oil prices



+50% investment costs 6% interest rate



Conclusion

The actual figures indicate:

- Energy: -40 %
Ref 2030: 1000 PJ
IDA 2030: 600 PJ
- CO2 emission: -60 %
1990: 50 mio ton
IDA 2030: 20 mio ton
- Fossil fuels: -65 %
Ref 2030: 800 PJ
IDA 2030: 300 PJ
- Technology export: +500 %
DKK 30 billion @ 2005
DKK 160 billion @ 2030
- Costs: -20 %
Ref 2030: DKK 80 billion
IDA 2030: DKK 65 billion

It is both technical possible and economic feasible at the same time in 2030 to achieve:

- less total energy consumption,
- less total CO2-emission,
- less fossil fuels consumption and
- increased technology export
- even at reduced economic costs.

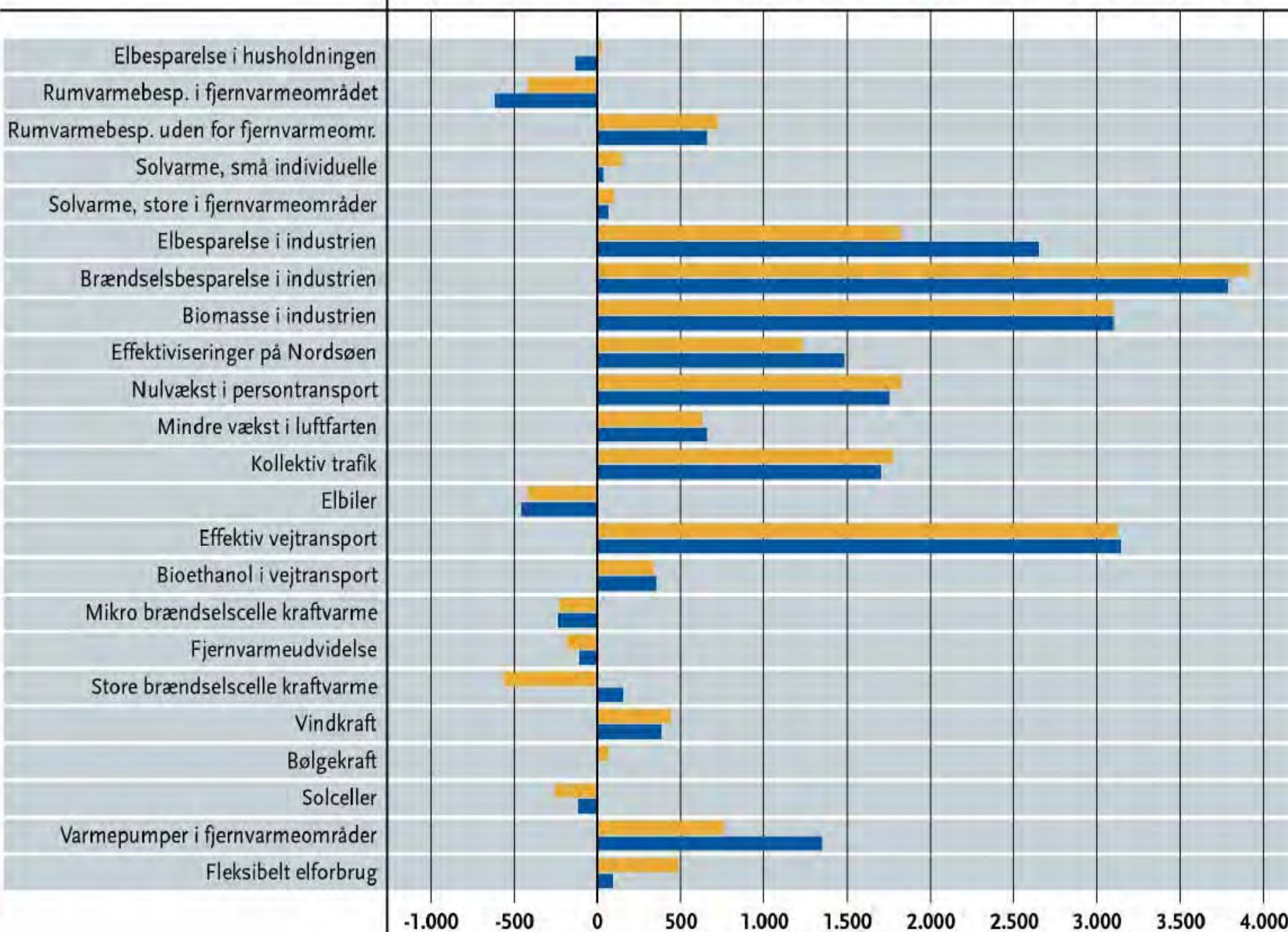
Sustainable solution can only be achieved through:

- Energy conservation
- Energy efficiency
- System solutions
- Flexibility
- Couplings between energy sectors

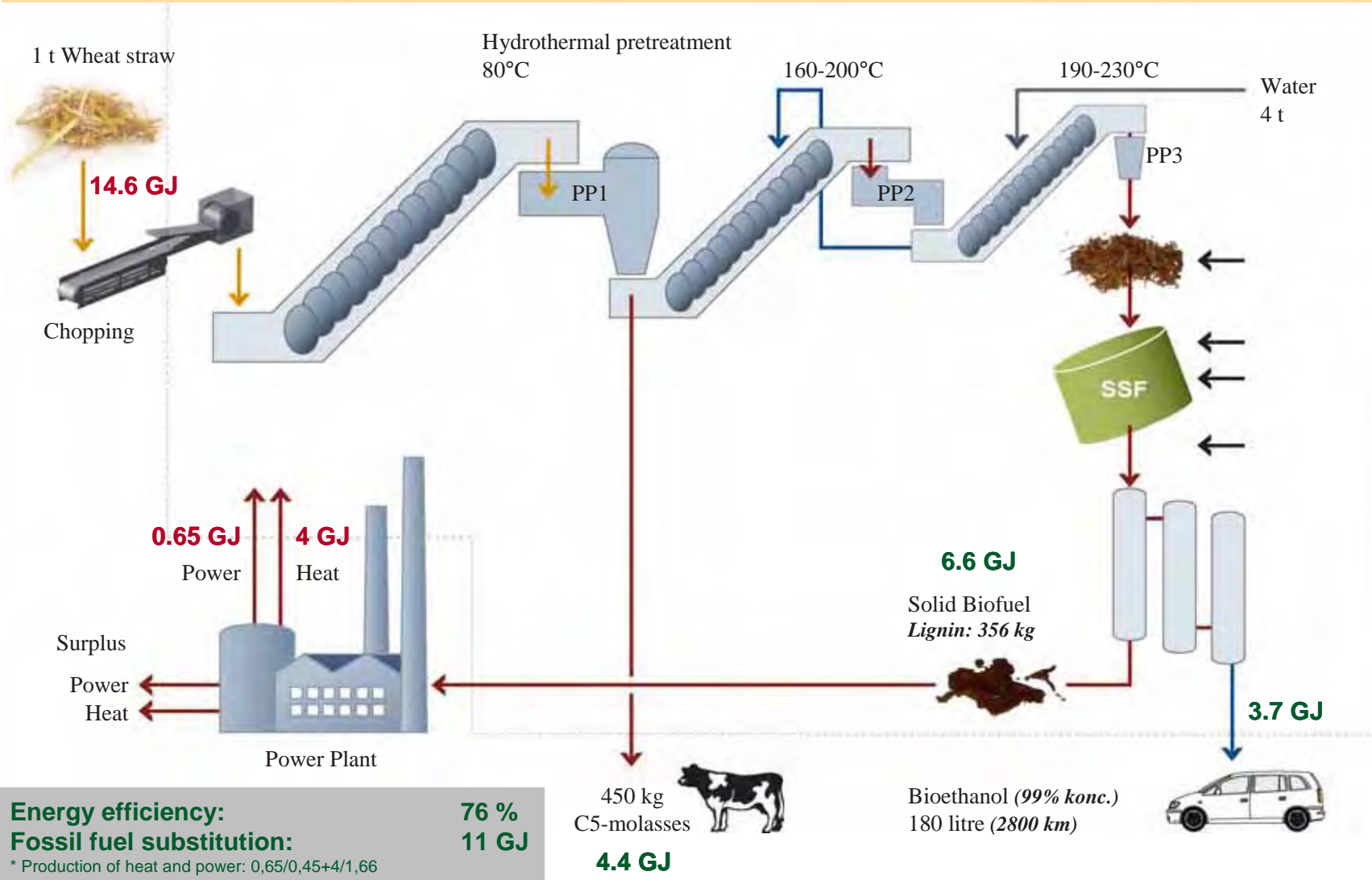
Millioner kroner pr. år

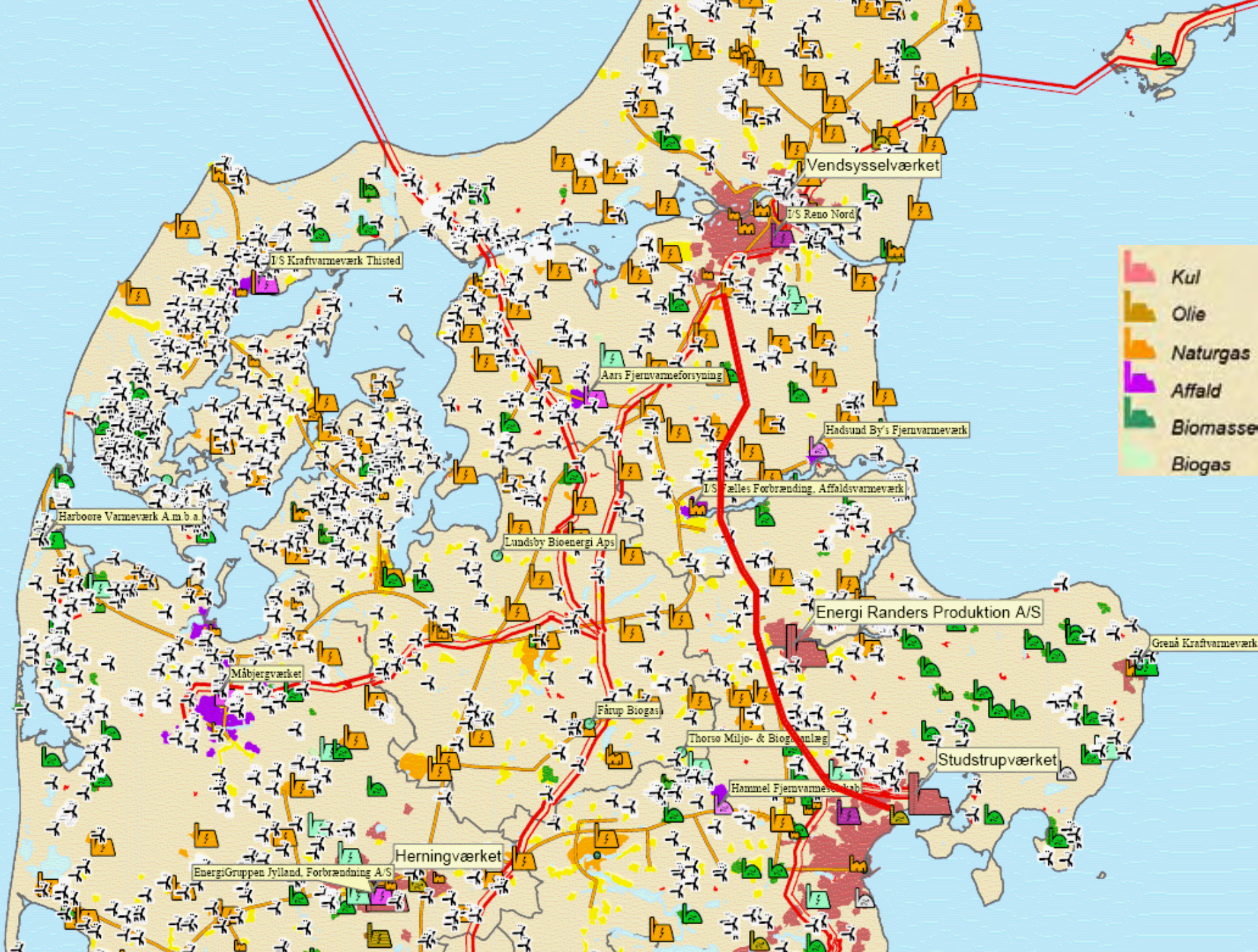
Dansk Referene 2030

Ingeniørforeningens energiplan 2030



Example: The IBUS bio-refinery concept





Some of challenging discussions at IDA workshops

Buildings

- New building energy standards – but 70 % of the buildings in DK in 2030 are from before today
- District heating infrastructure in the future?

Biomass feedstock is a limited resource

- CO₂-reduction: CHP
- Independency of oil: transport
- Business: bio fuels technologies
- Biomass for energy -> increased food prices

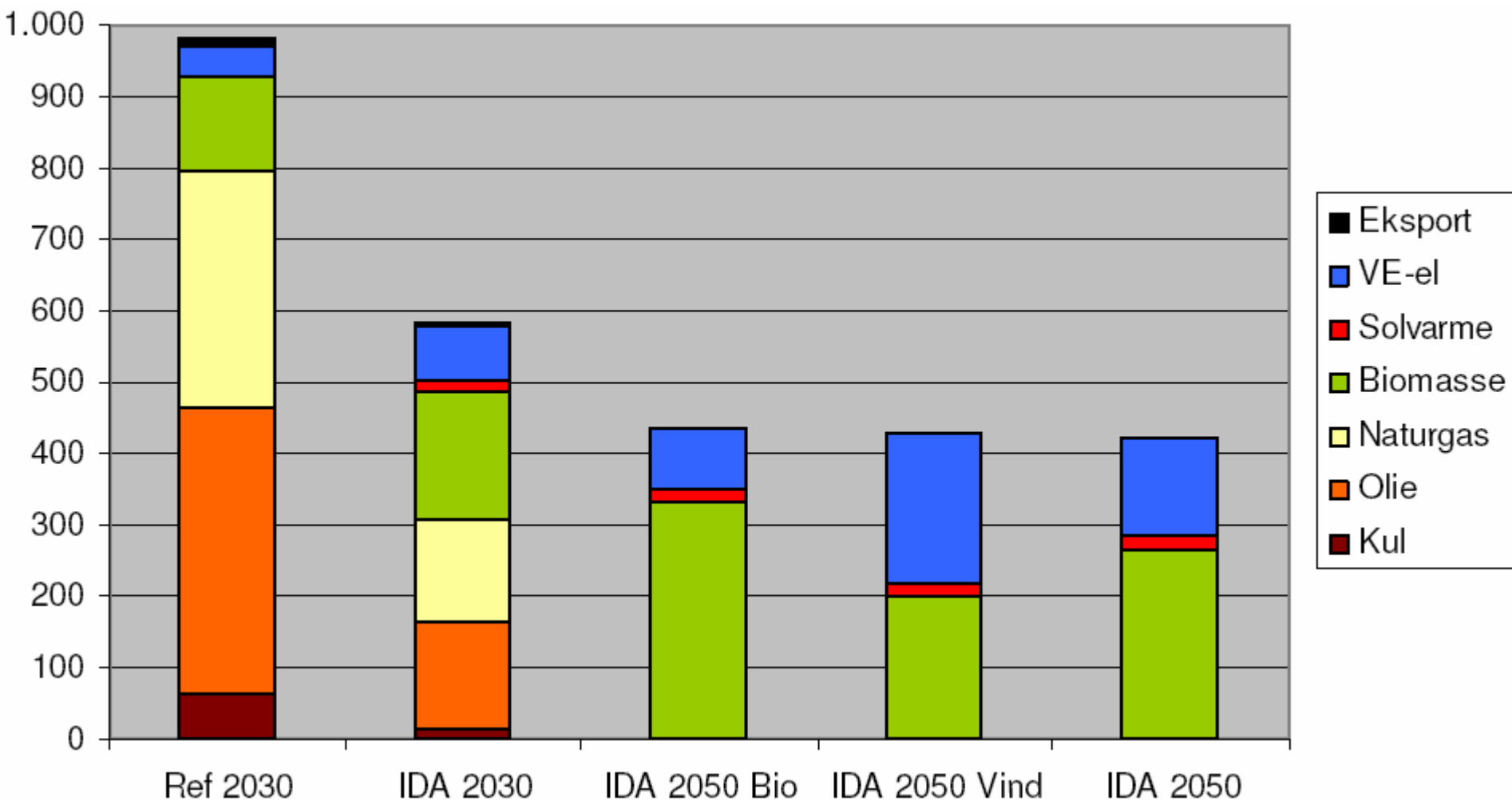
Transport sector

- Energy efficient technologies are present – but are not introduced!
- -10 % person road transport -> +50 % rail transport
- Energy and CO₂ related to international transport not included!
- International person transport: alternatives to fly?

IDA recommendations (€1.5 billion / year)

- The existing agreement on **energy savings** should be extended and continued (1.7 % annual reductions in energy consumption).
- An **industry energy savings fund** should be established (€ 100 mio annually).
- A **heat conservation fund** should be established (€ 100 mio annually).
- € 30 billion should be invested in the Danish **rail road system** over the next 30 years.
- The Danish national funds for **research, development and demonstration** should be increased to € 100 mio annually.
- **Innovation markets** for renewable energy technologies should be established by quotas in order to accelerate the development.
- All costs – including **externalities** – should be included in the market prices.
- **Popular engagement** in energy savings and renewable technologies should be supported.
- **CO2 quotas** should be sold through biddings.
- A thorough service control of all **energy taxes** and tariffs should be made.
- 100 % **renewable energy cities** should be established in Denmark.

IDA 2050 100 % RE – Primary energy supply (PJ)



Follow-up



Contribution of Working Group III to the Third Assessment Report of the Intergovernmental Panel on Climate Change

En visionær dansk energipolitik

Januar 2007

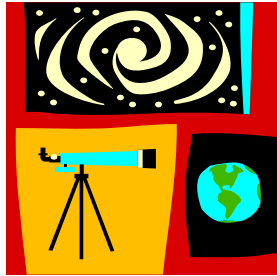
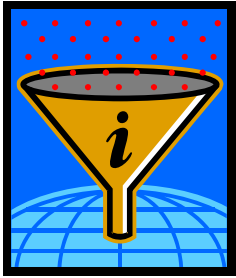
2025



Thanks

per.norgaard@risoe.dk

<http://ida.dk/Netvaerk/Energiaar+2006>



Integrated European Energy RTD as part of the innovation chain to enhance renewable energy market breakthrough

Professor Peter Lund
Helsinki University of Technology, Finland
peter.lund@tkk.fi

Risö International Energy Conference 2007
22-24 May 2007

Observations from the past on market penetration of new energy technologies



- It may take **decades** to reach a noteworthy share on world markets
- The public support required to bring a new major energy source into world-scale may be some **hundred billion dollars** in total

Figure. Penetration of selected energy technologies (MW).

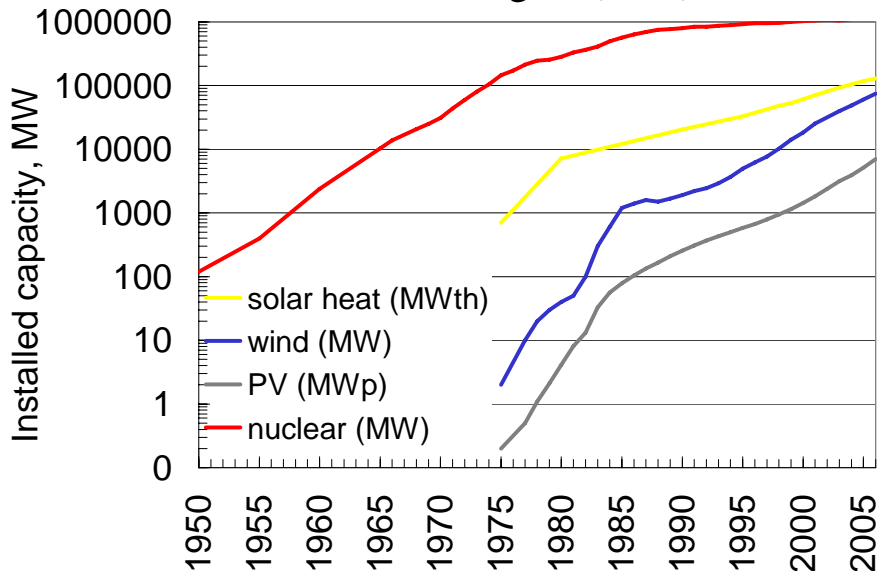


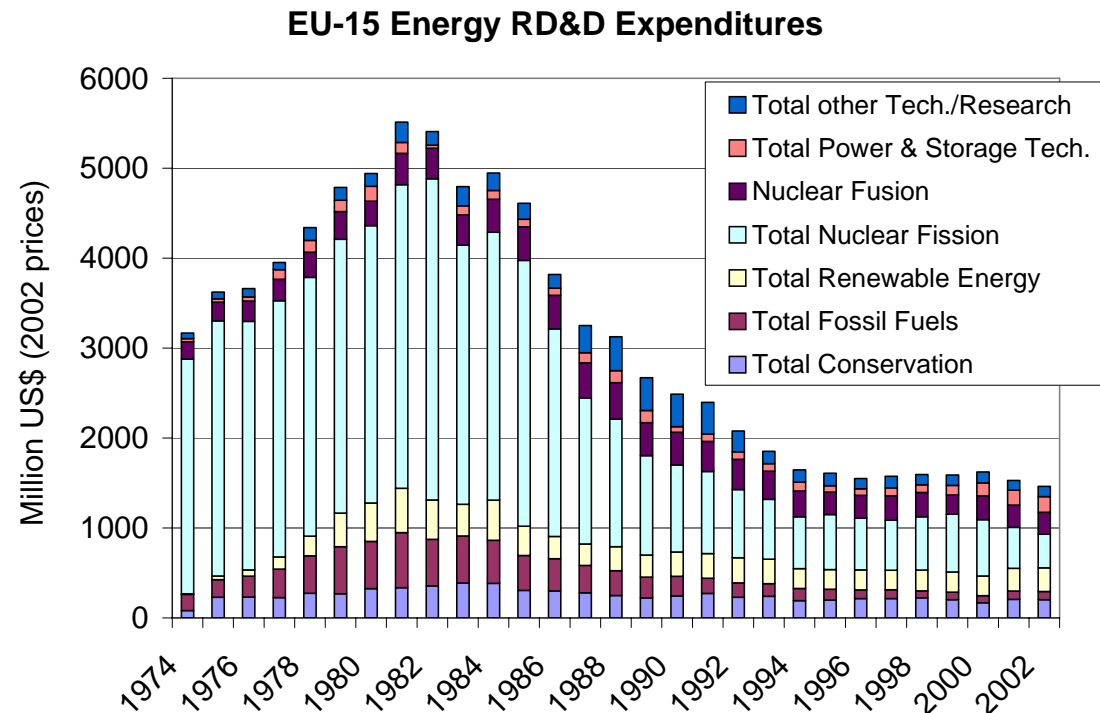
Table . Estimated public support to selected technologies in billion \$ (2003 prices).

Technology	All support 1947-73	Market deployment 1974-2004	R&D 1974-2004	Total 1947-2004
PV	0	10.6	8.3	19.2
Solar th.	0	10.3	3.4	13.7
Wind	0	49.1	4.2	53.3
Nuclear	176.6	0	157	333.6

Public and private support to energy technology R&D has dropped dramatically



- Public energy R&D support of Member States is < 1/3 of the 1980's level; renewables only a small share
- Energy companies invest «0.5% of turnover in R&D
- Energy in EU's 7th FP is <15% of the budget ; 20 years ago it was 50%
- EU's Advisory Group on Energy (FP6) advised a 4x increase in energy R&D funding



Source: European Commission, IEA

European Strategic Energy Technology Plan



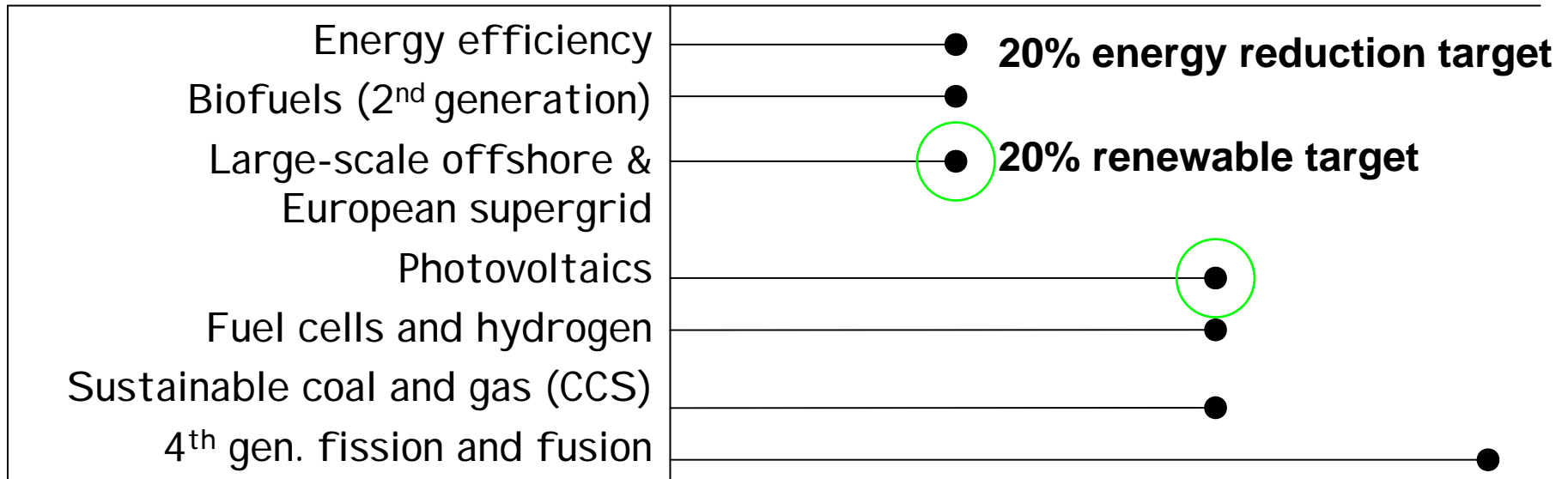
- “The European Strategic Energy Technology Plan (SET-Plan) calls for a more **integrated approach** to match the most appropriate set of policy instruments to the needs of different technologies at different stages of the development and deployment cycle”. [An Energy Policy for Europe, European Commission, 10 Jan. 2007]
- Key objectives for energy technology: 1) to **lower the cost** of clean energy, 2) to put **EU industry** at forefront of low carbon technology

A vision to match the long term challenge competitively

2020

2030

2050





Outline of the presentation

- Starting point: Advisory Group of Energy's recommendations and concerns on energy R&D from 2006 and the EU's Energy Policy Communication from 2007
- Aim: Investigating future market breakthrough of renewable energy technologies (€ and yrs); key parameter is cost-effectiveness
- Scope: matching policy measures (technology, market support) with specific technology needs over the whole innovation process
- Approach: modeling the commercialization process with links to policy measures

Three important elements/aspects in an integrated RTD strategy



1. Commercialization process of new innovations or improvements of energy technologies

- precedes the more massive market penetration and is very development intensive and needs strong public support

2. Technology diffusion process

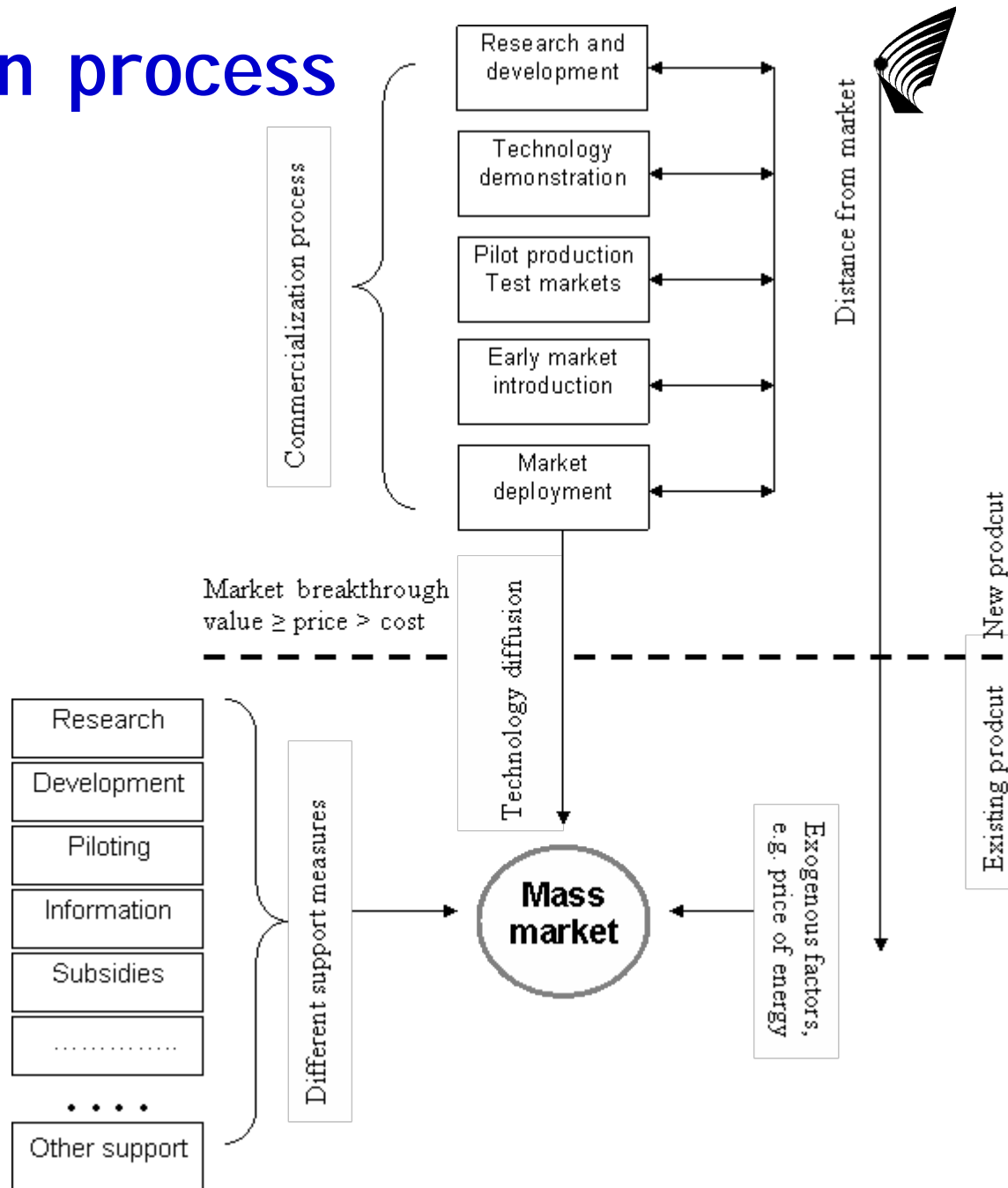
- describes the market share of the new technology over time once the ‘take-off’ has occurred after market introduction and the new technology is becoming competitive against the prevailing ones;

3. Policies and instruments

- enhance above processes to enable full commercial market breakthrough
- includes also the overall policy needed to master the whole commercialization process.

Commercialization process

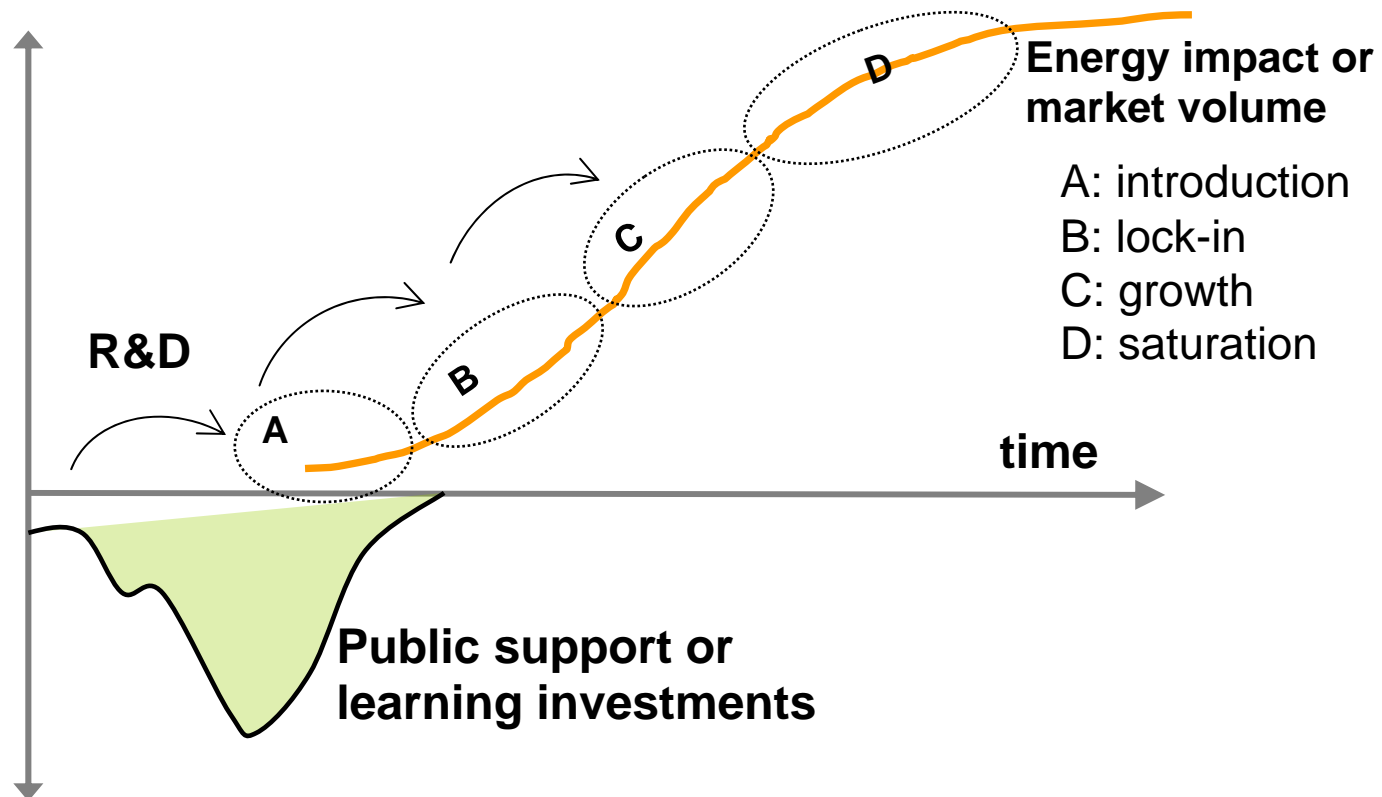
- The commercialization process involves several stages (non-linear)
- Several endogenous and exogenous factors affect breakthrough
- Distance from market
 - Incremental improvements for existing products << radical innovations without established markets





Technology diffusion

- Boundary between commercialization process and market penetration often overlapping
- Penetration described by diffusion (speed of penetration, inertia)



Policy instruments in an integrated strategy



- Here policy instruments consider the whole commercialization process and aim at a full market breakthrough
- Technology push and market pull measures are interlinked and considered in parallel
- Catalyzing measures to boost the commercialization
 - market forces and mechanisms (close cooperation between the different market players)

Examples of different profiles of the innovation chain. R=research, D₁=development, D₂=demonstration (pilot production), D₃=dissemination, D₄=deployment

Combined diffusion and learning model



- The tool combines price-conditioned and segmented technology diffusion with an endogenous learning model
- Three interlinked submodels: 1) calculation of the production cost of energy (C), 2) estimation of the market volume increase (dV_t) and 3) cost reduction (dC_V)
- The speed of market penetration is described by a diffusion model
- Cost reductions are described by endogenous learning, i.e. learning by doing and by using and economies of scale.

$$C = \{ \text{annualized cost of investment} + \text{O\&M} \\ + \text{fuel} + [\text{risk premiums}] + [\text{public subsidy}] \\ \pm [\text{system integration cost}] \pm [\text{CO2 cost}] \} \\ / \text{annually produced energy}$$

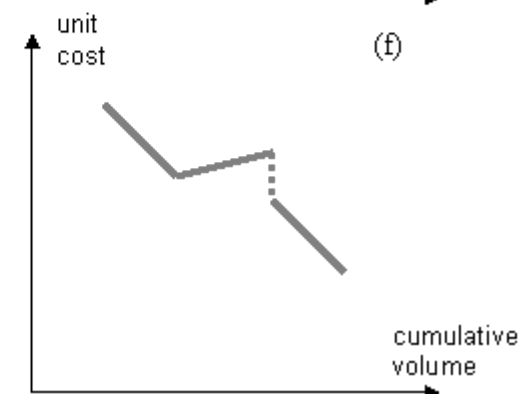
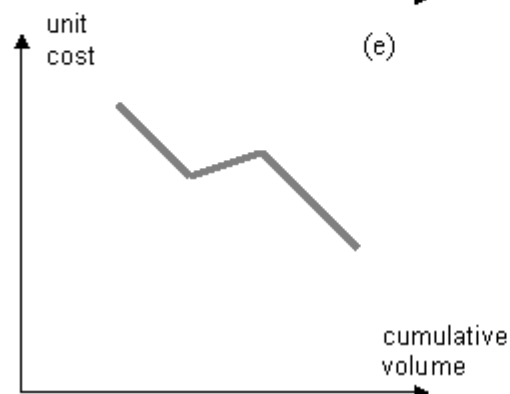
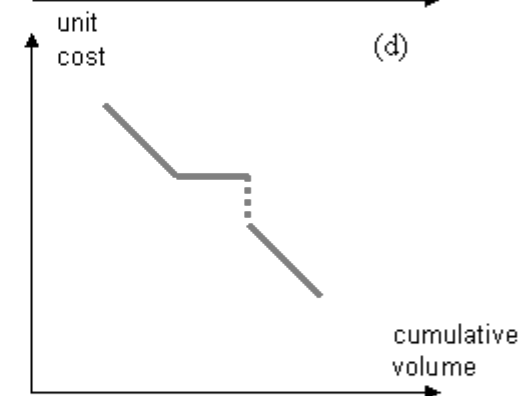
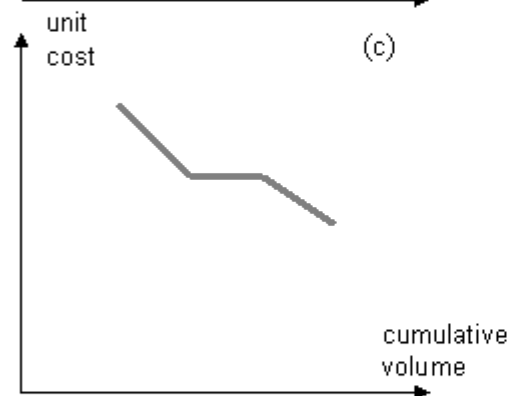
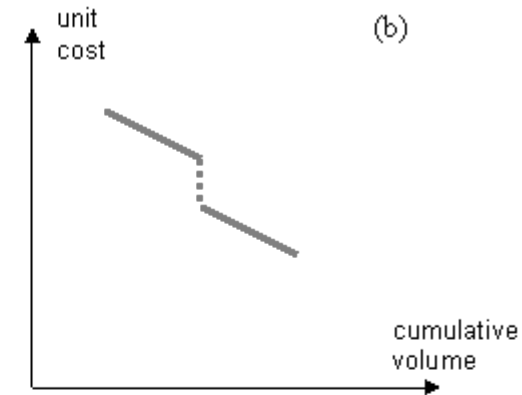
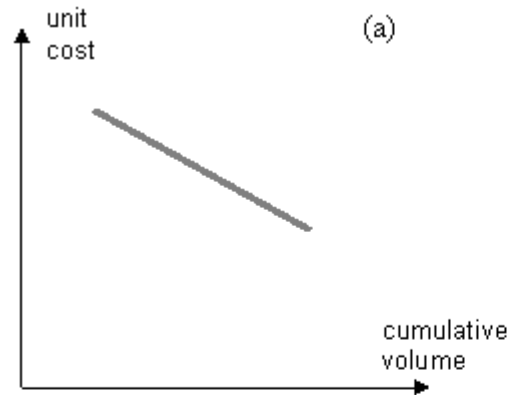
market penetration occurs if $C \leq$
reference cost of energy

$$\frac{dV_t}{dt} = \beta \cdot \frac{V_t}{V_\infty} \cdot (V_\infty - V_t) \rightarrow V_t = V_0 + \sum_t dV_t$$

$$dC_V = -C_V \cdot \frac{\ln 2}{\ln P} \cdot \frac{dV_t}{V_t}$$

Linking policies and strategies to the model

- Policy measures improve the economic competitiveness of the new technologies (C) and influence the penetration rate (β) which leads to increased volume (V)
- Examples on how policies (both RTD and market deployment) may influence the costs of the new technology (a-f)
 - **a: classical learning curve**
 - **b: strong R&D effort**
 - **c: too high subsidies, low competition, bottlenecks**
 - **d: c+ measures**
 - **e: demand >> supply, oversized**
 - **f: e+ measures**



Examples of the use of the model

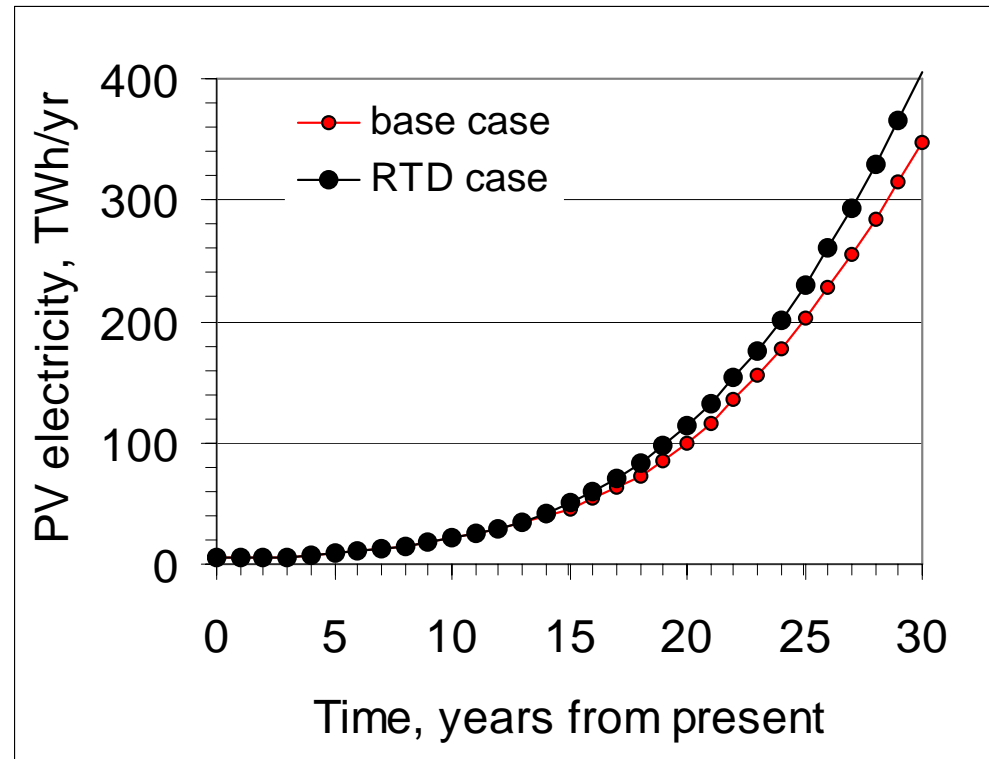


- **Case: Photovoltaics – effects of a major R&D effort**
 - PV is marginal but growing fast, 2-4 x more expensive than consumer electricity
 - Base case: feed-in-tariffs are used to ensure competitiveness; Hypothesis: a concerted RTD initiative (JTI) could be justified; a 30% cost reduction possible in 10 years through stronger R&D
- **Case: Wind – impact of possible market disturbance**
 - Wind >1% of world electricity and fast growing, marginally more expensive
 - Base case: feed-in-tariffs are used to ensure competitiveness; Hypothesis: 1) demand for wind >> supply and could cause a short market disturbance, i.e. for 2 years costs a) stagnate and b) +5%/yr 2) in large investments the cost of capital becomes important



Case PV: penetration results

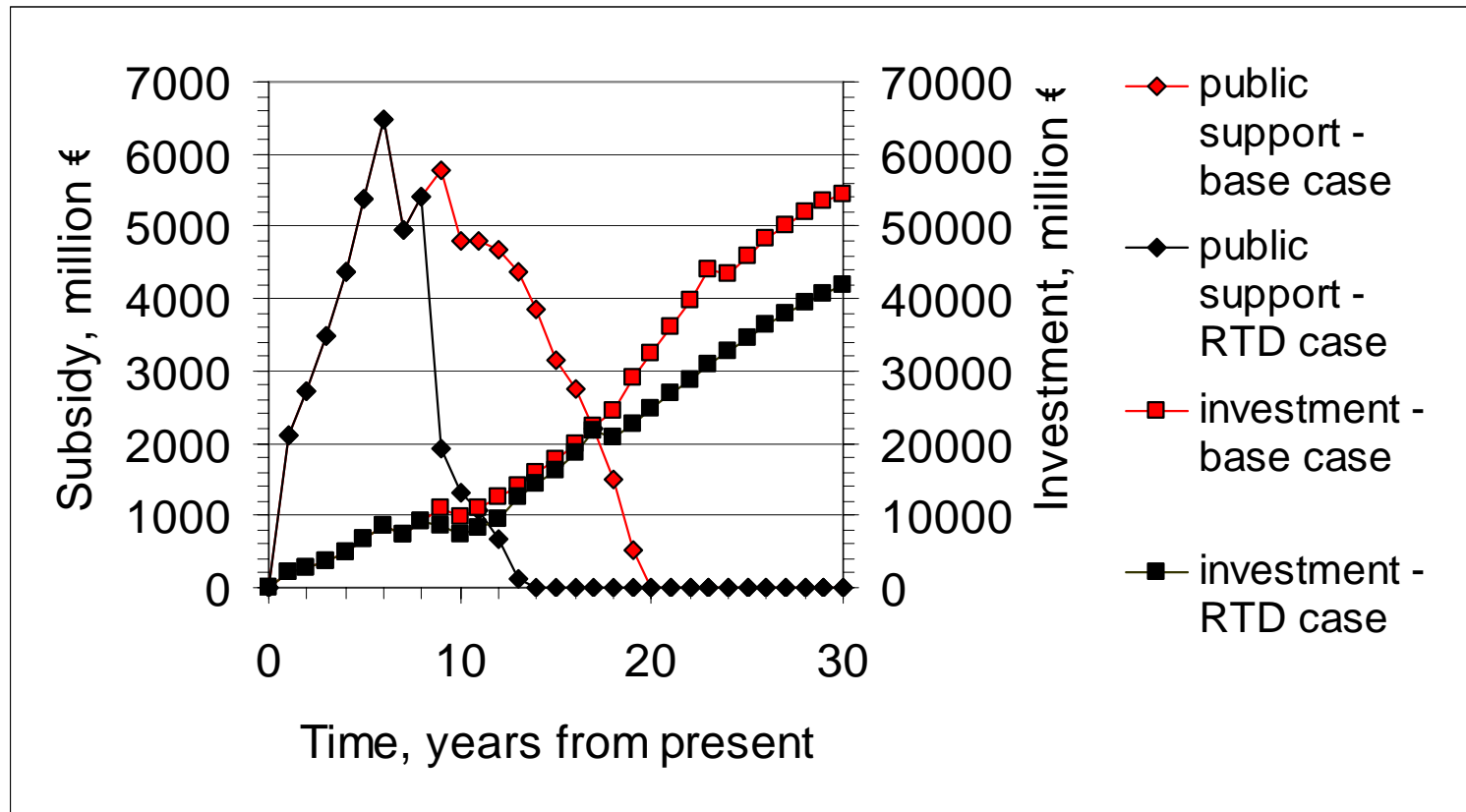
- PV ~ 1% of world electricity at t=30 yrs or around 400 TWh
- PV becomes fully competitive at t=20 yrs in consumer segments in EU





PV (2): effects of technology jump

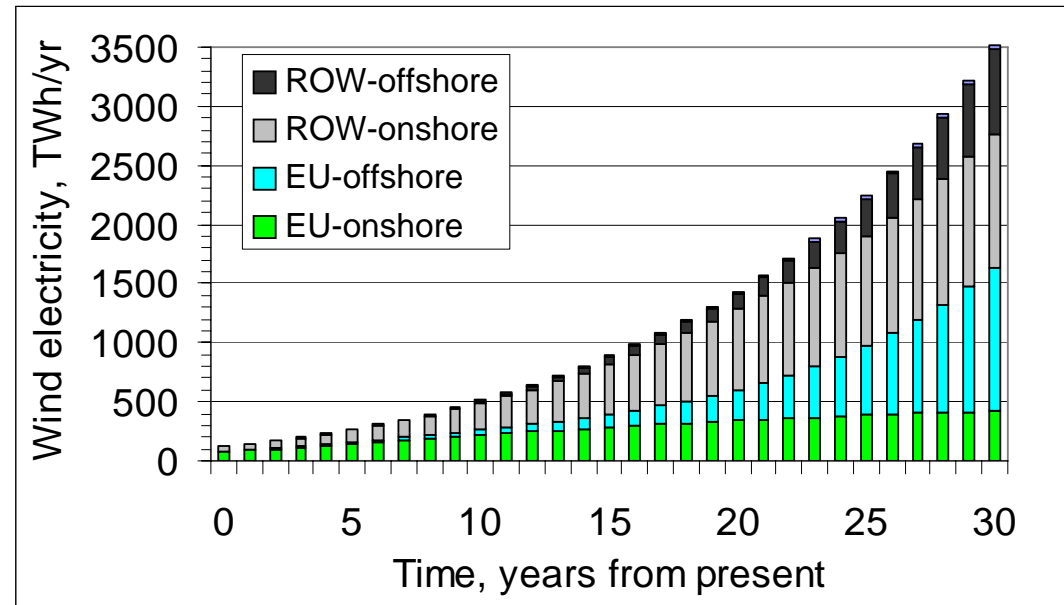
- The concerted R&D strategy case could save 150 billion € in investment costs and 33 billion € of public support in investments over the next 30 years





Case wind: penetration results

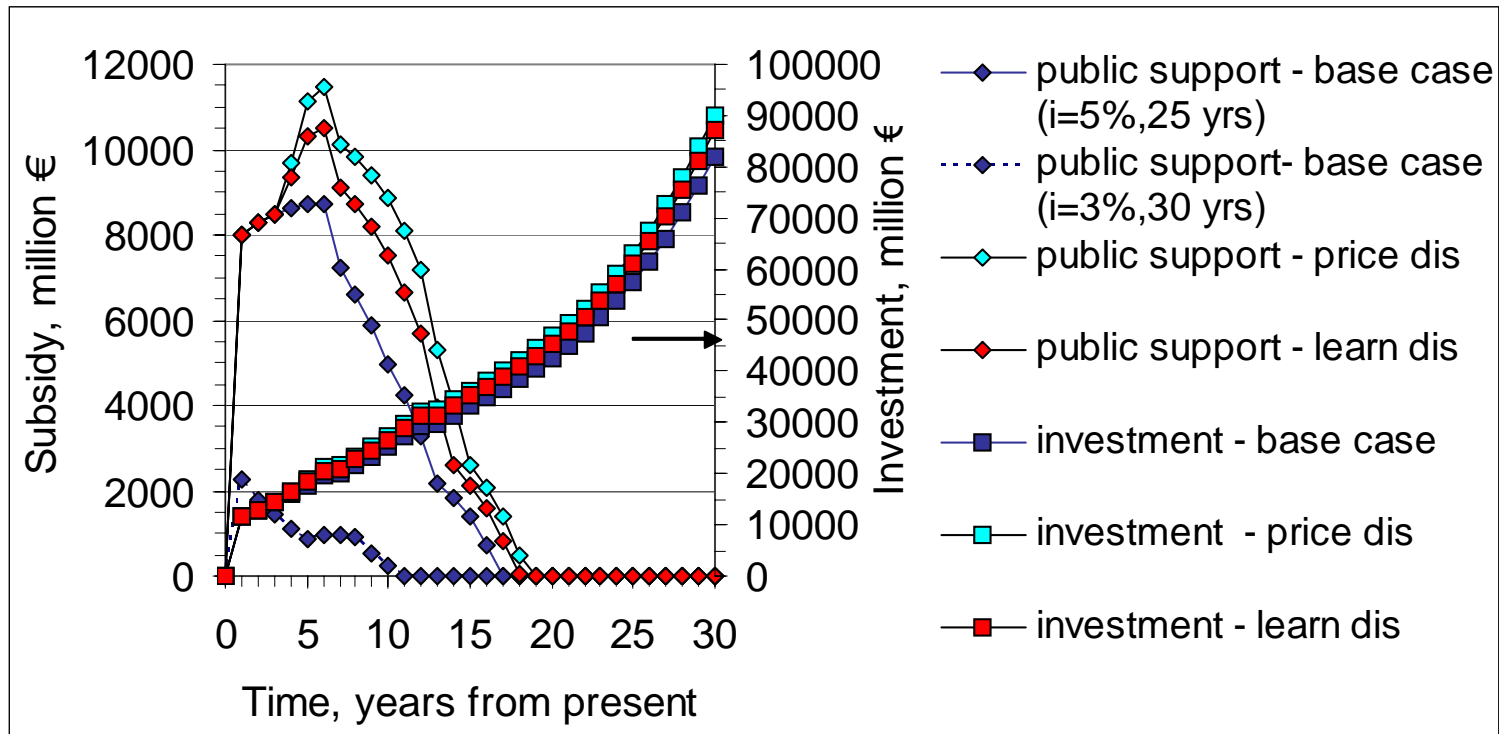
- Wind 10% of world electricity at t=30 yrs; 20% in EU
- The cost of wind-electricity is halved in 30 years
- Cost-effective (non-subsidized) penetration starts at t=10 years in EU-onshore and t=20 yrs in EU-offshore segments
- Market saturation in some segments





Wind (2): effects of disturbances

- A market disturbance of 2 years could mean 100 billion € extra investment cost over 30 years; 30 billion € (learning stagnation) – 37 billion € (cost disturbance) more public subsidies
- Advantageous loans could lower the public support needed by 85% and save 70 billion € in the base case



Observations and conclusions (1)



1. Distance from the cost breakeven point affects the optimal balance between technology push and market pull actions
 - if far away from the commercial breakthrough, focused R&D efforts to enable technology jumps could be more effective than market deployment
 - in case of PV the economic benefits from a strong joint European R&D initiative would be highly motivated
2. When reaching higher volumes and exercising strong market pull measures to accelerate market growth even short disturbances in technology cost trends may turn out be costly
 - careful planning of the subsidy levels to balance possible supply/demand bottlenecks is stressed
 - in case of wind a planning of joint European policies could be highly motivated



Observations and conclusions (2)

3. Full commercialization of new energy technologies needs patient and continuous public support
 - A long time horizon is most likely necessary (10-20 years), public support should be viewed as an investment with long pay-off
 - Several factors may change the total financial support needed
 - Involving European financing bodies in the investments could enable cheaper capital costs

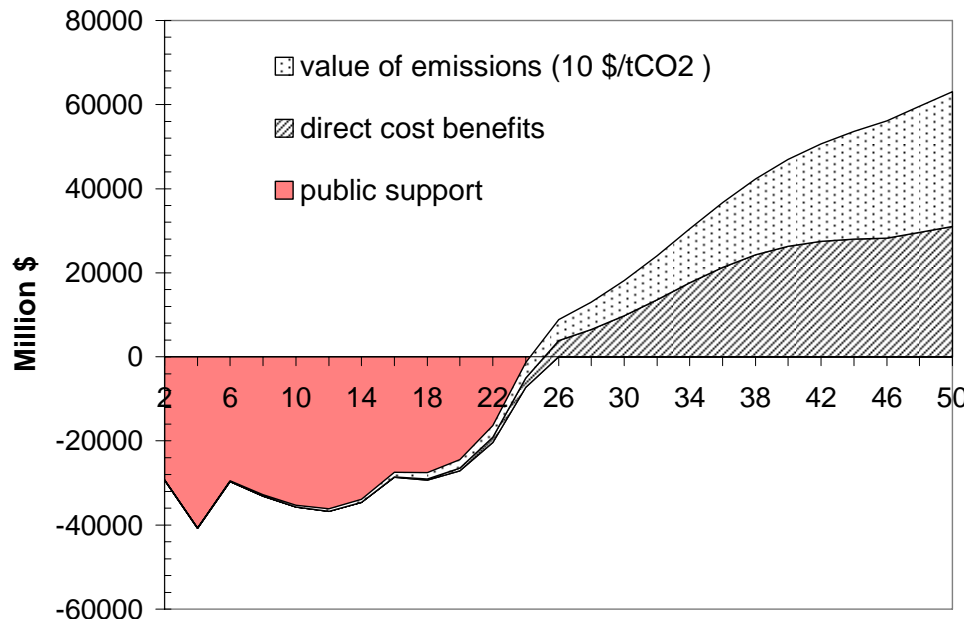


Illustration of the pay-back of public support for PV over 50 years

Impacts of high energy prices on long-term energy-economic scenarios for Germany

Volker Krey, Dag Martinsen, Peter Markewitz

Research Centre Jülich, Institute of Energy Research - Systems Analysis and Technology
Evaluation (IEF-STE), Jülich, Germany

Manfred Horn

DIW Berlin, Berlin, Germany

Felix Chr. Matthes, Verena Graichen, Ralph O. Harthan, Julia Repenning

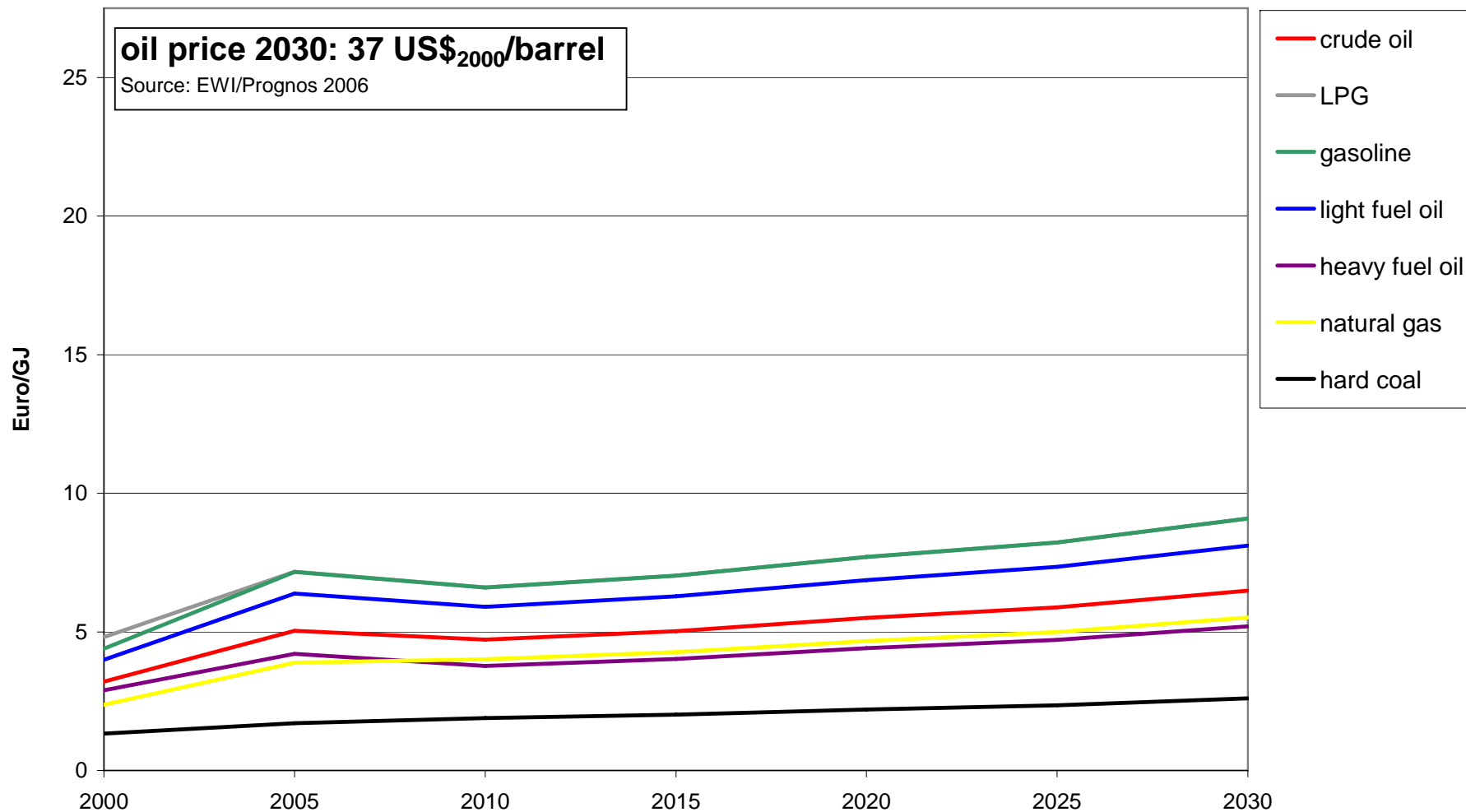
Öko-Institut, Berlin, Germany

Motivation

- „new“ energy price levels since 2004
- energy-economic scenarios do/did not cover price levels
- compilation of adapted scenarios
- analysis of impacts:
 - supply structures
 - competitiveness of energy-saving measures
 - resulting CO₂-emissions

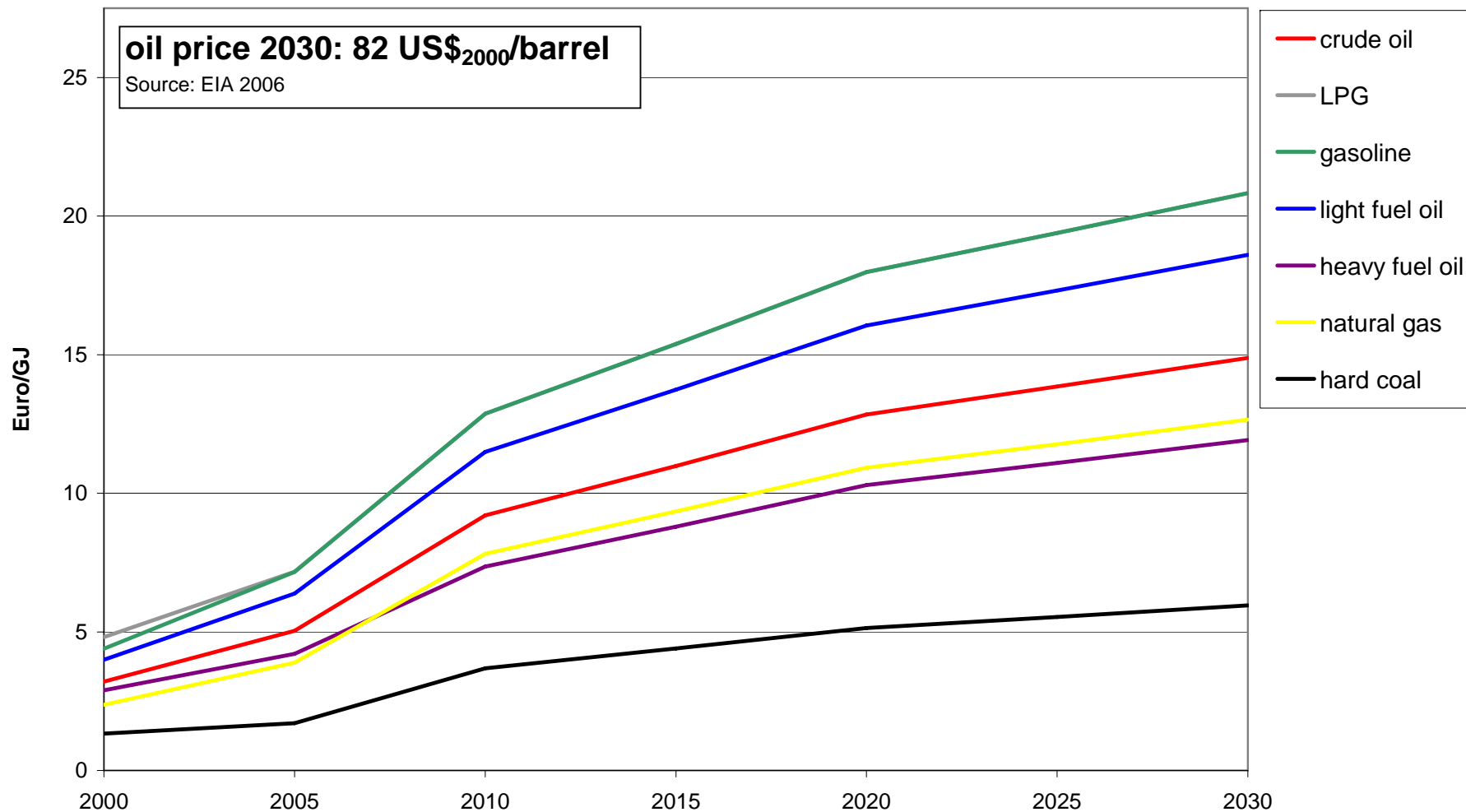
Energy Price Scenarios

Reference Scenario



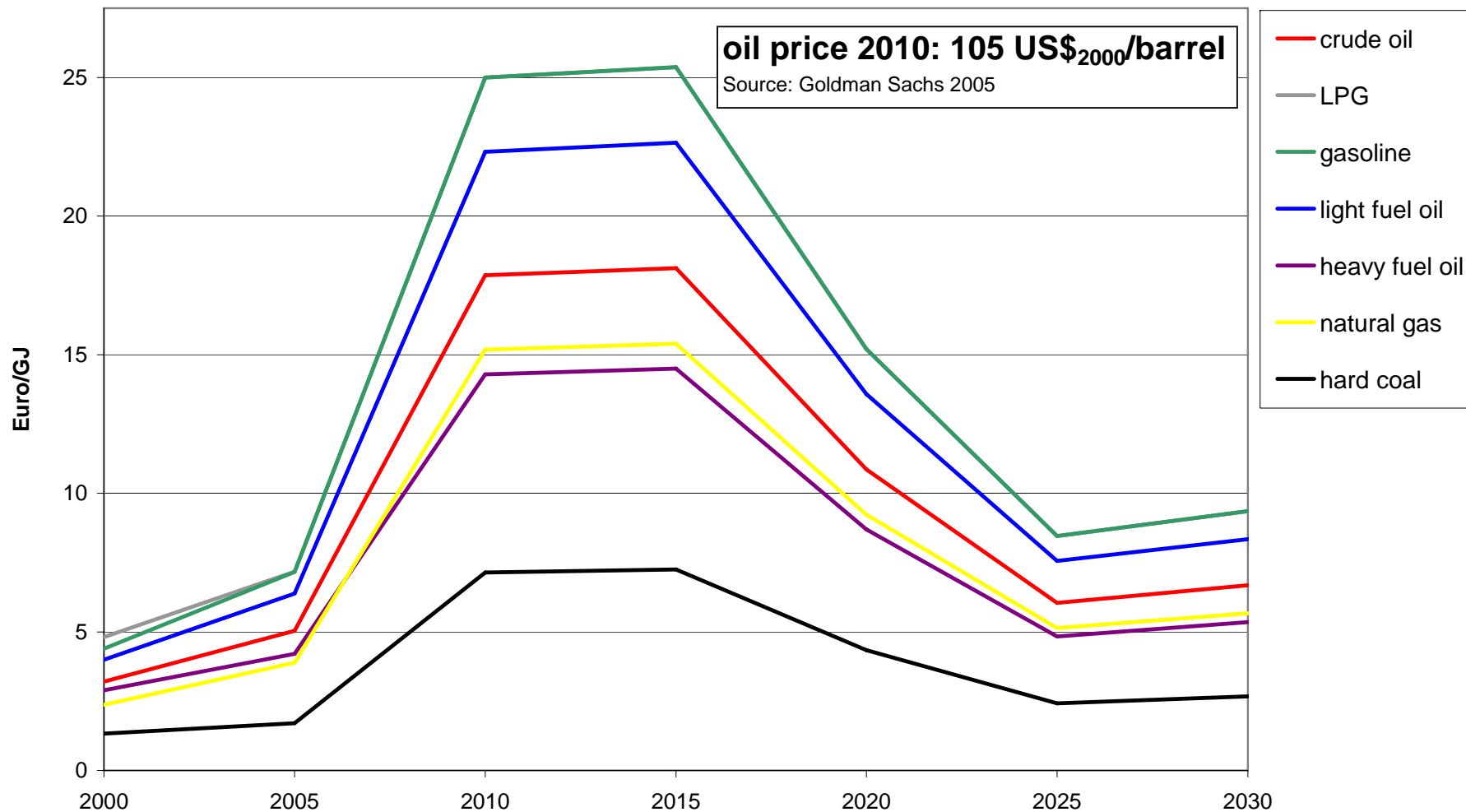
Energy Price Scenarios

High Price Scenario



Energy Price Scenarios

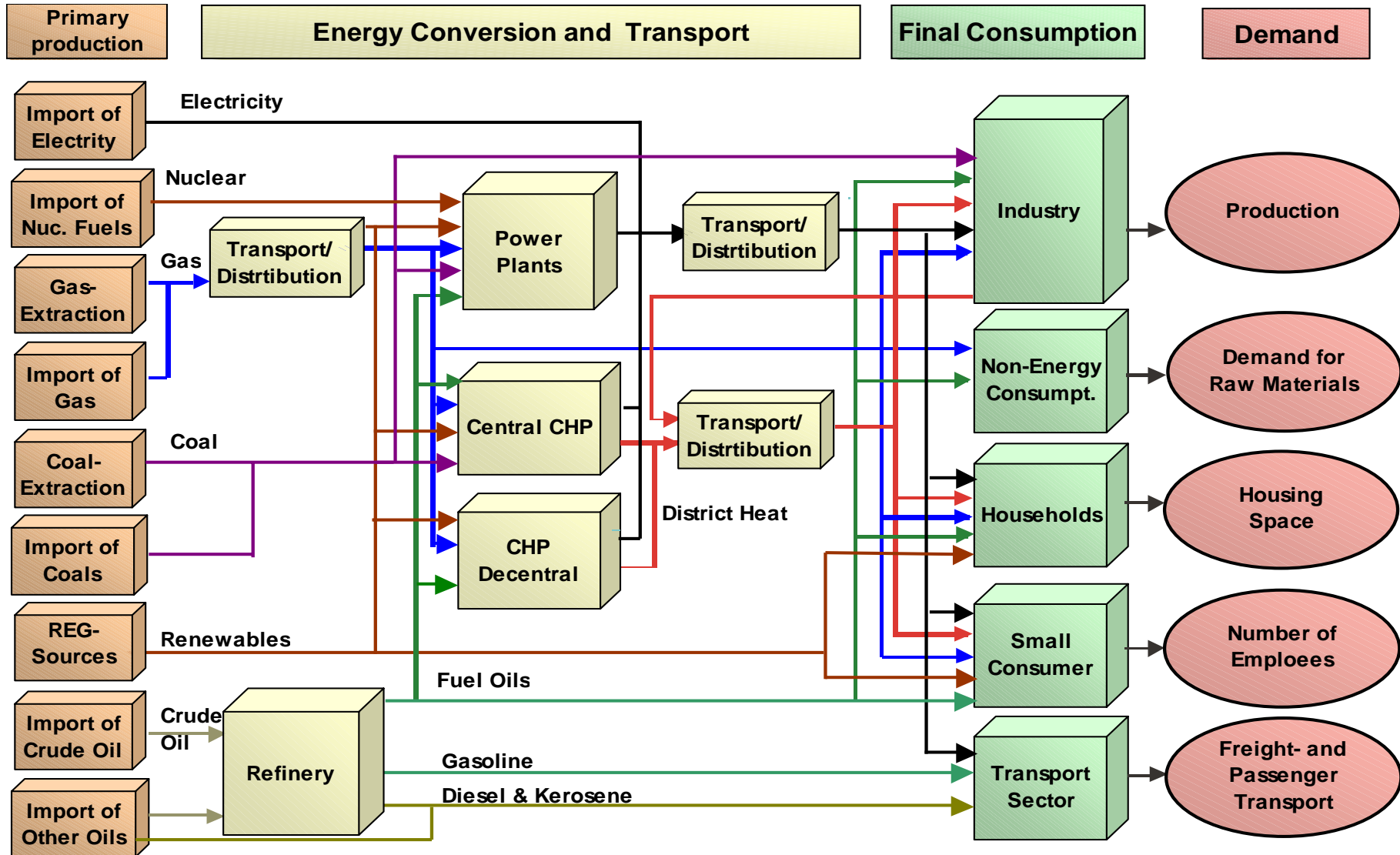
Price Spike Scenario



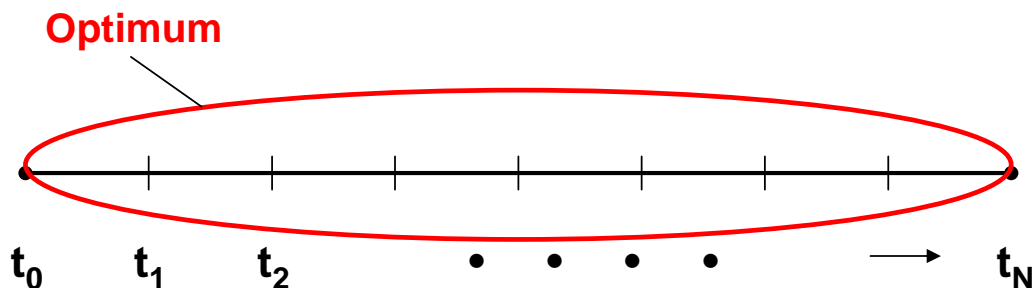
Analysis

- Energy Systems Model (IKARUS-LP):
 - consistent scenarios
 - impacts on whole energy system (supply and end-use sectors)
- Electricity Sector Model (ELIAS):
 - detailed analysis of electricity generation
 - interaction with carbon emissions trading

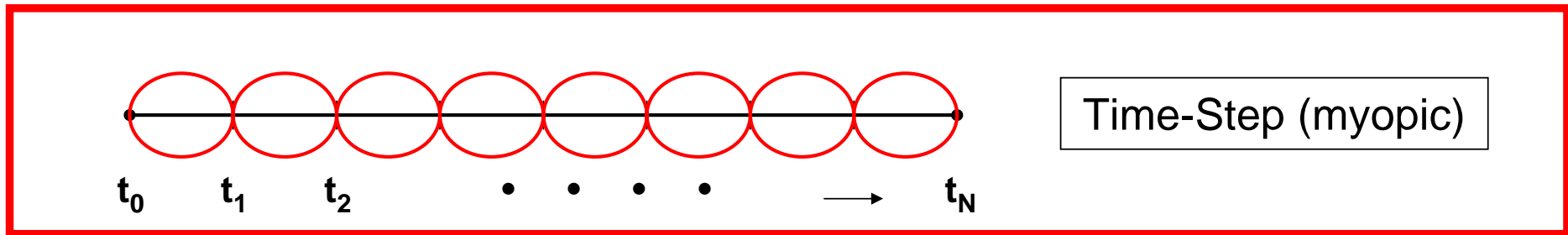
IKARUS-LP Model Structure



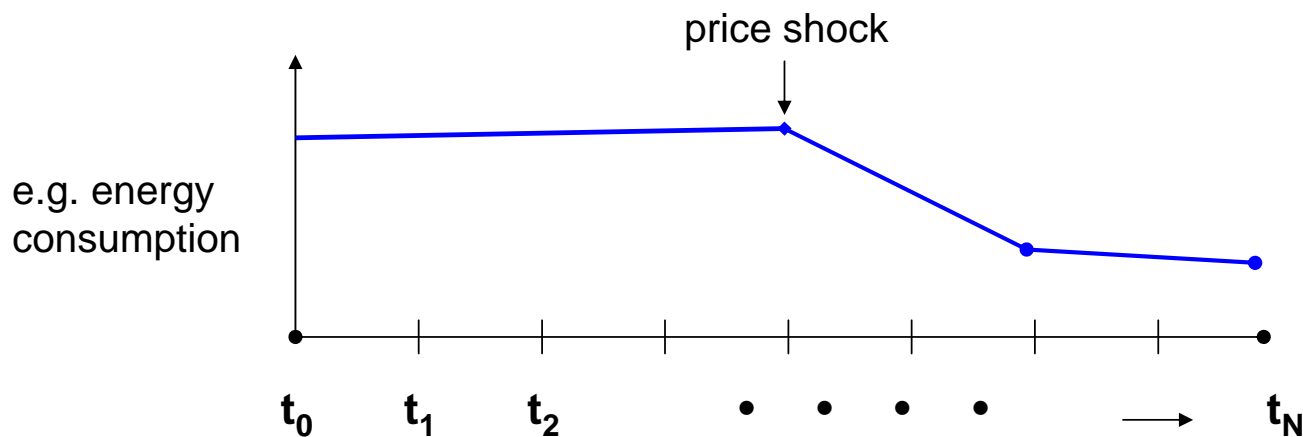
Modeling Approach



Perfect-Foresight

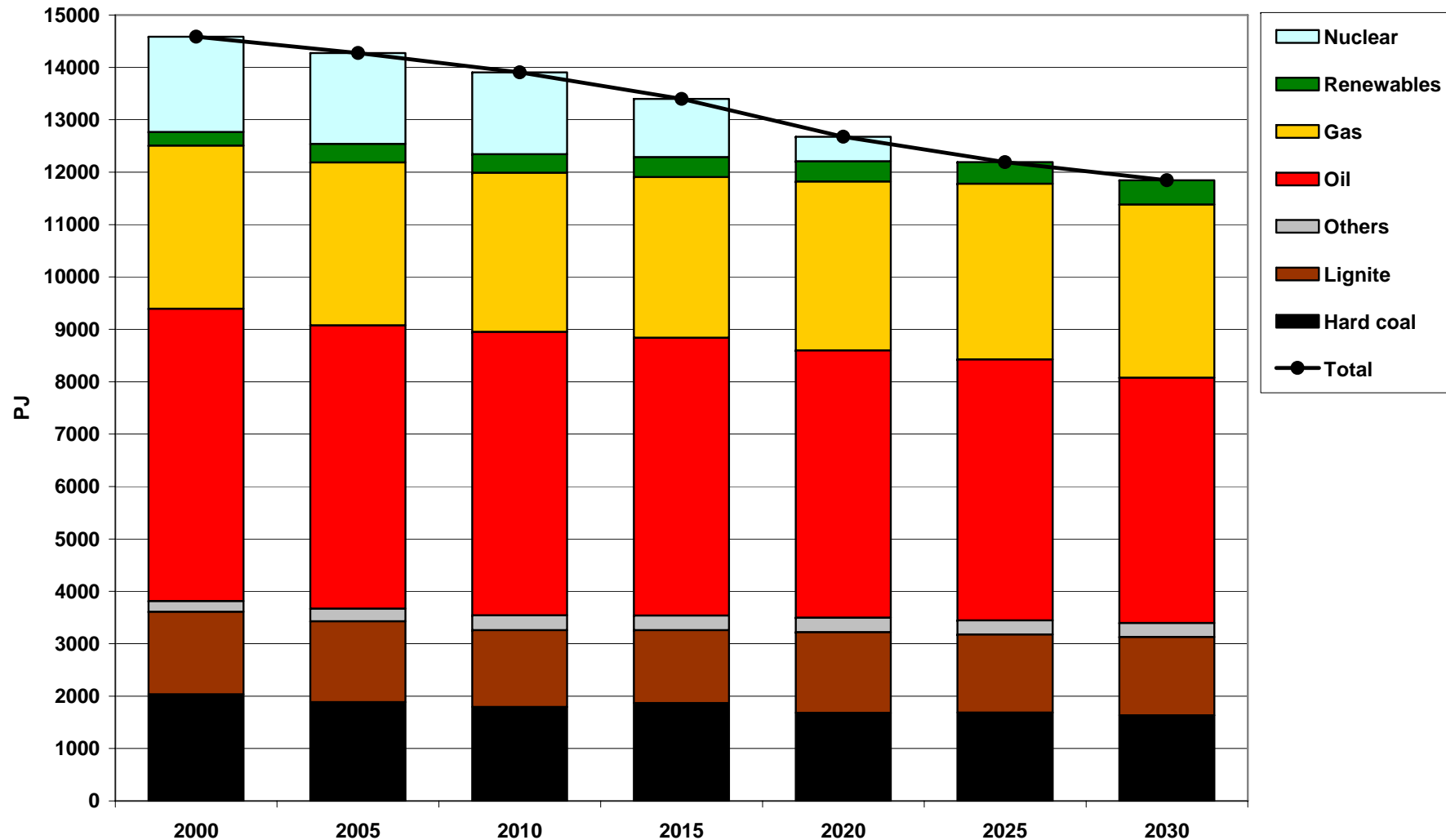


Time-Step (myopic)



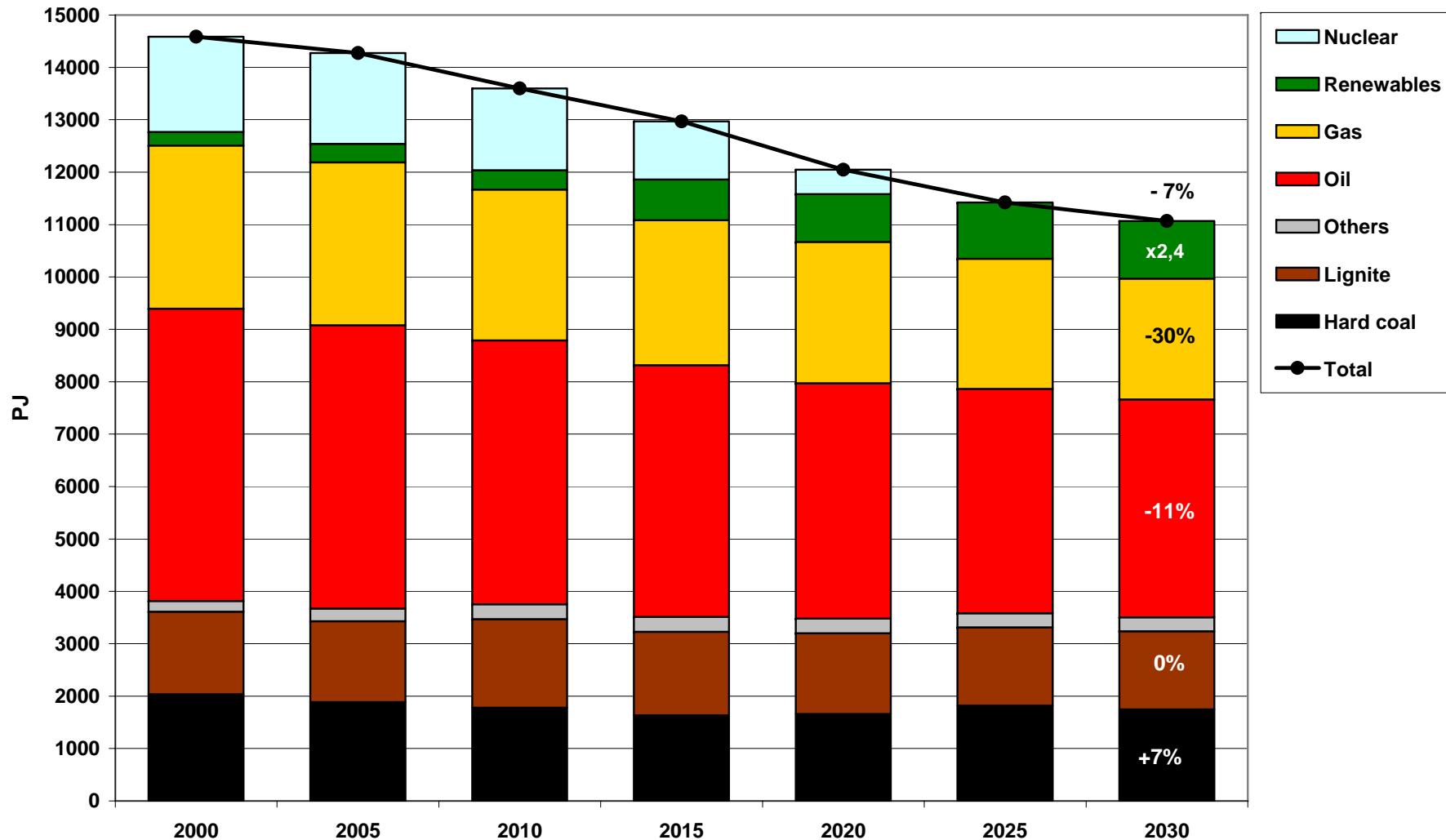
Total Primary Energy Supply

Reference Scenario



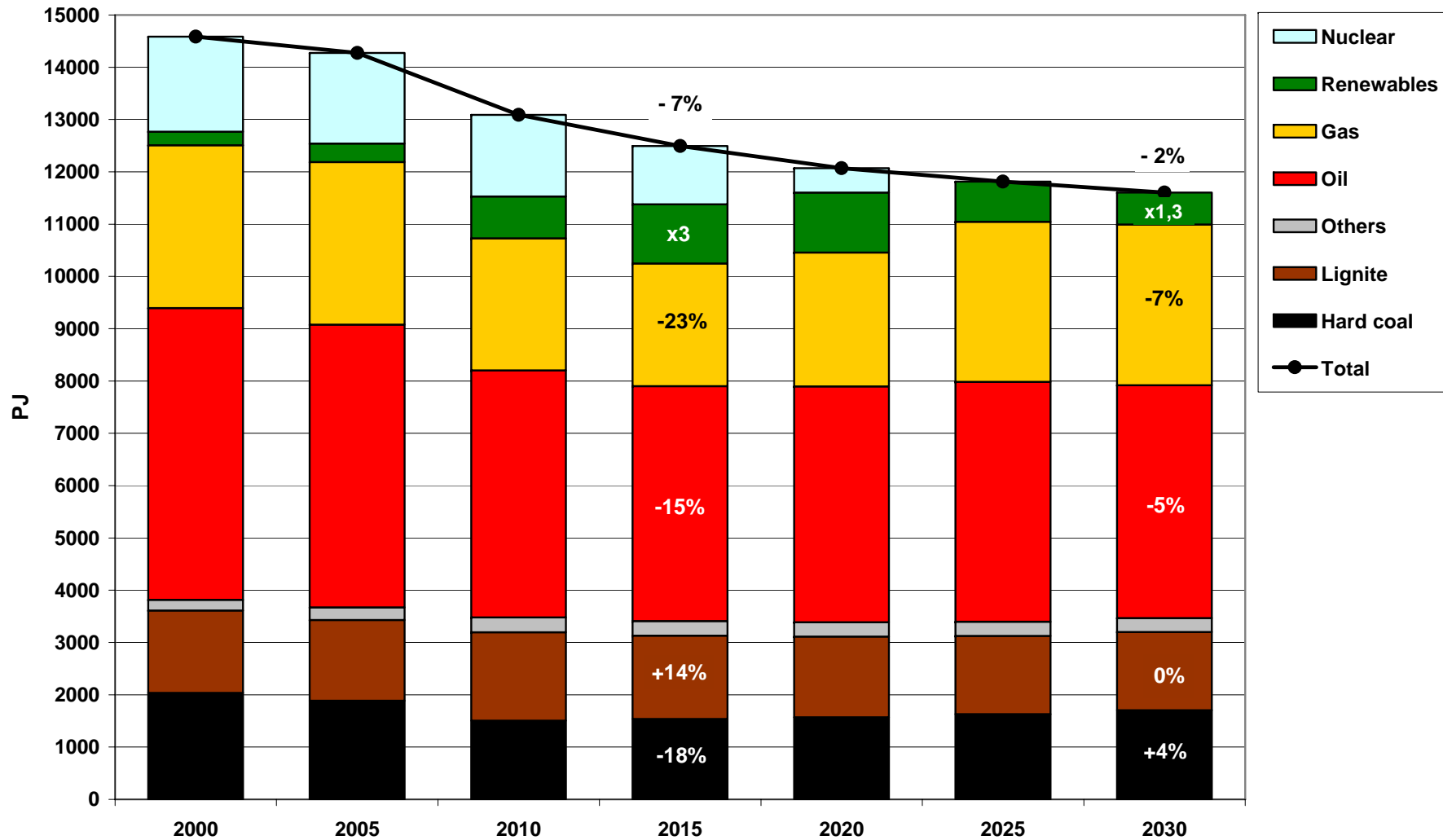
Total Primary Energy Supply

High Price Scenario



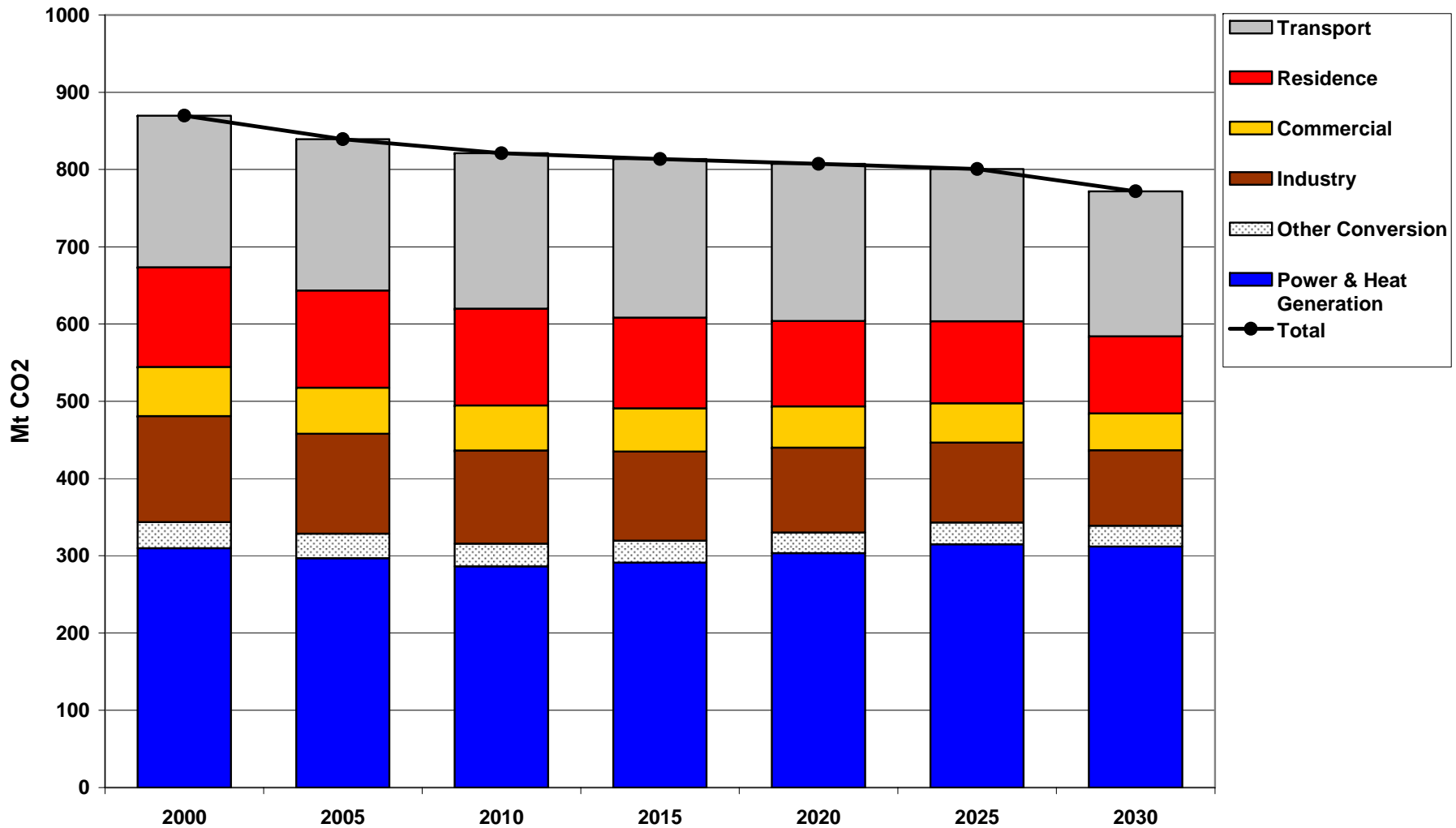
Total Primary Energy Supply

Price Spike Scenario



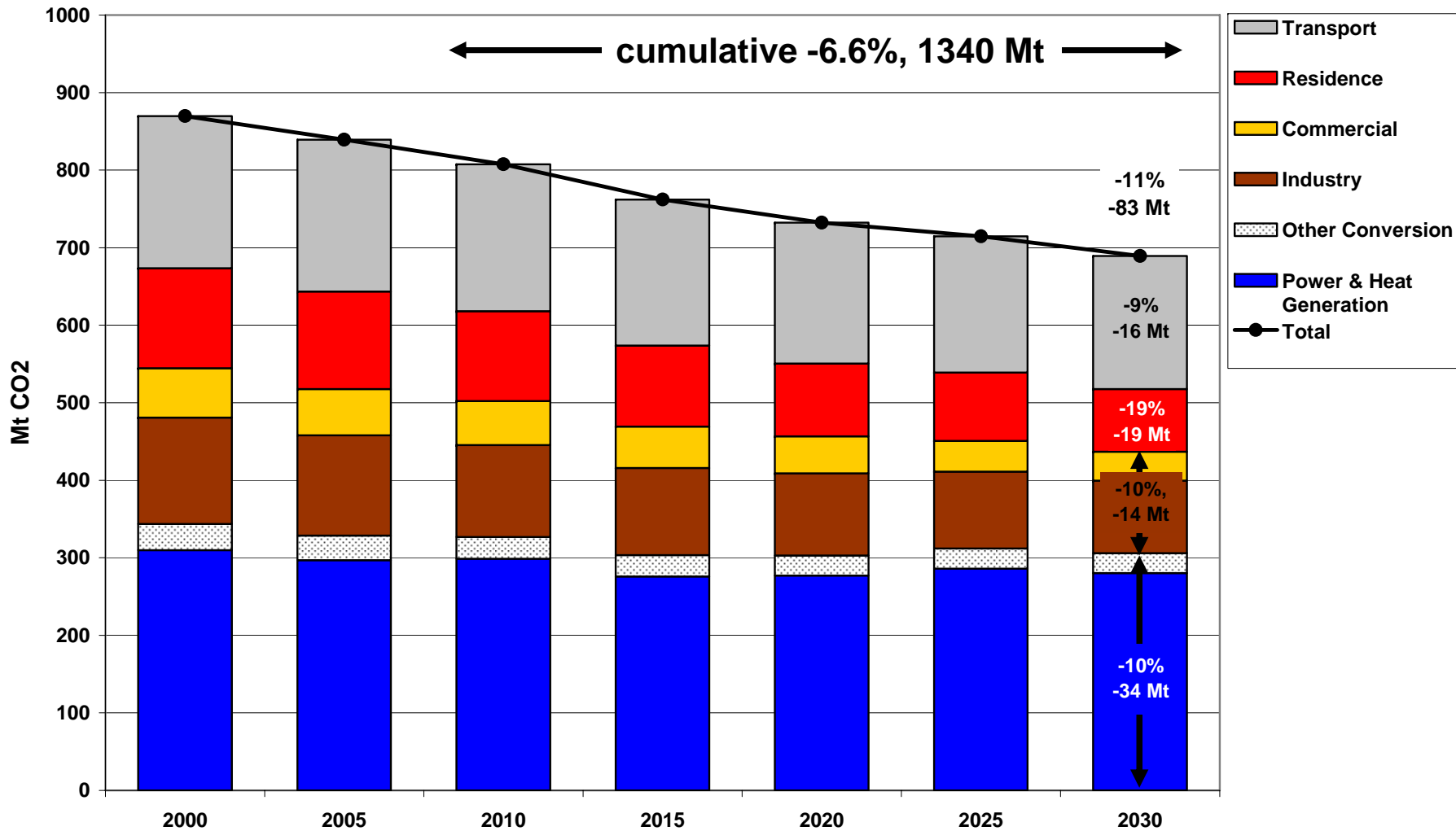
CO₂-Emissions

Reference Scenario



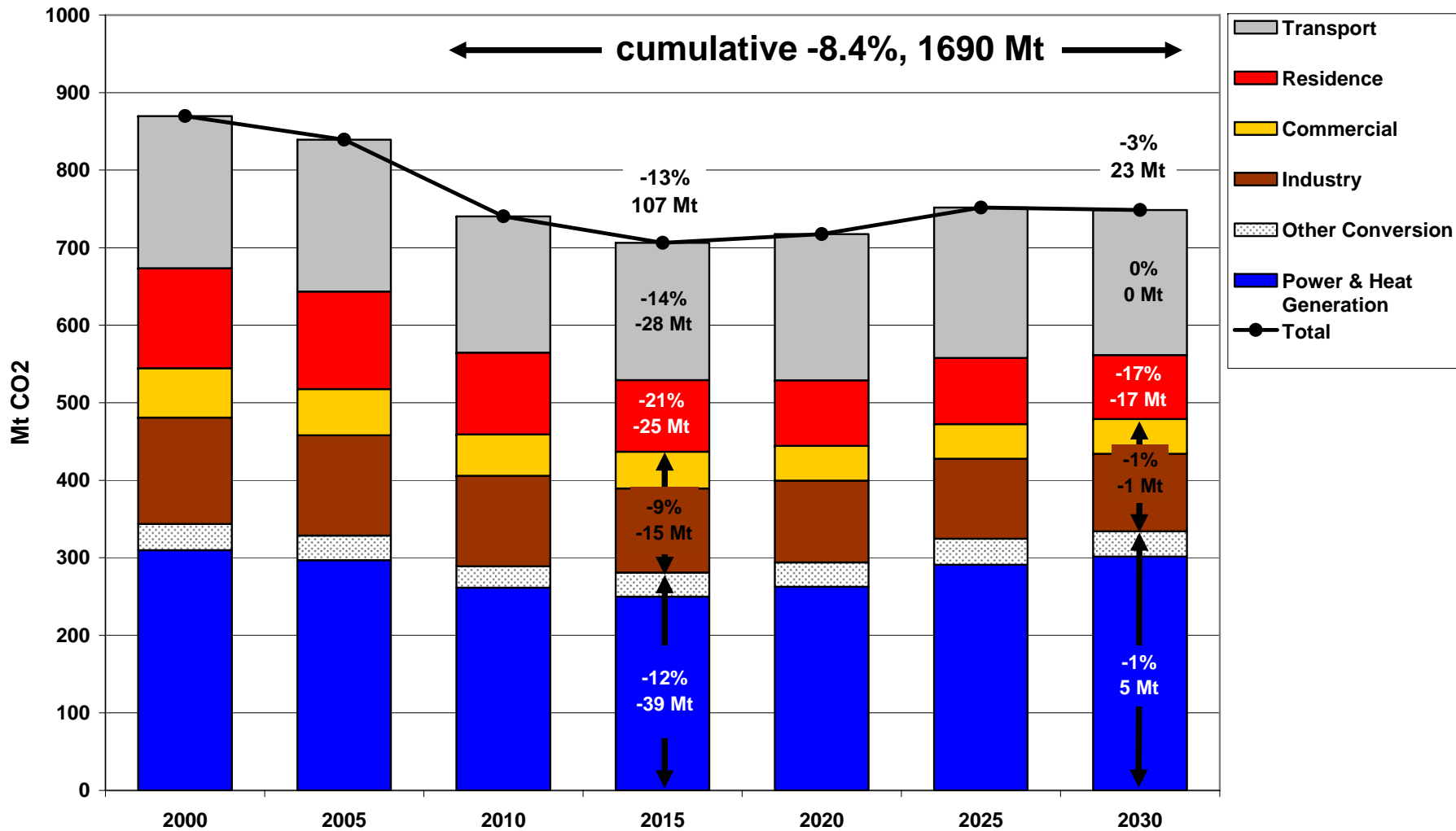
CO₂-Emissions

High Price Scenario



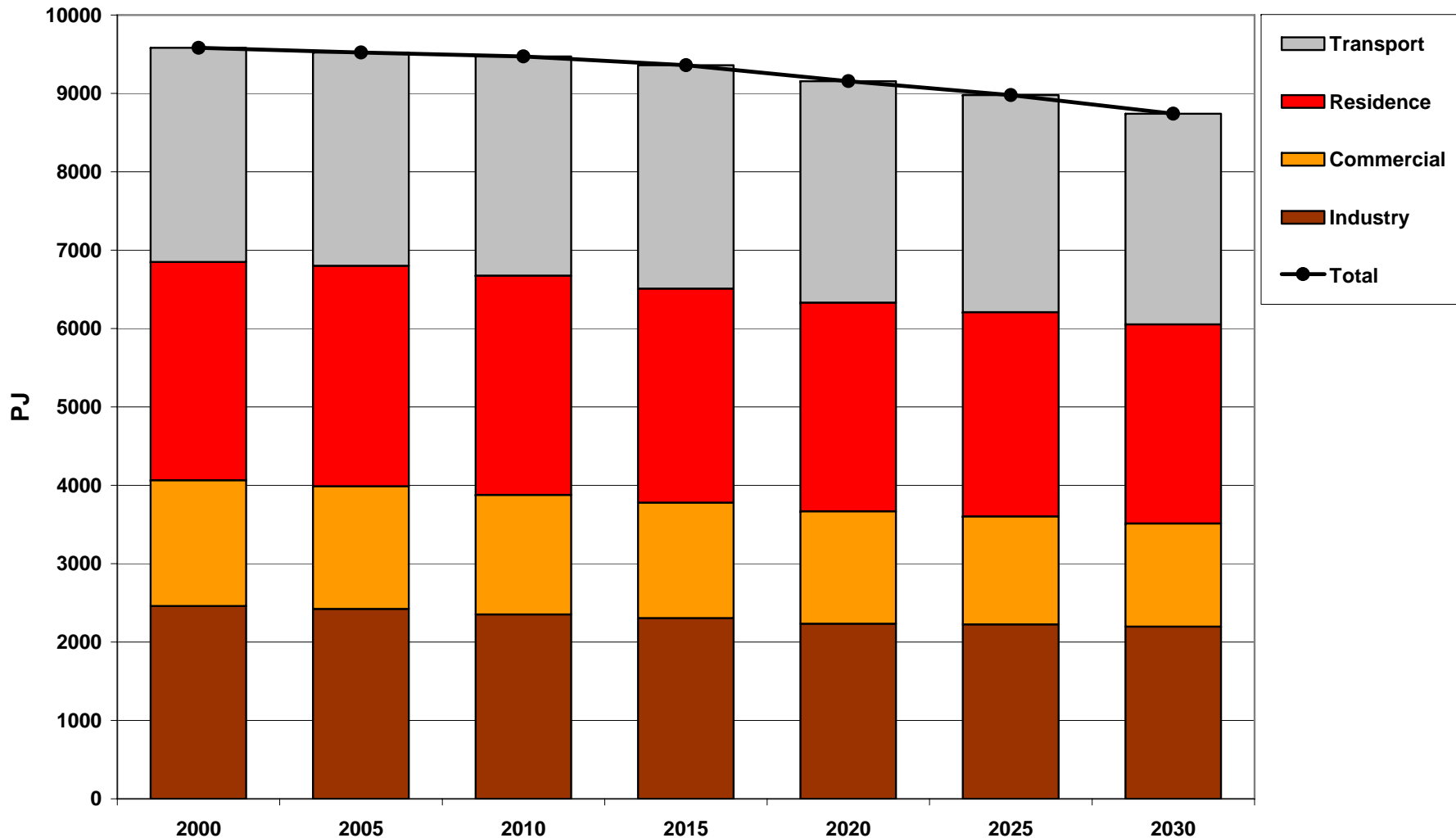
CO₂-Emissions

Price Spike Scenario



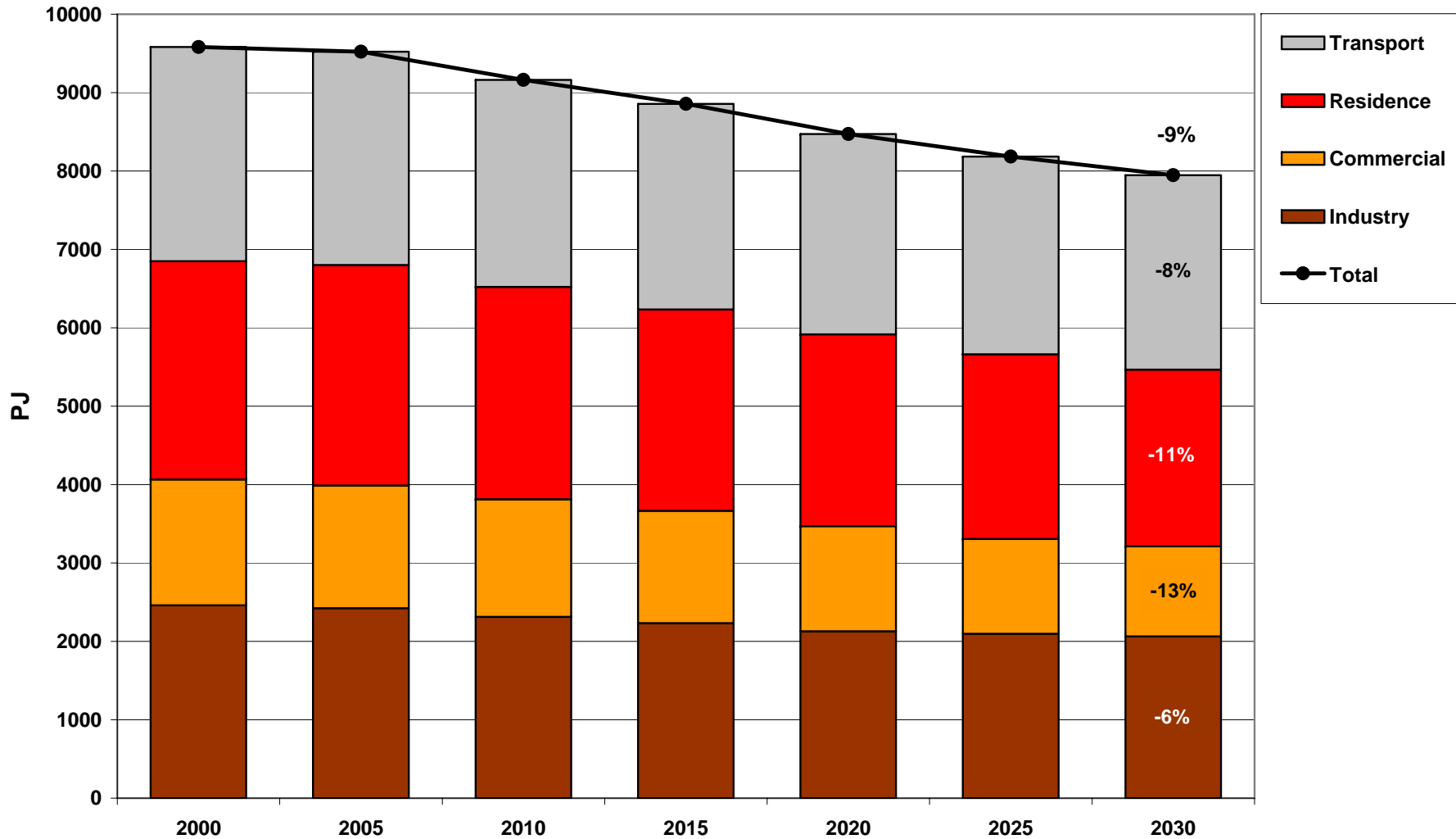
Final Energy Consumption

Reference Scenario



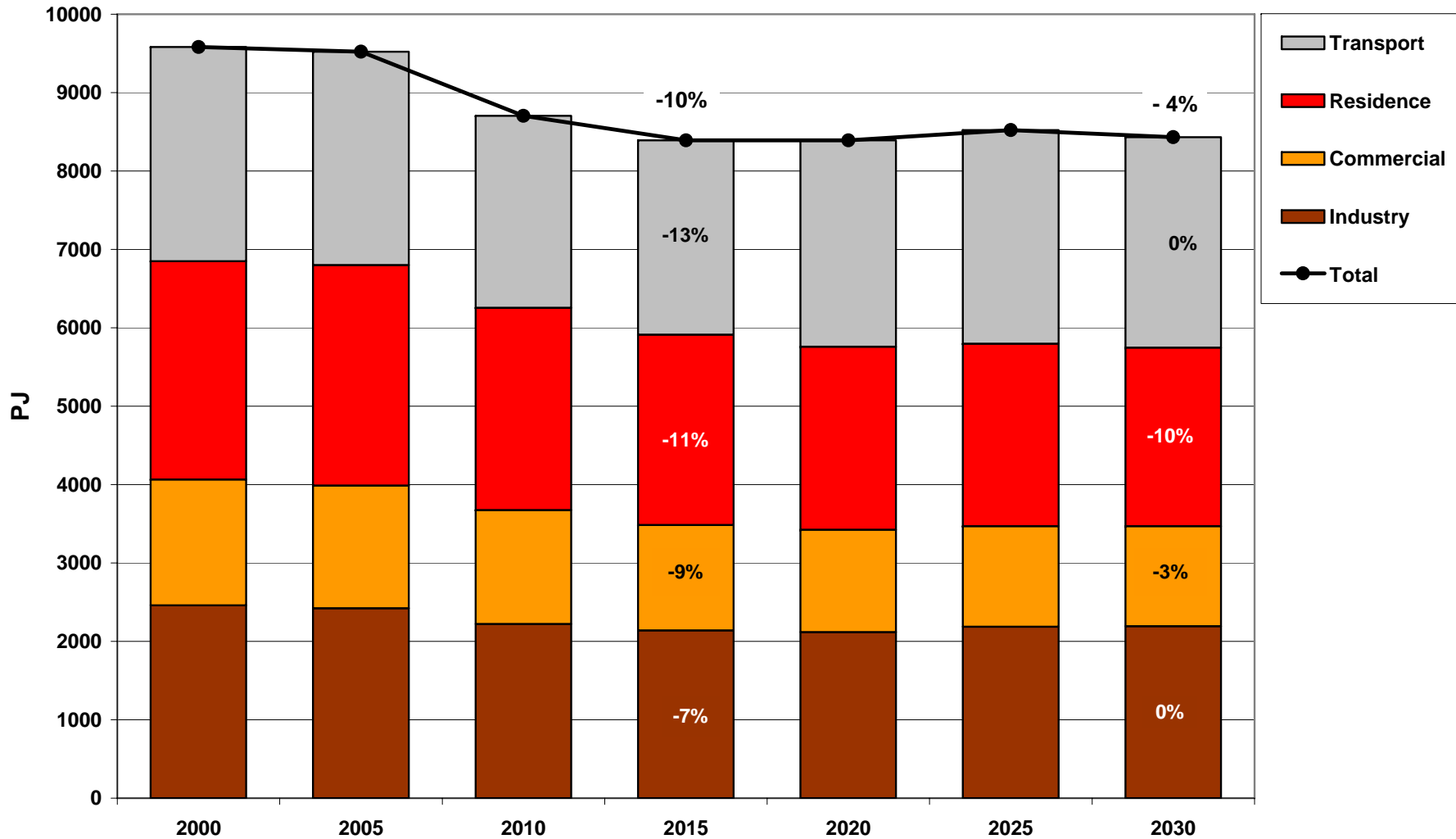
Final Energy Consumption

High Price Scenario



Final Energy Consumption

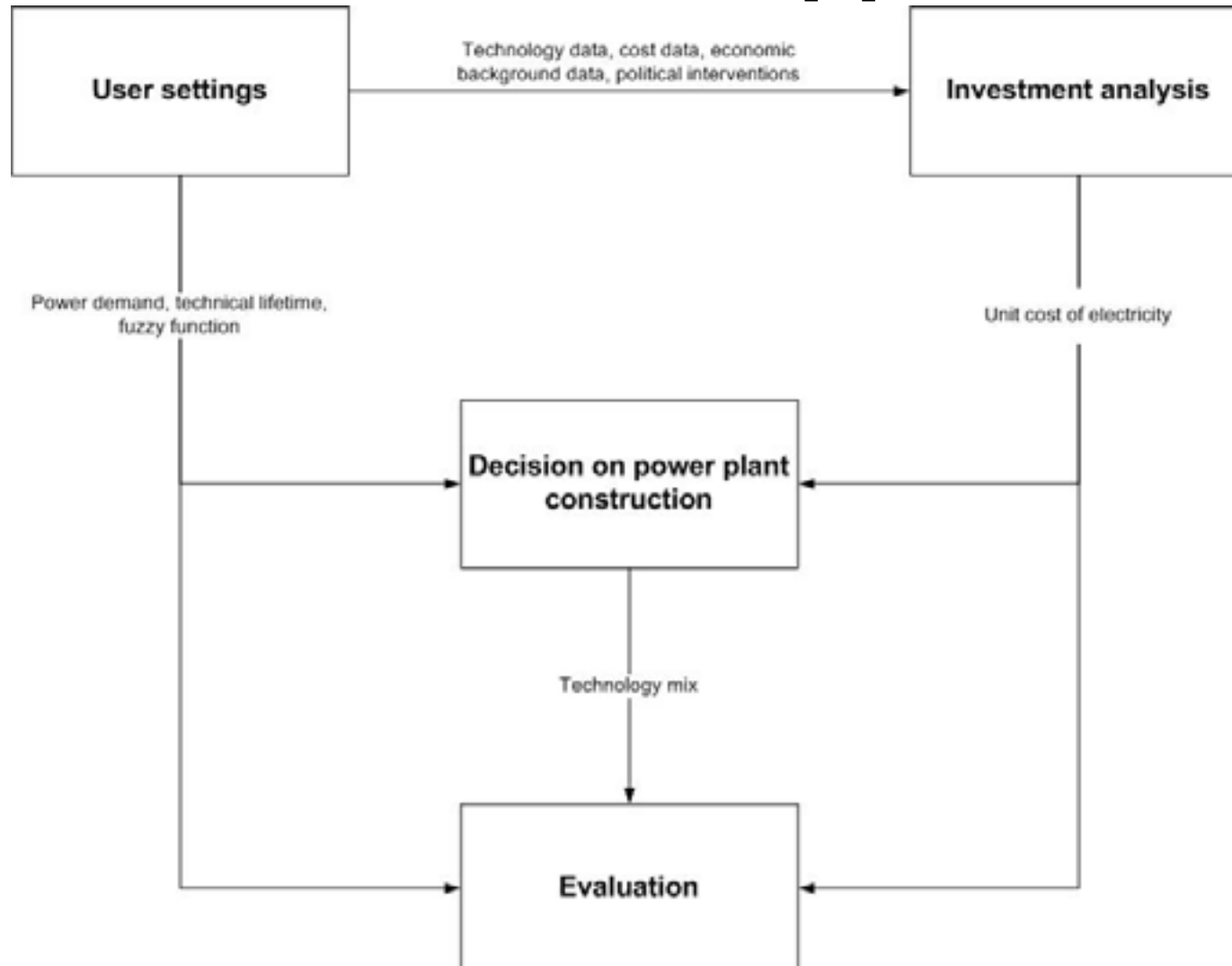
Price Spike Scenario



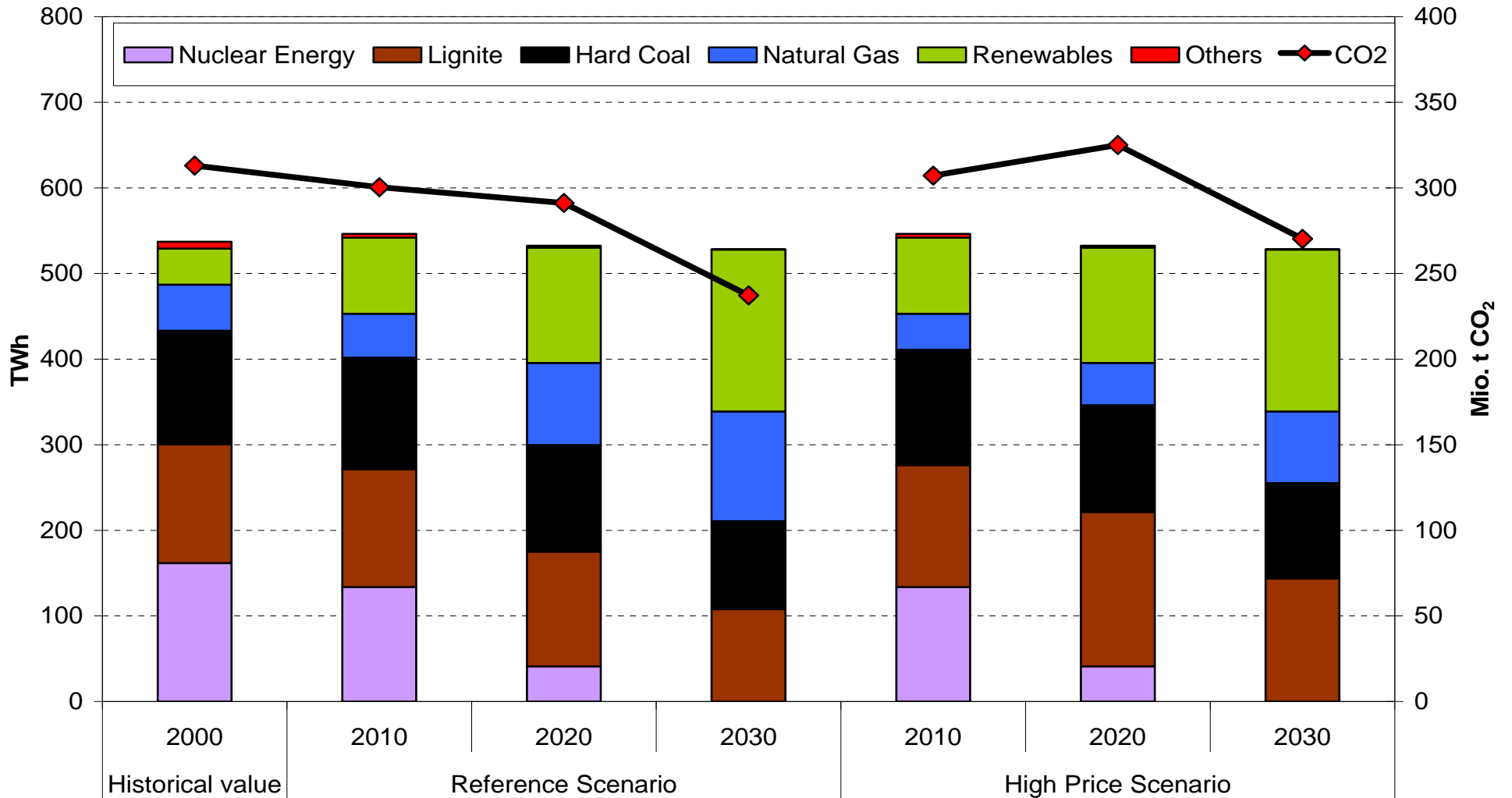
ELIAS Model Approach

- investments in power generation sector
- utility perspective
- political instruments:
 - taxes
 - feed-in-tariffs for renewables (EEG)
 - promotion of CHP (KWKG)
 - emissions trading scheme/allocation rules

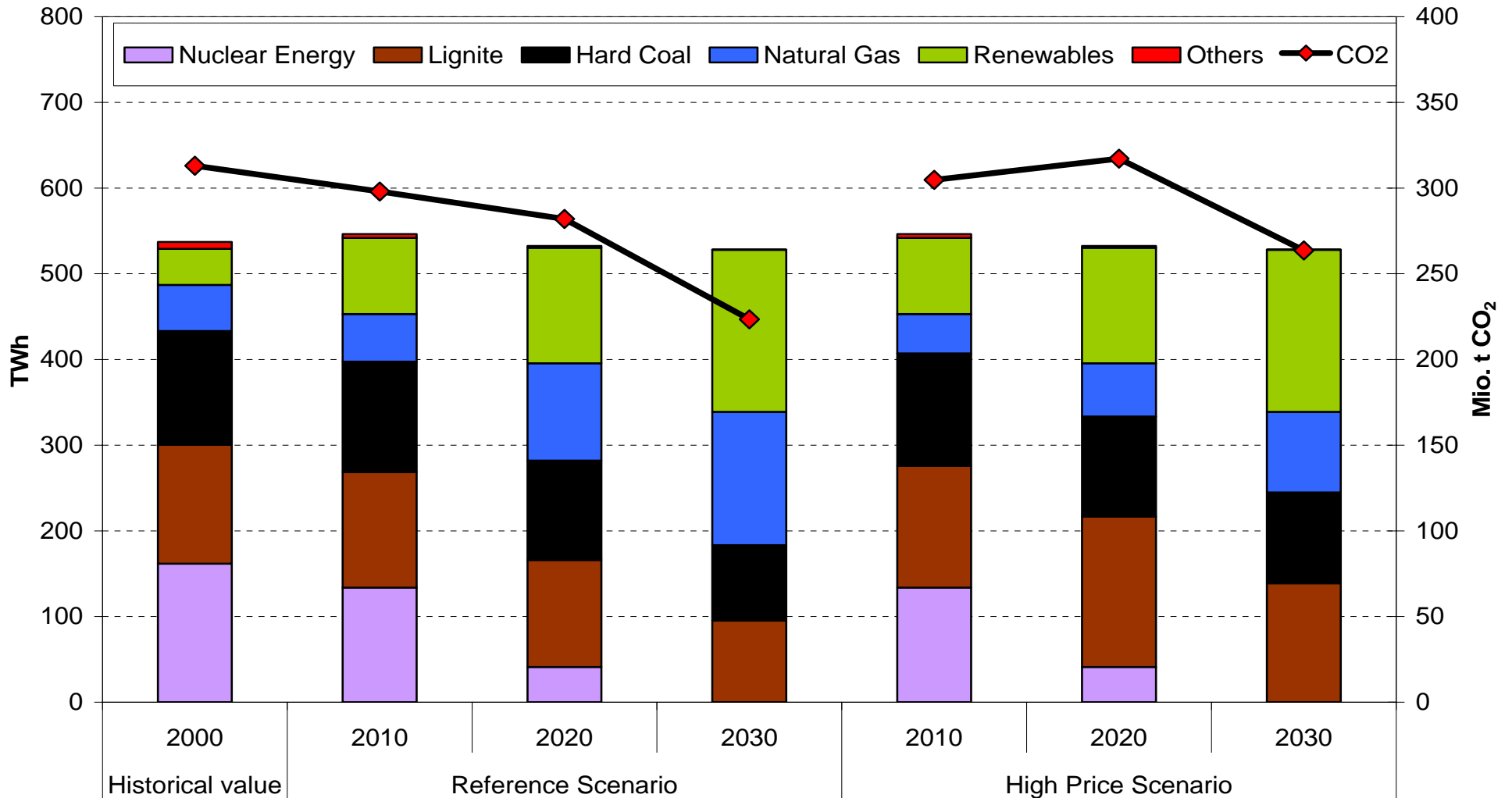
ELIAS Model Approach



Electricity Sector – Current Allocation



Electricity Sector – Full Auctioning



Conclusions

- energy-savings in end-use sectors
but: relaxation effects in some sectors
- increased utilization of renewables
- electricity generation: natural gas vs. coal
(strongly dependent on energy price levels
and allocation rules)
- domestic hard coal competitive
coal-to-liquids: > 55 US\$/barrel



Thank You!

Polygeneration

Thomas Rostrup-Nielsen

HALDOR TOPSOE A/S

Haldor Topsøe A/S - Risø – May 23 2007



Outline

- **IGCC and Polygeneration**
- **TIGAS – Topsoe's Integrated Gasoline Synthesis**
- **Integration of IGCC & TIGAS**
 - Process performance
 - Economics
 - Options for CO₂ abatement



- **IGCC and Polygeneration**
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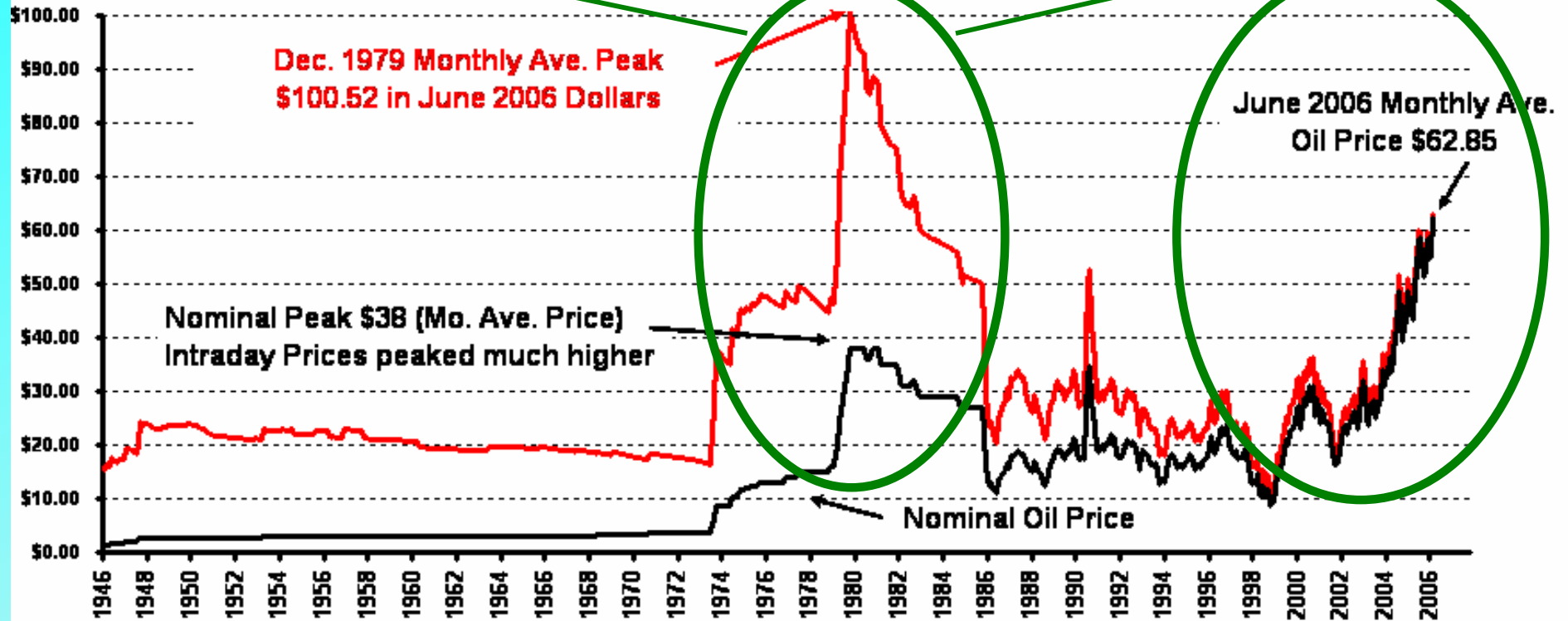


Inflation Adjusted Monthly CRUDE OIL PRICES (1946- Present)

In May 2006 Dollars

© www.InflationData.com

Updated 7/18/06



Nominal Monthly Ave. Oil Price

Inflation Adjusted Monthly Average Oil Price

Source of Data:

Illinois Basin Crude Prices- www.ioga.com/Special/crudeoil_Hist.htm

CPI-U Inflation index- www.bls.gov



Coal as a Raw Material

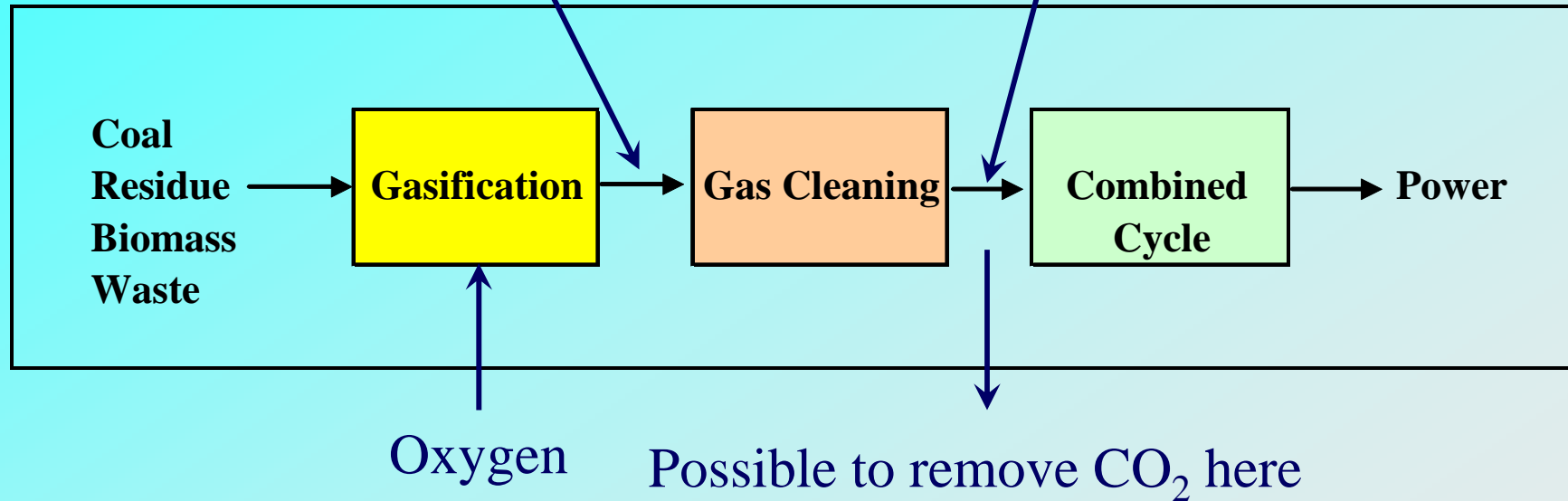
- **High oil prices & Security of supply**
- **Interesting to generate power from coal**
 - if capable of dealing with CO₂
- **Interesting to generate chemicals otherwise obtained from oil from coal**
 - E.g. transportations fuels
- **Interesting to use technology which can utilize renewable energy sources**
 - E.g. biomass



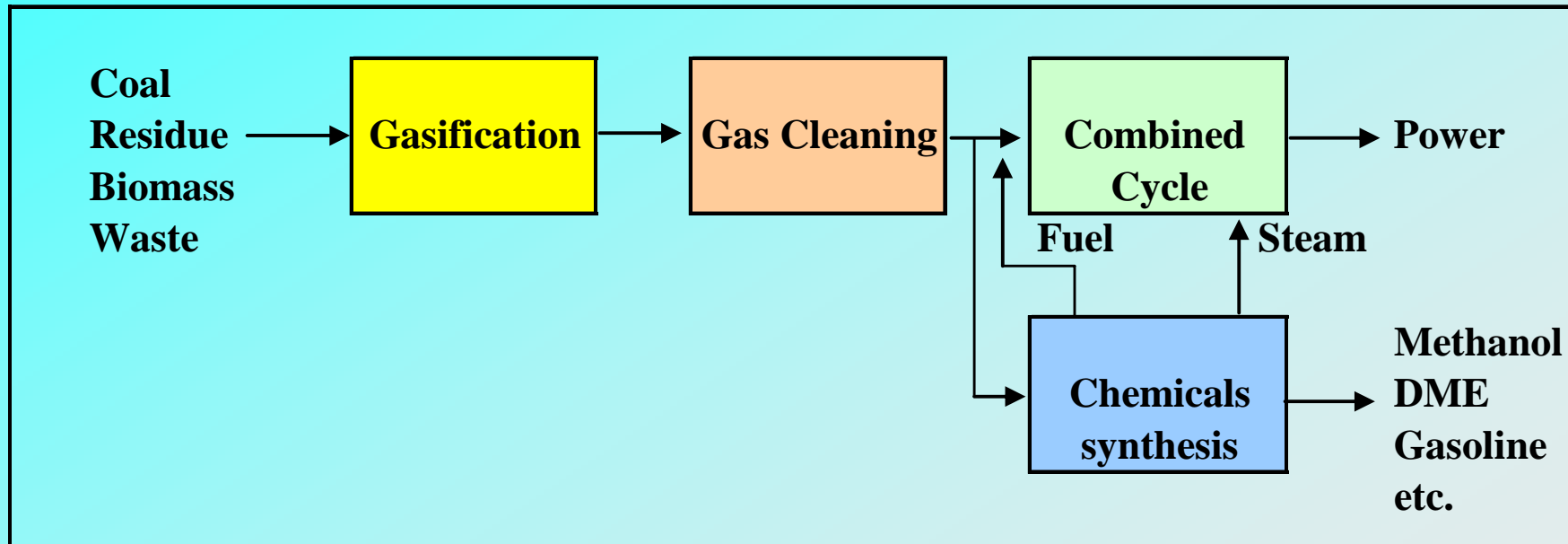
IGCC Plant

Dirty synthesis gas
 $\text{CO} + \text{H}_2 + \text{CO}_2$

Clean synthesis gas
 $\text{CO} + \text{H}_2 + \text{CO}_2$
Ideal for chemicals production



IGCC & Chemicals Production Polygeneration



- **IGCC and Polygeneration**
- **TIGAS – Topsoe's Integrated Gasoline Synthesis**
- **Integration of IGCC & TIGAS**
 - Process performance
 - Economics
 - Options for CO₂ abatement

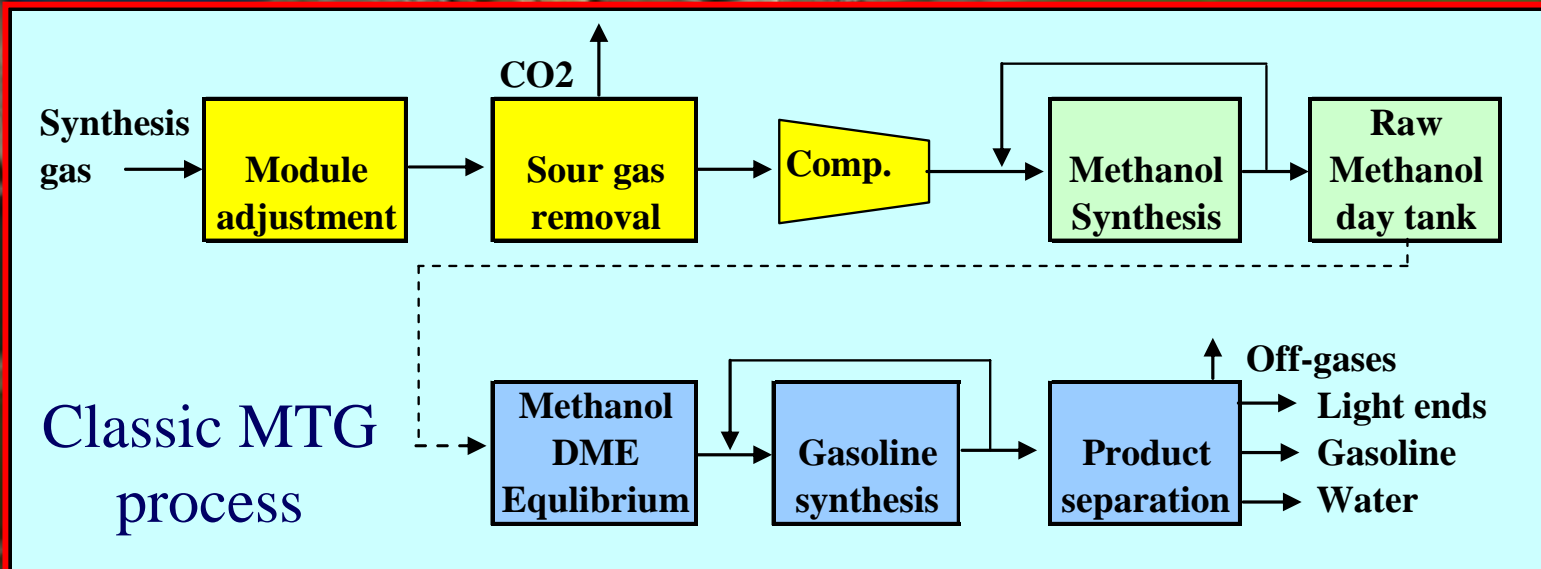


Worlds first Gas to Gasoline Plant – New Zealand – 1986

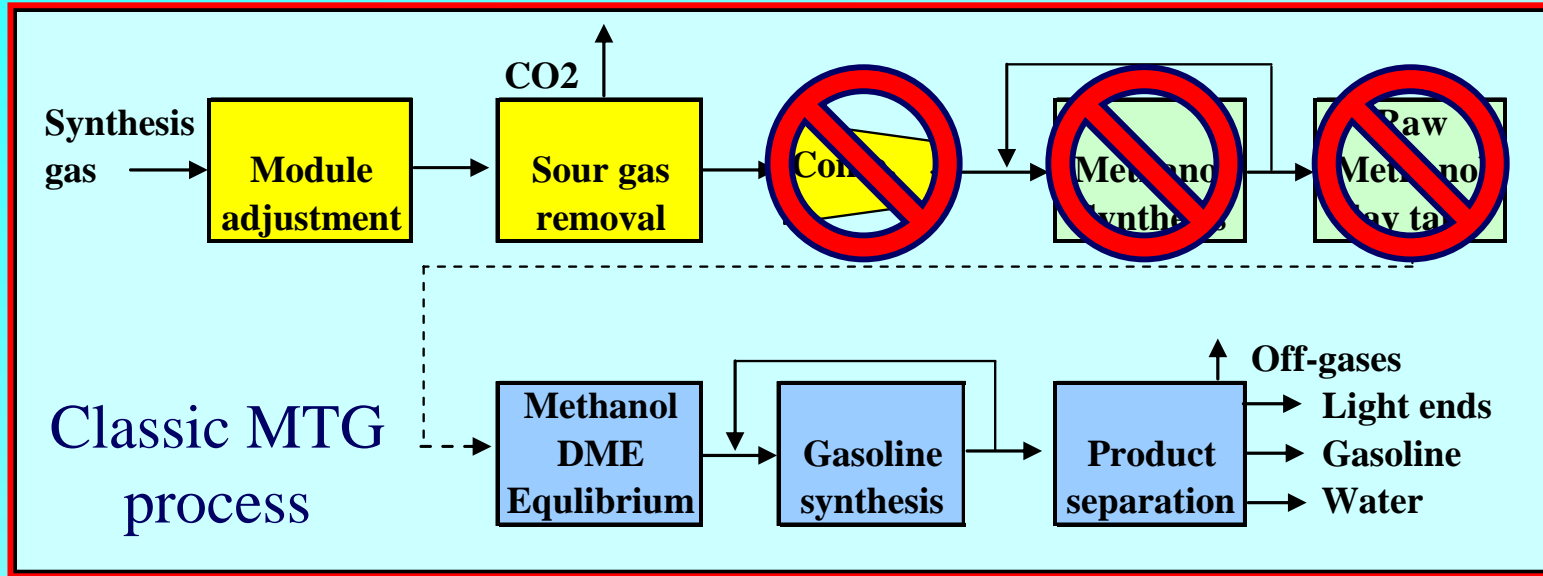


MeOH synthesis

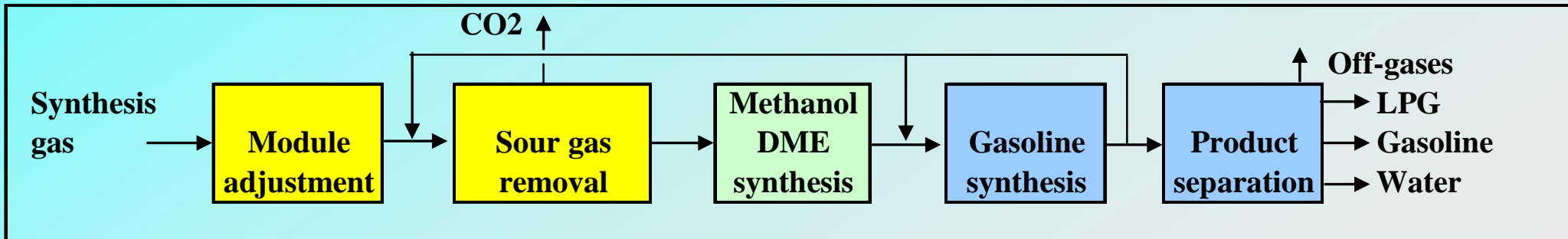
Gasoline synthesis



TIGAS Process



TIGAS Process



1980's Demonstrations from Natural Gas

Houston – 1 ton/day



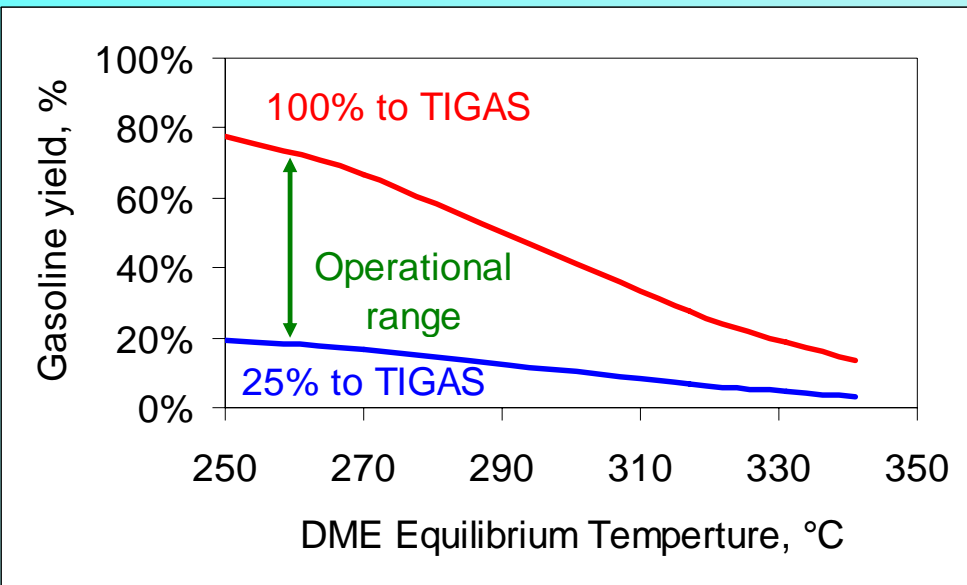
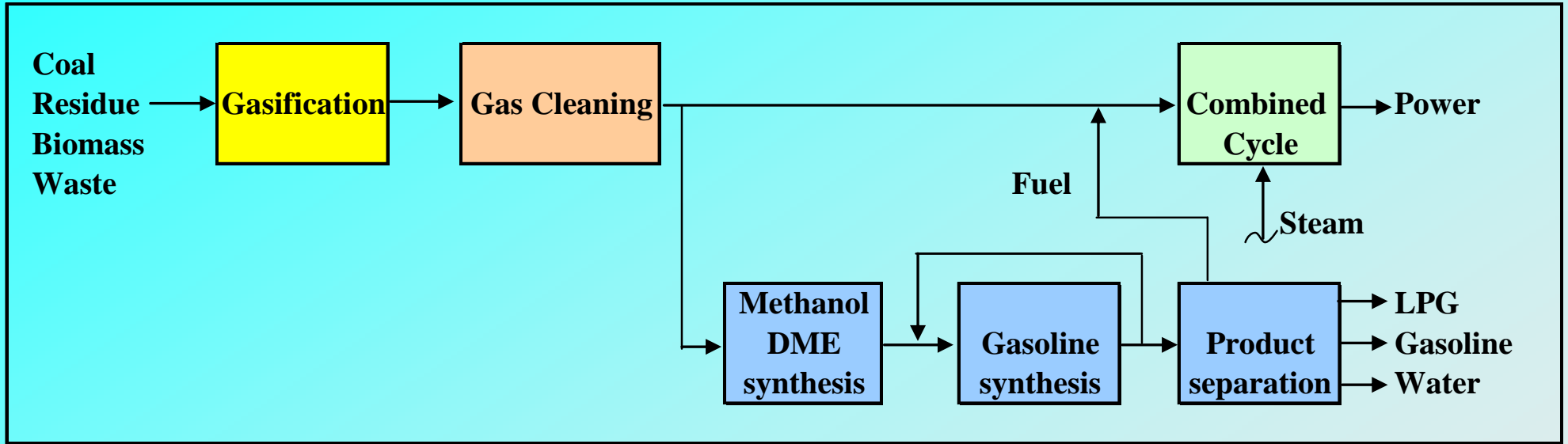
Frederikssund – few kg/day



- **IGCC and Polygeneration**
- **TIGAS – Topsoe's Integrated Gasoline Synthesis**
- **Integration of IGCC & TIGAS**
 - **Process performance**
 - **Economics**
 - **Options for CO₂ abatement**



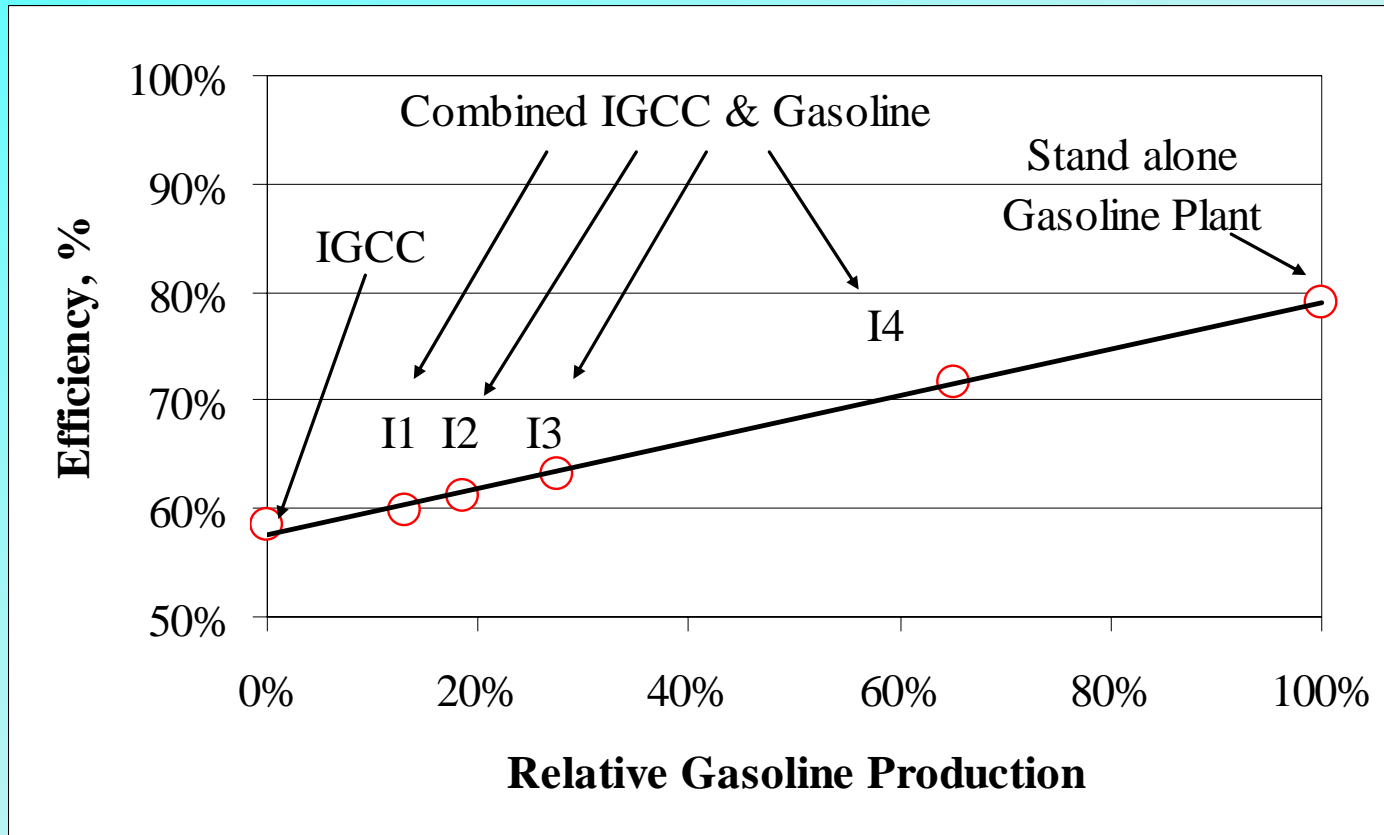
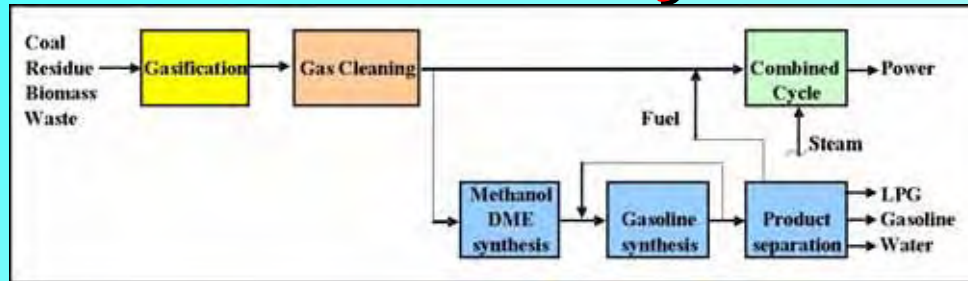
IGCC & TIGAS



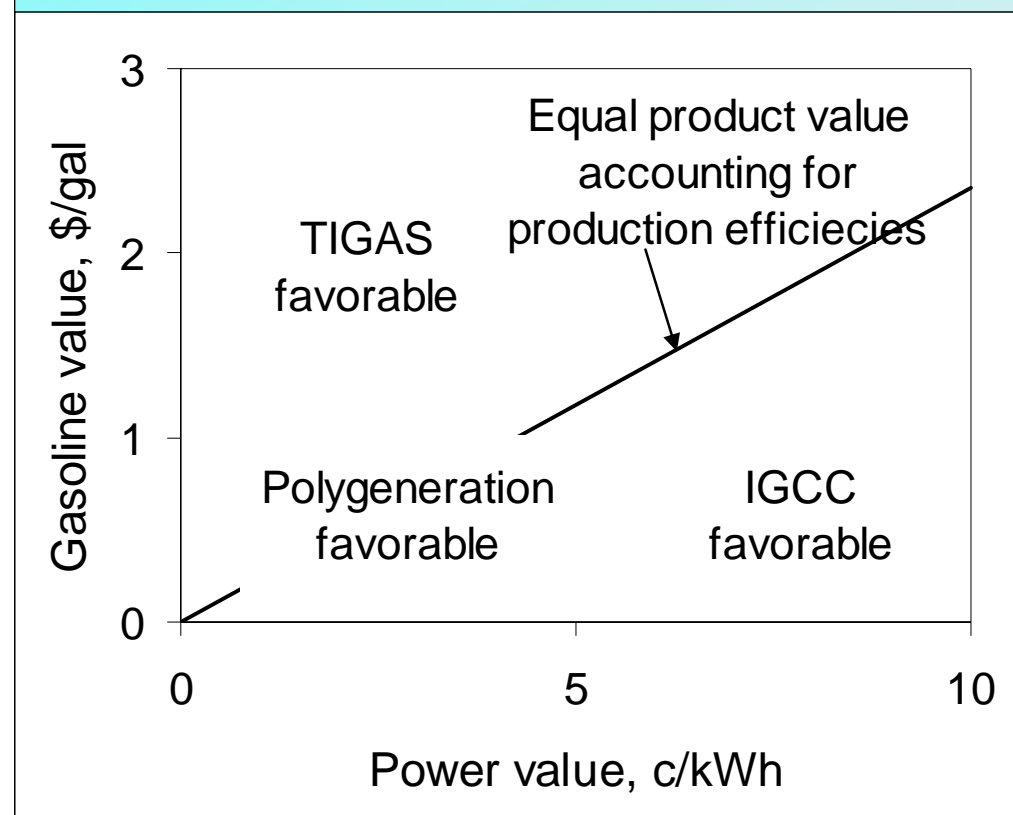
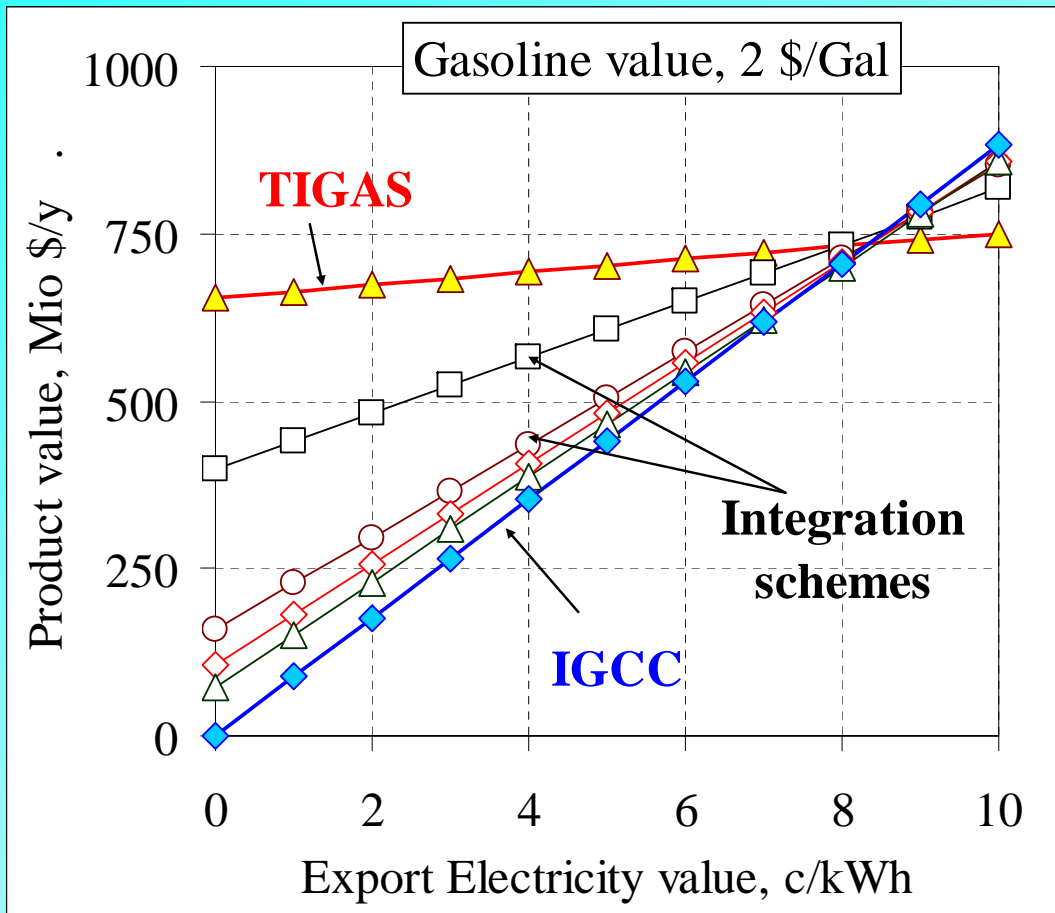
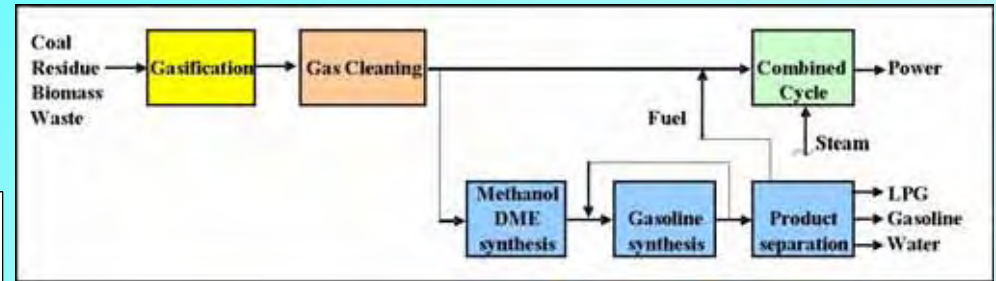
		IGCC	I4	I4
Gas feed to TIGAS	%		100%	25%
Power	MW	1103	524	957
Gasoline	ton/h	0	60	15
	MW	0	723	181
LPG	MW	0	105	26
Total	MW	1103	1352	1164



Efficiency

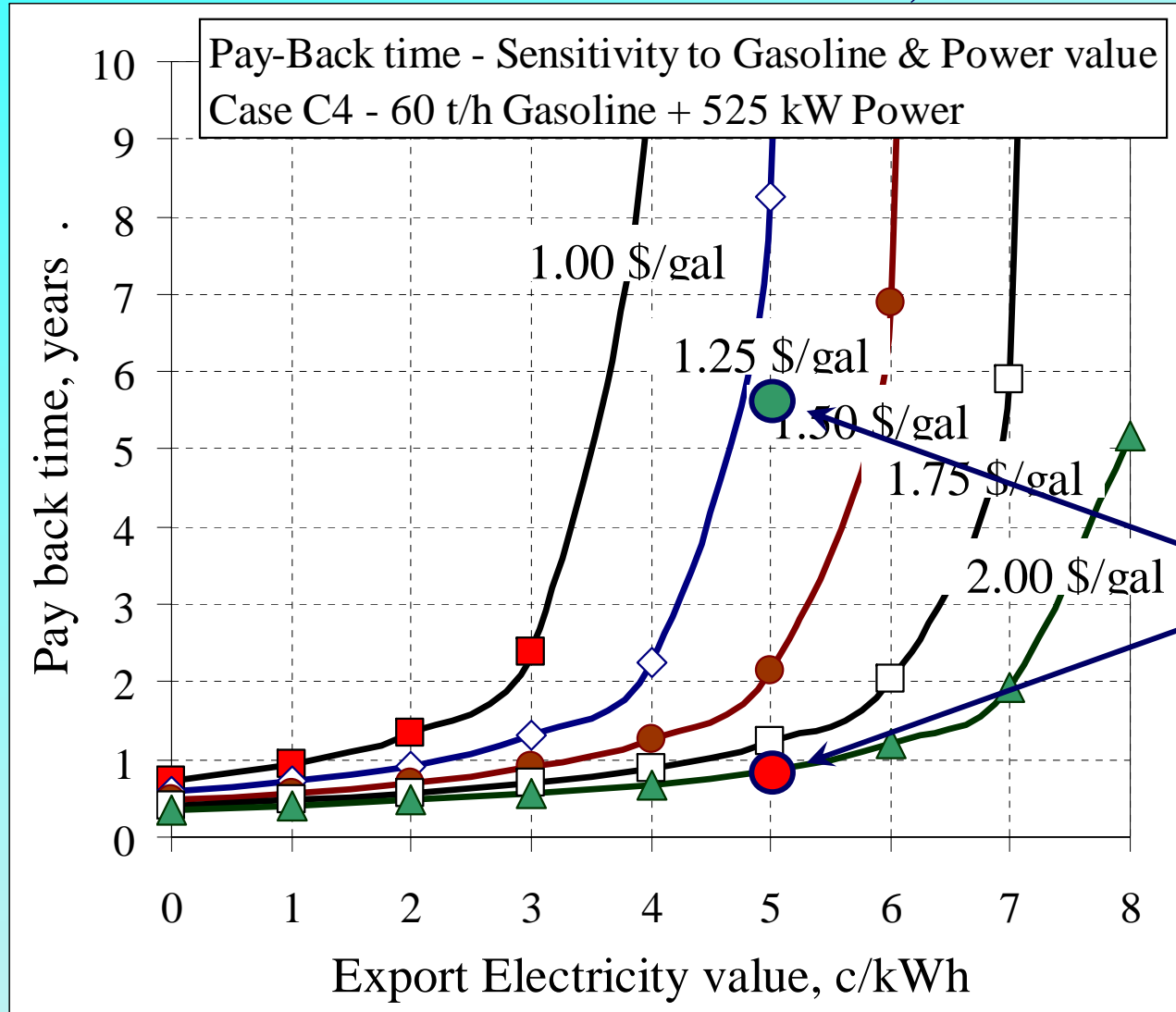


Economics



How good an Investment ?

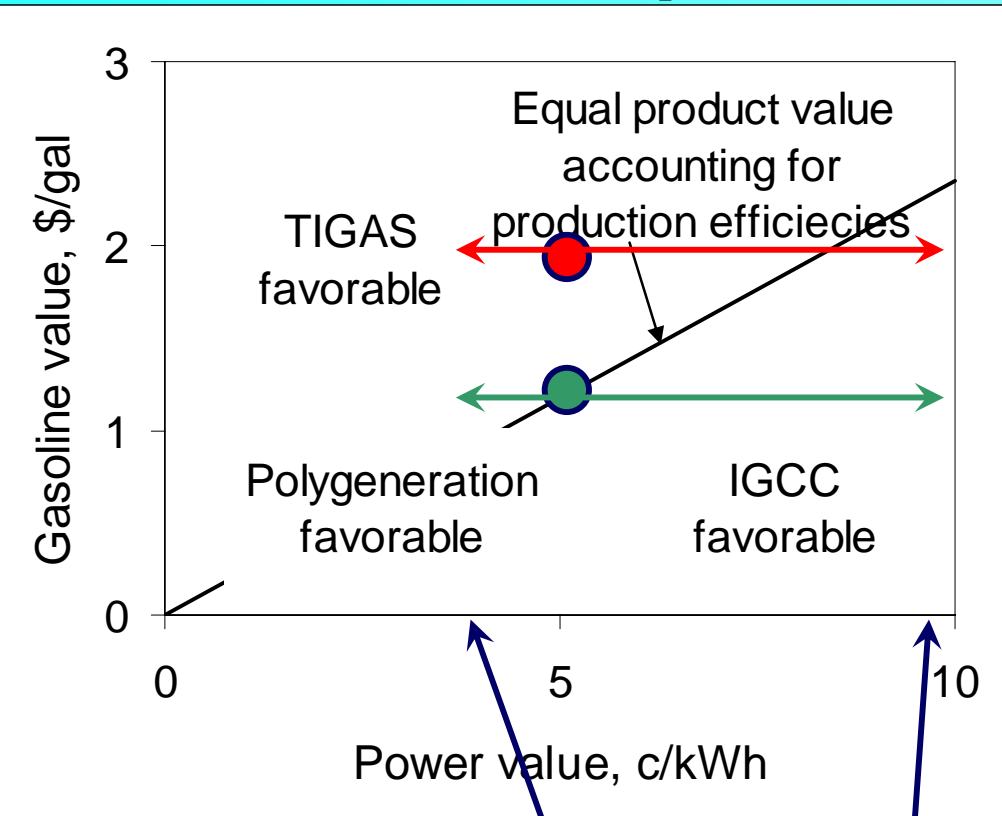
Assumed investment for TIGAS add-on 10,000 USD/bbl/d



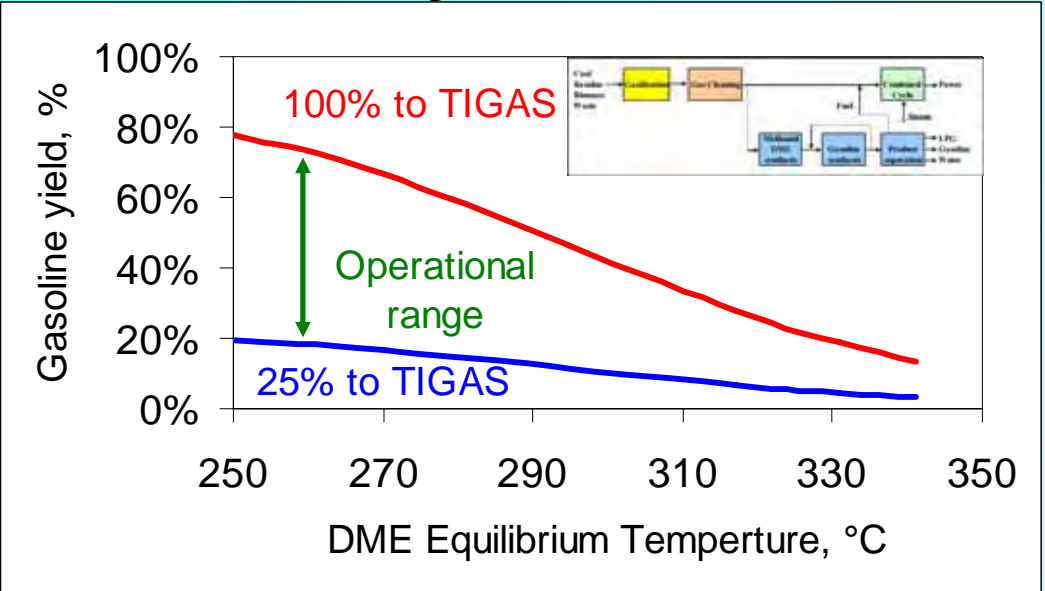
Operational flexibility



Operational Flexibility



		min	average	max
Power value	c/kWh	3,75	5	10
Fraction of time	%	80%	-	20%



		IGCC	14	14
Gas feed to TIGAS	%		100%	25%
Power	MW	1103	524	957
Gasoline	ton/h	0	60	15

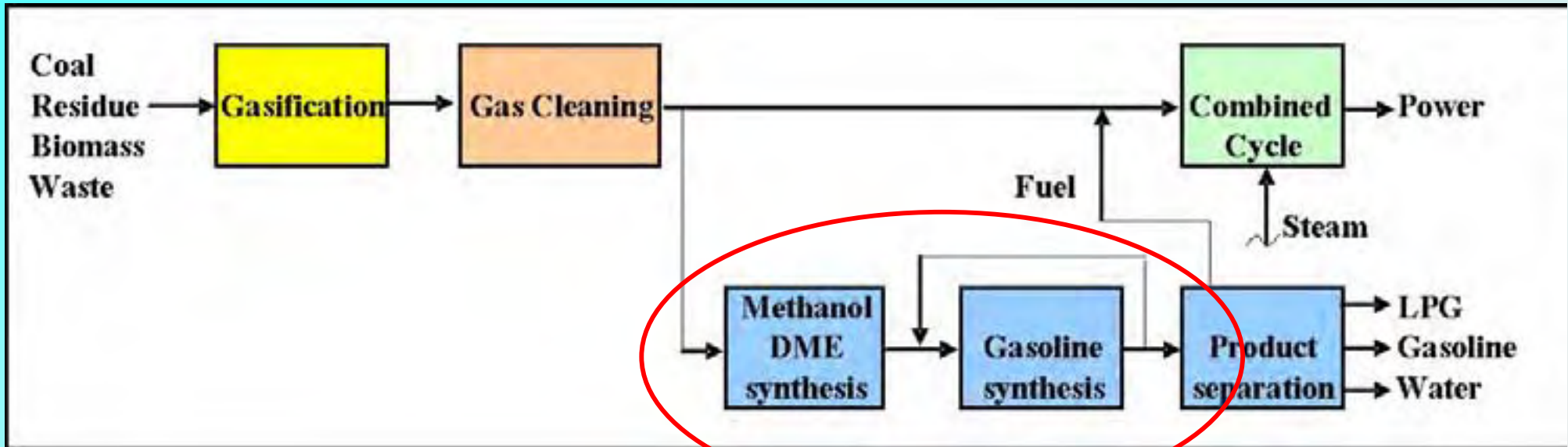
Pay back time

Gasoline value	\$/gal	1,3	2,0
Max gasoline	years	5,4	0,83
Operational flex.	years	2,5	0,79



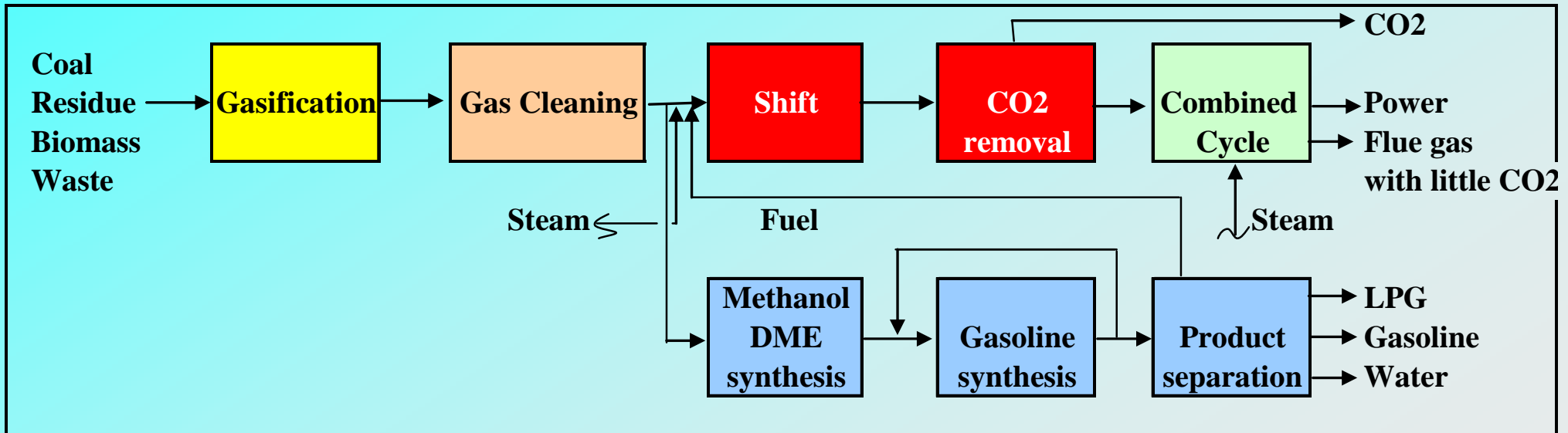
PSO Project

- Project to demonstrate renewable technology for generation of Power and Gasoline
 - HTAS, DONG, Novozymes
 - Gasoline Pilot in connection with existing gasification plant



CO₂ abatement

- Power & Gasoline with CO₂ sequestration



Conclusions

- **Topsøe's TIGAS process is suitable for polygeneration integrated with an IGCC plant**
 - Based on coal, waste, biomass
- **Fast pay-back times are achieved for the TIGAS unit given realistic power and gasoline values**
- **Operational flexibility offers improved economics**
- **Topsøe is preparing to demonstrate an improved TIGAS process through a Danish government sponsored PSO project**





Risø International Energy Conference 2007, 22 - 24 May

Sustainable bioethanol production combining biorefinery principles and intercropping strategies

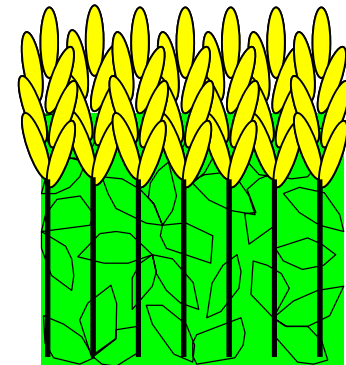
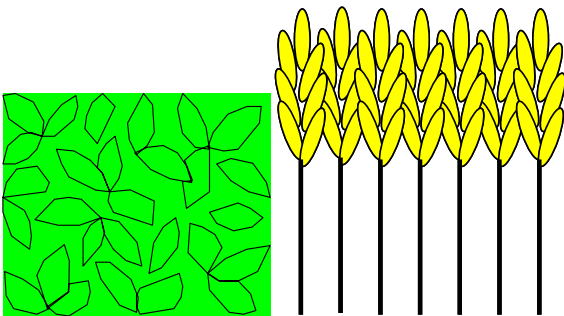
Mette Hedegaard Thomsen

Henrik Hauggaard-Nielsen

Anneli Petersson

Anne Belinda Thomsen

Erik Steen Jensen



Bioethanol

1. generation Bioethanol:



Substrate: Sugar (sucrose) from sugarcane and starch from corn or wheat.

No chemical/physical pretreatment of biomass before enzymatic hydrolysis.

Optimised, commercial enzymes available

2. generation Bioethanol:

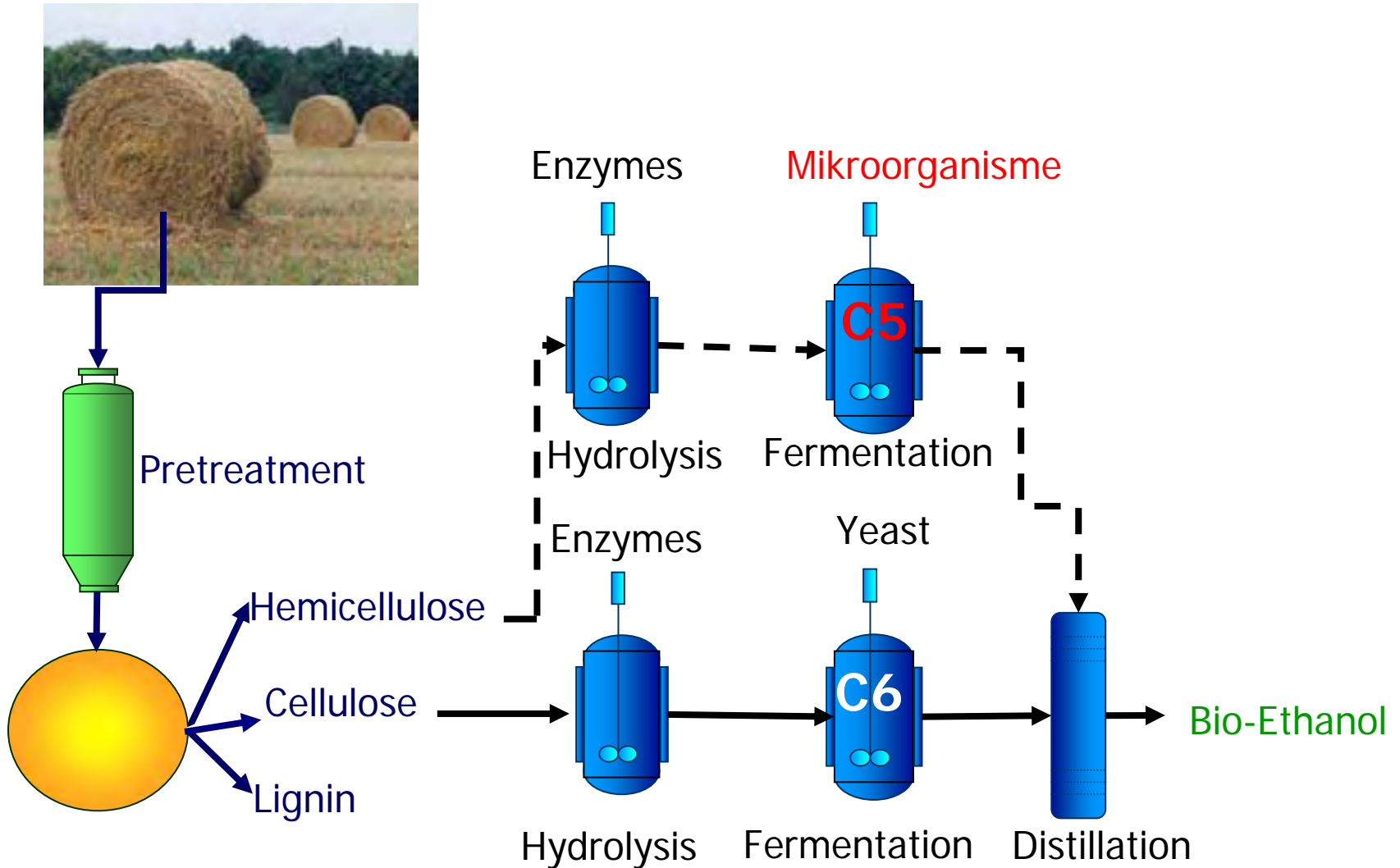


Substrate: Lignocellulosic materials (straw, corn stover, wood, waste)

Chemical/physical pretreatment necessary to facilitate enzymatic hydrolysis.

Expensive, non-commercial enzymes

2. generation Bioethanol production



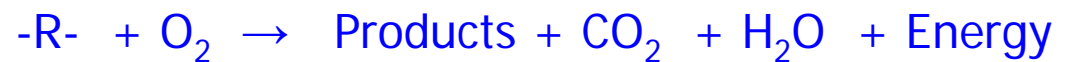
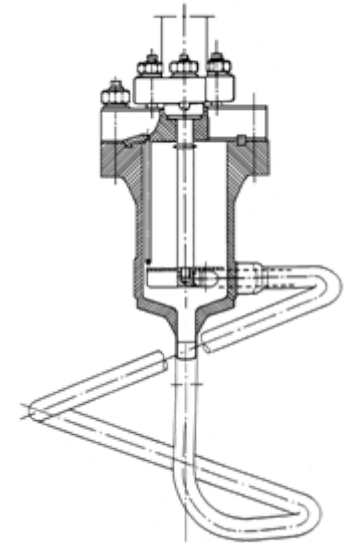
Wet oxidation



Pre-treatment method most suitable for annual crops such as wheat straw and corn stover.

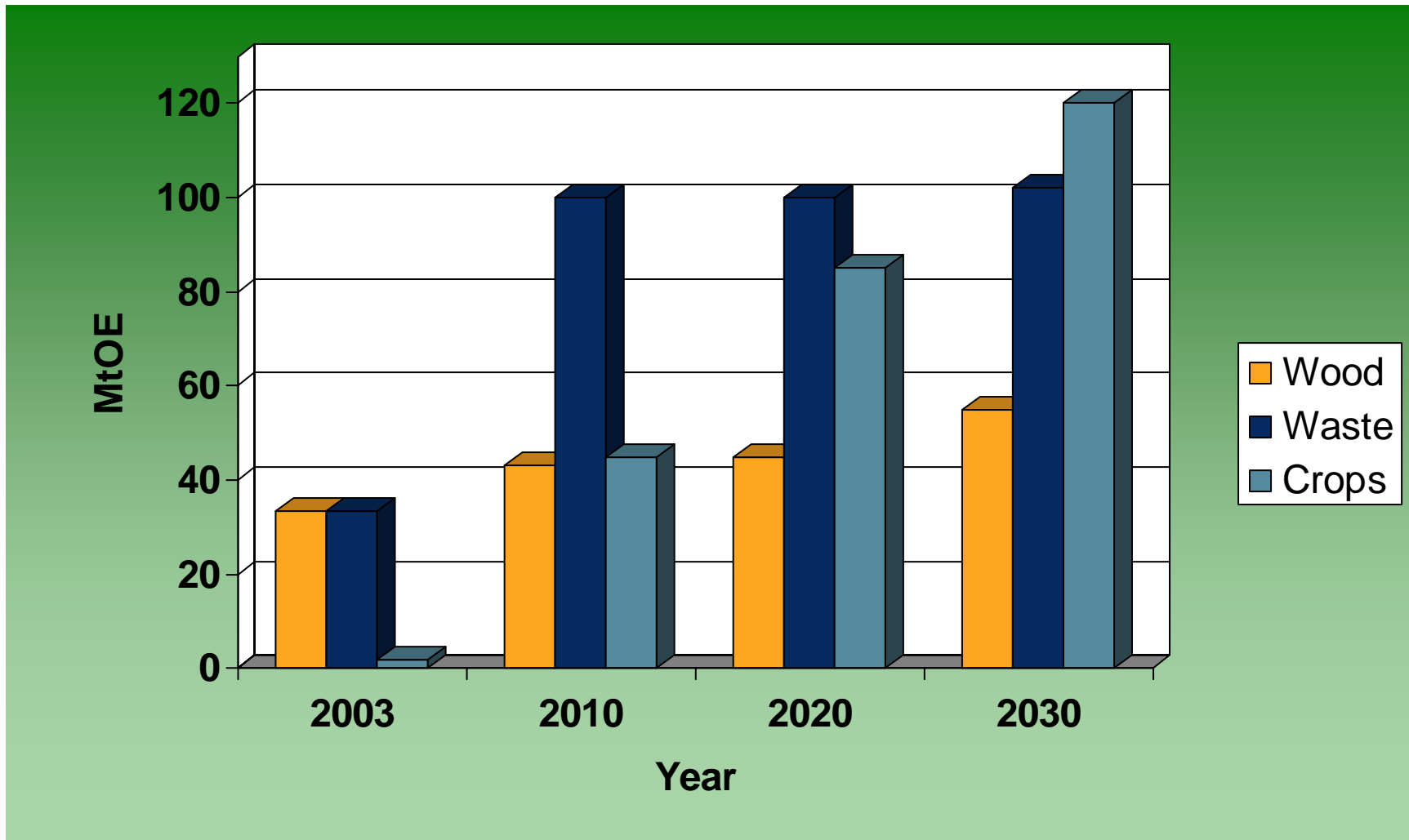
Exothermic reaction:

- High temperature
- High pressure
- oxygen
- Reaction time 10-15 min.



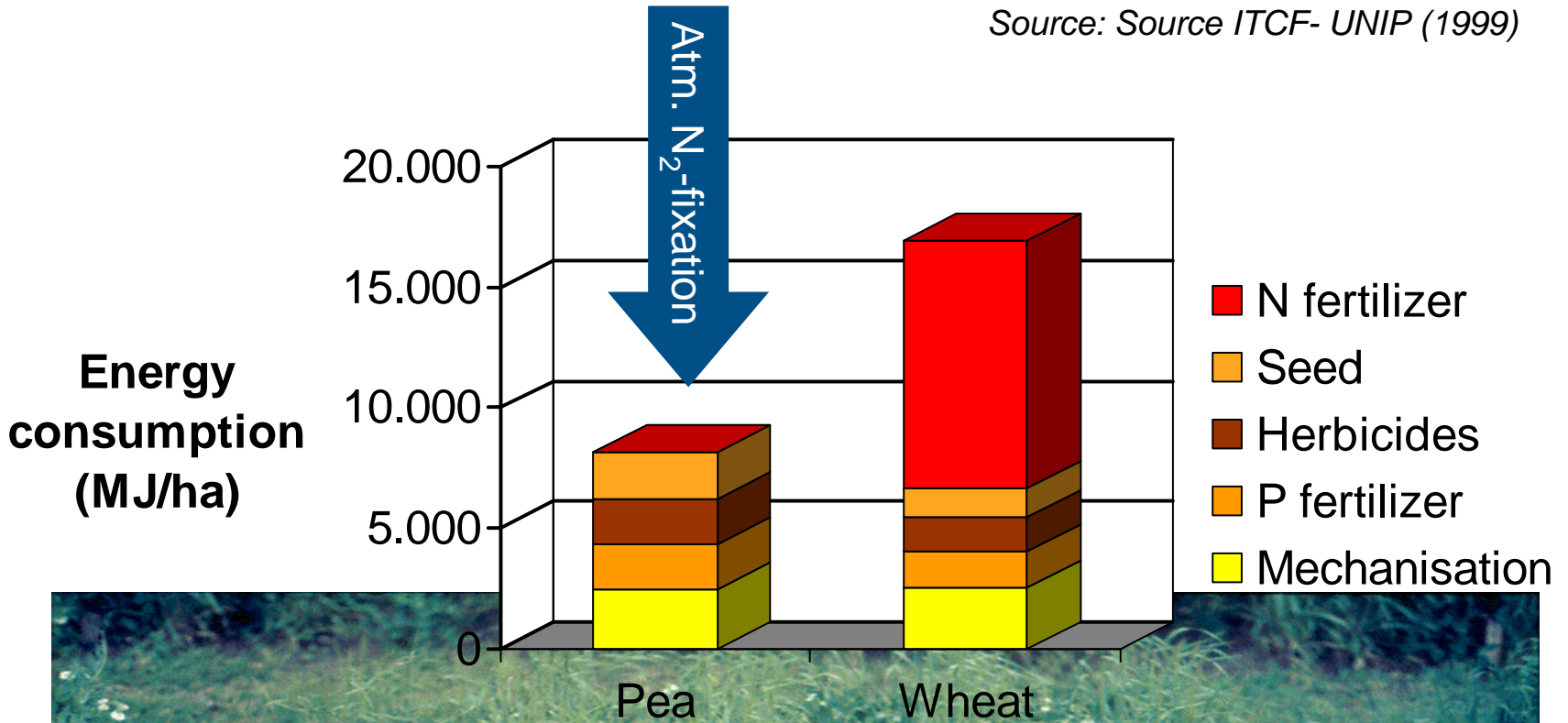
Auto hydrolysis of hemicellulose sugars from the solid fraction because of production of carboxylic acids.

Choice of biomass resources



Choice of crop species and energy consumption

Source: Source ITCF- UNIP (1999)



Criteria to include when producing biomass

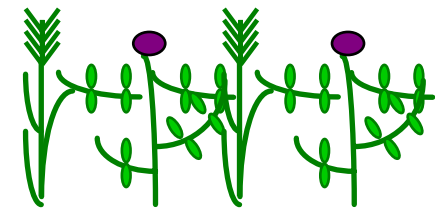
- no effect on food production;
- no increase in pressure on biodiversity;
- no increase in environmental pressure;
- no ploughing of previously unploughed permanent grassland;
- a shift towards more environmentally friendly farming
 - agroforestry – local integration and adoption of wood resources
 - perennial energy crops
 - environmental sensitive areas – e.g. groundwater protection

Source: http://ec.europa.eu/energy/res/biomass_action_plan

- It is required to design new cropping methods and multifunctional cropping systems when addressing a "new" issue - **energy**.
 - low-input systems (energy and pesticides)
 - harvest, storage and transportation
 - Win-win solutions energy, environment, and recreation

Intercropping as an alternative cropping strategy

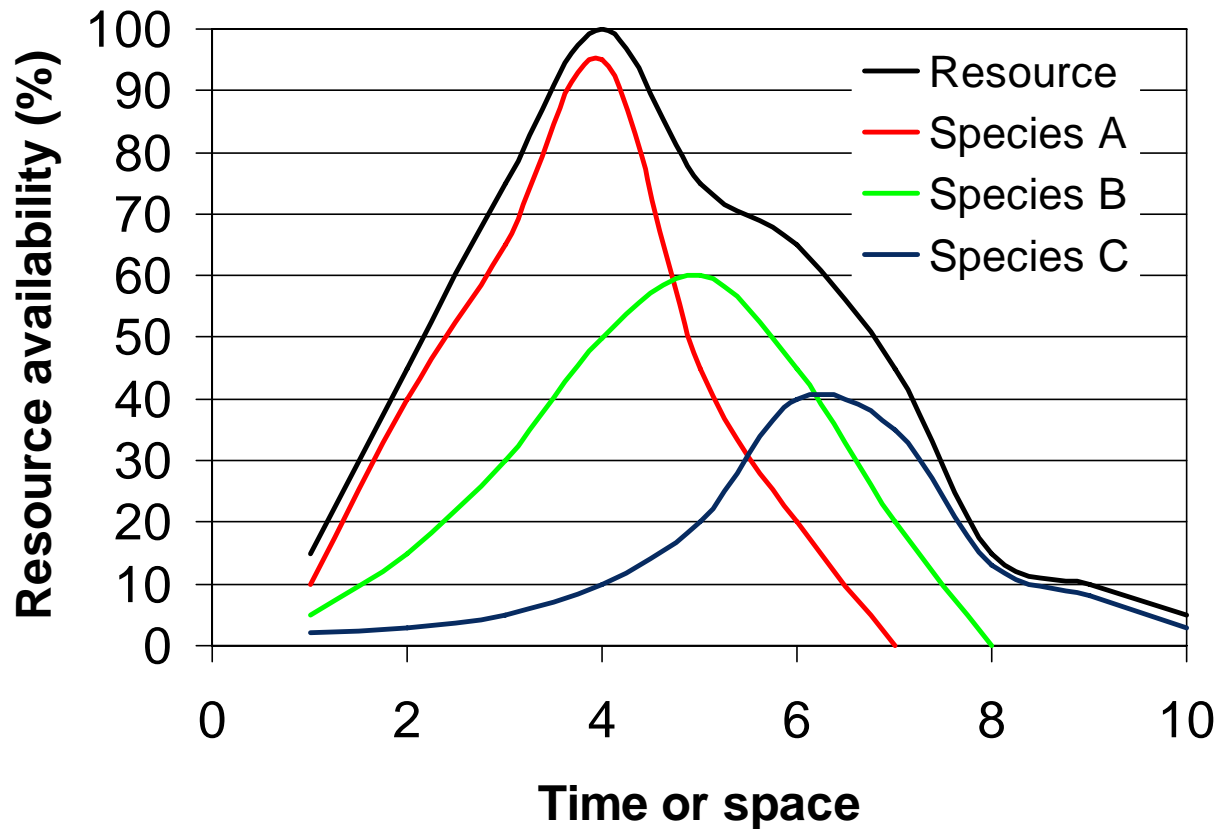
- Intercropping is defined as the growing of two or more crops in the same piece of land and on the same time - **planned crop diversity**
 - Associated **interspecies interactions** are tools for:
 - improved utilization of resources (light, water nutrients),
 - increased yield stability,
 - control of nutritional quality of grains
 - managing weeds, pest and diseases in low-input systems
- **LEES NEED FOR PESTICIDES AND FERTILIZERS!!!**



Intercropping

Complementary use of resources

- Complementarity is implemented in the crop stand when species utilize resources differently



Clover grass pasture as a potential intercrop raw material

- A mix of white clover (*Trifolium repens* L.) and ryegrass (*Lolium perenne* L.) are important in many agroecosystems today:
 1. high quality feed for livestock
 2. high productivity ($>10 \text{ t ha}^{-1} \text{ yr}^{-1}$) in unfertilized pastures, with 95% of the N from N_2 fixing clover (Høgh-Jensen and Schjørring, 1994)
 3. their roots and stubble contain $60\text{-}110 \text{ kg N ha}^{-1}$ (Hauggaard-Nielsen et al., 1998) reducing N requirements for succeeding crops
 4. integration of pastures diversify the traditional cereal rich rotations
 5. fields with clover grass pastures can be harvested several times a year and the green biomass can be collected and processed to ethanol throughout the year.

Clover grass as raw material for bioethanol production

- Rich in carbohydrates: cellulose and hemicellulose
- Rich in minerals, especially nitrogen ↓ nutrients for yeast in fermentation



Question:

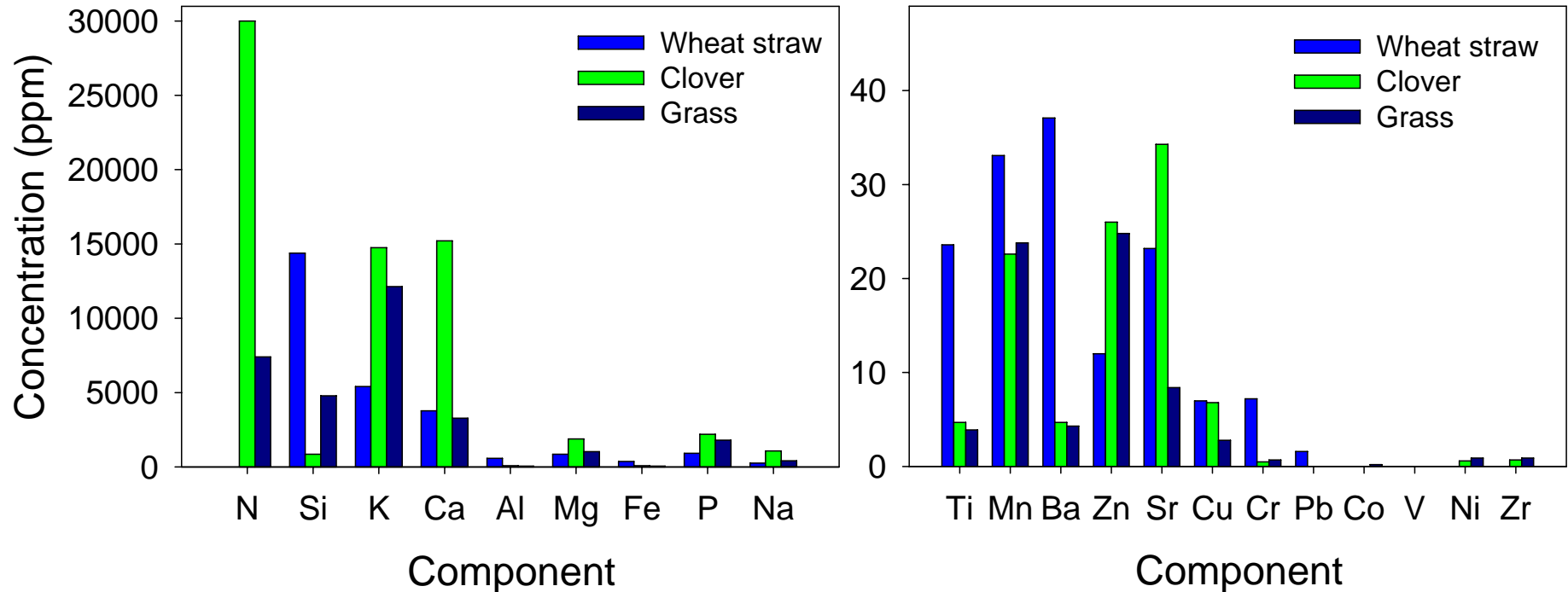
Can the sugars in clover grass be converted to ethanol after pretreatment and enzymatic hydrolysis ??????

Carbohydrate composition



Biomass	Cellulose (g/100 g DM)	Hemicellulose (g/100 g DM)	Ligning (g/100 g DM)
Wheat straw	33.9	23.0	19.1
Clover	16.6	10.5	14.4
Grass	23.9	17.5	12.8

Clover grass – mineral composition



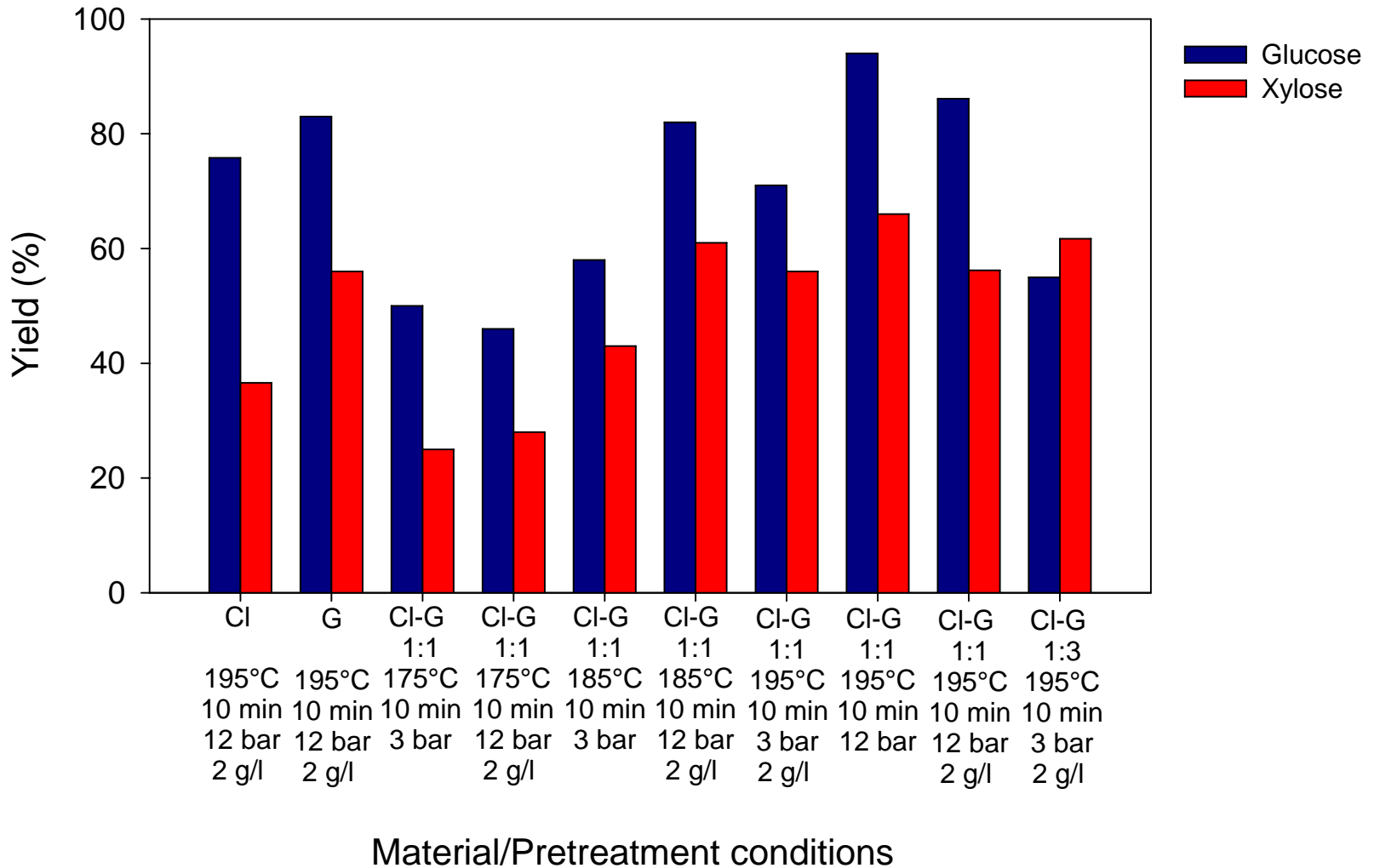
High mineral content \Rightarrow sufficient nutrients for microbial fermentation \Rightarrow less fossil energy input in ethanol process

Pretreatment conditions

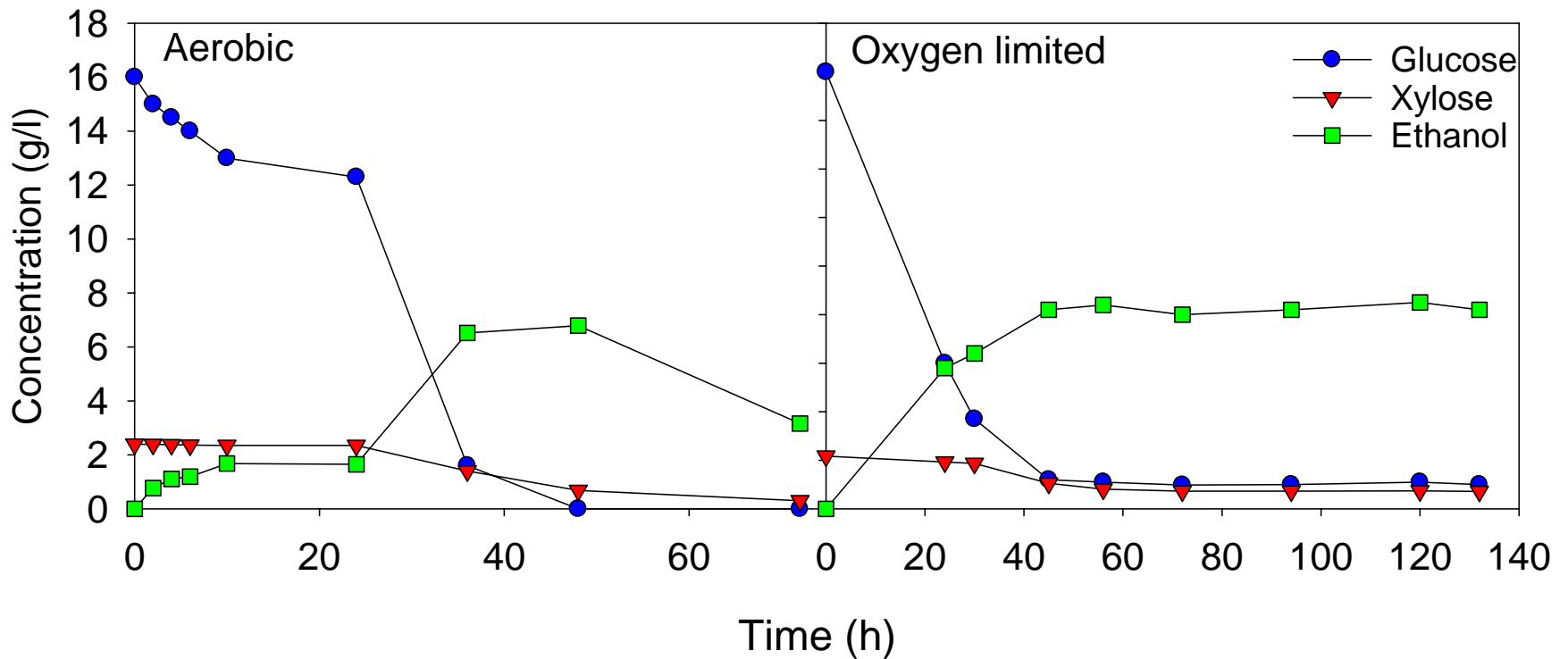
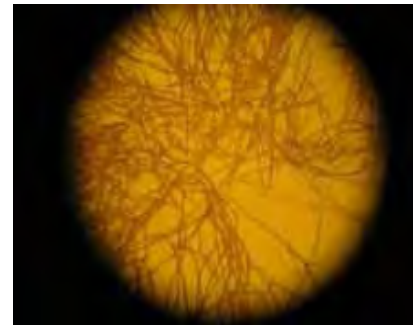
- Clover-grass mixture (1:1) were cultivated in the experimental fields of Risø National Laboratory, Denmark.
- Samples of pure clover and grass - and 1:3 clover-grass mixture - was separated by hand.
- The samples were dried at 50°C to constant weight and milled to a size of less than 2 mm prior to pretreatment and further analysis.
- Wet oxidations were performed in the loop autoclave using 6% dry matter (DM) at different process parameters. The pretreated biomass was filtrated into a fiber fraction and a liquid fraction.

Material	Temp. (°C)	Time (min)	O ₂ (bar)	Na ₂ CO ₃ (g/l)
Clover	195	10	12	2
Grass	195	10	12	2
CL-G (1:1)	175	10	3	
CL-G (1:1)	175	10	12	2
Cl-G (1:1)	185	10	3	
Cl-G (1:1)	185	10	12	2
CL-G (1:1)	195	10	3	2
Cl-G (1:1)	195	10	12	
Cl-G (1:1)	195	10	12	2
Cl-G (1:3)	195	10	3	2

Pretreatment Yields

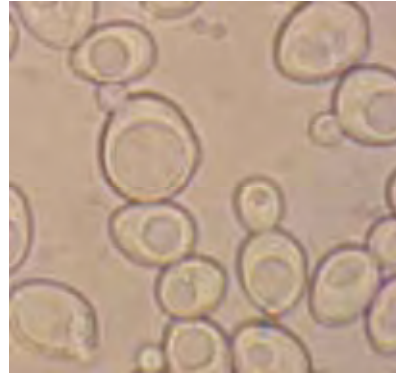


Fermentation of pretreated clover grass with *Mucor indicus*



Yeast fermentation of **fresh** clover grass

Fructans are polymeric carbohydrates consisting of variable numbers of fructose molecules with terminal sucrose.

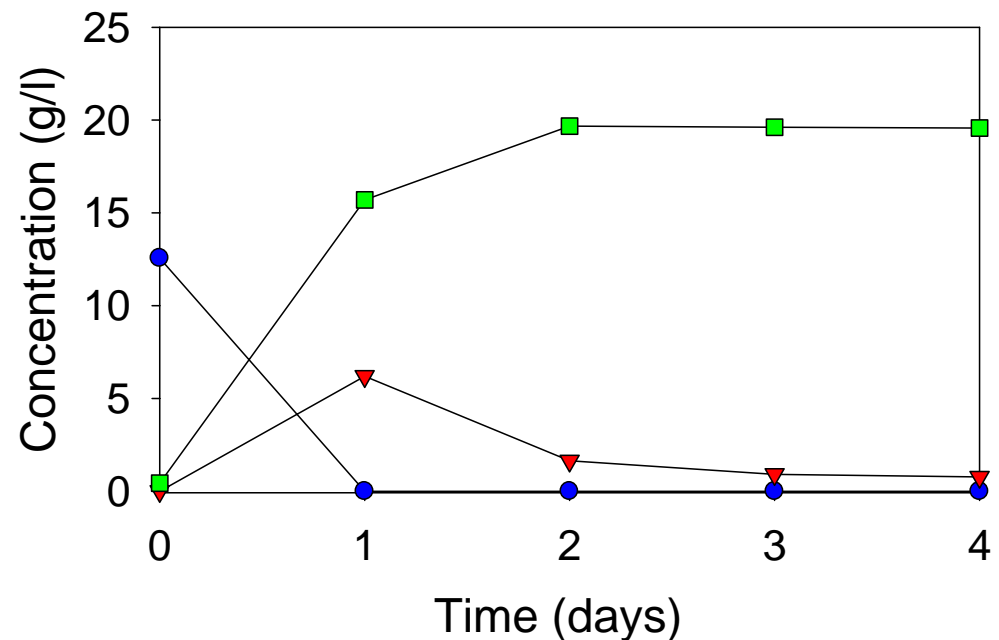


Grass and clover contains significant amount of fructans:

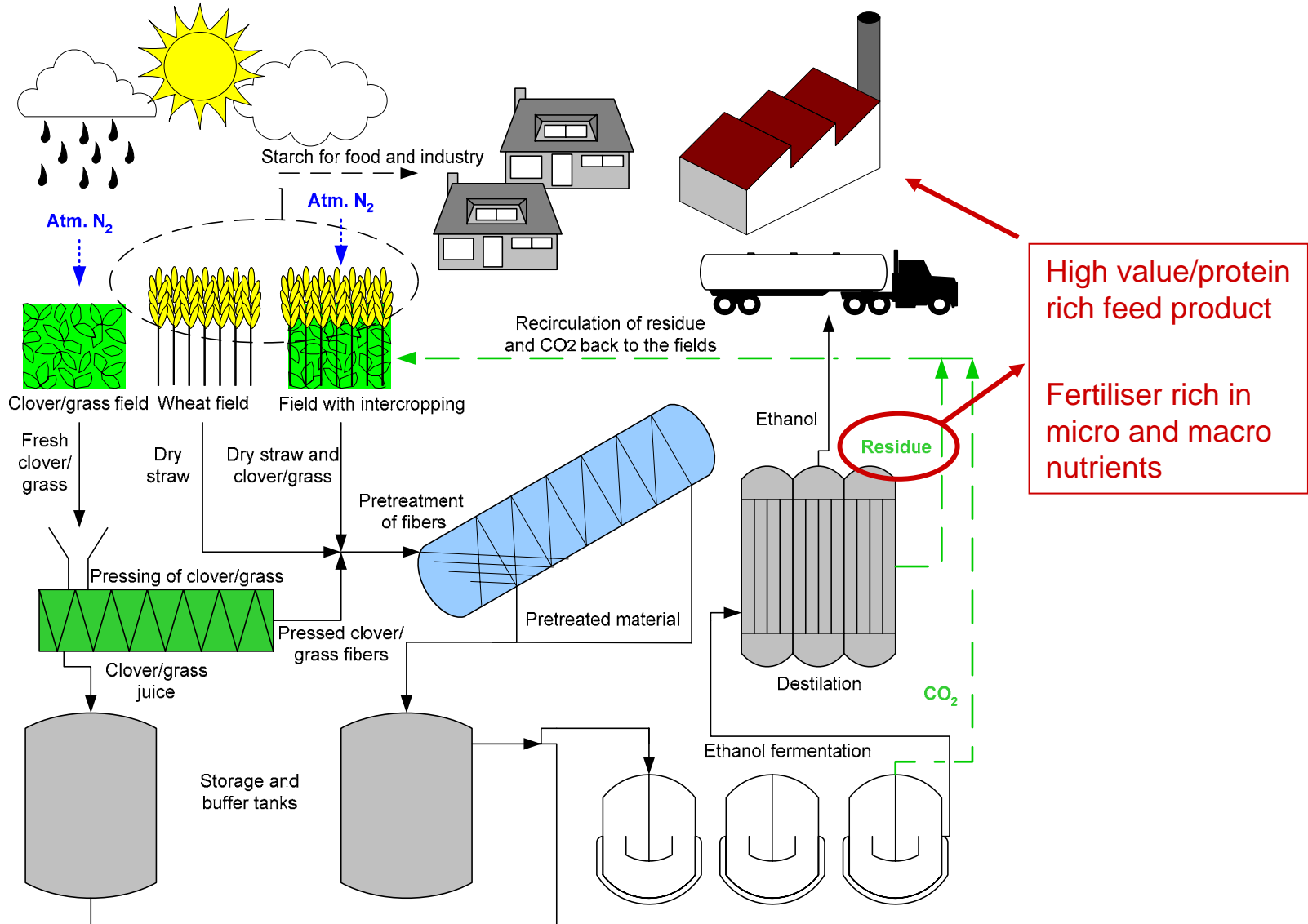
Grass: 166 g/kg DM

Clover: 111 g/kg DM

Plant fructan hydrolases are active at pH 4.5 - 5.5 and temp. 25 - 40°C ⇒
Activity during yeast fermentation at 32°C and pH 4-6.



Biorefinery concept



Theoretical ethanol production

The highest sugar yields were obtained with clover grass pretreated at 195°C for 10 min. using 12 bar O₂ and no Na₂CO₃.

$$Y_{\text{cellulose}} = 94 \%$$

$$Y_{\text{hemicellulose}} = 66 \%$$

203 kg cellulose/ton DM clover grass \Rightarrow 107 kg ethanol/ton DM

140 kg hemicellulose/ton DM clover grass \Rightarrow 63.5 kg ethanol/ton DM

138 kg fructan/ton DM clover grass \Rightarrow ~ 70.6 kg ethanol/ton DM (depending on yield)

Total: 241 kg ethanol/ton DM ~ 2.4 ton EtOH/ha

Wheat straw: ~ 250 kg ethanol/ton DM ~ 1.25 ton/ha (IBUS treatment)

Clover grass pasture undersown in wheat ~ 964 + 125 kg EtOH/ha = 2.2 ton/ha + **grain for feed**



Conclusions

- Starch is an important food source, lignocellulose should be the primary raw material for bio-fuel production
- Biomass for bioethanol production should be cultivated using the lowest possible input of fossil energy
- This can be achieved by novel cropping strategies like intercropping combining crop species for food/feed and energy
- Clover grass is a promising raw material for bioethanol production *e.g.* in combination with wheat straw (Thorsted et al. 2006)
- The sugar yields after WO of clover grass were: $Y_{\text{cellulose}} = 94 \%$, $Y_{\text{hemicellulose}} = 66 \%$ - giving a theoretical ethanol production of 241 kg/ton DM
- All sugars in alternative raw materials like clover grass can be utilised by using the right biorefinery concept

Perspectives

Biomass for energy is considered a key diversification strategy to improve energy supply security and mitigate GHG emissions. However, bioenergy systems are relatively complex, intersectoral and sitespecific. Therefore, solving problems is challenging and requires synergic contribution of various contributors from the **agriculture, forestry, energy industry and environmental sectors** to elucidate the most promising pathway for development.

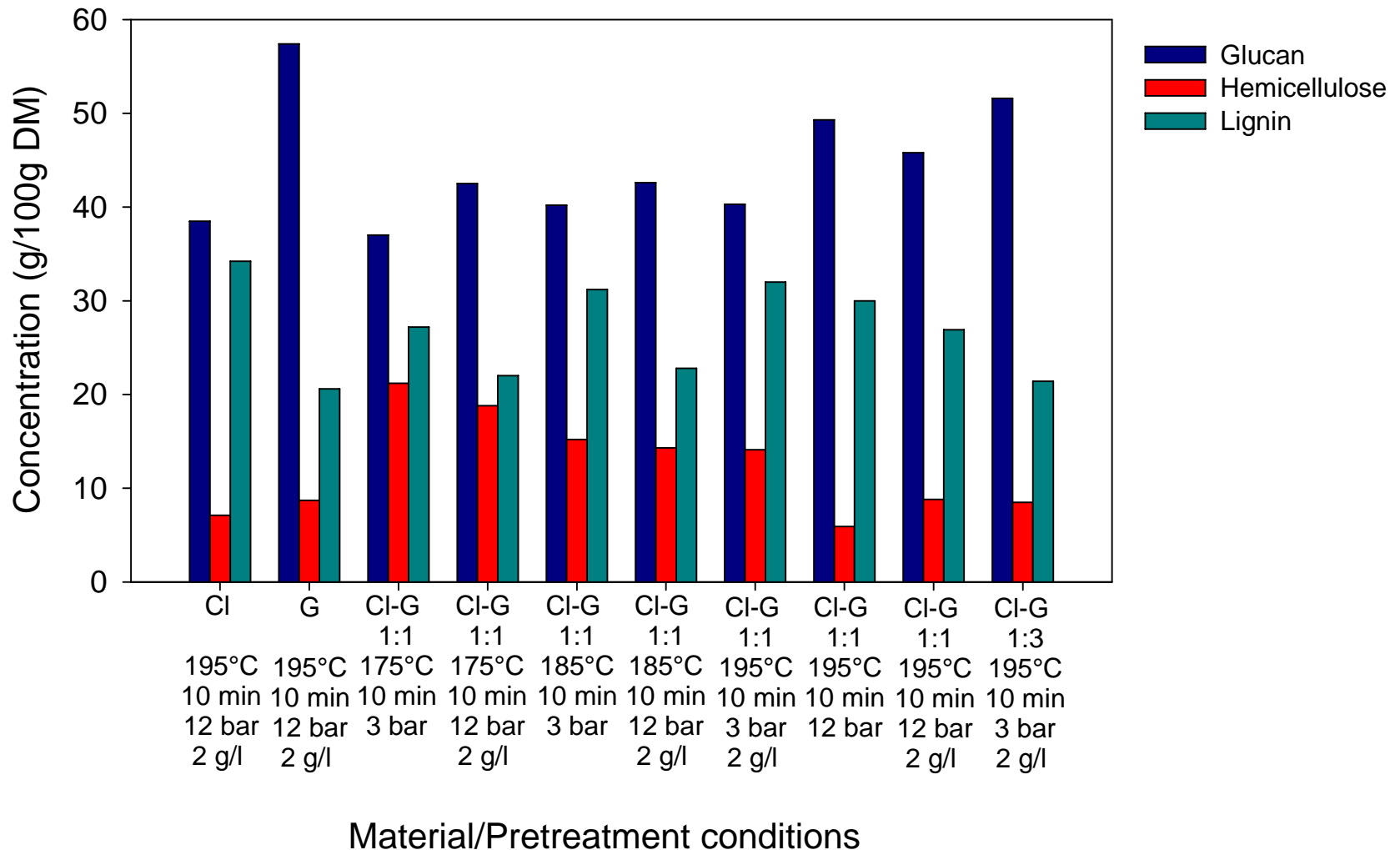
Are we able to create such interdisciplinary collaborations?

Thank you for your attention!



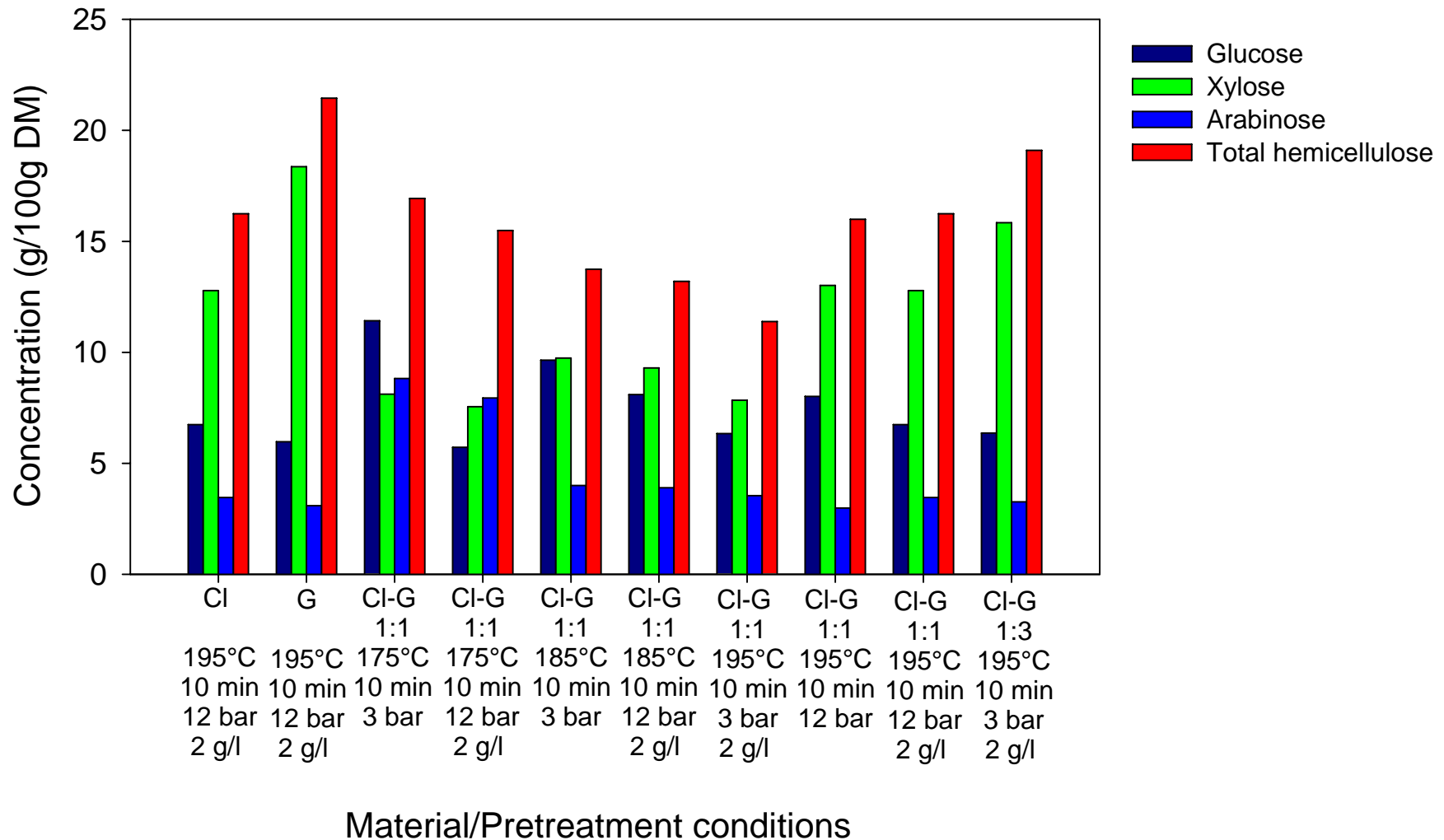
Pretreatment of clover grass

Carbohydrate composition of fiber fraction



Pretreatment of clover grass

Carbohydrate composition of liquid fraction



Co-ordination of Renewable Energy Support Schemes in the EU



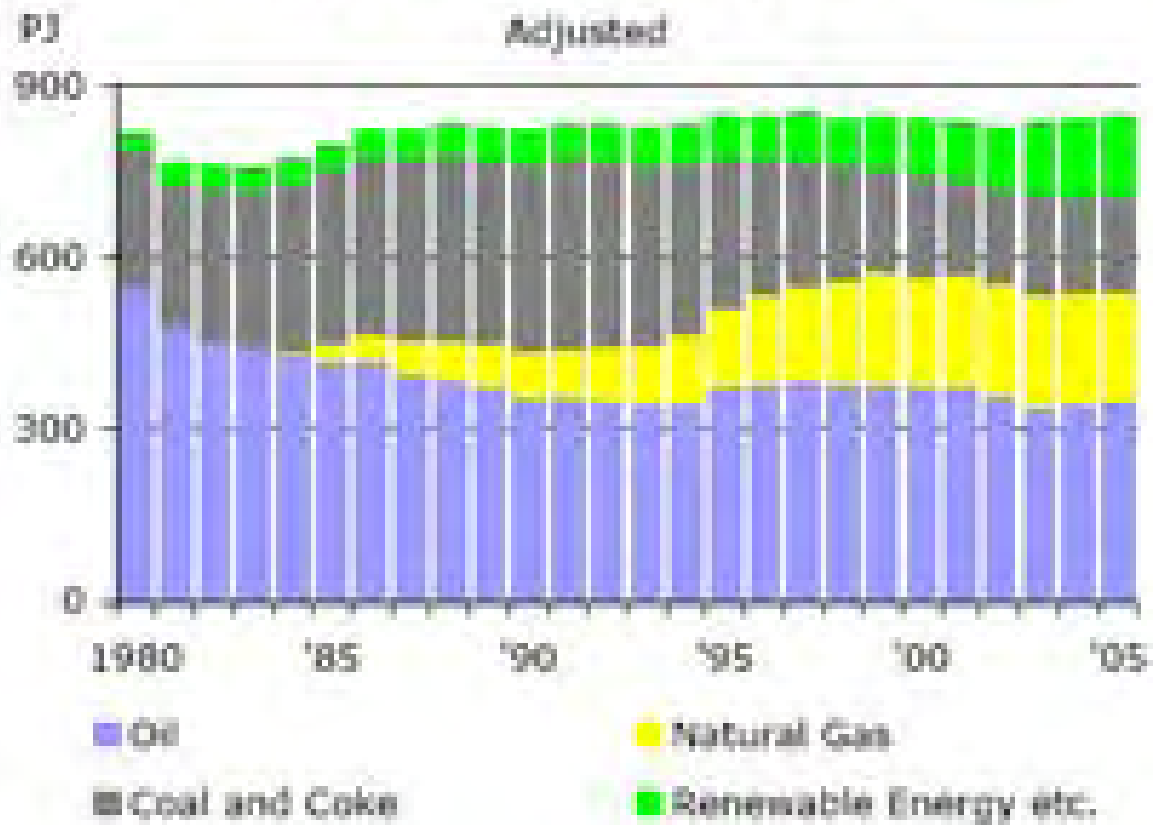
Poul Erik Morthorst and Stine Grenaa Jensen
Risø National Laboratory
The Technical University of Denmark

Focus on Renewable Energy technologies

- EU suggests binding targets
 - Greenhouse gases has to be reduced by 20% compared to 1990
 - Renewable energy has to cover 20% of gross energy consumption by 2020 – wind power is expected to have a significant role
 - The existing target for renewable technologies was 12% by 2010 – a share of 8% is expected to be achieved by 2010.
- Burden sharing is to be negotiated
- Ambitious?
 - Anyhow, it is binding

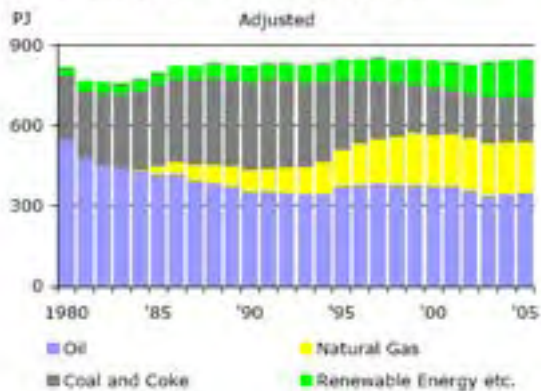
What happens in Denmark?

Gross Energy Consumption by Fuel

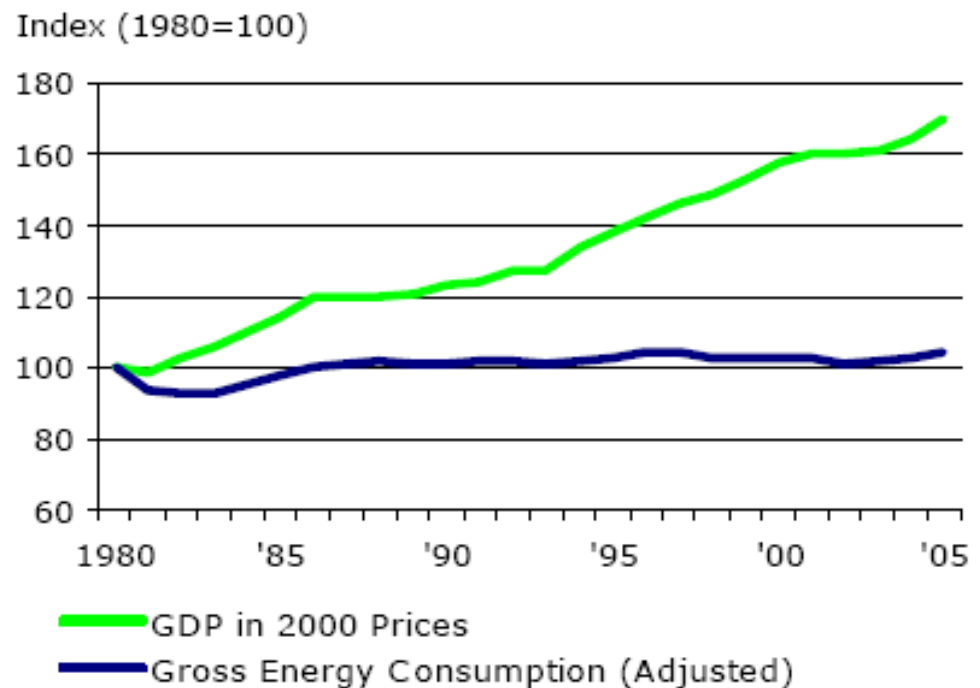


Constant Energy Consumption in spite of strong growth in GDP

Gross Energy Consumption by Fuel

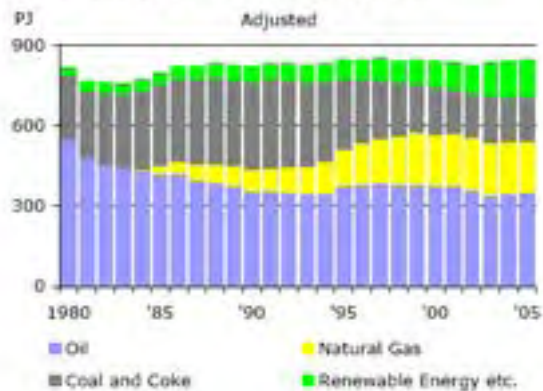


GDP and Gross Energy Consumption

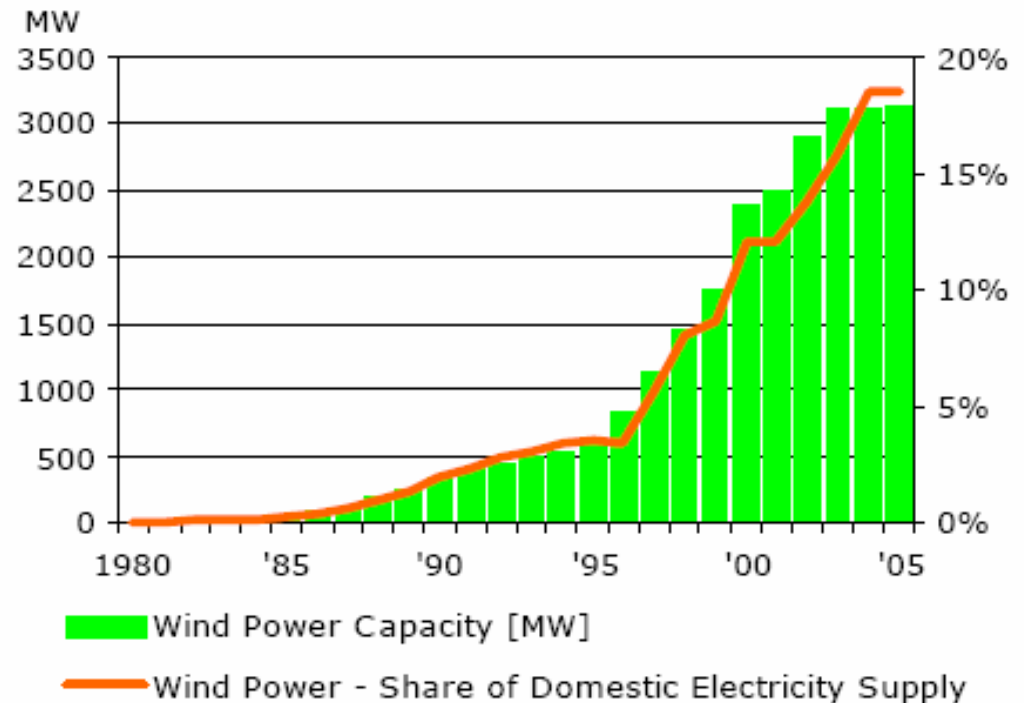


Strong Increase in Renewables

Gross Energy Consumption by Fuel



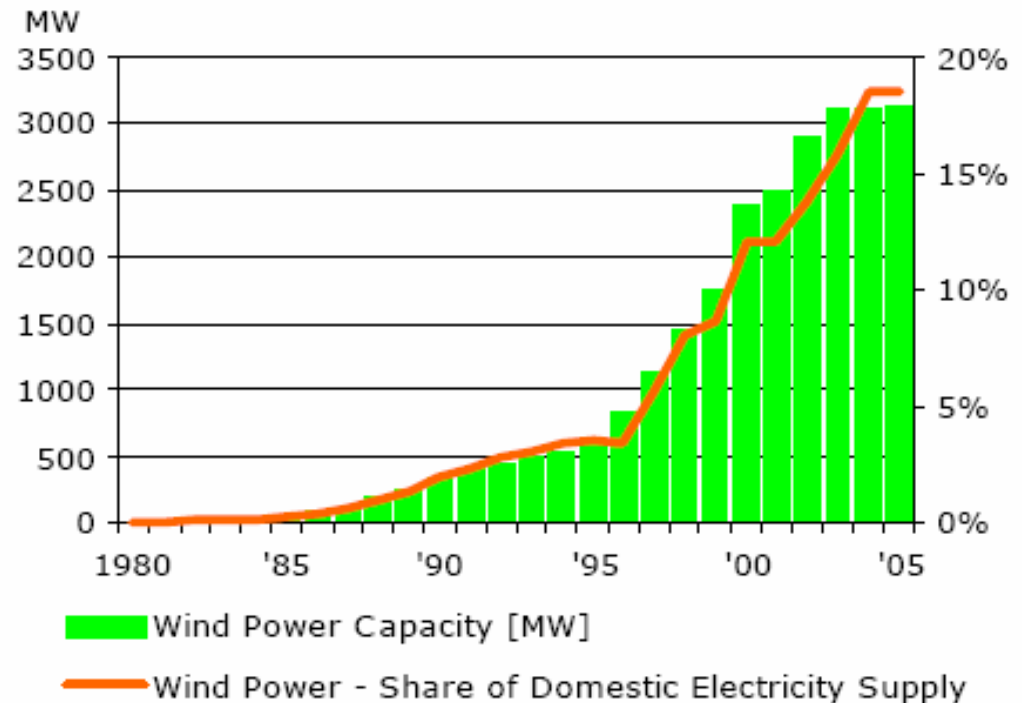
Wind Power - Capacity and Share of Domestic Electricity Supply



Strong Increase in Renewables

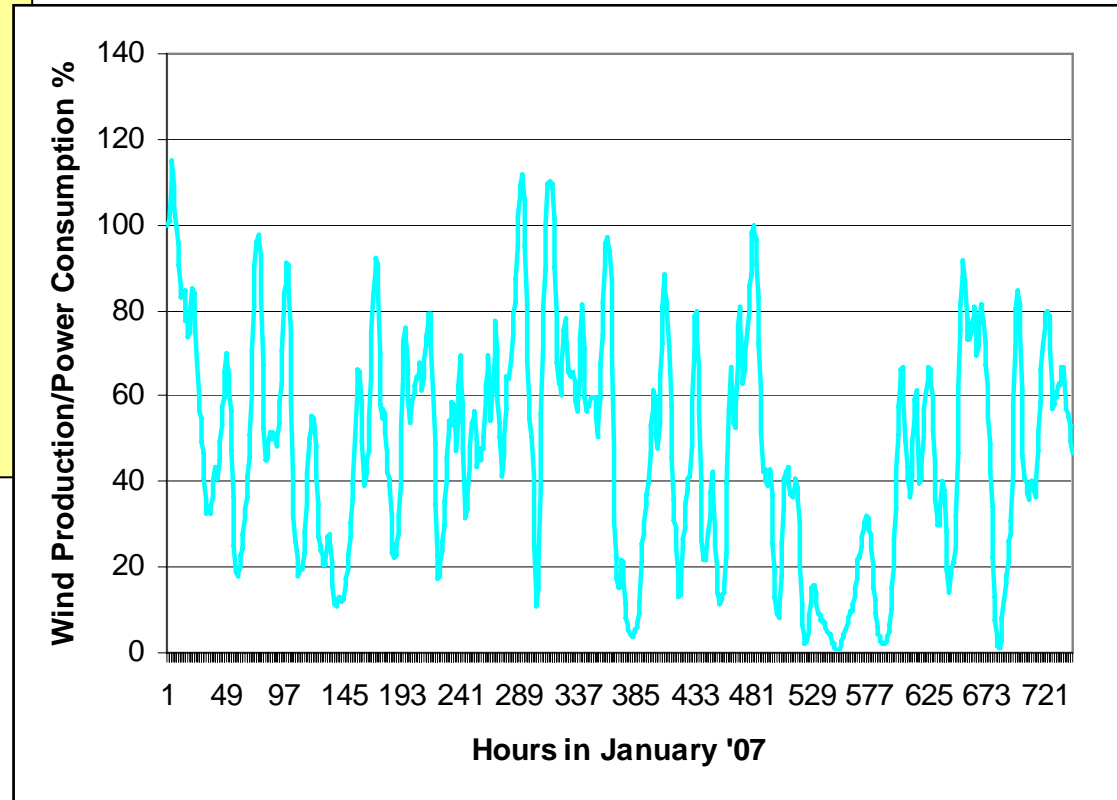
Wind Power covered approx. 44% of Power consumption in January in Western Denmark

Wind Power - Capacity and Share of Domestic Electricity Supply



Strong Increase in Renewables

Wind Power covered approx. 44% of Power consumption in January in Western Denmark

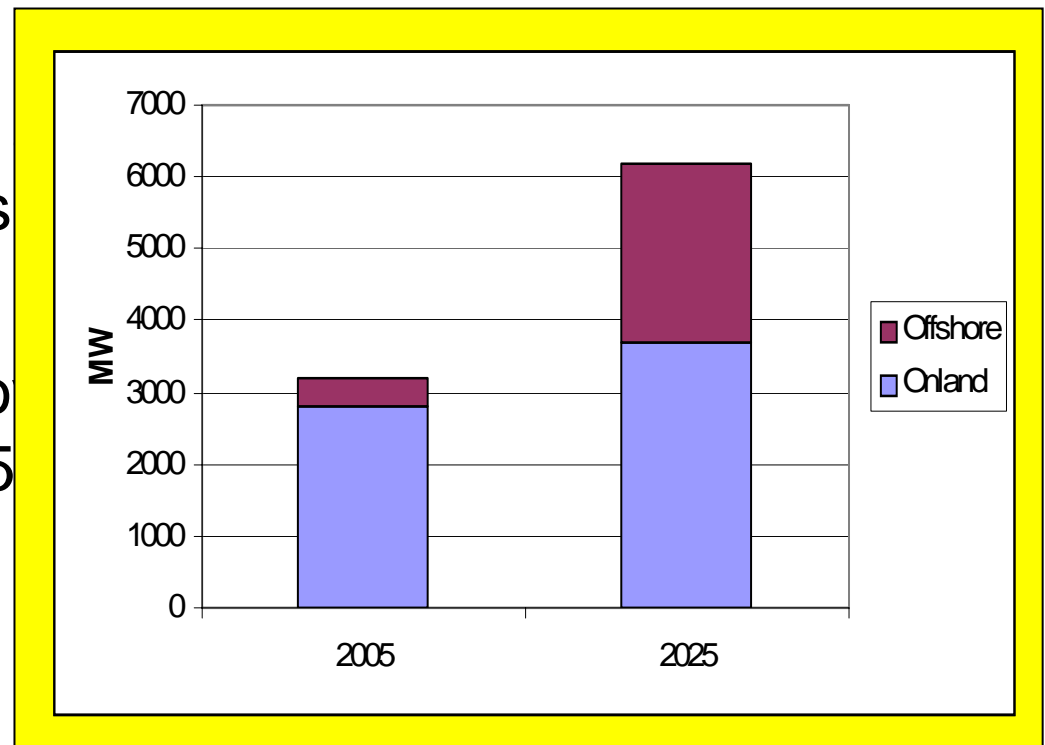


The New Energy Plan

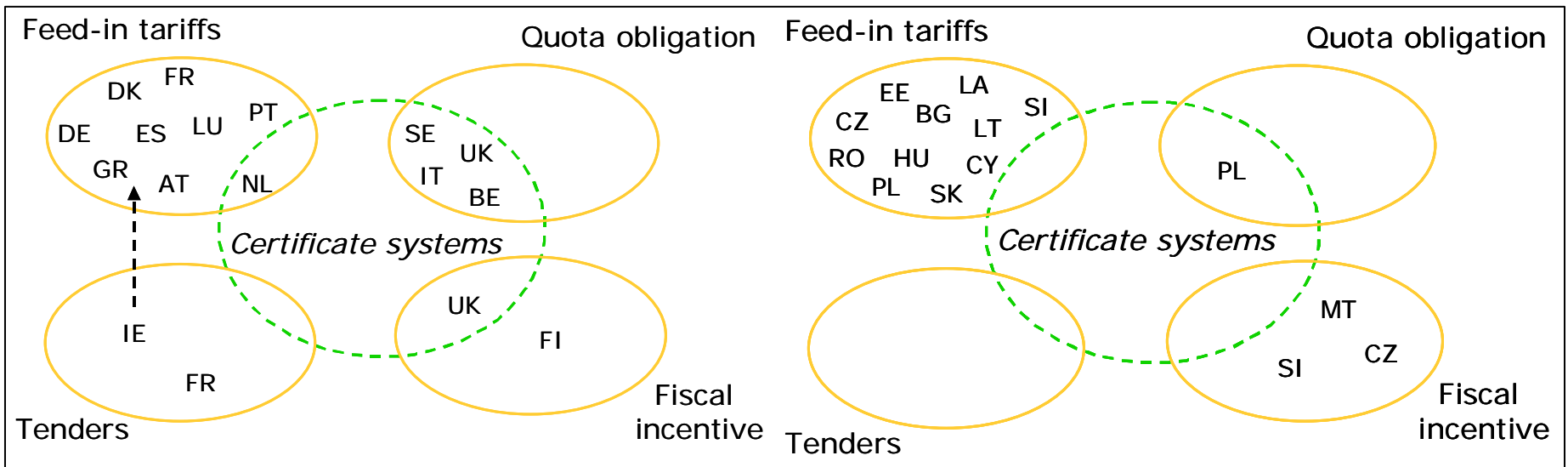
- Renewables to cover 30% of Gross Energy Consumption in 2025
 - The share is approx. 15% today
- Energy conservation and development of new Energy Technologies
- Wind Power could cover 50% of Danish Power Consumption in 2025

The New Energy Plan

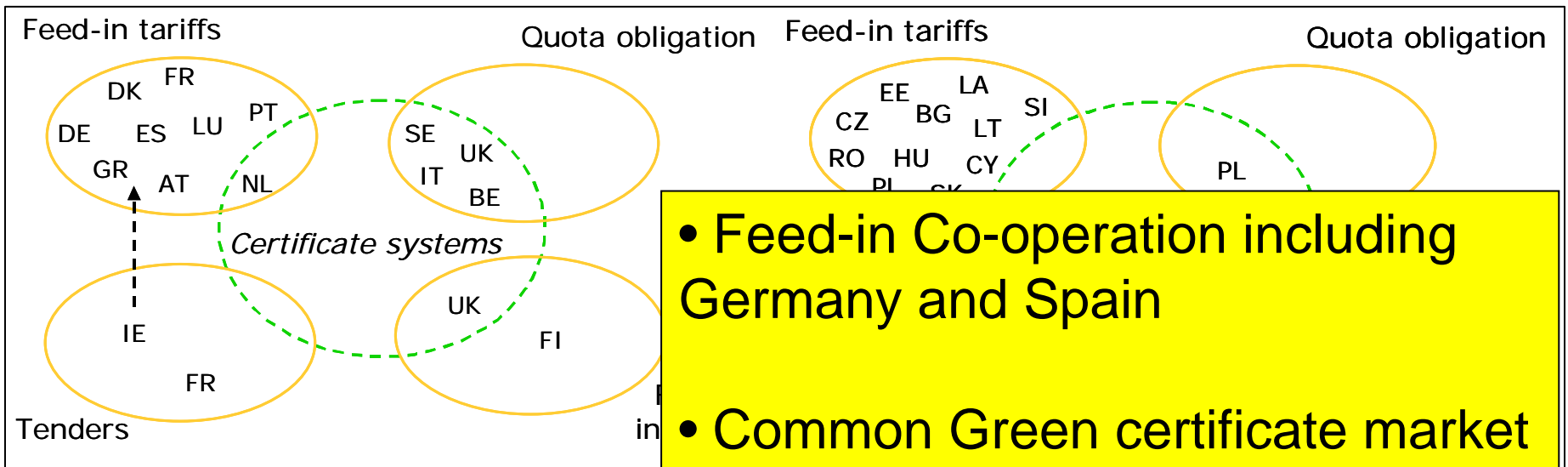
- Renewables to cover 30% of Gross Energy Consumption in 2025
 - The share is approx. 15% today
- Energy conservation
Energy Technologies
- Wind Power could cover 30% of Gross Energy Consumption in 2025



Support Systems in EU



Support Systems in EU




- Feed-in Co-operation including Germany and Spain
- Common Green certificate market including Sweden and Norway
 - **Did not come true!!**

Future Support Systems and the Internal Market in EU

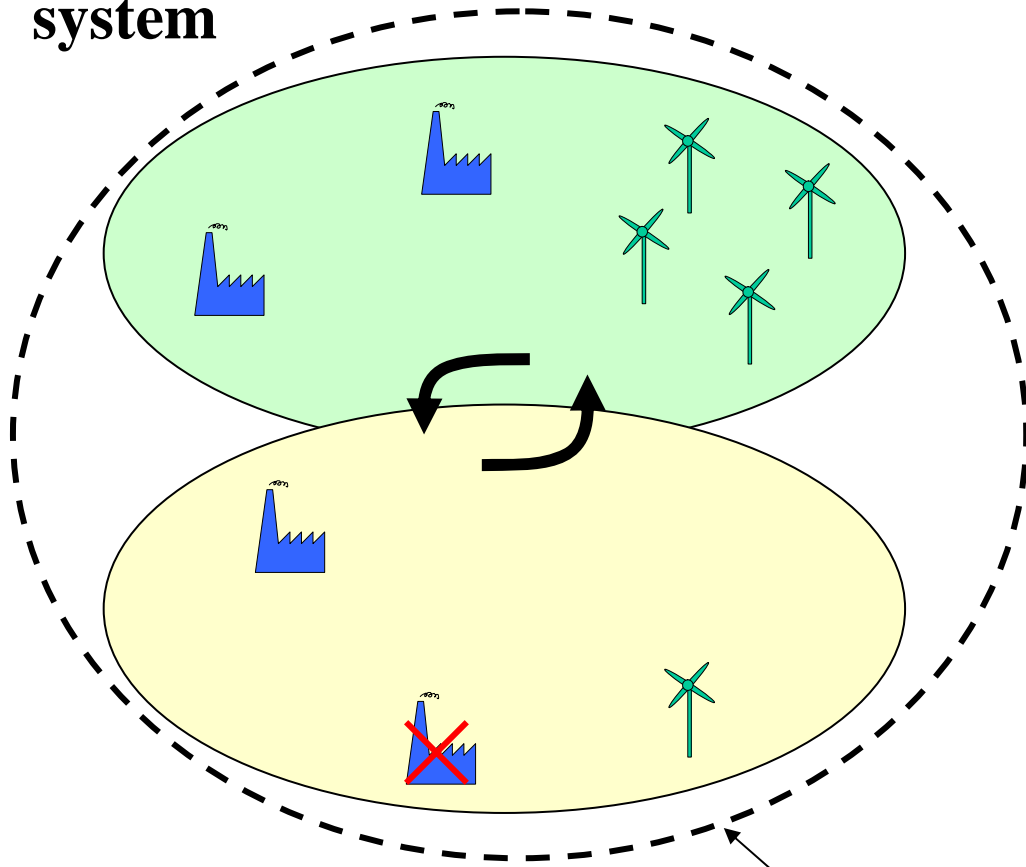
- **With regard to RES-E, what do we want to achieve in the EU?**
 - An economic and resource efficient siting of renewables
 - A replacement of the most inefficient power plants
 - A reduction of CO₂-emissions achieved in the most effective and cheapest way
- **Coordination and regionalization**
 - The way forward for RES-E support in the EU
- **Interactions of Power markets and RES support schemes**
 - How can we get the most efficient transition to a coordinated RES-E development in EU?

Ways to Go – The almost Ideal Case

- Regional power market and regional support system

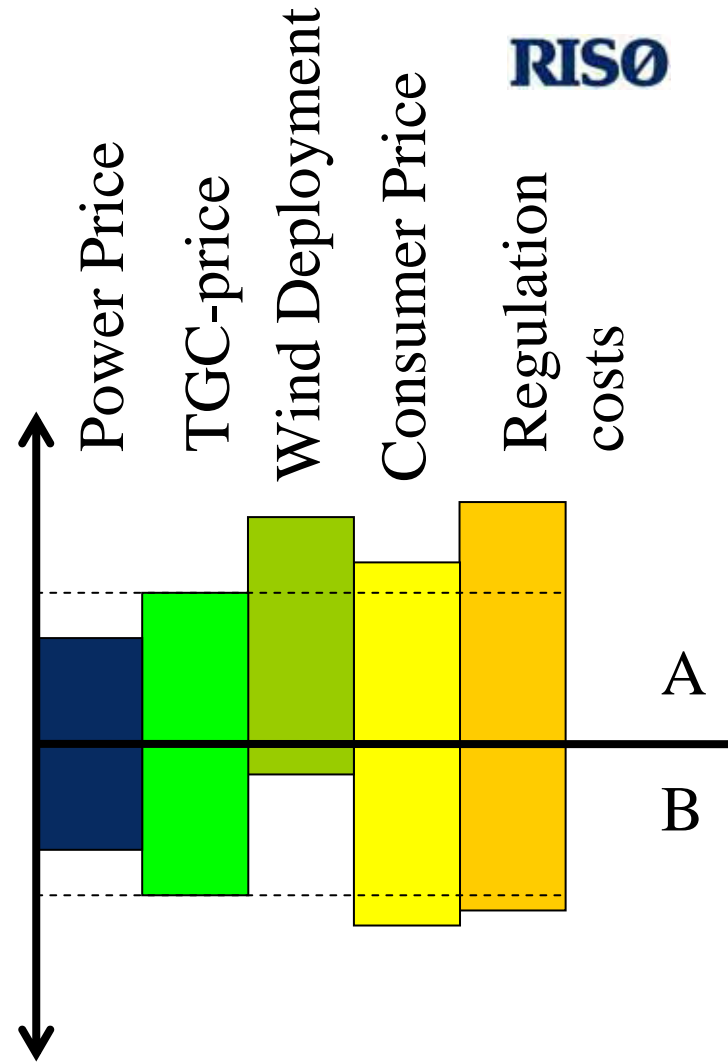
		<i>Power Market</i>	
		<i>National</i>	<i>Regional</i>
RES-E Support Scheme	<i>National</i>	Case A	Case B
	<i>Regional</i>	Case C	 Case D

Country A – high wind and efficient system



Country B – low wind and inefficient system

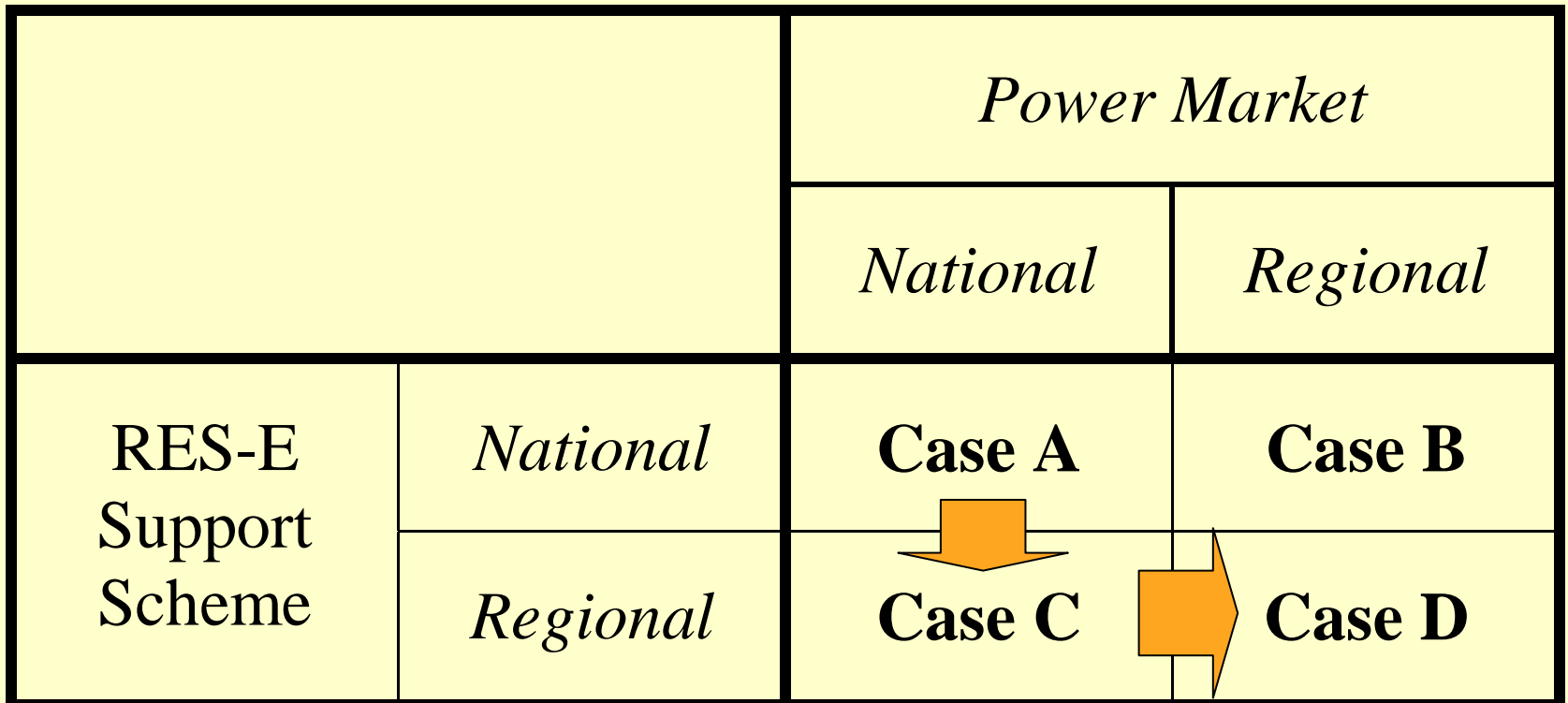
Common Power Market



- **Renewables are sited in the most efficient way**
 - Only the wind regime matters
- **Consequences for the Power Market**
 - The most inefficient plants will be replaced by renewables
 - The more different the two countries are the more beneficial will a common TGC-system be
 - Effective reduction of CO₂, but where the reduction takes place (country A or B) will depend on the marginal conditions at the power market
 - Burden sharing of regulation costs is a problem
- **Comparison to a Feed-in tariff**
 - The burden sharing is implicitly given by the TGC-quotas in each country – thus there is no need for a common fund as will be the case in a feed-in system

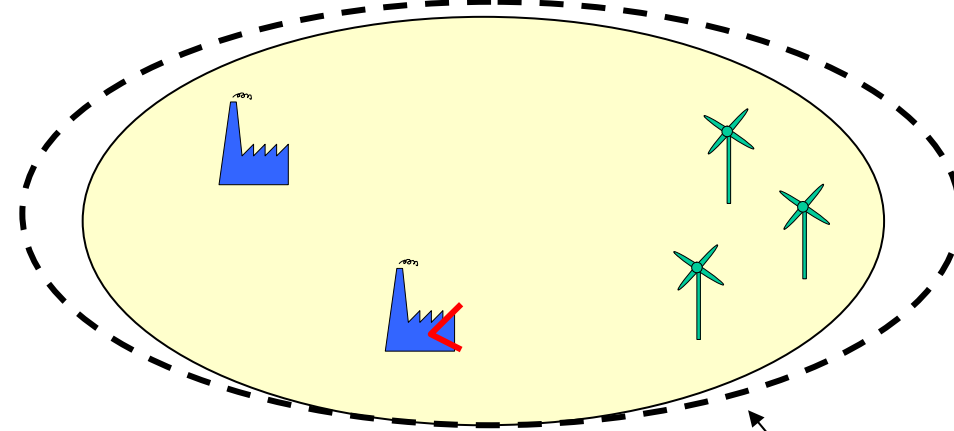
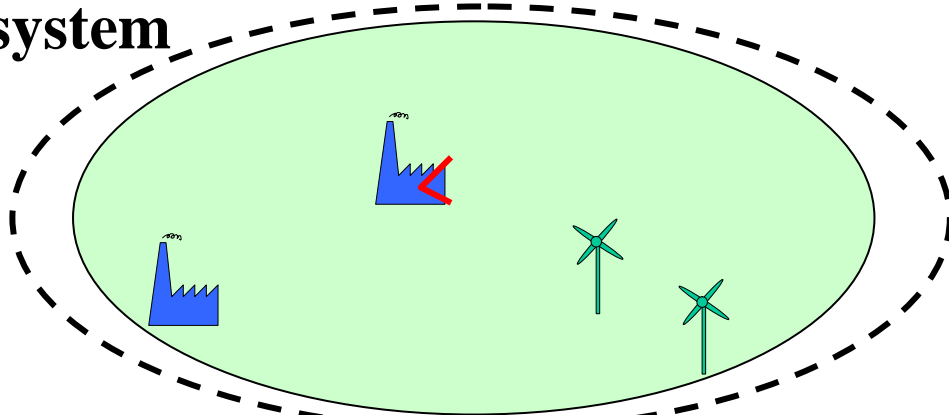
Ways to Go – The troublesome Case

- National Power market and regional support system



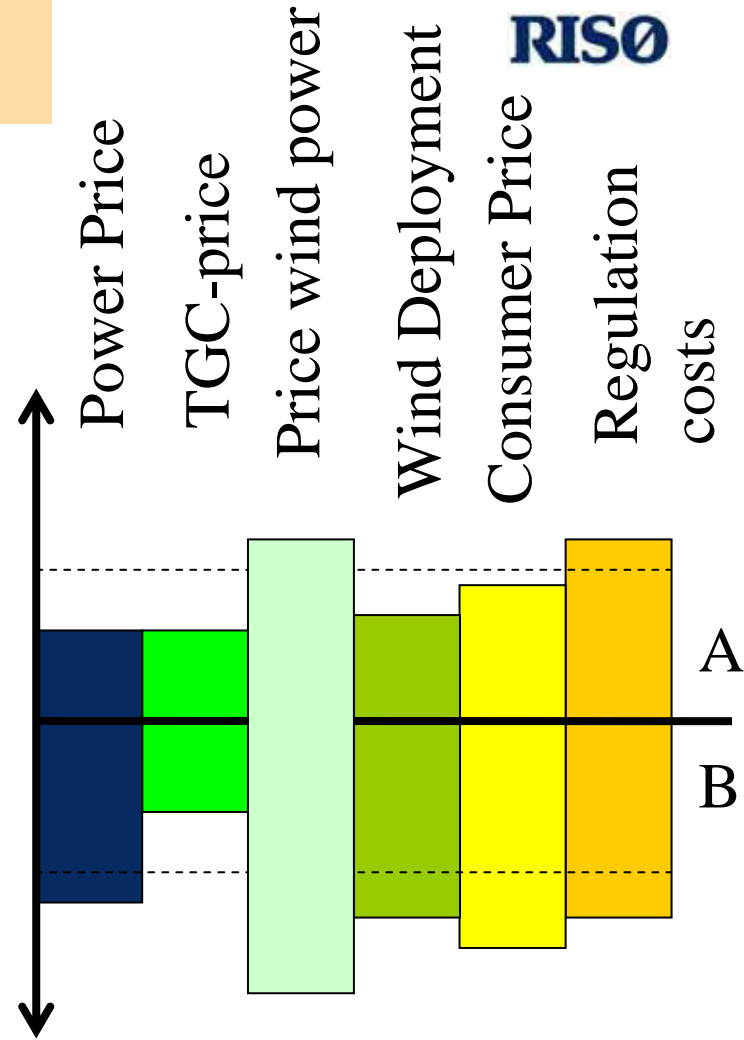
Tradable Green Certificates - The Troublesome Case

Country A – high wind and efficient system



Country B – low wind and inefficient system

Separate Power Markets



Green Certificates - Troublesome Case

Consequences for renewables and the Power Market

- Renewables will be sited the most **economic** efficient places, but not the sites with the highest resources
- Renewables will not replace the most inefficient power plants
- CO₂-reduction in the region will not be efficient implying higher prices for CO₂-allowances
- Burden sharing of regulation costs is also a problem in this case

The Green Certificates system is economically optimal at the given market conditions but

- **Short term solution** - *If we want to move towards a common power market, a common TGC system does bias both the development of renewables and the conventional power system*

Conclusions

- A common and efficiently working power market is a prerequisite for an efficient common support system
 - Separate power markets might bias the development of the conventional power system
- But other barriers exist as well
 - Lack of competition (monopolies), weak interconnectors...
- The way forward
 - Co-ordination of support schemes
 - Regionalization

Bioethanol

Second generation Bio-fuel – close to commercialisation

Charles Nielsen
DONG Energy

IBUS (Integrated Biomass Utilisation System)

Inbicon A/S (new name for **Elsam Biosystems A/S**)
Integrated Biomass Conversion

Founded 2003 by
Elsam A/S (now DONG Energy A/S) and
Holm Christensen Biosystemer ApS

for commercialisation of the IBUS concept



Content

- **IBUS technology**
- **Demonstration**
- **Commercialisation**

The IBUS concept

1. Integrated utilisation of sugar/starch and lignocellulosic feedstocks

- Most crops comprises both sugar or starch and lignocellulose
- Lower cost from field to plant
- More biomass can be collected within a given area
- Substantial process synergies

The IBUS concept

2. Integrated production of bioethanol and electricity

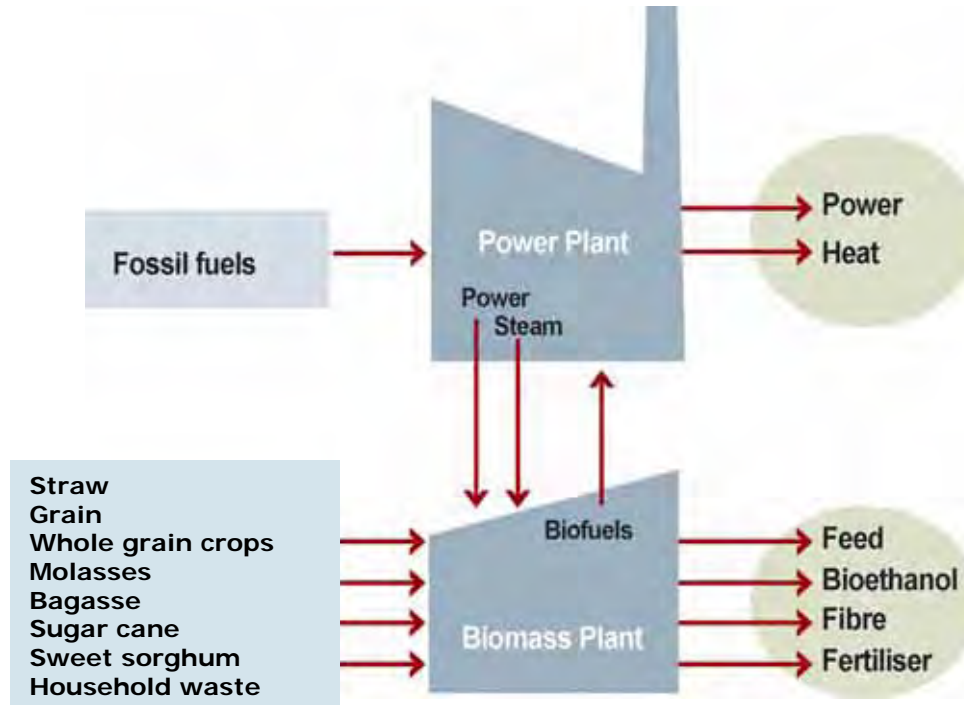
- Electricity generation loses 55-65 % of the input energy as heat
- Ethanol fermentation loses only 3-5 % of the input energy as heat, but requires a lot of process heat
- The huge loss of heat energy from the global electricity generation can be used to cover the demand for heat energy of the future fuel ethanol production

Co-production is the solution

The IBUS concept

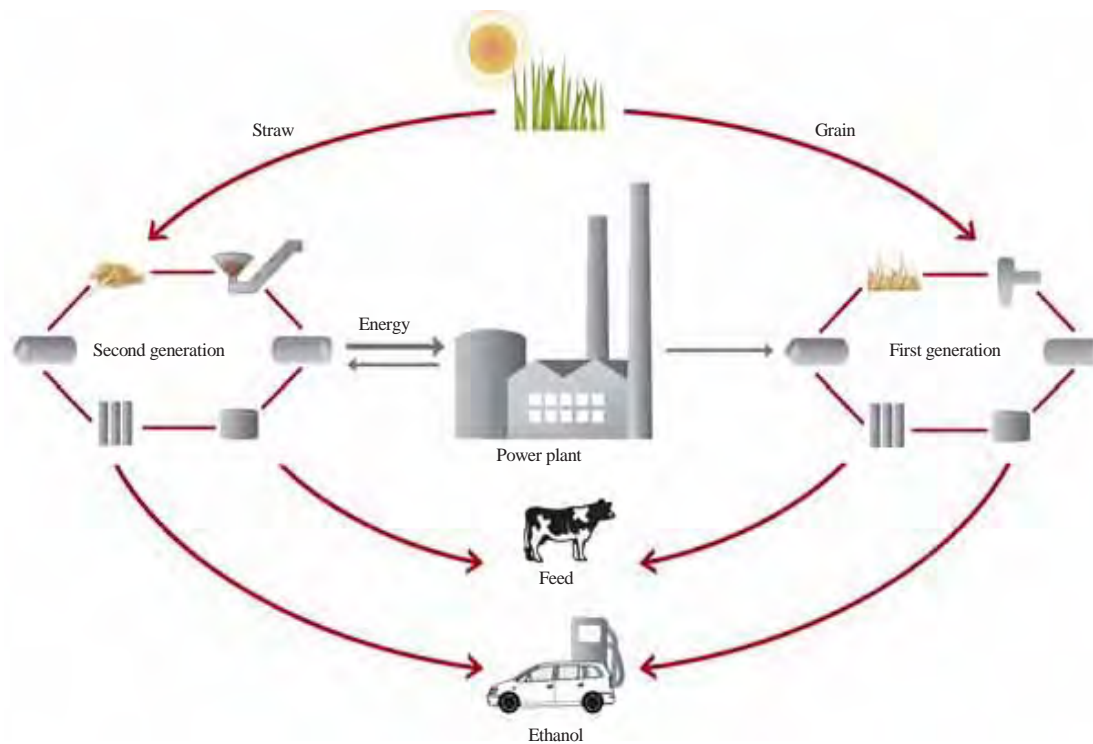


Surplus steam



High quality solid biofuel

The IBUS concept



Integration 1. and 2.nd generation technology

Integration with electricity generation and utilization of surplus heat

The IBUS process

Continued pretreatment

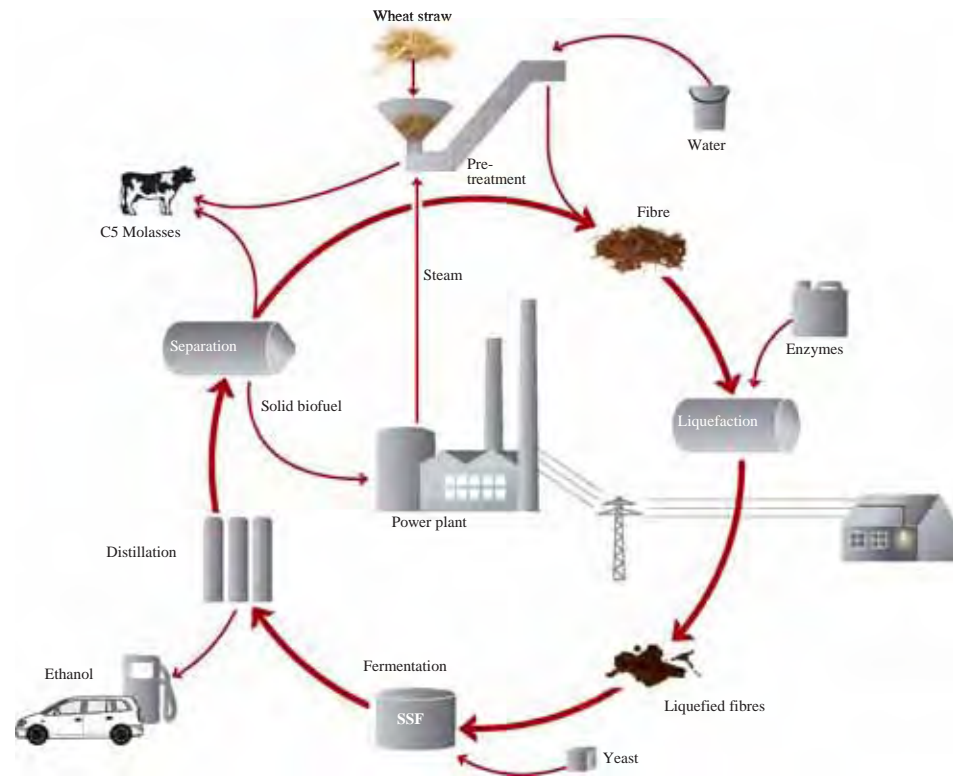
High dry matter content

High energy efficiency

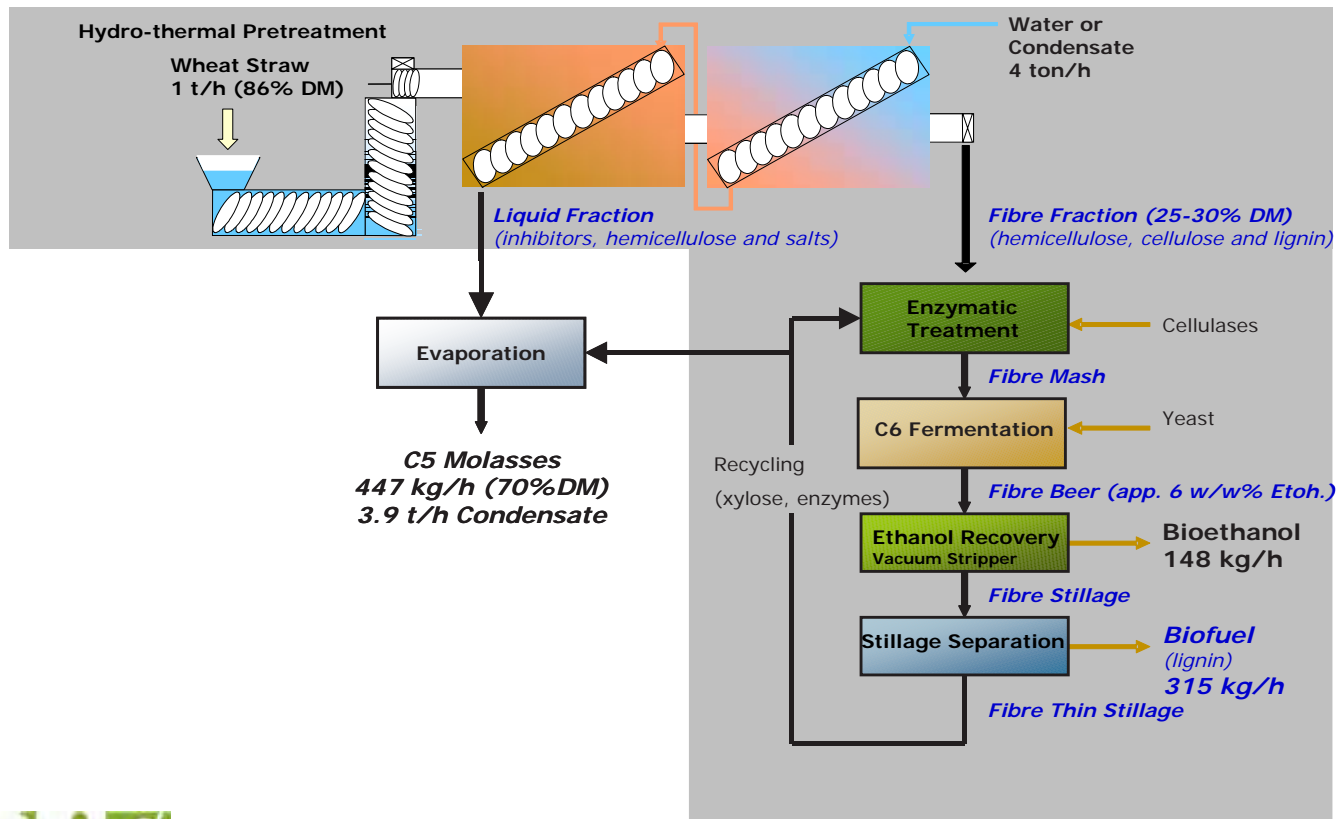
No ligning separation

Recycling of plant nutrients
(nitrogen, phosphor, potassium,
and micro minerals)

Integrated water utilization – no
waste water



IBUS results based on wheat straw

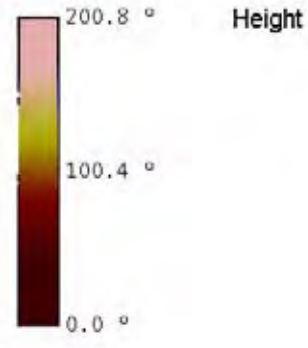
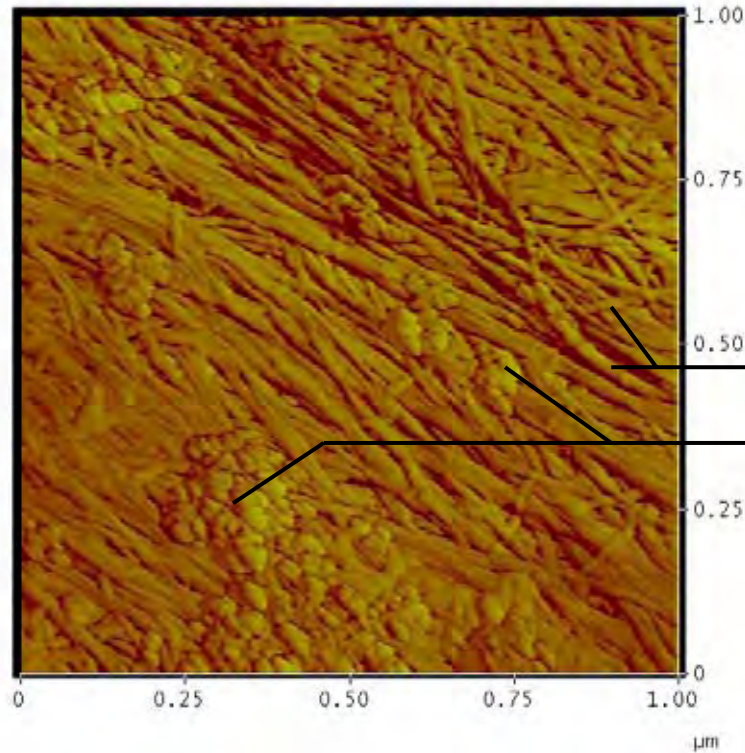


Pretreatment



IBUS pretreatment removes lignin as nano-particles

Height Angle Surface Normal Clear Calculator



Cellulose microfibrils : 10 – 30 nanometer

Lignin particles 30 – 40 nanometer

Digital Instruments NanoScope
Scan size 1.000 μm
Scan rate 1.969 Hz
Number of samples 512
Image Data Phase
Data scale 200.8 nm
Engage X Pos -19783.4 μm
Engage Y Pos -42151.3 μm



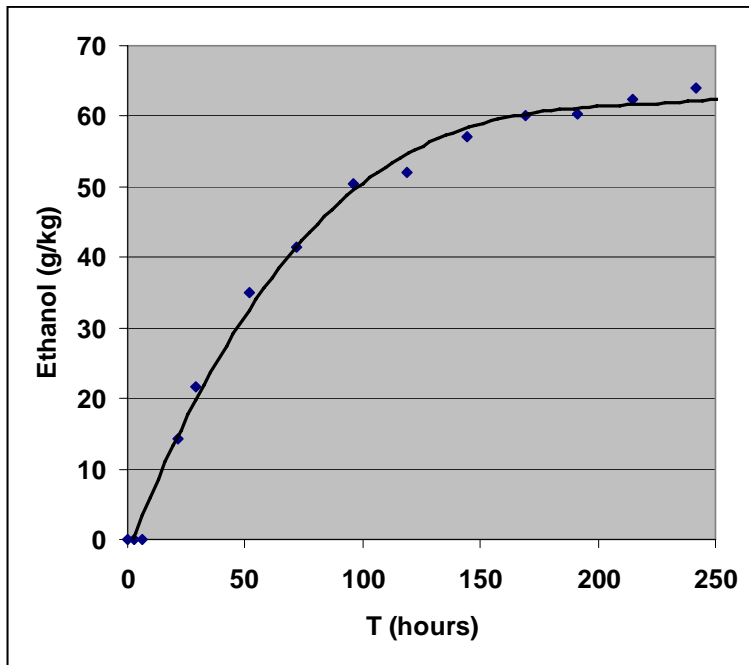
Photo:Royal Veterinary and Agricultural University

Enzymatic liquifaction with high dry matter content



5 Chamber Liquifaction Reactor

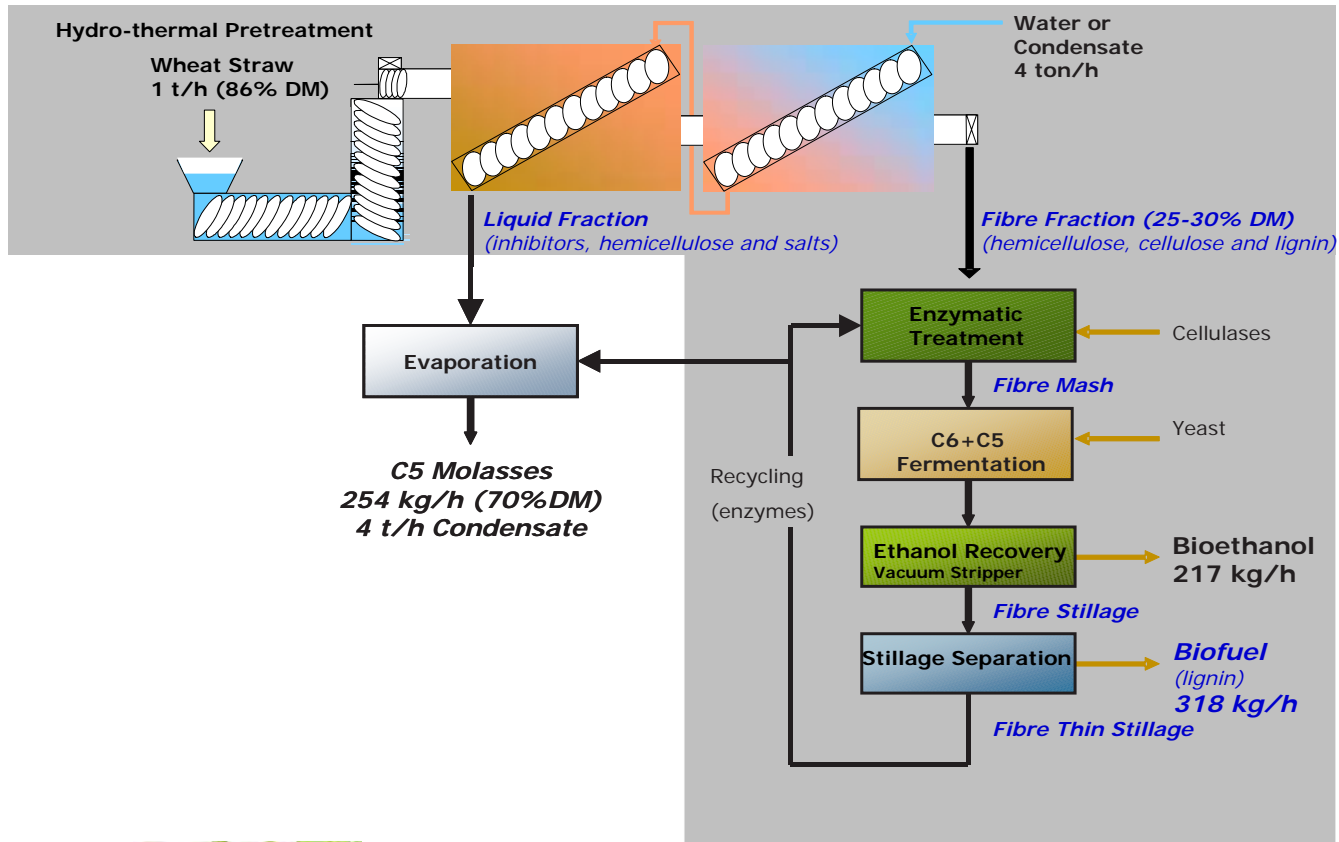
Liquifaction with high dry matter content and fermentation (26% DM)



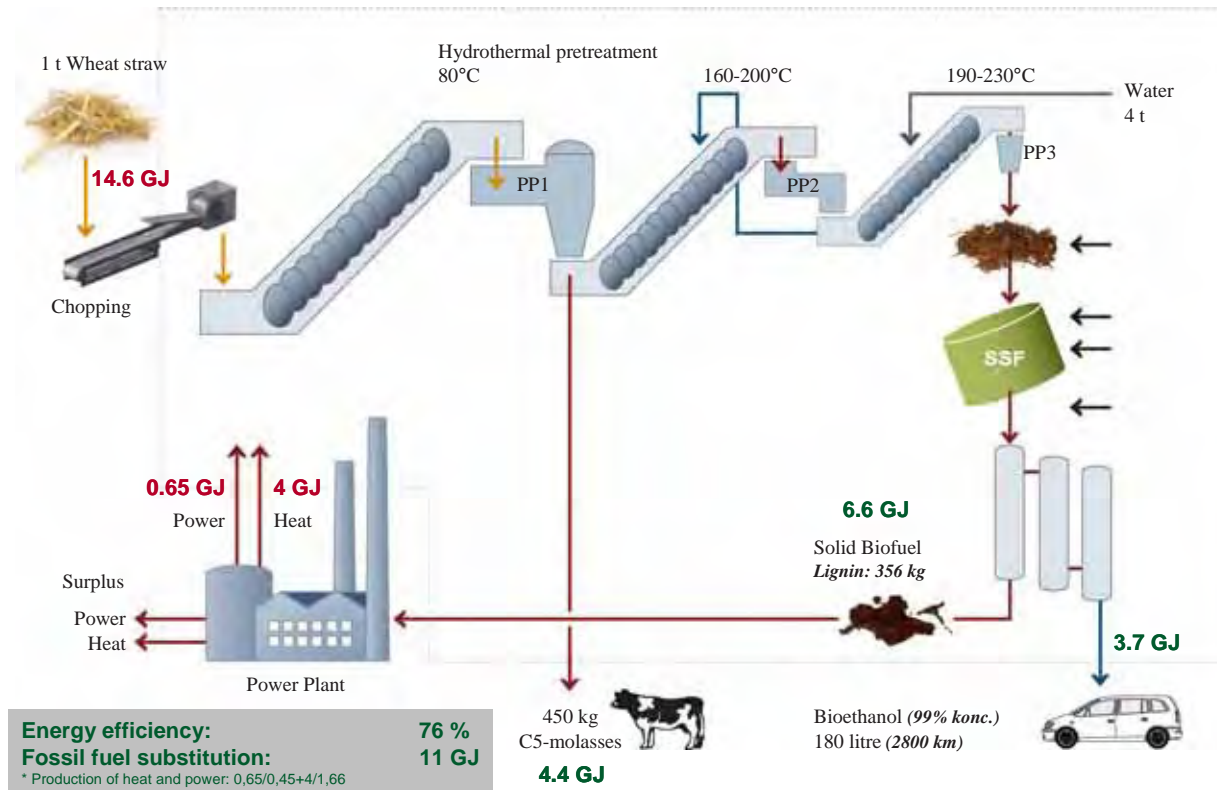
Ethanol concentration:

- 63 g/kg incl. suspended material
- 83 g/l in the liquid fraction (excl. suspended material)
- 105 ml/l (10,5 vol%) in liquid fraction (excl. suspended material)

Next step output from the IBUS process



Actual energy balance (state-of-the-art)



Main results from the EU project: Co-production of Biofuels

- The IBUS pretreatment can work at high gravity without chemicals
- Fast (5-10 hours), high gravity (30-40 % d.m.) liquefaction at low enzyme concentration (3-4 FPU/g)
- Effective high gravity fermentation (SSF) of more than 80% of cellulose to ethanol by yeast
- Yeast fermentation can be carried out in the presence of lignin
- See more at www.bioethanol.info

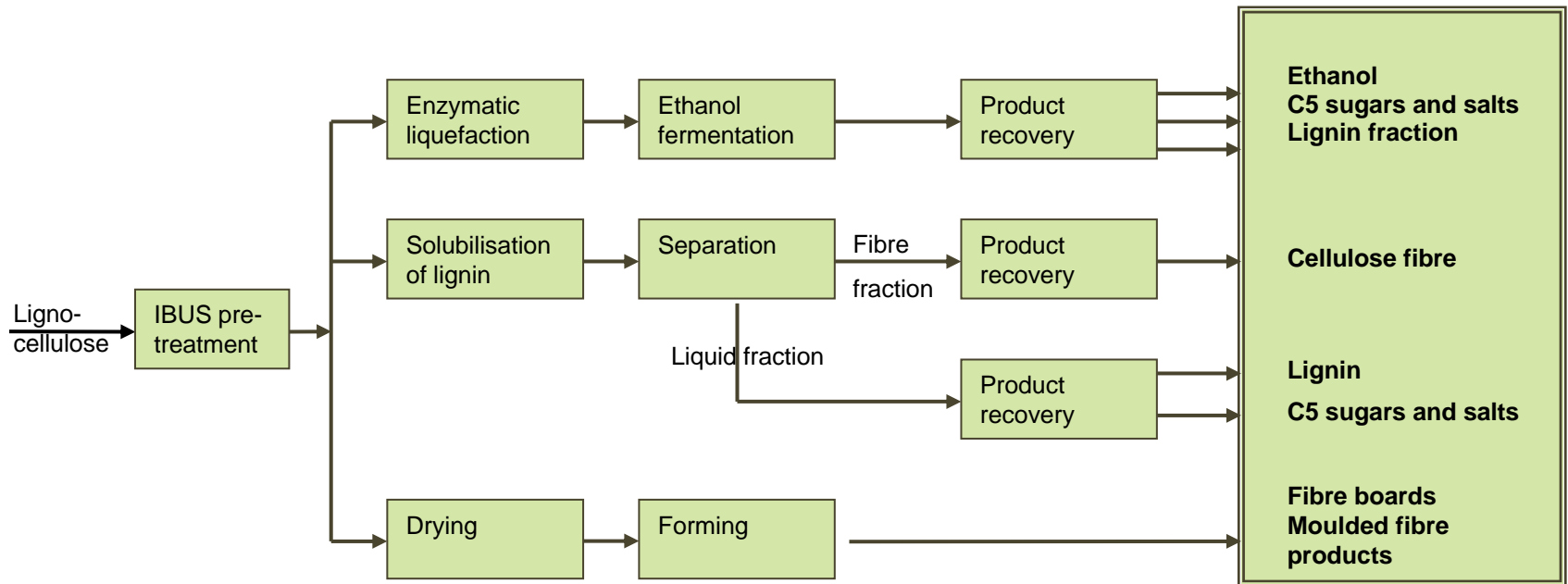
IBUS – Low energy cost

- Low price, 4 bar steam from electricity generation
- High gravity processing reduces steam consumption
- Novel particle generation system saves 50-75% electricity compared to traditional hammer milling
- Novel distillation system energized by heat pumps or 1-2 bar steam, is expected to reduce costs with 50 % compared with traditional systems
- Drying with superheated steam at 3-5 bar generates steam for multistage evaporation recovering about 90% of drying energy
- The lignin fraction can cover the process energy required for conversion of the straw and a similar quantity of grain

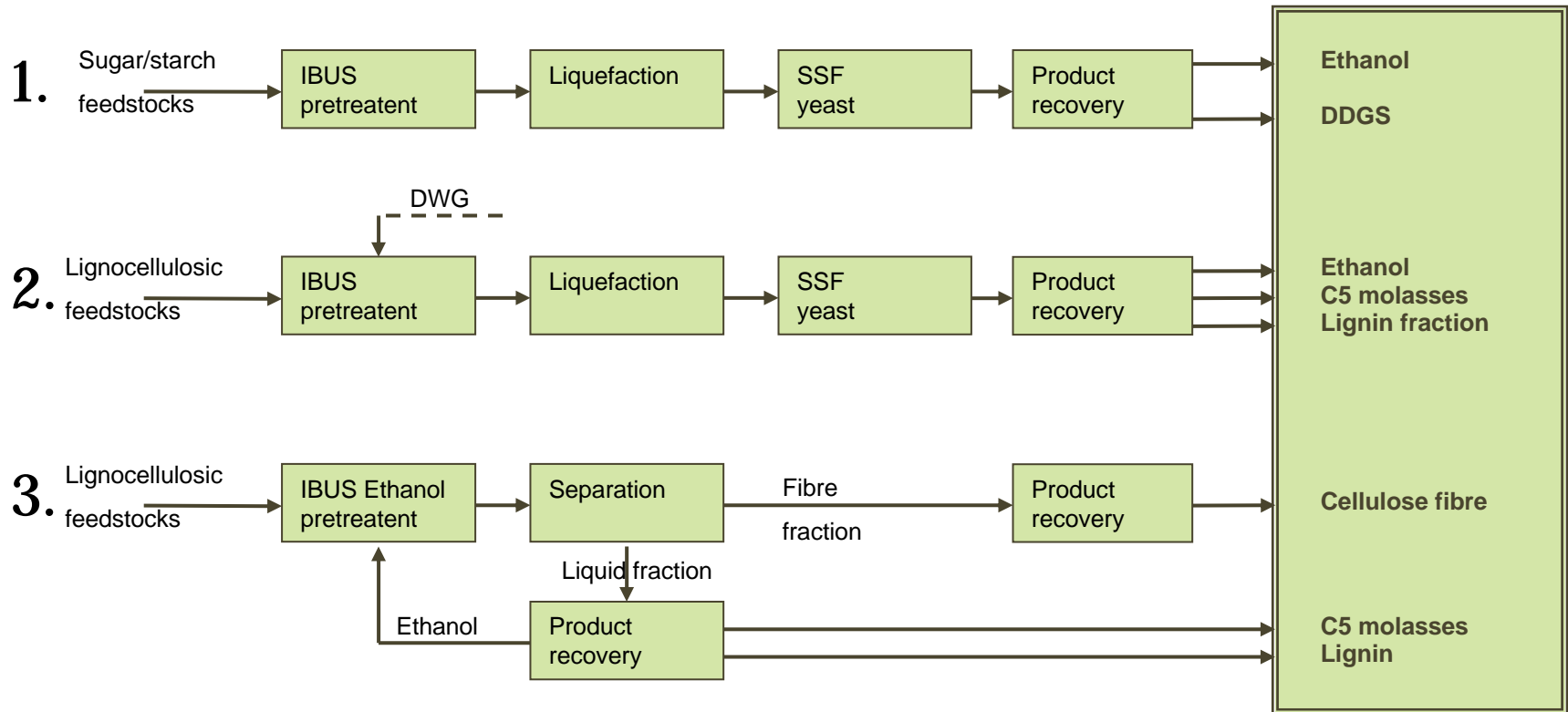
IBUS – long term sustainability

- Use of low pressure steam from electricity generation means energy without CO₂ emission
- Recycling of plant nutrients (nitrogen, phosphorus, potassium and microminerals)
- Recycling of process water and condensates means no waste water
- Drying with superheated steam means no VOC emission

IBUS – best basis for biorefineries



Stepwise implementation of biorefineries



IBUS – R & D

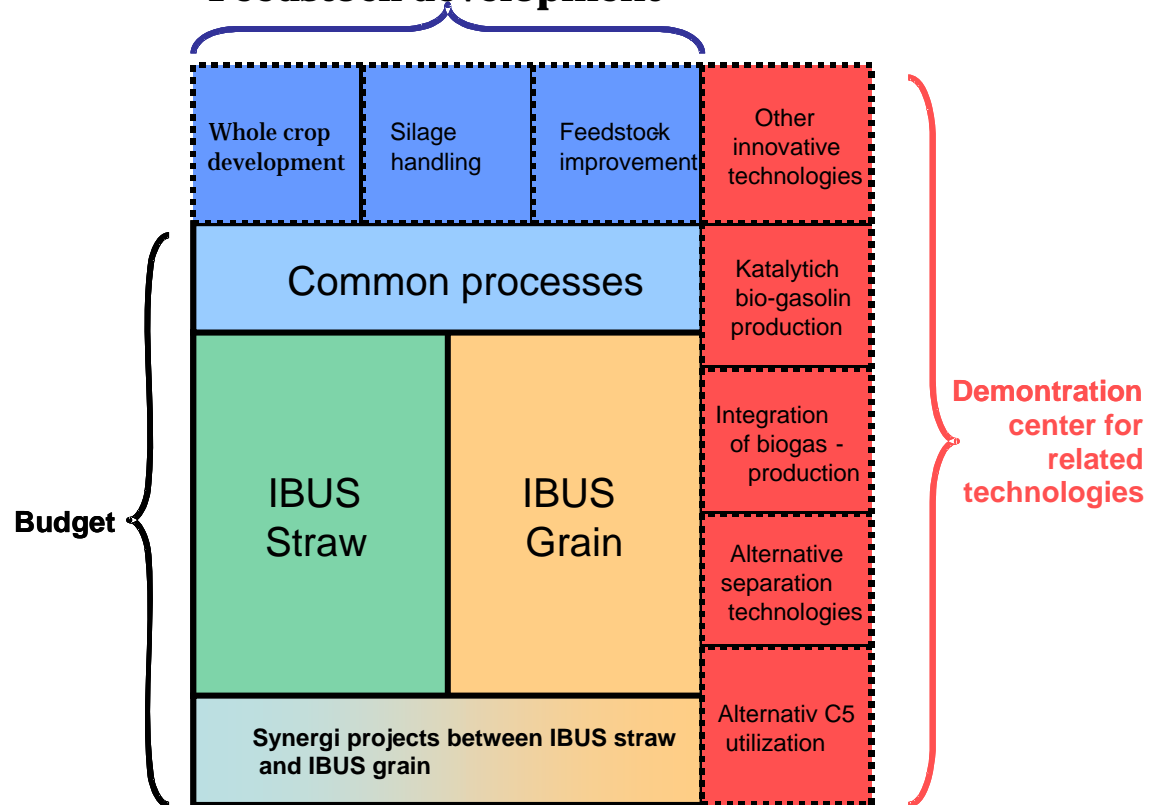
Lab scale 10 kg/h of straw	Pretreatment	Risoe National Laboratory
	Hydrolysis and fermentation	The Royal Veterinary and Agricultural University
Pilot scale 100 kg/h of straw	Particle generation, pretreatment, liquefaction, fermentation, product recovery	Dong Energy A/S
Pilot scale 1000 kg/h of straw	Particle generation, pretreatment	Dong Energy A/S
Process Innovation	From field to fuel	Holm Christensen Biosystemer ApS
Demonstration plant 4 t/h of straw d.m. + 4 t/h of grain d.m.	Fully integrated IBUS plant located at one of Dong Energy's Power Plants (Kalundborg) Planned start of production: ultimo 2009	Inbicon A/S



Content

- IBUS technology
- **Demonstration**
- Commercialisation

Feedstock development



Demonstration concept

Synergies between straw and grain

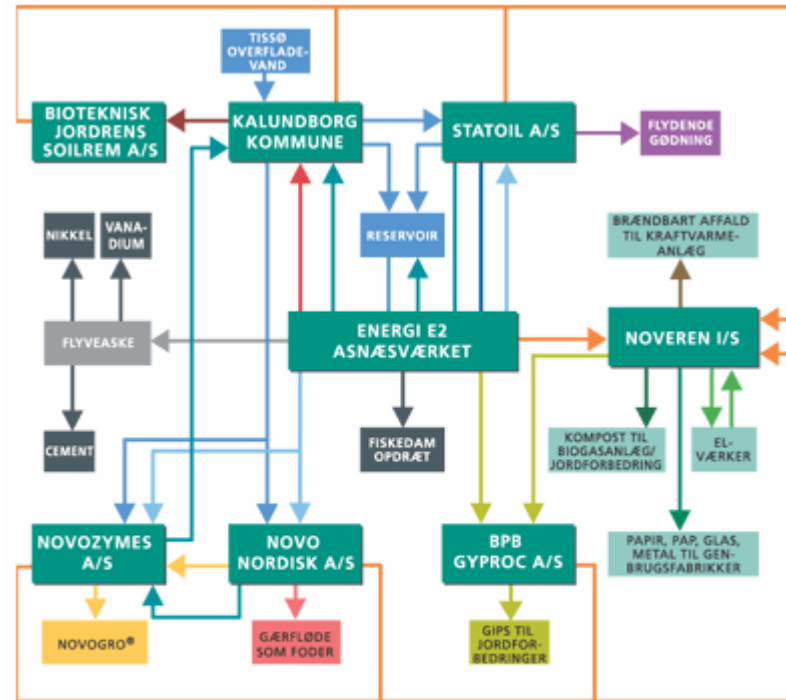
Large international potential for technology integrating 1. and 2nd generation ethanol

Examples of synergies at demo-plant:

- DWG as feedstock in the straw process
- Surplus of energy from the straw process goes to the grain process
- Water and energy exchange between the two processes
- Optimization of field to ethanol plant (whole crop handling)
- Compound feed production based on DWG and C5 molasses
- Integration of main processes
- Improvement of feedstocks
- Logistic and marketing

Kalundborgs industrielle symbiose

The existing symbiose is extended with biofuel and by-products



ASKE	VAND	DAMP	KØLE-VAND	SPILDE-VAND	GIPS	FLYDENDE GØDNING	REST-VARME	GÆRFLODE
NOVOGRO®	SLAM	ANDET	ØVRIGT AFFALD	PAPIR, PÅP, GLAS, METALLER	E.L.	BRÆNDBART AFFALD	KOMPOST BIO-MATERIALE	



Kalundborg

Powerplant, refinery and enzyme producer

Statoil

Asnæs Power Plant

World class demo-center for 2nd generation bioethanol

Novo Nordisk
Novozymes



Kalundborg New Synergy

Bioethanol til Statoil
Syngas / H₂ til Statoil

Asnæsværket

Enzymes from Novozymes

Rawmaterials from
and feed to DLG

Process steam → - 50% CO₂-emission
Solid biofuel → Substitute coal
Process water to deSO_x-plant
District heat to city
Harbor facilities

Asnæs PP - Integration



Site for 4+4 t/h demo plant

Site for large scale ethanol plant

Content

- IBUS technology
- Demonstration
- Commercialisation

Demo plant

- Goal: Production before UN Copenhagen Climate Summit November 2009
- Capacity: 4 ton straw + 4 ton grain (budget ca. 40 mill US)
- Partners (Inbicon, Dong Energy, Novozymes, Statoil and Danish Farmers COOP)
- Technology: (IBUS technology - integration of 1. and 2. bio ethanol connected to Power Plant)

Commercialization

- Technology company – new investors
- Verification of technology (scale-up, reliability, demonstration of yields, environmental impact and feasibility)
- Partners: (North America, China and Brazil)
- Overseas demonstration projects
- Contracts

Success criteria

- Best economy
(energy efficiency, enzymes, capital cost and value of by-products)
- Market share
(the right partners and fast deployment)

Thank you for your attention



Long-term biofuels scenarios: preliminary results from REFUEL – A European Road Map for Biofuels

Henrik Duer

COWI A/S, Denmark

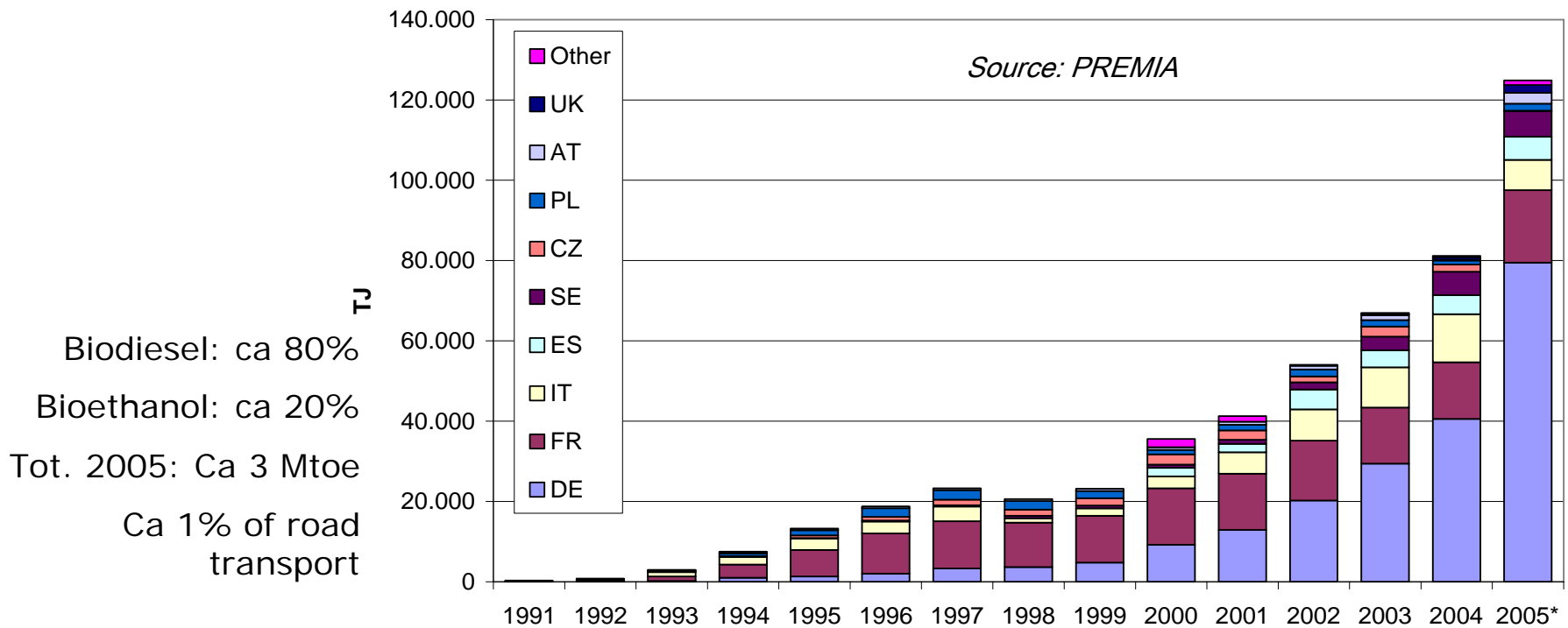


Contents

1. Introduction
2. REFUEL objectives
3. Resource base assessment
4. Biofuels mix development
5. Barriers identified
6. Conclusions

1. Introduction

Biofuels production in Europe 1991-2005



Development

Now 1st generation in rapid deployment:

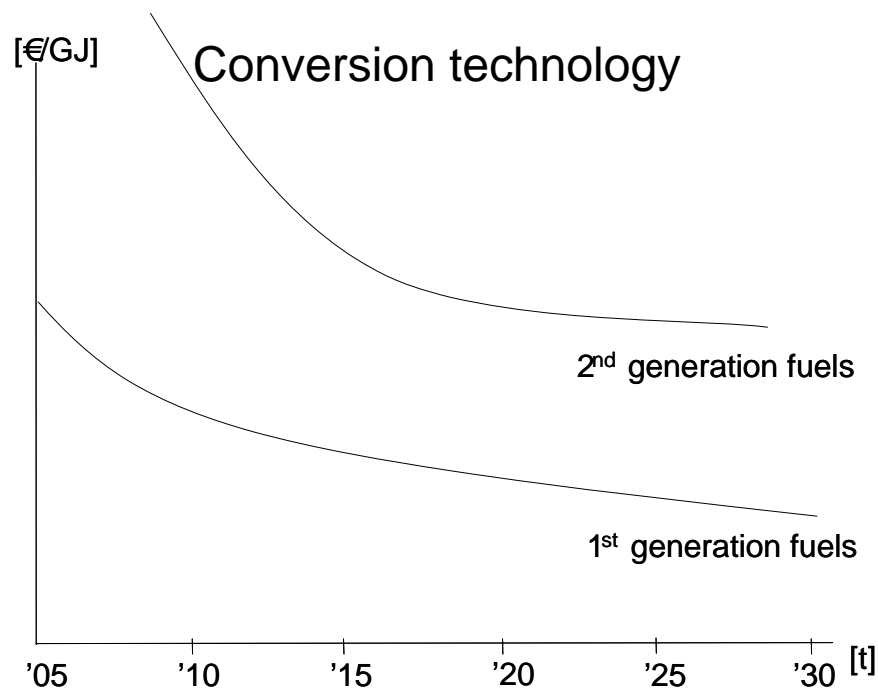
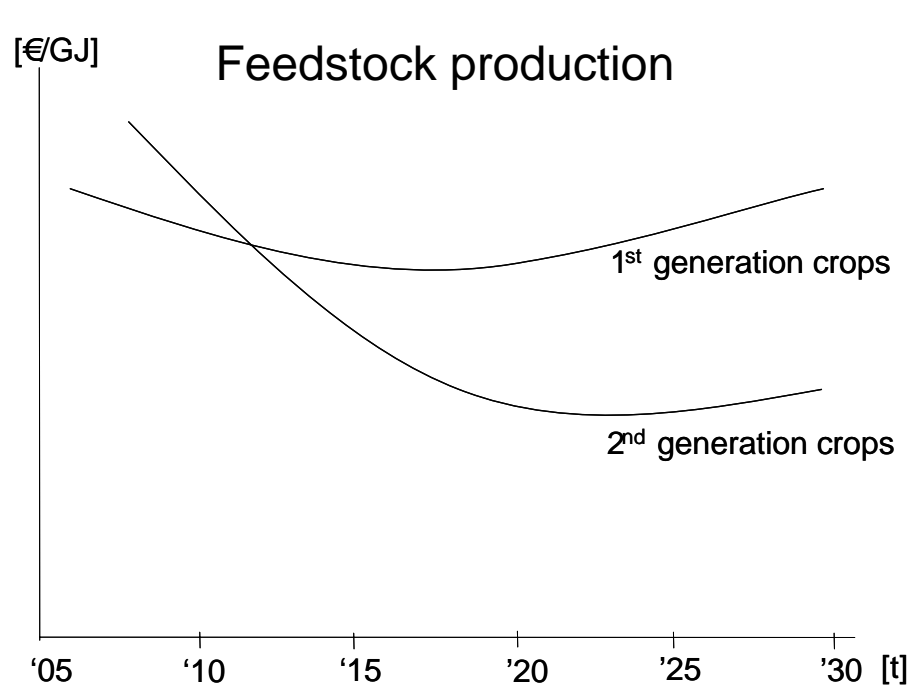
- Major investments in biodiesel, bioethanol
- Long-term feedstock availability
- Sustainability, GHG performance?

Future biofuels mix:

- Advanced biofuels (FT-diesel, advanced bioethanol)
- Remaining 1st generation?

Central question: what can we expect from biofuels in the long run?

Technological learning and land scarcity

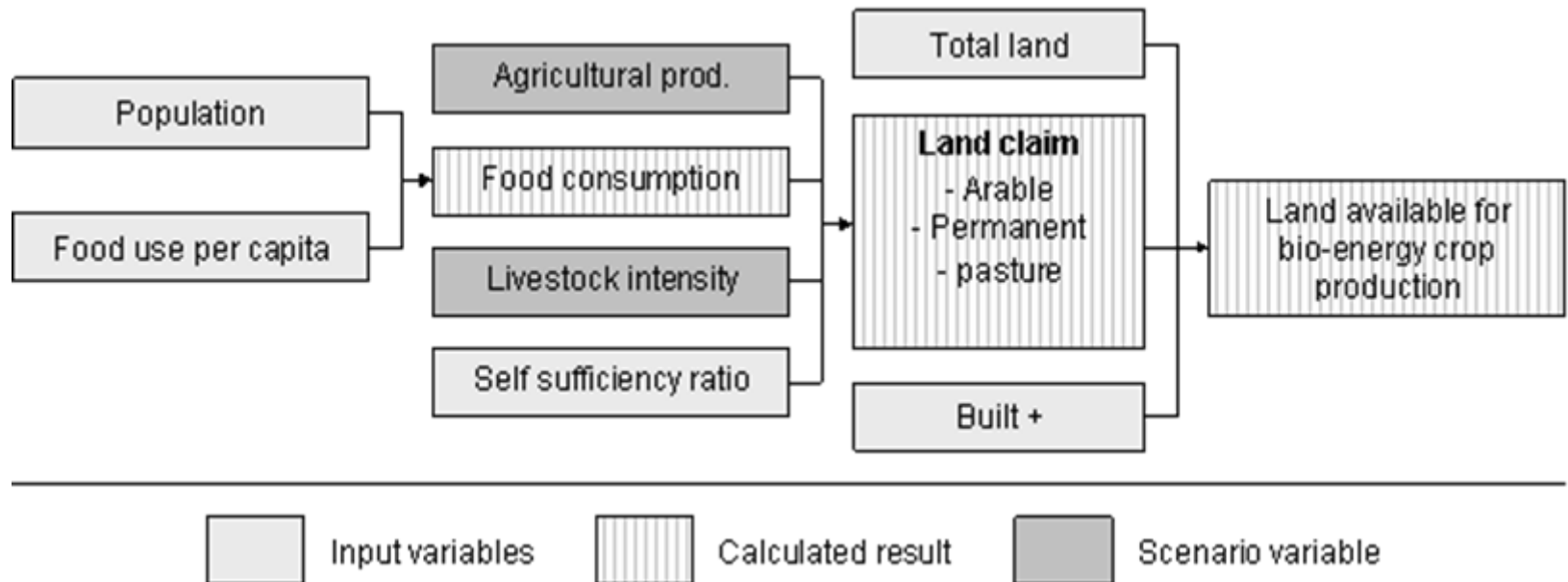


2. REFUEL, main objectives

*To develop an ambitious, yet realistic road map
for an effective deployment of biofuels
until 2030 in the EU25+*

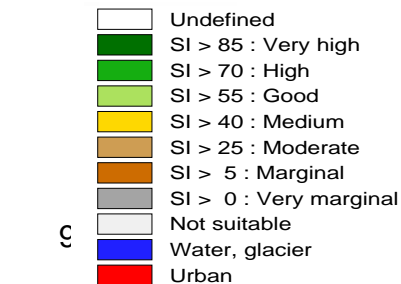
- ***The destination:*** Ambitious, but realistic biofuels targets
- ***The route:*** the least-cost biofuel mix and biofuel chains
- ***The purpose of the journey:*** impact assessments on GHG, SoS, socio-economics, stationary sector, environment
- ***At the wheel:*** key stakeholders, technological innovation needed, learning, options and barriers
- ***Paving the way:*** related policies on energy, agri, technology, measures (incentives, obligations)...

3. Resource assessment



Land suitability to crops

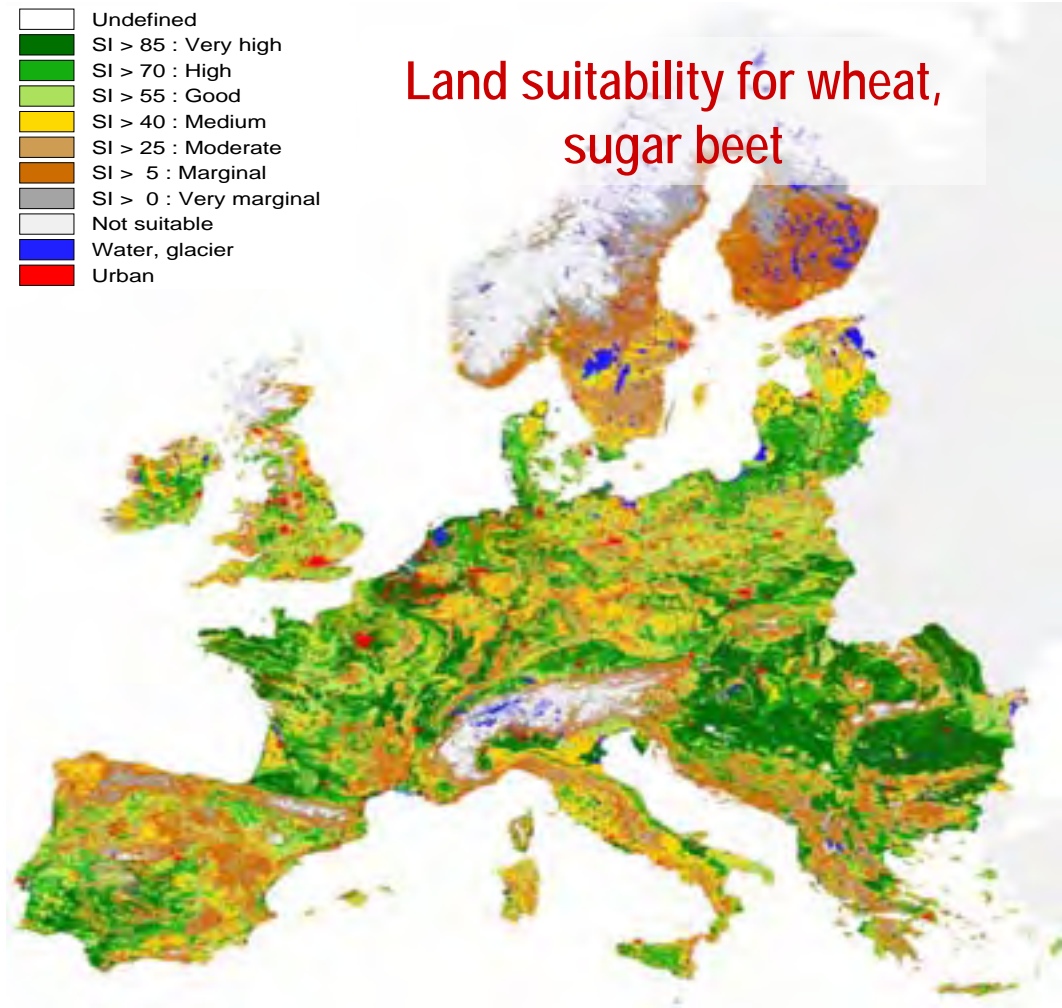
- Priority for food etc.
 - Demand scenarios
 - Agric. production
 - Natura2000
- No drastic land use changes



9
8
7
6
5
4
3
2
1

million ha

Land suitability for wheat, sugar beet



T+

Some preliminary results: Feedstock

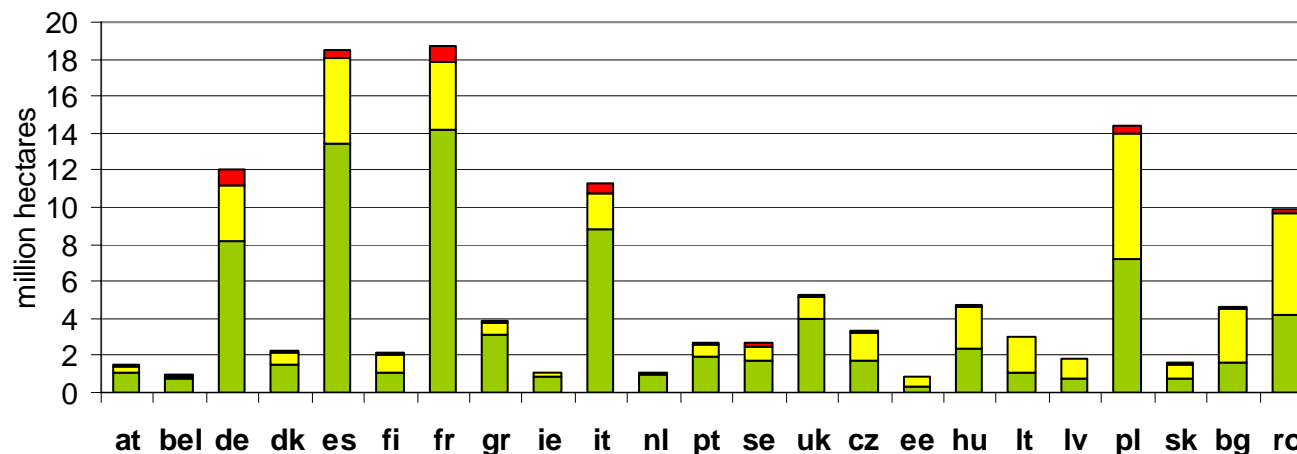
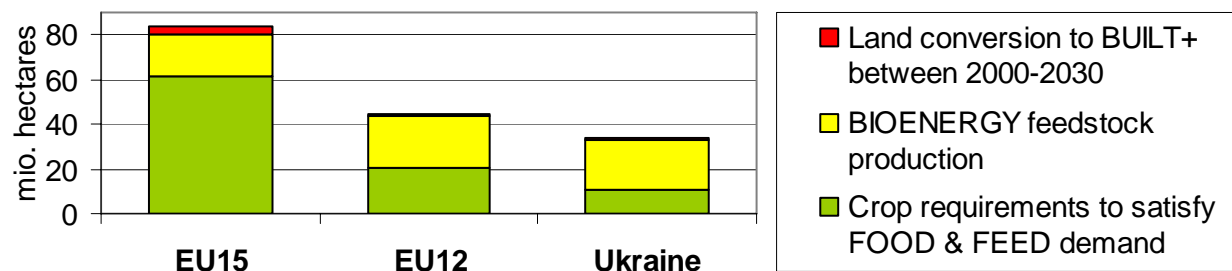
Total land potential if used for perennial grasses:

EU27:

1/10 of prim. energy demand
1/3 of gasoline/diesel demand

EU plus Ukraine:

1/6 of EU 2030 prim. energy demand
Or half of gasoline/diesel dem.



Sensitivities

More conservative:

- More organic farming
- Less rapid productivity developments in CEEC

Ca 10% less land potential

More optimistic:

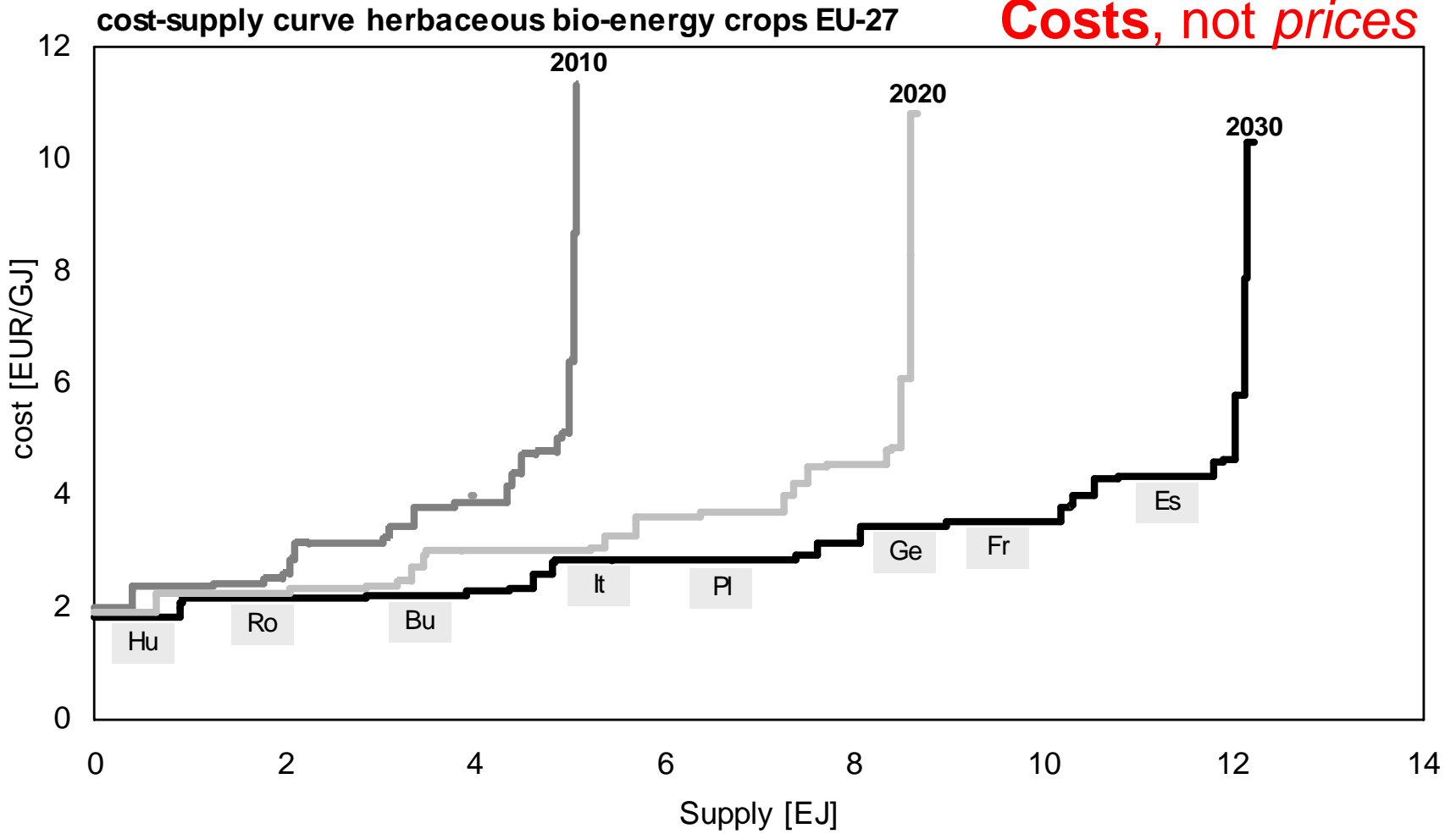
- GMO's
- Faster convergence in CEEC

Ca 15% more land potential

Nota bene:



Costs, not prices

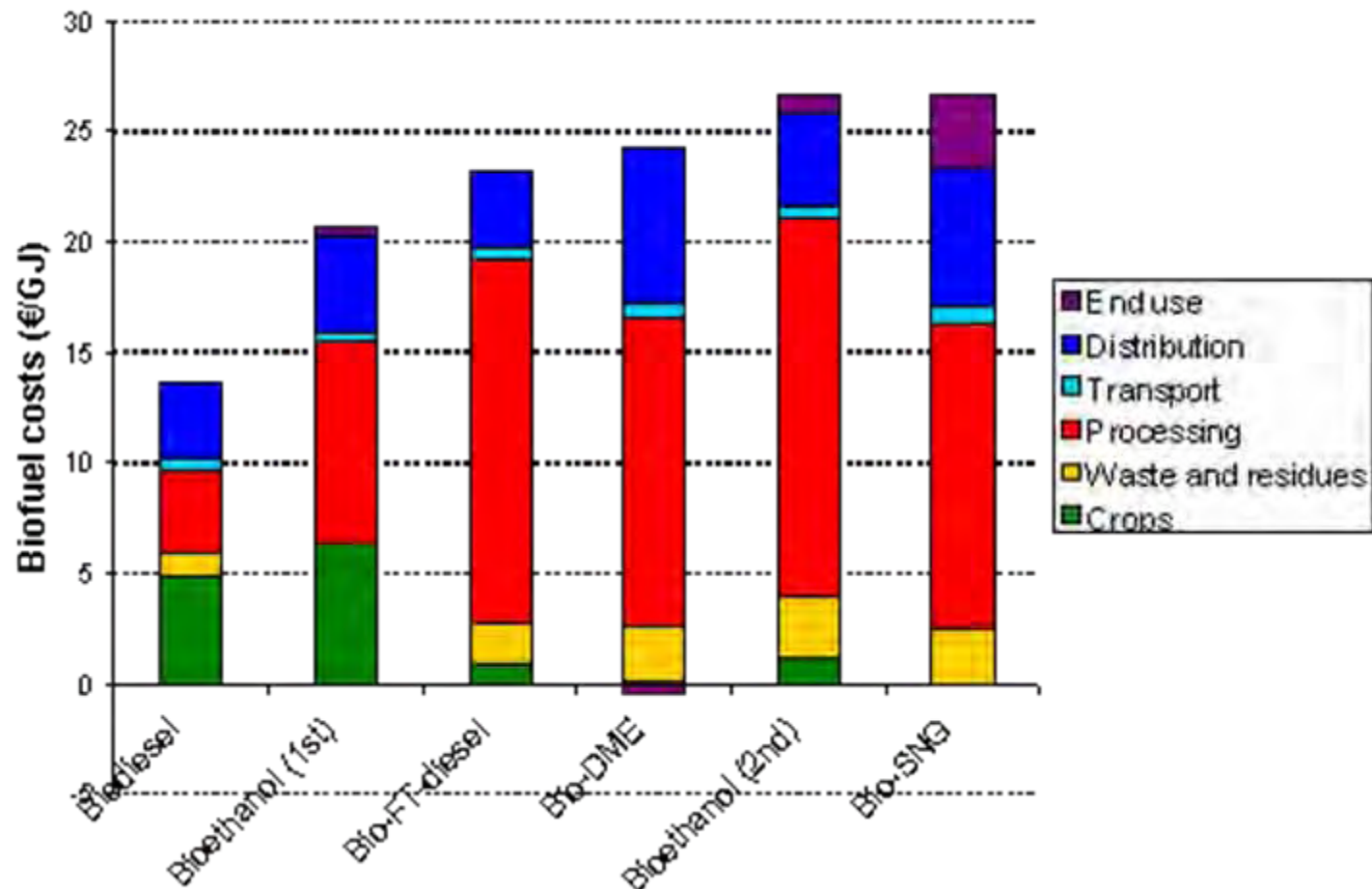


4. Biofuel mix assessment

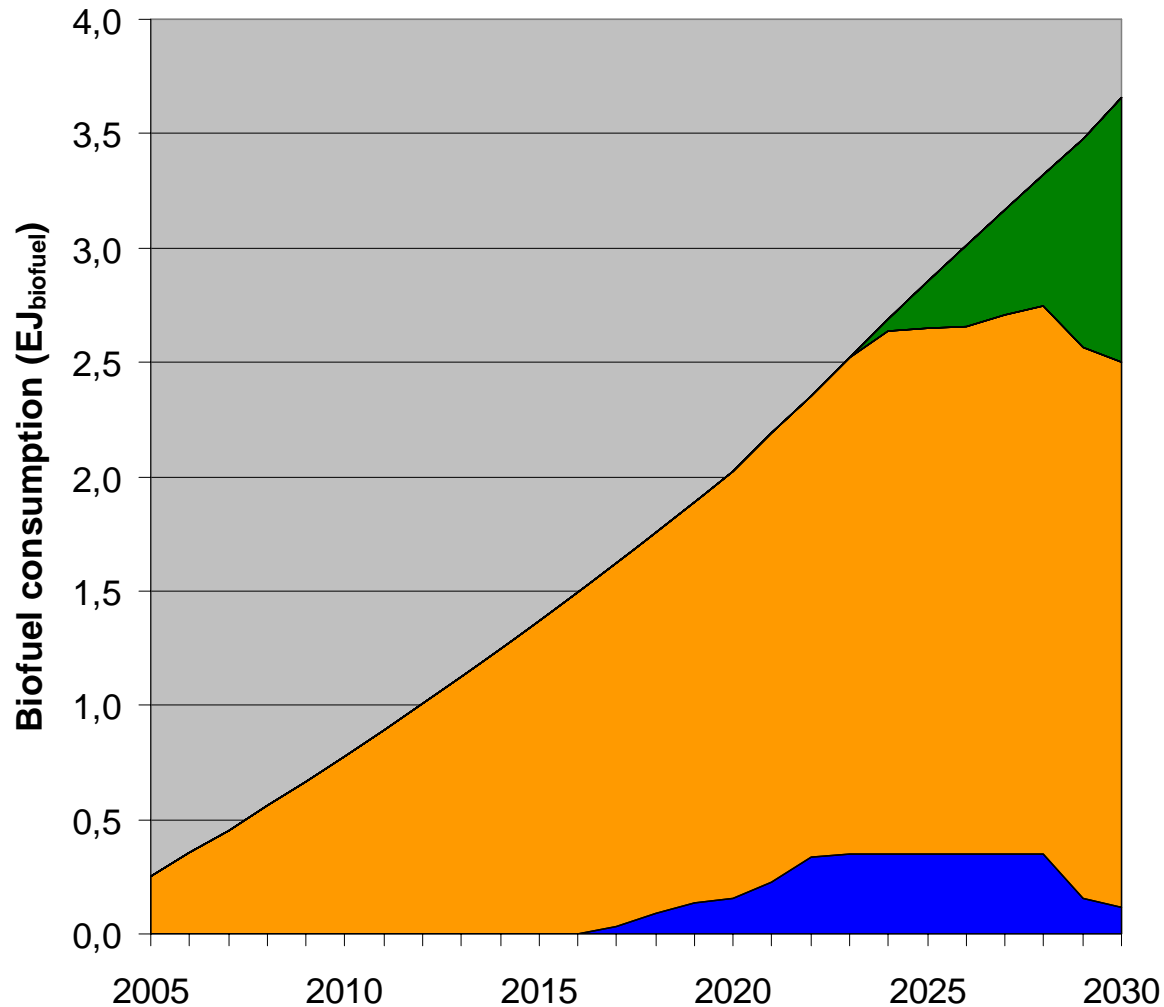
- Least-cost biofuels mix over full chain:
Production, transport, conversion, distribution, end-use (*Biotrans* model)
- 1st and 2nd generation biofuels
- Crops, residues etc.
- Within-EU trade, imports
- Key issue: Learning -
 - In feedstock production
 - In conversion

2005 biofuel costs built-up in Biotrans

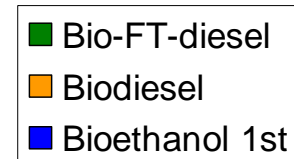
2005



Preliminary results: Biofuel consumption



25% target (2030)
imports allowed



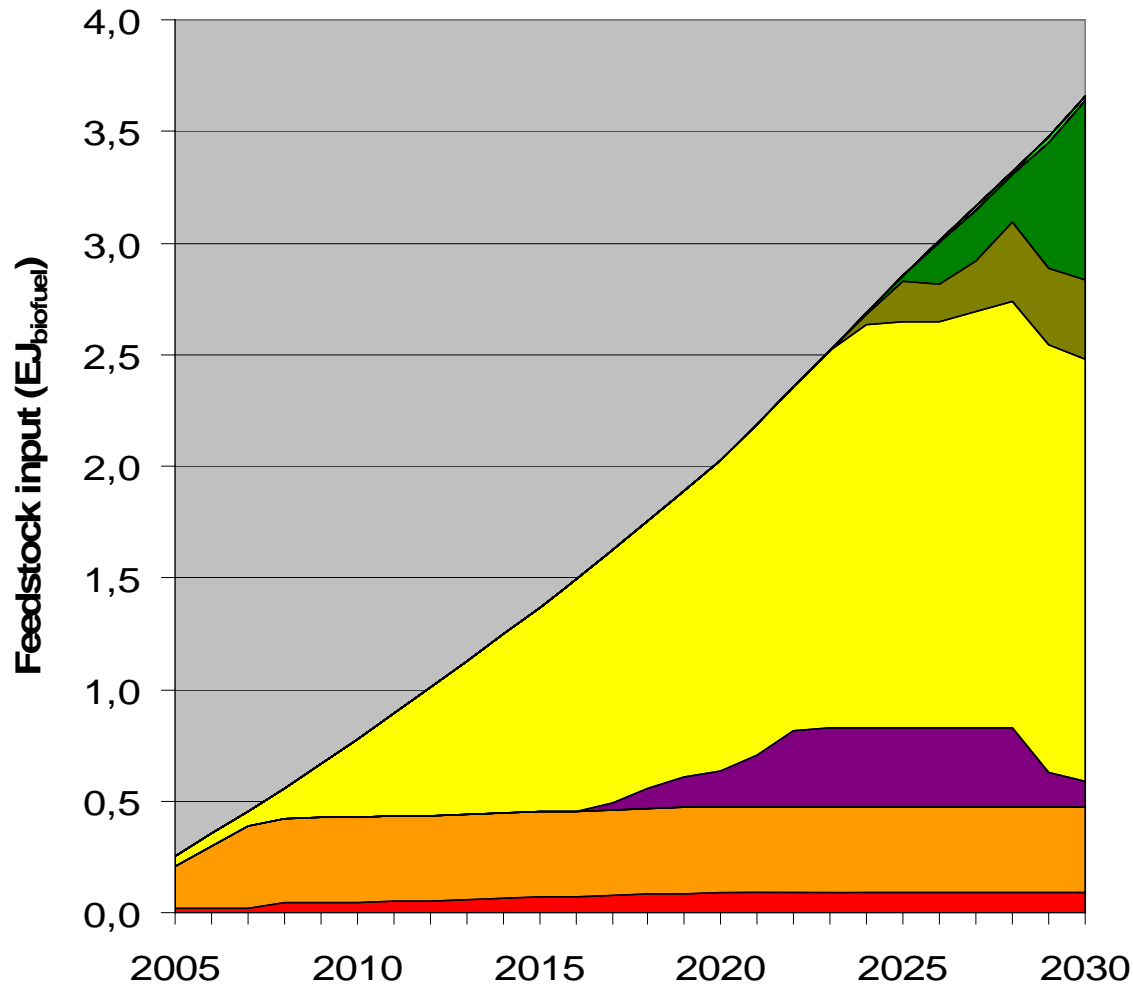
Diesel substitutes
dominate

Late intro of 2nd gen.

Brazilian Ethanol

Avg GHG: 25 kg/GJ

Preliminary results: Feedstock base



25% target (2030)
imports allowed

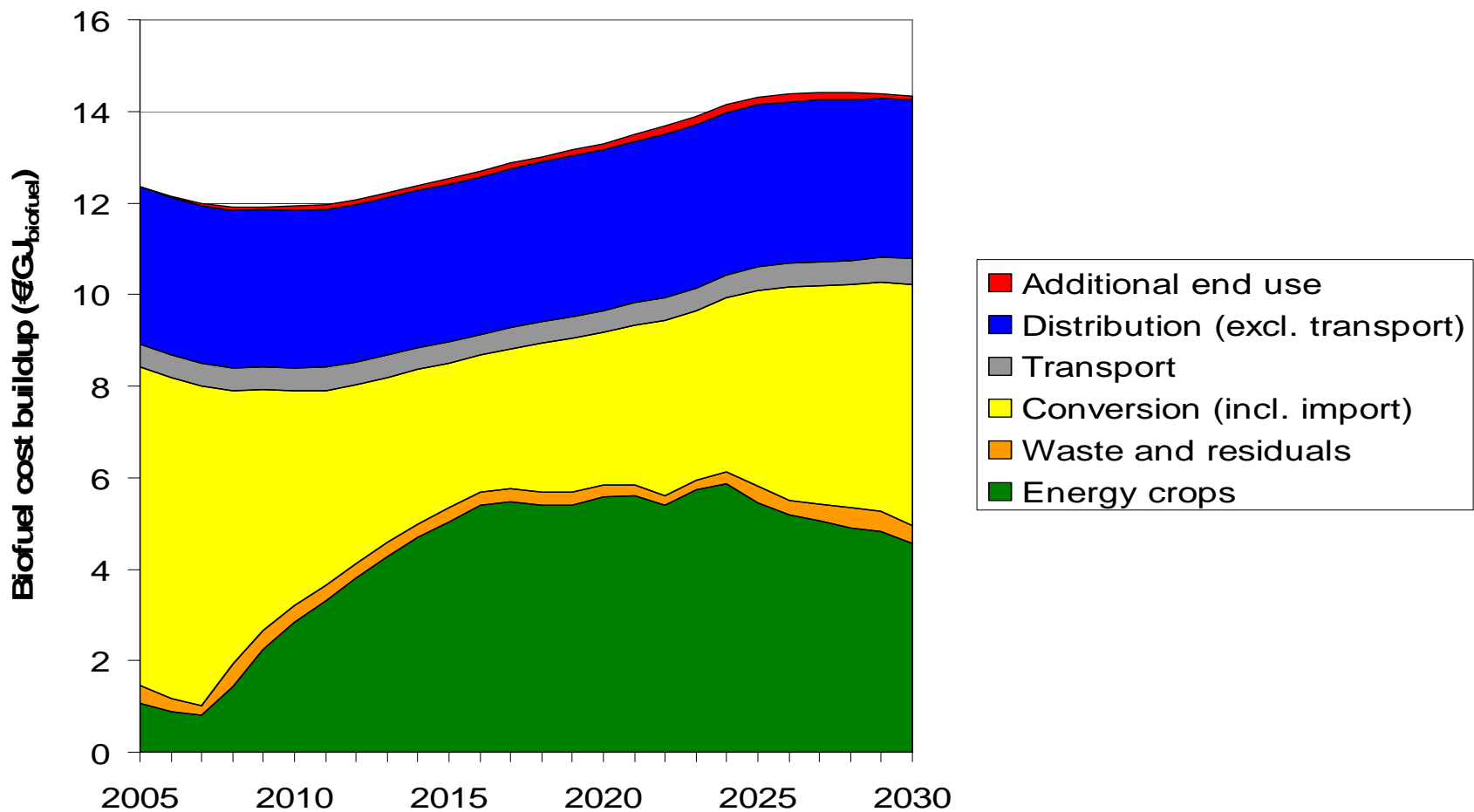
- Grassy crops
- Woody crops
- Wood processing residues
- Oil crops
- Brazilian import ethanol
- Palm oil import
- Used fats/oils

Diesel substitutes
dominate

Late intro of 2nd gen.

Brazilian Ethanol

Aggregated cost build-up



Other scenarios and policy options:

No imports:

- Earlier introduction of 2nd generation (2013)
- Higher average fuel costs until 2025
- Better GHG profile: < 20 g/MJ biofuel

Lower biofuels ambitions (15% in 2030):

- No introduction of 2nd generation
- Lower average fuel costs
- Worse GHG profile: >30 g/MJ

Impact of 2nd generation biofuel obligation by 2020:

- Higher costs in 2015-2025, lower costs afterwards?
- Better GHG performance

Further work

Assessment of biofuel growth limitations

- Adoption rates to new crops
- Competition for ligno feedstock
 - RES-Electricity and Heat production
 - CHP is attractive
 - Assessment of potential and effects in Peep model

Implications of other policies

- Specific targets for diesel and gasoline substitutes?
- Active AGRI policy?
- (internal and external) trade policy?

5. Barriers identified

Basic fact that:

- the process is politically and not market driven

Four key barriers identified by stakeholders:

1. No clear strategy on how to achieve the biofuel targets
2. There is no common market for biofuels
3. There is no common technical standards
4. Limited resources of land

We address issues related

6. Conclusions

- Rapid development of biofuels in EU: need for robust long-term strategy
- Significant land potential available (Central and East)
- Least-cost: 1st generation may dominate long
- Policy driven
- For development of best GHG-performing biofuels:
 - Specific incentives needed
 - Adequate incentives and policies will be crucial

Thank you

Further information and updates:

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info@refuel.eu

hdu@cowi.dk

londo@ecn.nl

UpWind



A Wind Research Project under the 6th Framework Programme

**Program Manager
Peter Hjuler Jensen
RISØ National Laboratory
Technical University of Denmark**



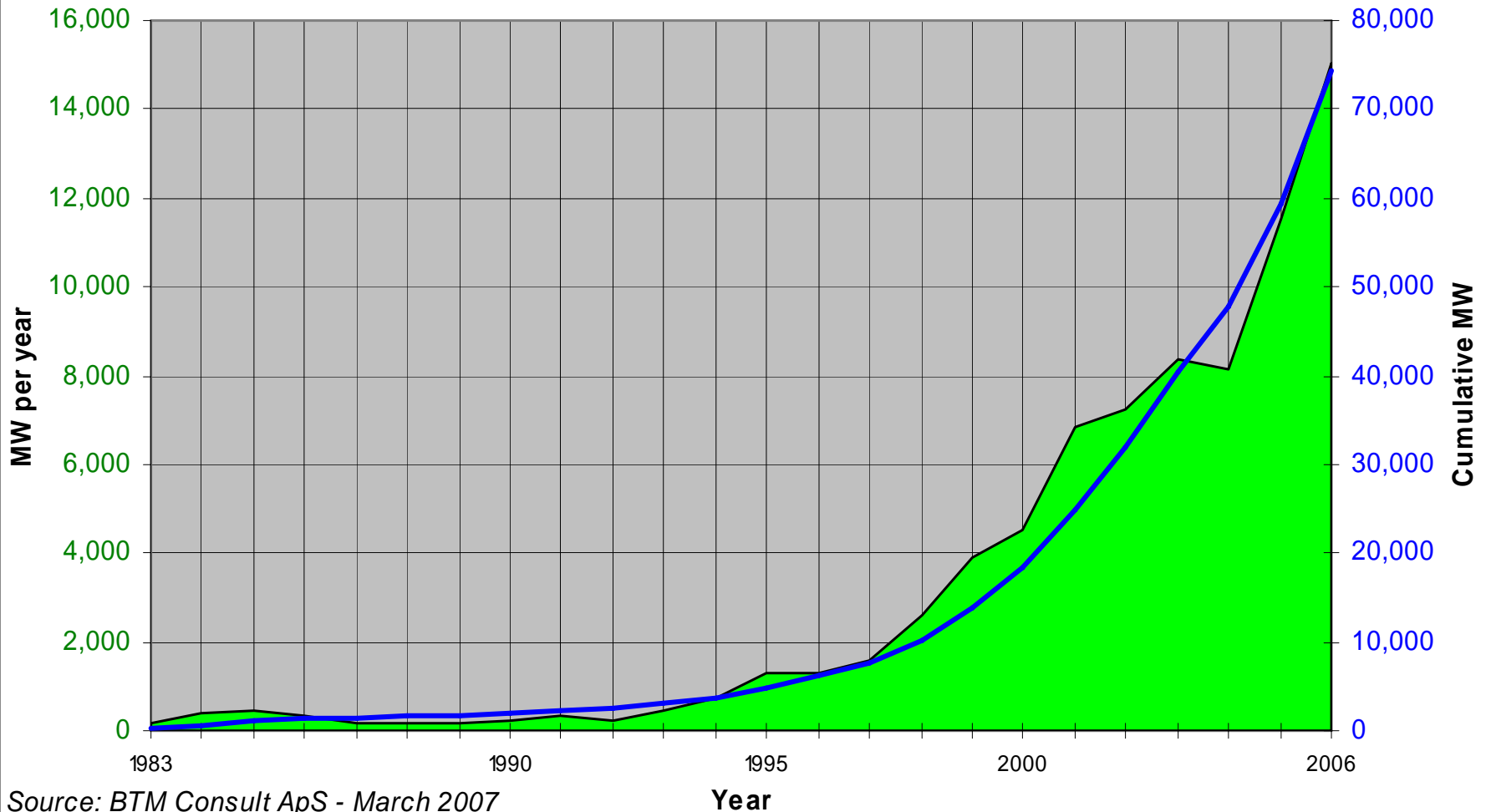
Outline

1. Background
2. Global development of Wind Energy
3. Presentation of UpWind
4. UpWind - First year results
5. Questions and discussion



Installed Wind Power in the World

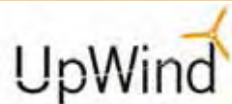
- Annual and Cumulative -



Source: BTM Consult ApS - March 2007

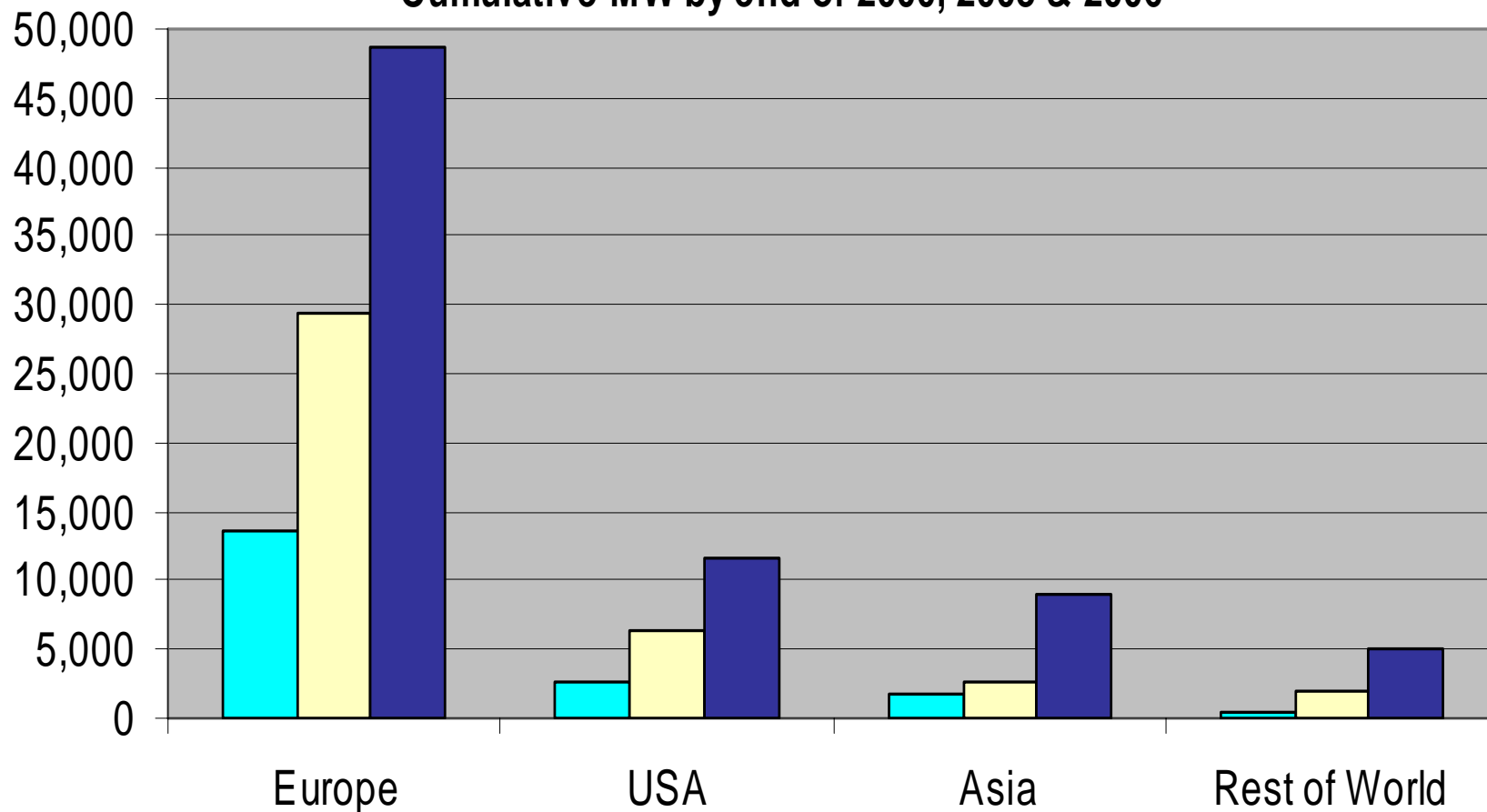


SIXTH FRAMEWORK PROGRAMME



Global Wind Power Status

Cumulative MW by end of 2000, 2003 & 2006




Source: BTM Consult ApS - March 2007

■ 2000 (18,449 MW) ■ 2003 (40,301 MW) ■ 2006 (74,306 MW)




Installed capacity in 2005 and 2006 (Americas)

	Installed MW 2005	Accu. MW 2005	Installed MW 2006	Accu. MW 2006
Argentina	1	31	0.0	31
Brazil	0	31	199.6	231
Canada	239	683	776	1,459
Costa Rica	0	79	0	79
Mexico	0	3	83	86
USA	2,431	9,181	2,454	11,635
Other Americas	0	54	2	56
Total Americas	2,671	10,062	3,515	13,577

Source: BTM Consult ApS - March 2007




Installed capacity in 2005 and 2006 (Asia)

	Installed MW 2005	Accu. MW 2005	Installed MW 2006	Accu. MW 2006
P.R. China	498	1,264	1,334	2,588
India	1,388	4,388	1,840	6,228
Taiwan	60	72	46	118
Rest of Asia: Indonesia, N. Korea, Malaysia, Philippines, Thailand, Vietnam, etc.	25	28	0.0	28
Total South & East Asia	1,971	5,753	3,220	8,963

Source: BTM Consult ApS - March 2007


Installed capacity in 2005 and 2006 (Europe)

	Installed MW 2005	Accu. MW 2005	Installed MW 2006	Accu. MW 2006
Austria	218	820	146	966
Belgium	71	177	45	222
Denmark	22	3,087	14	3,101
Finland	6	85	4	89
France	389	775	810	1,585
Germany	1,808	18,445	2,233	20,652
Greece	118	705	157	862
Ireland (Rep.)	159	498	250	748
Italy	452	1,713	417	2,118
Luxembourg	0	12	0	12
Netherlands	154	1,221	351	1,557
Norway	117	275	53	328
Poland	10	65	105	170
Portugal	502	1,087	629	1,716
Spain	1,764	10,027	1,587	11,614
Sweden	76	554	62	571
Switzerland	3	11	0	11
Turkey	0	20	56	76
UK	447	1,336	631	1,967
Rest of Europe: Other East European and Baltic countries.	57	132.1	130.6	262.7
Total Europe	6,372	41,044	7,682	48,627

Source: BTM Consult ApS - March 2007




Installed capacity in 2005 and 2006 (Rest of World)

	Installed MW 2005	Accu. MW 2005	Installed MW 2006	Accu. MW 2006
Australia	296	717	79	796
Japan	168	1,159	298	1,457
New Zealand	0	167	3	170
Pacific Islands	0	5	6	11
South Korea	20	89	106	194
Total OECD-Pacific	484	2,137	491	2,628
Egypt	34	180	51	231
Morocco	10	64	58	122
Tunisia	0	28	0	28
Rest of Africa: Algeria, Cape Verde, Ethiopia, Libya, South Africa, etc.	0	6	0	6
Total Africa	44	278	109	386
Middle East: Jordan, Iran, Iraq, Israel, Saudi Arabia, Syria, etc. (excl. Egypt)	0	101	0	101
Transition Economies: incl. Russia, White Russia, Ukraine, Uzbekistan, Kazakstan, etc.	0	23.7	0.0	23.7
Total other continents and areas:	0	124.4	0.0	124.4

Source: BTM Consult ApS - March 2007



Installed offshore wind power in the World

	Installed MW 2005	Accu. MW 2005	Installed MW 2006	Accu. MW 2006
Country				
Denmark	0	397.9	0	397.9
Ireland	0	25	0	25
The Netherlands	0	18.8	108	126.8
Sweden	0	23.3	0	23.3
UK	90	214	90	304
Total capacity - World	90	679	198	877

Source: BTM Consult ApS - March 2007


The 10 largest markets in 2006 (Annual MW)

Country	2004	2005	2006	Share %	Cum. Share %
USA	389	2,431	2,454	16.3%	16%
Germany	2,054	1,808	2,233	14.9%	31%
India	875	1,388	1,840	12.3%	43%
Spain	2,064	1,764	1,587	10.6%	54%
P.R. China	198	498	1,334	8.9%	63%
France	138	389	810	5.4%	68%
Canada	123	239	776	5.2%	73%
UK	253	447	631	4.2%	78%
Portugal	274	502	629	4.2%	82%
Italy	357	452	417	2.8%	85%
Total	6,725	9,918	12,711		
Percent of World	82.5%	85.9%	84.7%		

Source: BTM Consult ApS - March 2007



Growth rates in the Top-10 markets

	Accu. end 2003	Accu. end 2004	Accu. end 2005	Accu. end 2006	Growth rate 2005-2006 %	3 years average %
Country						
Germany	14,612	16,649	18,445	20,652	12.0%	12.2%
USA	6,361	6,750	9,181	11,635	26.7%	22.3%
Spain	6,420	8,263	10,027	11,614	15.8%	21.8%
India	2,125	3,000	4,388	6,228	41.9%	43.1%
Denmark	3,076	3,083	3,087	3,101	0.5%	0.3%
P.R. China	571	769	1,264	2,588	104.7%	65.5%
Italy	922	1,261	1,713	2,118	23.6%	31.9%
UK	759	889	1,336	1,967	47.2%	37.3%
Portugal	311	585	1,087	1,716	57.9%	76.8%
France	274	386	775	1,585	104.6%	79.4%
Total "Ten"	35,431	41,634	51,303	63,203	23.2%	21.3%

Source: BTM Consult ApS - March 2007



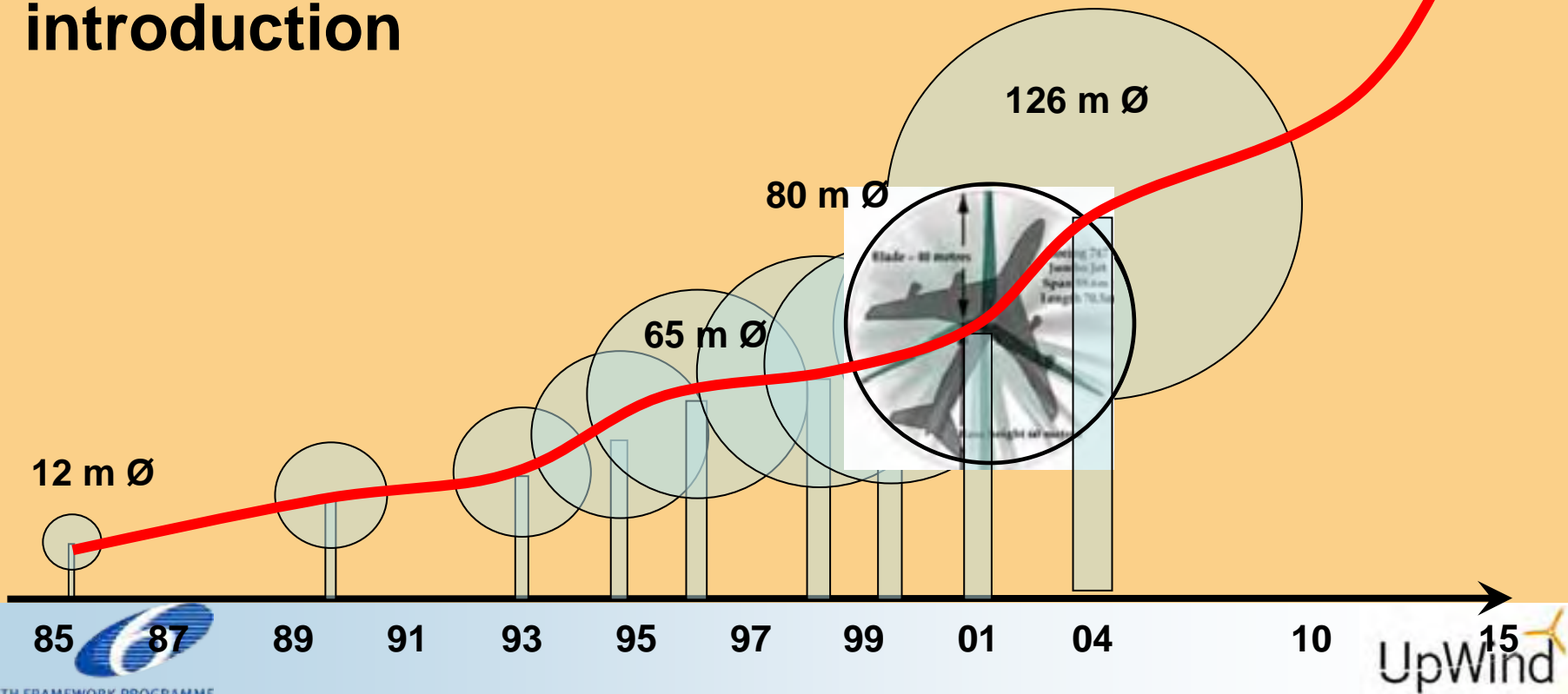
The 10 largest markets by end of 2006 (cumulative MW)

Country	2004	2005	2006	Share %	Cum. Share %
Germany	16,649	18,445	20,652	27.8%	28%
USA	6,750	9,181	11,635	15.7%	43%
Spain	8,263	10,027	11,614	15.6%	59%
India	3,000	4,388	6,228	8.4%	67%
Denmark	3,083	3,087	3,101	4.2%	72%
P.R. China	769	1,264	2,588	3.5%	75%
Italy	1,261	1,713	2,118	2.9%	78%
UK	889	1,336	1,967	2.6%	81%
Portugal	585	1,087	1,716	2.3%	83%
France	386	775	1,585	2.1%	85%
Total	41,634	51,303	63,203		
Percent of World	86.9%	86.4%	85.1%		

Source: BTM Consult ApS - March 2007

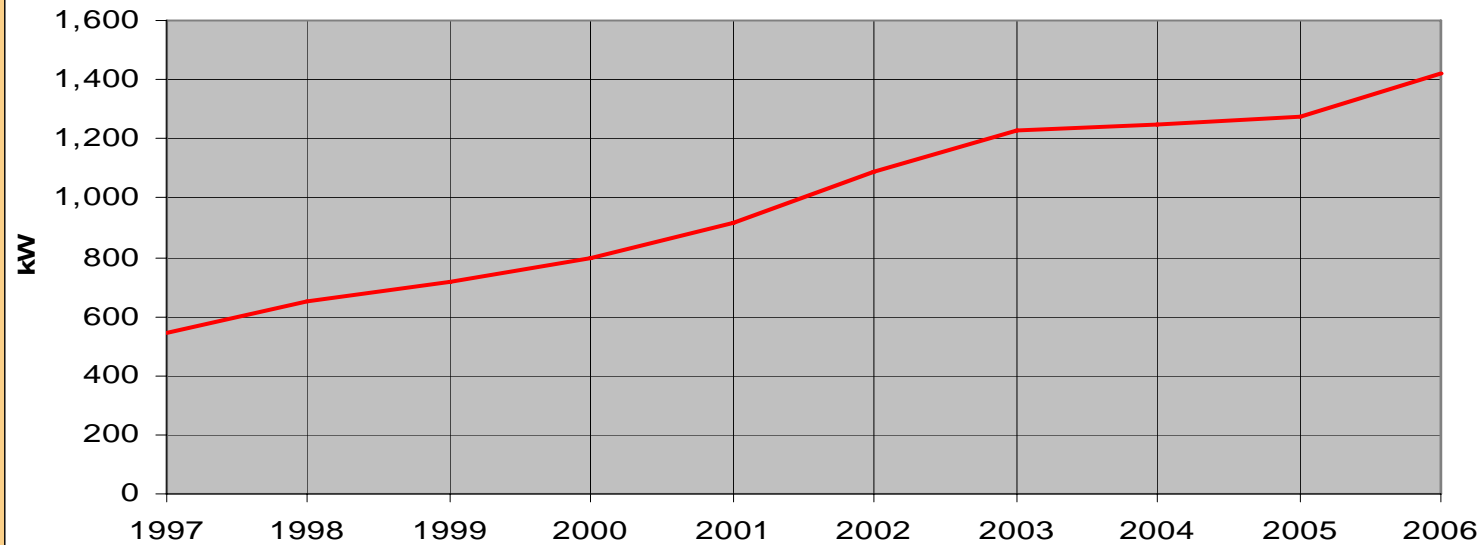


Size of commercial wind turbines at first market introduction



Global Average Annual WTG in kW

Source: BTM Consult ApS - March 2007



Year	China	Denmark	Germany	India	Spain	Sweden	UK	USA
2002	709	1,443	1,397	553	845	1,112	843	893
2003	726	1,988	1,650	729	872	876	1,773	1,374
2004	771	2,225	1,715	767	1,123	1,336	1,695	1,309
2005	897	1,381	1,634	780	1,105	1,126	2,172	1,466
2006	931	1,875	1,848	926	1,469	1,138	1,953	1,667

Source: BTM Consult ApS - March 2007



Segmentation of product sizes in 2004-2006

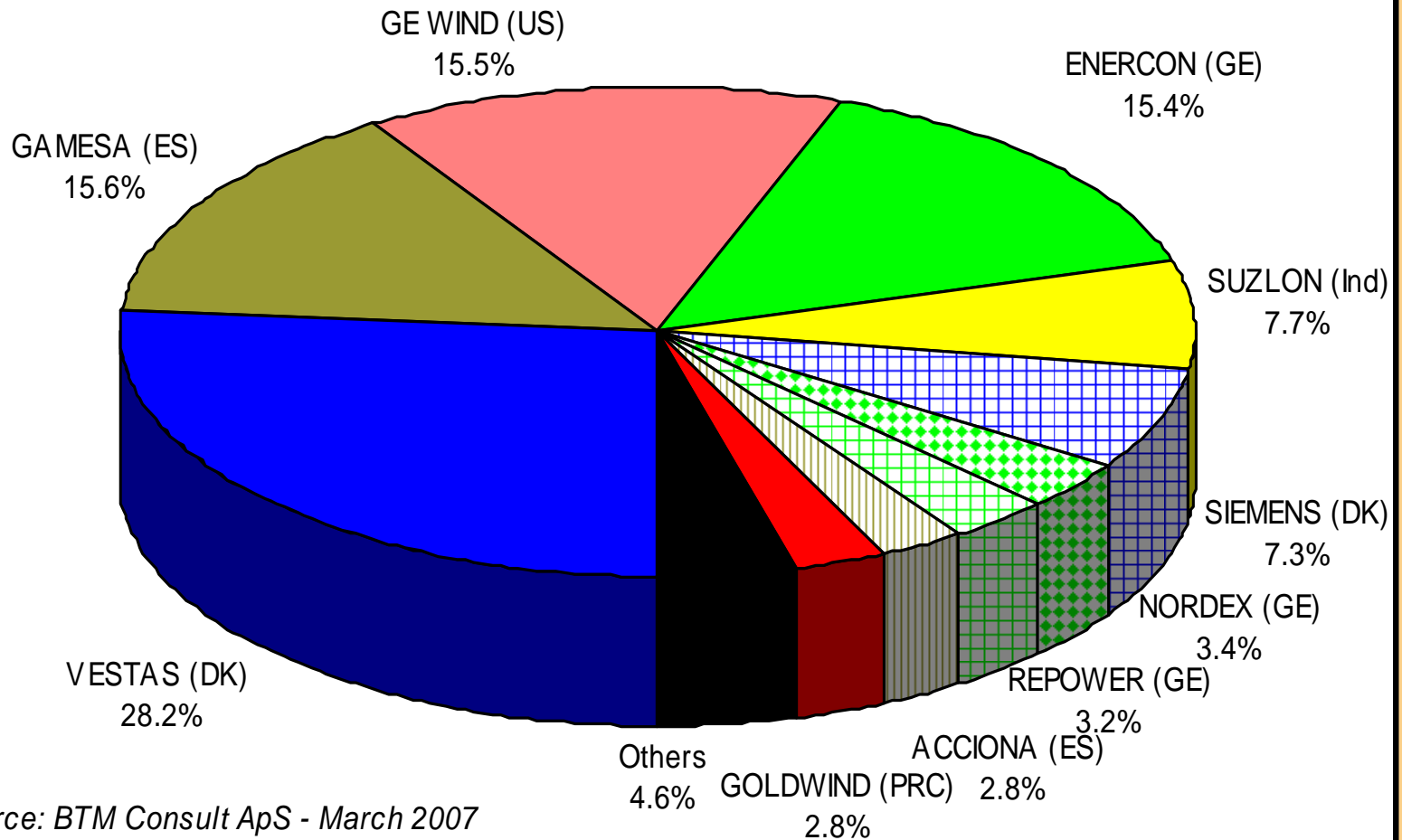
Year	2004	2005	2006
Total MW supplied	8,508	11,338	16,007
Product (Size range)	% of total MW		
"Small WTGs" <750 kW	5.4%	3.6%	2.4%
"One-MW " 750-1500 kW	50.9%	48.2%	43.3%
"Mainstream" 1501-2500 kW	42.8%	45.8%	49.9%
"Multi-MW Class" >2500 kW	0.9%	2.4%	4.3%
Total	100.0%	100.0%	100.0%

Source: BTM Consult ApS - March 2007



Top-10 Suppliers in 2006

% of the total market 15,016 MW



Source: BTM Consult ApS - March 2007



UpWind Background

- ✧ ***UpWind: FP6 Integrated project***
- ✧ UpWind got Wind Energy back in the EU 6 Framework Energy Research program
- ✧ ***Result of AOT.'s EWEA Thematic Network(EU-project):***
 1. EWEA Research Strategy
 2. UpWind
 3. EWEA Strategic Research Agenda
 4. Technology Platform
- ✧ **Behind UpWind application were EAWE, EWEA and the partners (December 08 2004)**
- ✧ **Last minute saving of Wind Research Network in EU**
- ✧ **UpWind the glue/network and Lighthouse for EU R&D**



The UpWind Project

UpWind subtitle: Integrated Wind Turbine Design

- ✧ Start date: 1 March 2006
- ✧ Duration: 60 months
- ✧ Costs: 22,340,000 EUR
- ✧ EC funding: 14,288,000 EUR
- ✧ Coordinator Risø National Laboratory, Denmark's Technical University



Participants from Start

39 participants

- 11 EU countries
- 10 research institutes
- 11 universities
- 7 turbine & component manufacturers
- 6 consultants & suppliers
- 2 wind farm developers
- 2 standardization bureaus
- 1 branch organisation



Partner's first year

- ✧ **39 partners in UpWind Consortium from start**
- ✧ Cener added (+1)
- ✧ Risø and DTU merged to DTU and RisøDTU (-1)
- ✧ Elsam sold to Dong Energy and Wattenfall (+1)
- ✧ INCO call added 3 new partners (+3):
 - ISM: Institute for Superhard Materials of the Nat. Academy of Science, Ukraine
 - IITB: Department of Civil Engineering of the Indian Inst. of Technology Bombay
 - CUMTB: China University of Mining and Technology Beijing
- ✧ **43 partners in UpWind Consortium May 2007**
- ✧ **Other potential partners: NREL USA**



Objective - 1

Develop and verify substantially improved design models and verification methods for wind turbine components, industry needs for future design and manufacture of:

- 1 Very Large Wind Turbines**
- 2 More Cost Efficient Wind Turbines**
- 3 Offshore wind farms of several hundred MW**



Objective - 2

- ✧ Consortium **integrates the disciplines and sectors needed** for the entire development chain of wind turbine technology
- ✧ 8 Scientific Work Packages – work programme
- ✧ 7 Integration Work Packages – work programme

Upscaling

- ✧ Today: WT up to $P = 5$ MW and $D = 120$ m
- ✧ Future: WT upscaling: $P = 10$ MW and $P = 20$ MW
- ✧ Develop methods to overcome showstoppers/optimize



Organisation

Classic and integrated research approach *Advanced Flexibel Modern Organisation*



Work Programme and Selected Results From first UpWind Year



WP 1A1 *Integrated design and standards*

- ✧ **Develop a reference wt** and reference site conditions for communication, integration and benchmarking of outcomes of the horizontal work packages;
- ✧ Development and definition of an **integral design method** to be applied in the real design of wind turbines; and
- ✧ Development **(pre)standards** for the formal international standardization effort.



WP 1A2 Metrology

- ↪ First year to create a list of **measured parameters** through communication with other work packages
- ↪ First **draft of list of parameters**
- ↪ The list has led to lively discussions between WPs
- ↪ The final list is being reported
- ↪ Next step reduce list and to
- ↪ Develop method's to reduce uncertainty



WP 1A3 and WP 1B1

✧ **Work Package 1A3 Education and Training**

1. *Survey of existing infrastructures related to education and training*
2. *Next step make a database for education and training*

✧ **Work Package 1B1 Innovative rotorblades**

1. Survey over **existing blade assembling methods**
2. **Next step: select a assembling method and design a blade in two segments**



Results from First Year 1B2 Transmission and conversion

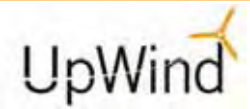
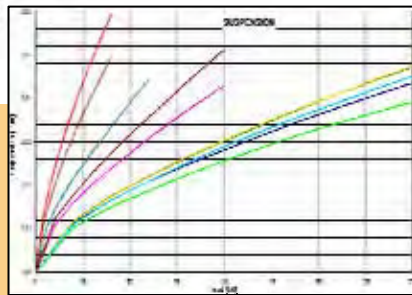
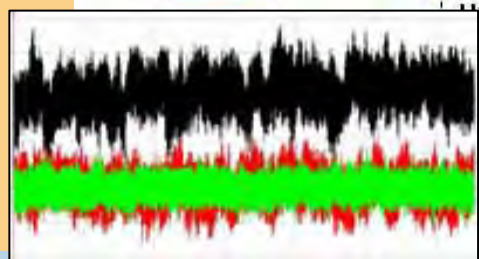
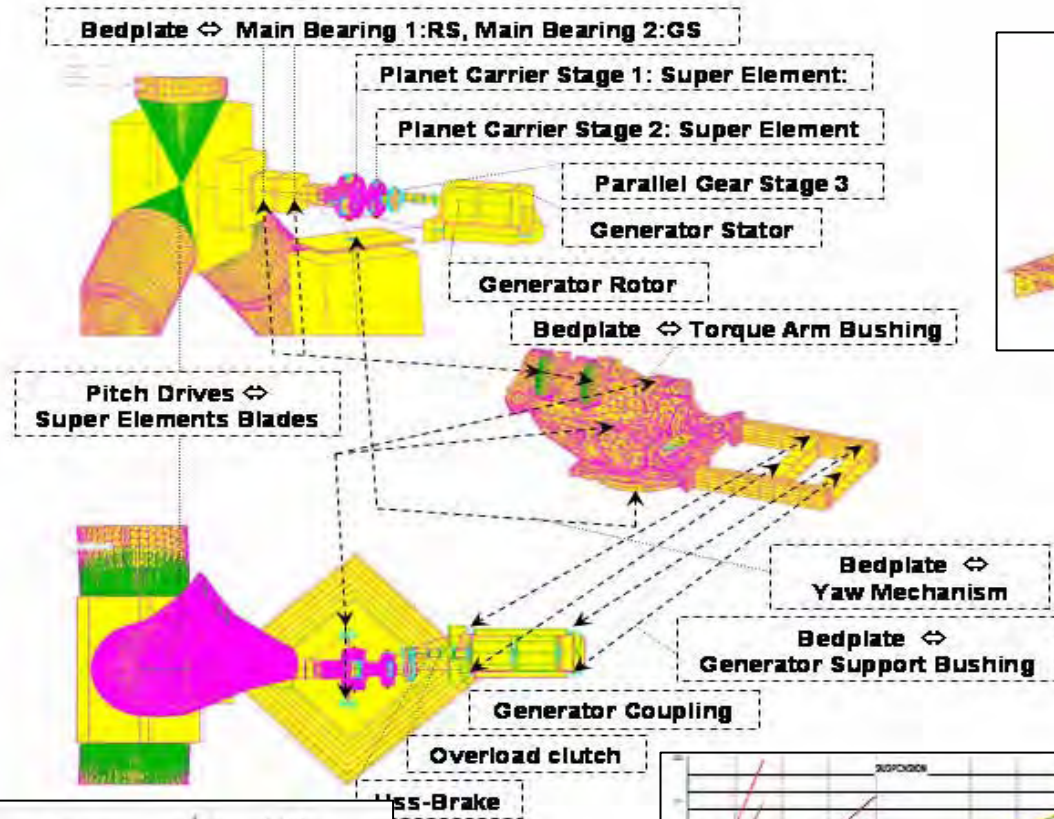
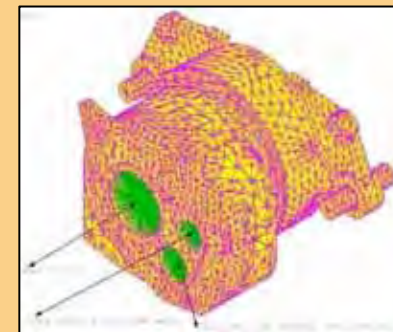
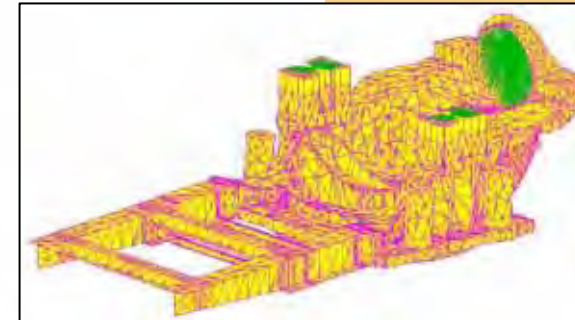
↪ WP 1B2.a – “**Mechanical Transmission**”

↪ WP 1B2.b – “**Generators**”

↪ WP 1B2.c – “**Power Electronics**”

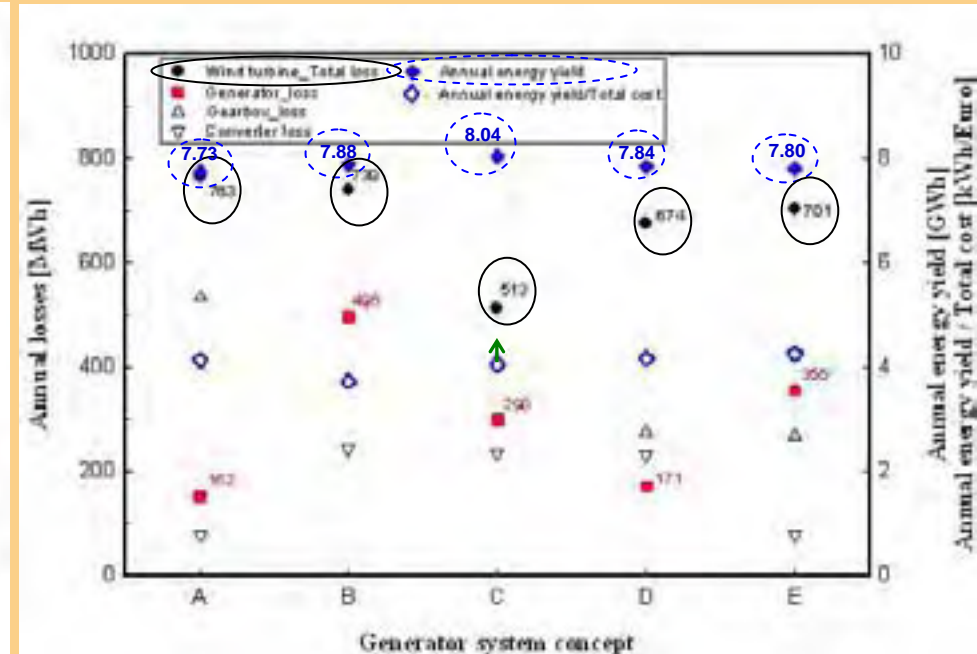
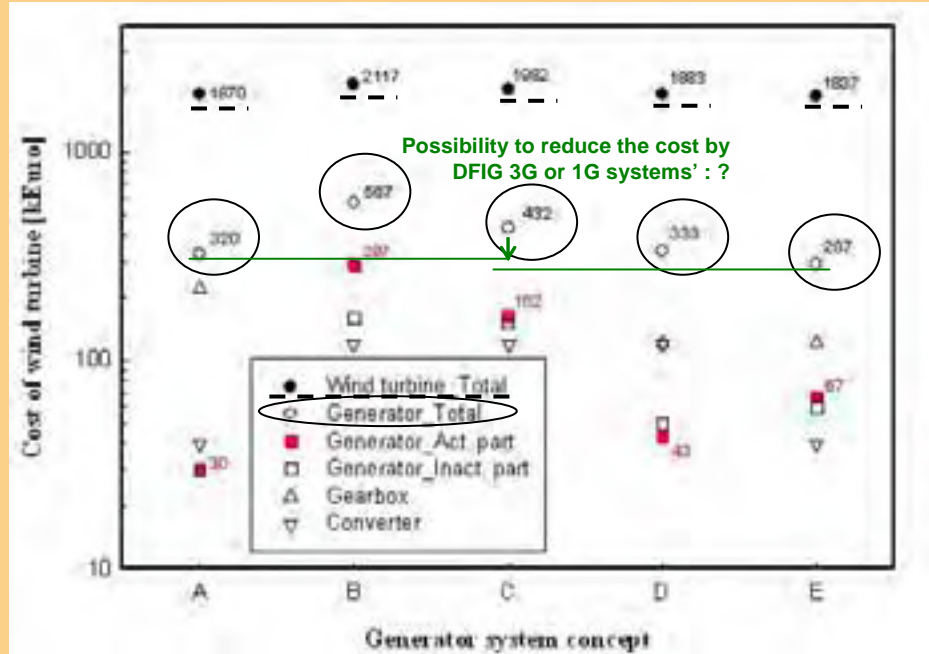


Mechanical Transmission Modeling example



Comparison of different generator systems

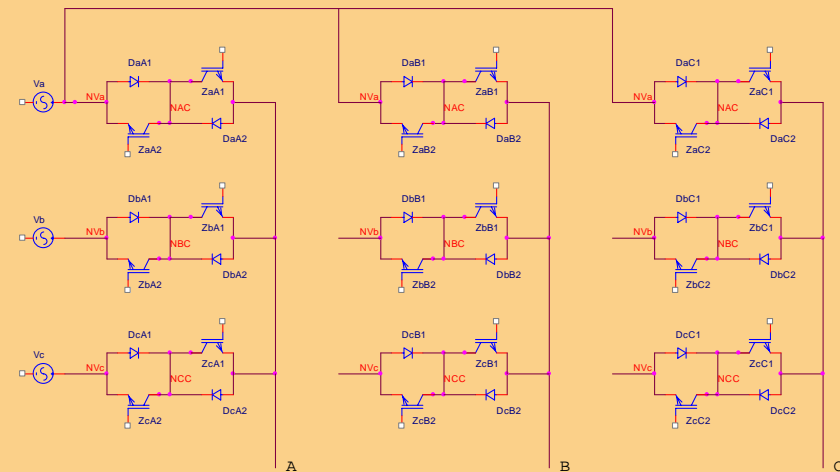
- 3MW wind turbine with the direct-drive and geared-drive -



Task 1B.2.c_1: Benchmark and concept reports on devices and converters.

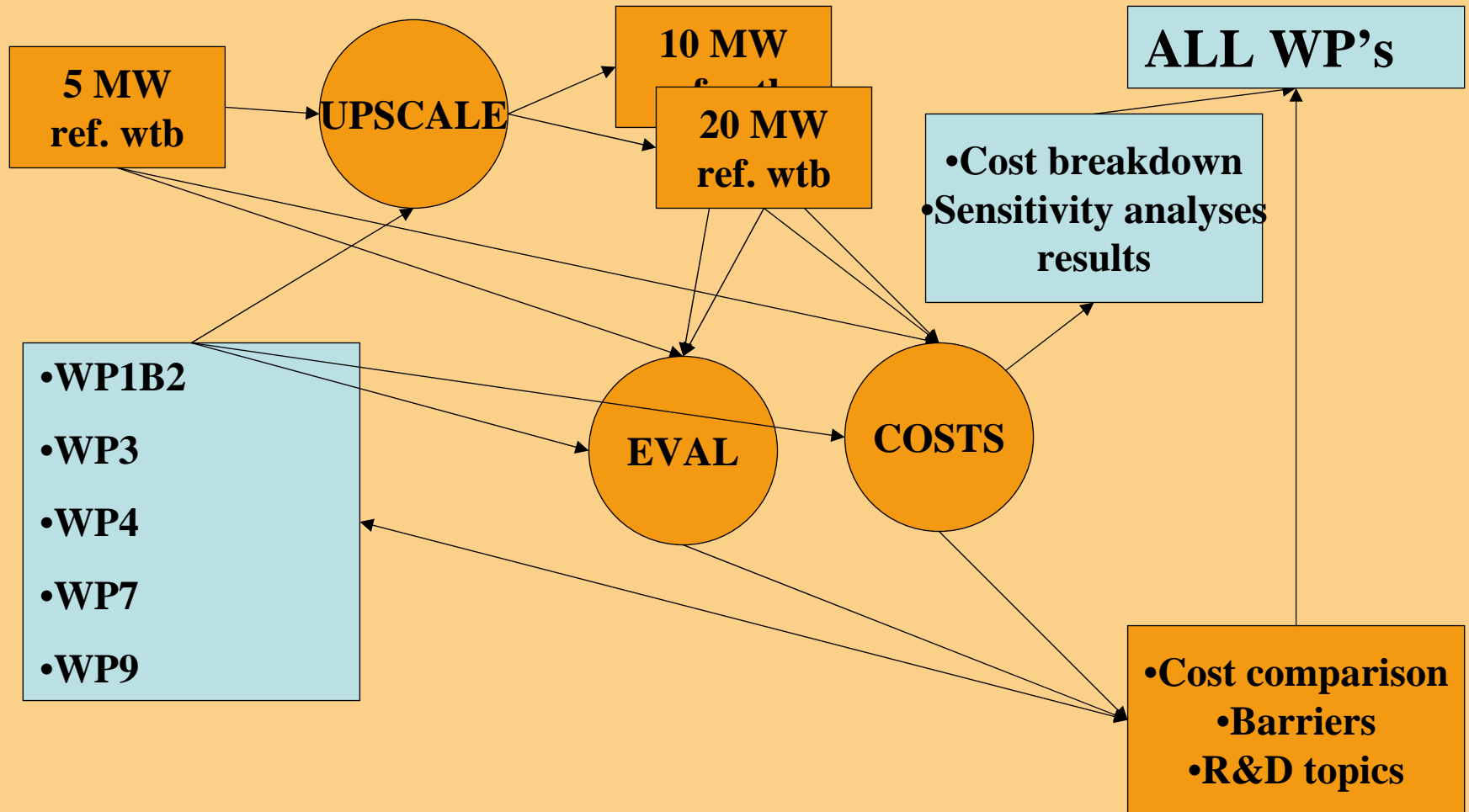
Analysis of Matrix Converters

- “all silicon” AC/AC converter
- without DC-link
- formed by $n \times m$ bidirectional switches
- any of the outputs can be connected to any input phase.
- bidirectional topology, it can operate in four quadrants



Structure of a three-phase matrix converter

WP1B4 Up-scaling



WP2 Aero-dynamics and Aero-elastics

OBJECTIVES

1. Development of **nonlinear structural dynamic** models (modeling on the micromechanical scale is input from WP3).
2. **Advanced aerodynamic models** covering full 3D CFD rotor models, free wake models and improved BEM type models. (The wake description is a prerequisite for the wake modeling in WP8).
3. Models for **aerodynamic control features and devices**. (This represents the theoretical background for the smart rotor blades development in WP 1.B.3)
4. Models for analysis of **aeroelastic stability** and total **damping** including **hydroelastic interaction**
5. Development of models for computation of **aerodynamic noise**.



Deliverables to other work packages (60 months)

Upscaling:

- Aeroelastic modelling of scaled-up WT

Smart rotor blades:

- Modelling of camber line deformation
- Vortex generators

Flow:

- CFD models of terrain
- Wake models

Innoblade:

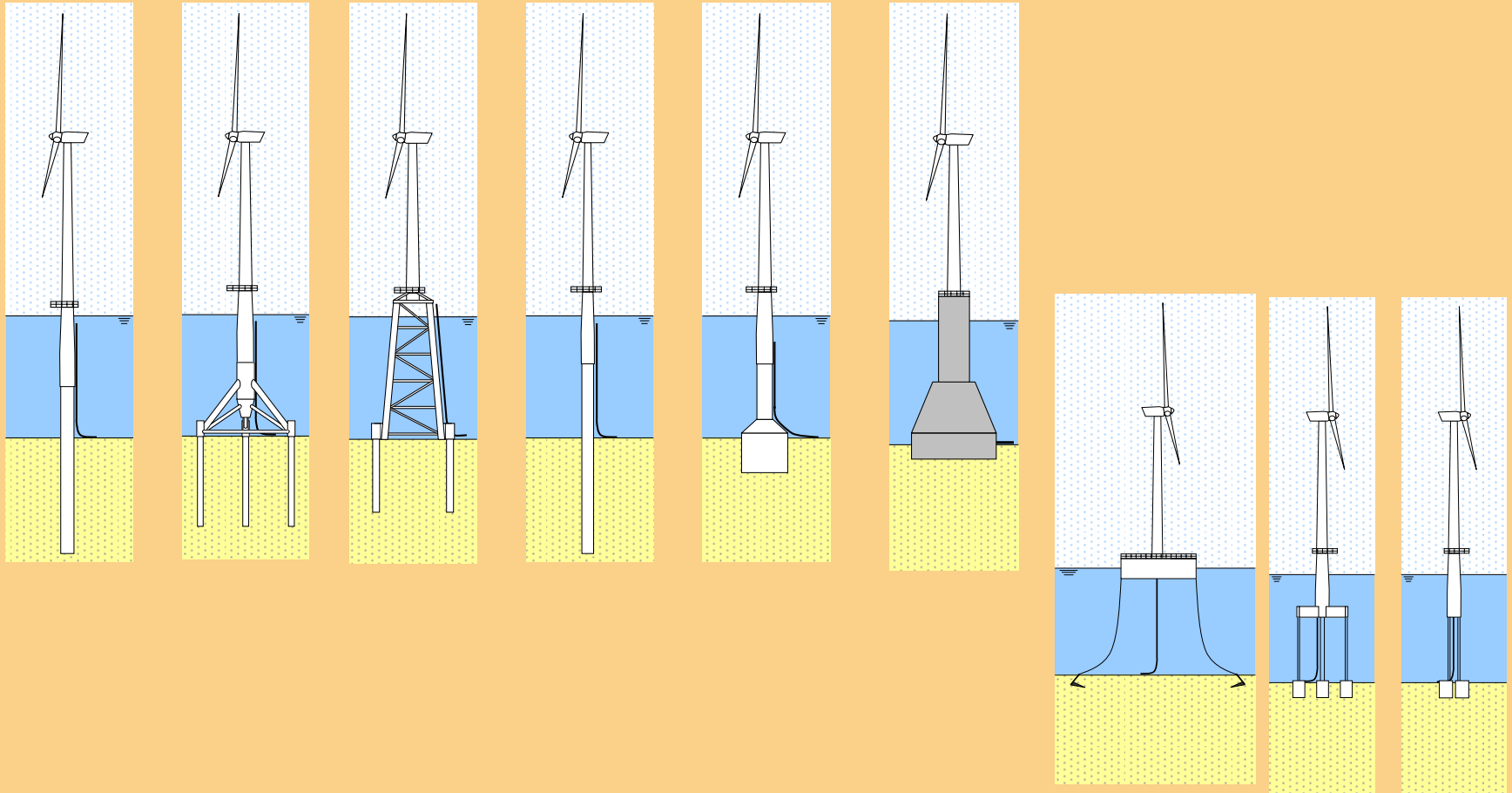
- CFD computations
- Flutter calculations
- Aeroacoustics

Foundations:

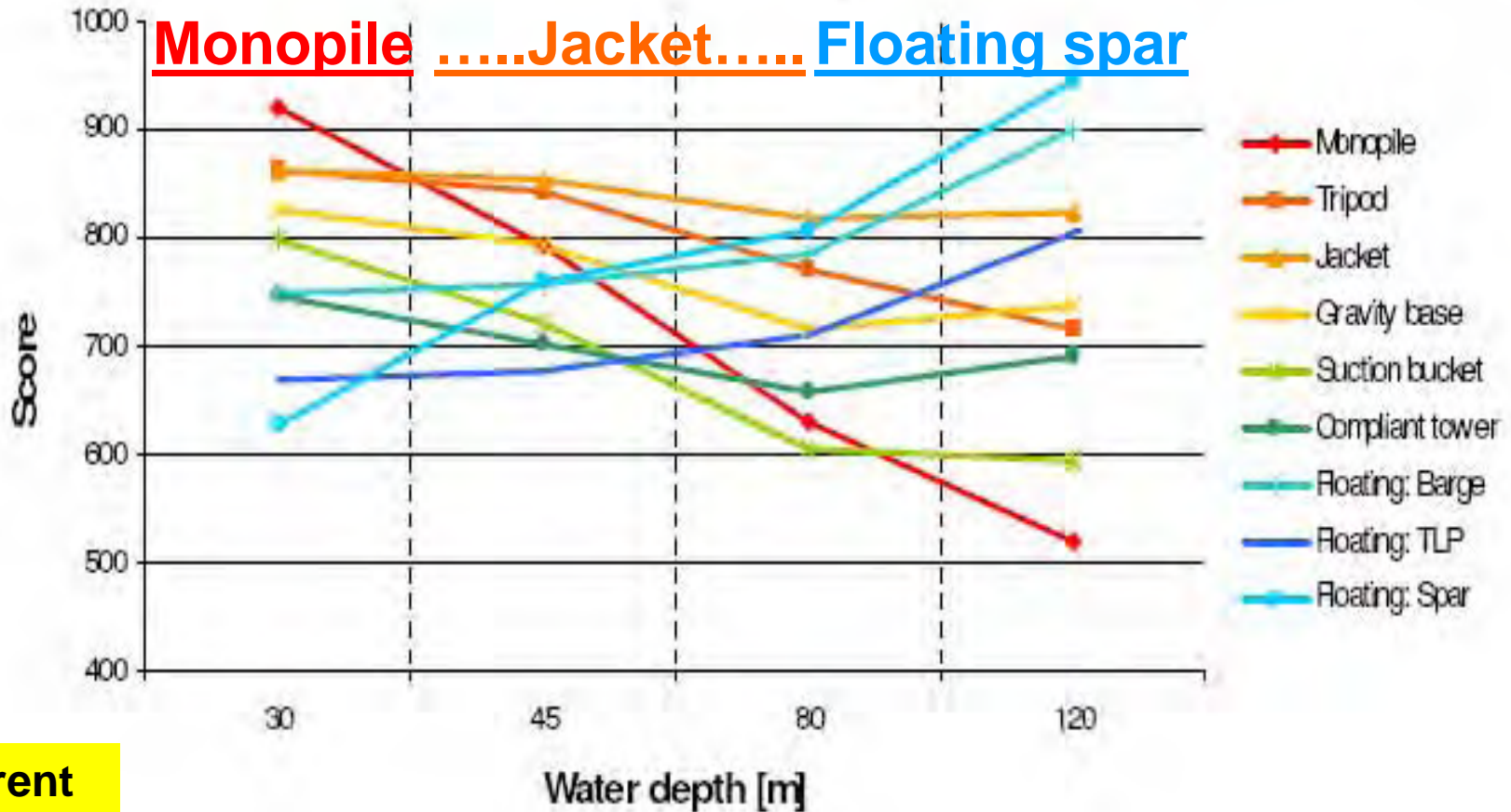
- Hydroelastic models



WP 4 Offshore support structures: fixed & floating



Support structure evaluation: Average results



**Current designs (< 20 m):
Monopile,
(GBS)**

**Current design:
1st Jacket**

Results from First Year

WP 5: Control

- **Controller design and évaluation**
 1. Algorithm development and evaluation
 2. Hardware testing and optimisation

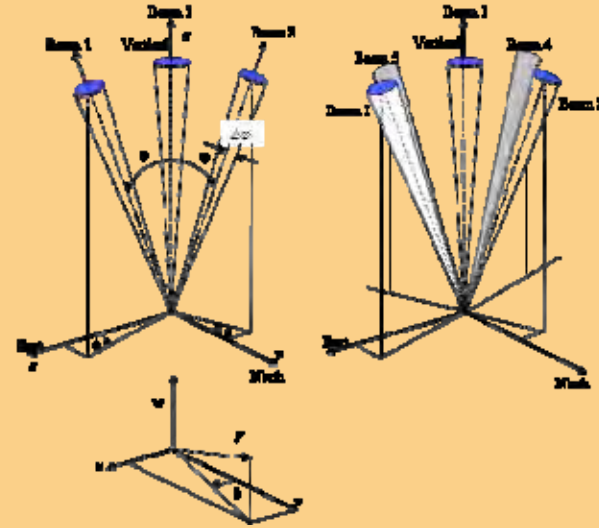
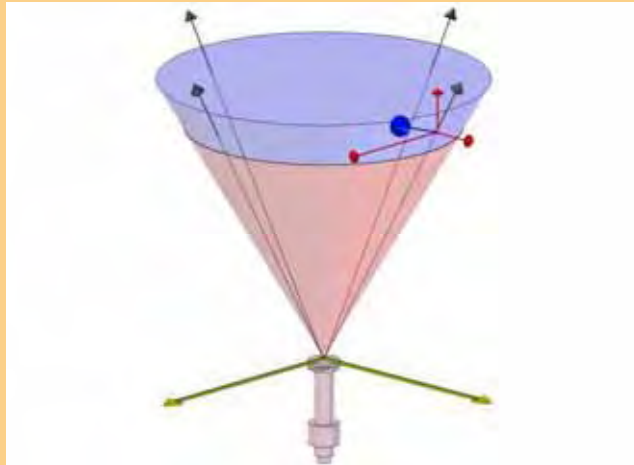
- **Field testing and evaluation**

- **Grid and farm integration**
 1. Wind Farm optimization
 2. Electrical interaction in the network

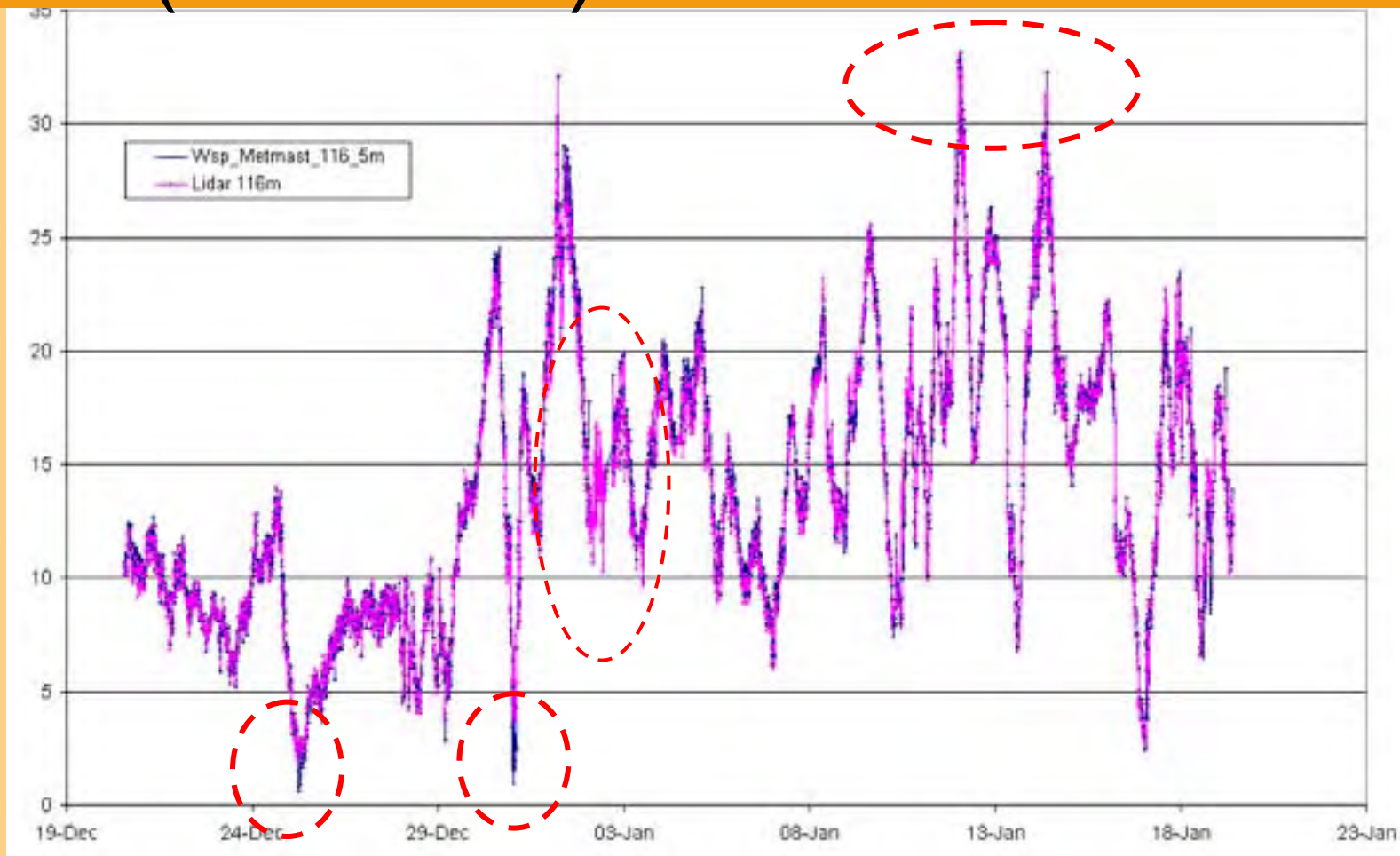
- **Interaction with other work packages**



WP6. Remote sensing EWEC Posters



Lidar and cup at 116m vs time, all data (unfiltered)



WP 8 Flow

- Data collection from Wind Farms - Wakes
- Comparison with existing flow models
- Participate in international standardization (IEC)



WP 9 Grid

- Emphasis on grid reliability and design conditions for WT coming from grid conditions
- Participate in international standardization (IEC)



Conclusions

- UpWind successfully started up – huge project
- Results from all Work Packages
- Integration activities are very effective

- Industry - and the Scientific communities do work very efficiently together
- European Wind Energy Research Community now well organized in UpWind
- EU Technology Platform starting up



Questions?





Wind Power Costs in Portugal

**Carla Saleiro
Madalena Araújo
Paula Ferreira**

Introduction

Portug. Electr Power System

Costs Analysis

Discussion of the Results

Conclusions

Introduction

- Under the Kyoto Protocol, Portugal, as an EU member state should limit the increase of their GHG emissions to 27% from 1990 levels by 2008 - 2012;
- In 1990 the energy sector contributed with 67% of the total GHG emissions and, in this sector, the activities related with the electricity and heat industry with 35%;
- Under the Directive on Renewable, Portugal must achieve a target of 39% of its electricity production from RES in terms of gross electricity consumption in 2010;

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Introduction

- The Portuguese Government reinforced the promotion of hydroelectric resources and the support to the development of renewable energy resources, such as wind, mini-hydro, biomass, photovoltaic and waves;
- Portugal is strongly dependent on external energy sources and the only national resources come from the renewable sources, specially the hydro sector;
- The large hydro is the most important source for electricity production, but it is dependent on the climatic conditions and has been facing serious environmental obstacles;
- With the marginal contributions of the remaining energy sources it is expected that the wind power sector will be very important for the objectives fulfilment.

Portuguese Electricity System

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Public Electricity System (PES)

Independent Electricity System (IES)

- Non-binding Electricity System (NES)
- Special Regime Producers (SRP) – cogeneration and renewable plants

Year	2005
------	------

Hydro Production	PES Central	4339
	NES Central	243
	Total	4582

Thermal Production	Coal	1776
	Fuel+Diesel	1673
	Fuel/Gas	236
	Natural Gas	2166
Total	5851	

Special Regime Production	Thermal	1159
	Hydro	333
	Wind	896
	Total	2388

Installed Power (PES/NES)	10433
Total Installed Power	12821

→ SPR reached 18,5% of the total installed power and represent almost 14% of the total electricity production.

Figure 1. Installed power, in Portugal (Source: REN).

Renewable Energy Source

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Table 1. National targets for the electricity production from RES.

<i>Renewable Source</i>	<i>2004 (MW)</i>	<i>2010 (MW)</i>
Wind	616	4 700
Small hydro (≤ 10 MW)	265	400
Large hydro (≥ 10 MW)	4 294	5 000
Biomass	456	330
Photovoltaic	2	150
Tide		50
Total	5633	10 630

In 2010, hydro will maintain a dominant position, but its share will be reduced largely due to the increase of the wind sector.

Wind Power Sector

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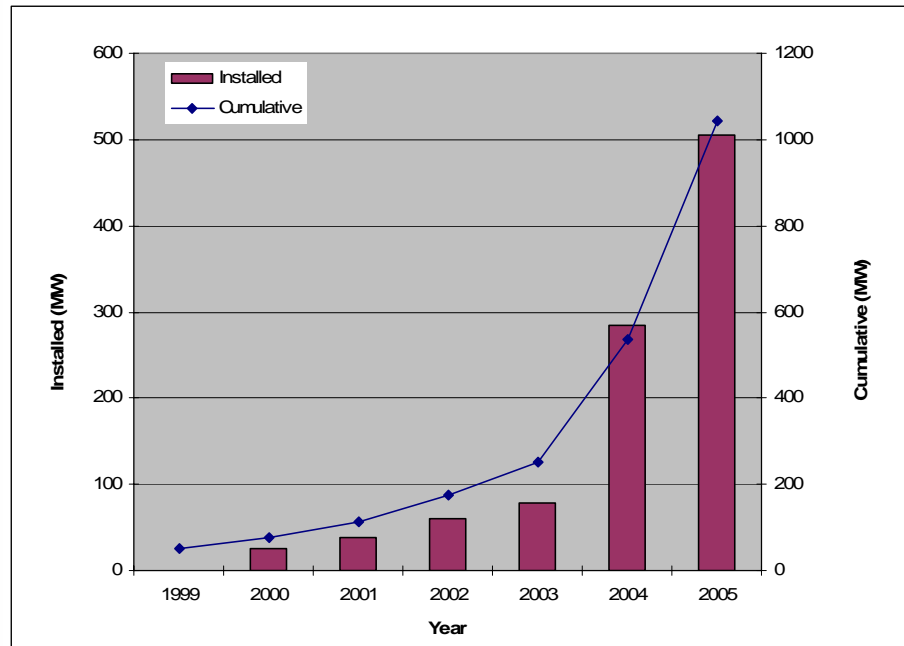


Figure 2. Installed and cumulative wind power, in Portugal (Source: DGGE, 2006).

The average annual rate (1999 – 2005) was 67%.

This source of energy represented:

- 20% of the renewable electricity production
- 3,3% of the total electricity production

Portugal is still distant of the European leaders, namely from:

- Germany – 18 GW
- Spain – 10 GW
- Denmark – 3 GW

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Wind Power Sector

To reach the national objectives it is necessary:

- to install an average of 732 MW/year
- to grow to an annual average rate $\approx 36\%$



Although the great potential, some barriers exist:

- delays in the licensing processes;
- difficulties on the access to the grid.

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Method

The equation used to calculate the *Levelized Electricity Generation Cost (EGC)* is:

$$EGC = \frac{\sum [(I_t + M_t + F_t + X_t) (1+r)^{-t}]}{\sum [E_t (1+r)^{-t}]}$$

were:

EGC – Average lifetime levelized electricity generation cost

I_t – Investment expenditure in the year t

M_t – Operations and maintenance expenditure in the year t

F_t – Fuel expenditure in the year t

X_t – External expenditure in the year t

E_t – Electricity generation in the year t

r – Discount rate

Data Sources

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Table 2. Data and system characteristics of wind farm and CCGT.

	Wind	CCGT
Installed capacity	20 MW	1200 MW
Load factor	22%	85%
Thermal efficiency	-	57%
Life time	20 years	25 years
Investment costs	1206.20 €/kW	514.19 €/kW
O&M annual costs	15.37 €/kW	23.59 €/kW
Fuel costs	-	22.23 €/MWh

Table 3. External costs for different damage estimates (ExternE).

External costs	Wind (€/MWh)	CCGT (€/MWh)
Low	0.02 – 0.07	1.93
Mid 3%	0.11 – 0.31	9.41
Mid 1%	0.29 – 0.81	24.02
High	0.87 – 2.44	72.54

- constant pricing was used.
- based on the 2005 value.
- discount rate of 5 and 10%.

Not included:

- backup capacity to compensate wind intermittency and fluctuations;
- reinforce the distribution and transmission systems;
- feed-in tariffs.

Results

Costs	Wind		CCGT	
	(€/kW)	(€/MWh)	(€/kW)	(€/MWh)
1. Investment				
r = 5%		50.23		4.90
r = 10%	1206.20	73.52	514.19	7.61
2. O&M				
r = 5%		7.98		3.17
r = 10%	15.37	7.98	23.59	3.17
3. Fuel				
r = 5%		--		38.98
r = 10%	--	--	22.23 €/MWh	38.98
4. External				
low		0.02 – 0.07		1.93
mid 3%		0.11 – 0.31		9.41
mid 1%		0.29 – 0.81		24.02
high		0.87 – 2.44		72.54
Total cost (no external)				
r = 5%		58.21		47.05
r = 10%		81.50		49.76
Total cost (with external)				
r = 5%				
low		58.23 – 58.28		48.98
mid 3%		58.32 – 58.52		56.46
mid 1%		58.50 – 59.02		71.07
high		59.08 – 60.65		119.59
r = 10%				
low		81.52 – 81.57		51.69
mid 3%		81.61 – 81.81		59.17
mid 1%		81.79 – 82.31		73.78
high		82.37 – 83.94		122.30

Table 4. Annual levelized costs for the two technologies.



Analysis and Discussion of the Results

- Introduction
- Portug. Electr Power System
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Not including external costs it can be verified that:

- Investment and O&M costs of wind power plants are considerably higher than the gas technology;
- Load factor of renewable energy is low when compared with the CCGT system;



CCGT is more attractive than the wind technology

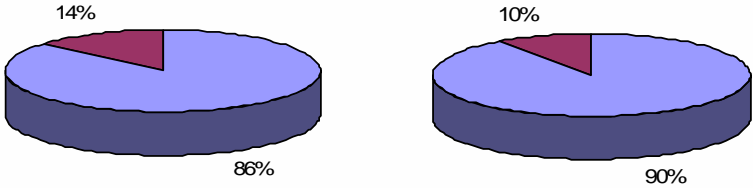


Figure 3. Estimated cost structure for wind plant (5% and 10% discount rate).

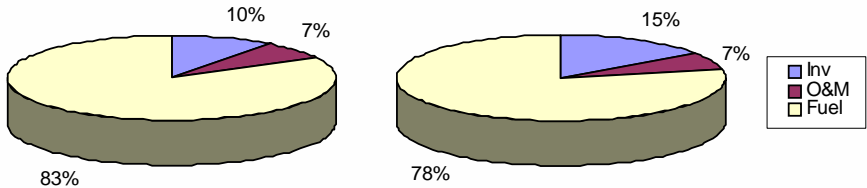


Figure 4. Estimated cost structure for CCGT (5% and 10% discount rate).



Analysis and Discussion of the Results

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Including external costs it can be verified that:

- In wind technology the investment costs still represent a high proportion (% total cost);
- In gas technology the fuel costs have a significant weight for low estimates, but in high estimates the external costs are the one that most contribute to the total cost;

CCGT continues to be more attractive than the wind technology, except for high estimates

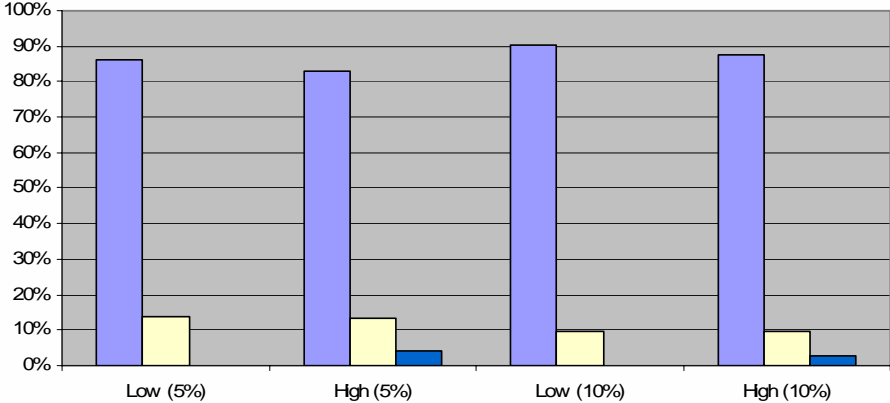


Figure 5. Estimated cost structure for wind plant (5% and 10% discount rate).

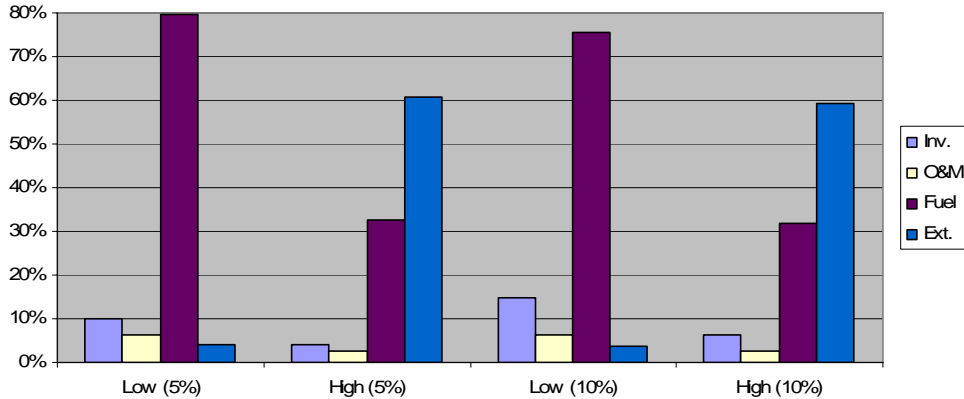


Figure 6. Estimated cost structure for CCGT (5% and 10% discount rate).

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Sensitive Analysis

- Discount rate:

The CCGT technology is less affected by the variation of the discount rate.

- O&M escalation rate:

The increase of the total costs diminishes as the load factor increases (the percentage of the costs of O&M is smaller).

- Fuel escalation rate:

The total costs for the CCGT increase significantly, being more accentuated for lower discount rates and for larger load factors.

- Load factor:

The larger the load factor the lower the production costs.
The reduction of the costs is less accentuated in the CCGT system than in the wind system.

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Conclusions

- CCGT is still more attractive than the wind energy when only financial aspects are accounted for.
- When external costs are considered, the electricity generation costs for the two technologies are similar.
- However, for high estimates (of GHG emissions) the wind system reaches more attractive values.
- The sensitivity analysis showed that :
 - the increasing of fuel escalation rates is the parameter that originates larger effects in the Levelized Electricity Generation Cost.
 - the Levelized Electricity Generation Cost (without environmental costs) of a wind farm is more positively influenced by the load factor than the CCGT system.

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Conclusions

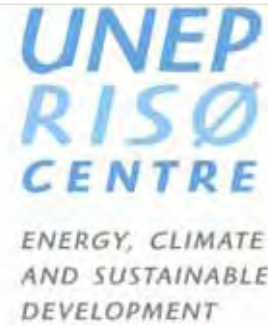
- The results were obtained assuming 2005 constant values. However, in the near future, it can be expected:
 - an increase on conventional systems costs
 - a decrease on renewable systems costs
 - an increase of the natural gas price (almost 84% between 2003 and 2005)
- The expansion of the wind technology in Portugal will influence significantly the energy system costs, but it is fundamental for the attainment of the European and National Energy and Environment goals.
- The expectations and incentives around the wind energy are comprehensible:
 - it is a renewable energy source
 - the reduction of the investment costs expectedly may turn this technology economically attractive to the investors
 - if the life cycle is analysed, and the external costs included, it can become more advantageous than the conventional systems.
 - the increase of the fossil fuel prices is creating a new competitive advantage for wind power systems.



THANKS



Economic and Financial Feasibility of Wind Energy - Case Study of Philippines



Risø International Energy Conference 2007, 22 - 24 May

(Presentation is based on the work carried out under the EU-Asean Facility funded project:
*Feasibility Assessment and Capacity Building for Wind Energy Development in
Cambodia, the Philippines and Vietnam*)

Jyoti Prasad Painuly



Energy Policy in Philippines

- 60% self-sufficiency by 2010 (55.5% 2004)

- Increase 100% RE based capacity in 10 years (to reach 9147 MW in 2003)

- Wind Energy;
 - 425 MW in 10 years (2005 base year)
 - 16 sites in Wind Investment Kit

- Renewable Energy Bill 2006
 - Renewable portfolio standard
 - Green energy option for end users
 - Net metering

-
- Clean energy funds
 - Fiscal incentives- IT holidays, duty rebates, VAT rebate etc.

 - Wind Energy Potential
 - Initial assessment 76000 MW (NREL)
 - Realizable 7400 (WWF)
 - Target for 10 years; 425MW
 - First wind energy investment kit; 345 MW
 - Installed 25MW (Northwind in Luzon)



Sites in the Philippines



St. Ana

Dinagat Island



Sta. Ana



Raising-up the tower



The mast is located 10 m asl
Measurement heights 10 and 27 m

14



Location and wind data

- St. Ana (30 MW)
 - Cagayan region (Luzon Island)
 - Zone 1 (wind upto 70 m/sec)
- Wind Data
 - Mean wind speed 4.9 m /sec (8 months; Sept 2005-April measurements)
 - Max. 18m /sec
- Est. Generation
 - 80 GWh /yr (57-79, depending on location) using 2 MW V66/67 m wind turbine
 - 60MWh/ yr (43-61) using 2MW V80/67

Financial Analysis of St. Ana Wind Power Project

Background	
Investment	\$51.8 mill. Includes feasibility study, project and site development work, engineering, plant and equipments, installation, transmission lines (1\$=52 P)
O & M Costs (increase 3% per year)	\$1.1 mill. per year. includes land lease, property tax, labour, other operational expenses etc.
Annual Energy Production	80 GWh (net) -7% losses (Transmission) -- From year 1, above AEP
Plant life	20 years- 10% Salvage Value

<p>Income tax</p>	<ul style="list-style-type: none"> -No tax for 6 years -30% after that
<p>Projected power sale rate</p>	<p>P 4.91 / kWh (and escalation 3% per year)</p>
<p>CDM</p> <ul style="list-style-type: none"> -CER prices - Emission red. coeff. (eq. CO2) 	<p>\$6/ ton and \$10/ton 0.625 t/ MWh</p>
<p>Note: CDM revenues assumed for entire plant life</p>	

Financial Structuring

- Ownership Structures
 - Private
 - Utility
 - Public (Central or Provincial)

Each has its own costs and financial arrangement possibilities.

Base Case:

Equity 20%

Loan 80%; 8%, 15 Yrs+ 6 Yr (Grace Period)

NPV and IRR Calculations

- Discount rate
 - Hurdle rate was calculated based on cost of financing
 - 8.68% (base case)

Hurdle rate

- ❑ Required IRR \geq hurdle rate
- ❑ The hurdle rate is weighted average cost of the capital (wacc) + spread
- ❑ WACC is calculated using the following formula;
- ❑ $WC = (E/TC) * RE + (D/TC) * RD * (1-T)$

Where;

WC is weighted average cost of capital

E is the equity contribution

D is the debt

TC is the total cost (D+E)

RE is the required return on equity (11%)

RD is required rate of return on debt (rate of interest + FE risk (1.5%) and guarantee (2%) for foreign loans), and

T is the tax rate (30%)

Discount rate = Hurdle rate + spread (2%)

<p>80GWh site location</p> <p>NPV</p> <p>Base Case: Discount rate 8.68% (Domestic loan at 8% with 15 year term+ 6 yr GP)</p> <p>Discount rate 13.2% (Risk adjusted)</p> <p>Which one to choose?</p>	<p>P 243 Mill.</p> <p>(P 553 mill)</p>
<p>IRR</p>	<p>9.83%</p> <p>(Northwind 9.3%, tariff P 4.43/kWh; 1 USD= 57P)</p>
<p>MIRR</p>	<p>7.56</p>

Check

□ Impact of CDM

CER Prices	\$6/ton	\$10/ton
IRR	10.46	10.87
MIRR	7.78	7.93

Is it acceptable now?

-
- What is my acceptable IRR ? 17-18% private investors?
 - This is economic IRR, and if tariff and investment and other data is without distortion, it gives a basis for decision making at policy level (although it is not strictly an economic analysis).
 - For an investor, decision criteria will typically be Financial IRR, which depends on financing arrangements.
 - Analysis- nominal v/s real

Table1; Base Case and variations

(NPV in million P)

Indicator	Base case	Elect Tariff +10%	Invest ment +20%	El. Gen. - 20%	O&M costs +20%
NPV 8.68% (hurdle rate)	243	614	-230	-385	138
With CDM; \$6/t	379	750	-95	-276	273
With CDM \$10/t	469	840	-5	-204	364
NPV 13.2%	-553	-278	-1052	-1020	-632
With CDM; \$6/t	-453	-178	-951	-939	-531
With CDM; \$10/t	-386	-110	-884	-885	-464
IRR	9.83%	11.53%	7.75%	6.79%	9.33%
With CDM; \$6/t	10.46%	12.14%	8.30%	7.33%	9.97%
With CDM; \$10/t	10.87%	12.54%	8.66%	7.69%	10.39%
MIRR	7.56%	8.16%	6.75%	6.35%	7.37%
With CDM; \$6/t	7.78%	8.36%	6.97%	6,58%	7.61%
With CDM; \$10/t	7,93%	8.50%	7,11%	6,72%	7.76%
IRR-Investor	14.03%	21.08%	7.28%	4.71%	12.26%
With CDM; \$6/t	16.47%	23.93%	8.89%	6.13%	14.57%
With CDM; \$10/t	18.19%	25.89%	10.02%	7.11%	16.20%

Financing Scenarios

S.No.	Financing scheme	Discount rate
B	Base case; Domestic loan at an interest rate of 8%, 15year term with a grace period of 6 years	8.68
F1	Loan, financed through ODA at 0.3% for 20 years, with a grace period of 10 years.	6.33
F2	JBIC ODA at 0.90% for 20 years and a grace period of 6 years (untied, as applicable to Philippines; http://www.jbic.go.jp/english/oec/standard/)	6.66
F3	OECD commercial loan at 5% for 10 years, with a grace period of 1 year (construction period).	8.96
F4	Danida financing; 35% grant and balance 65% as loan at 7%, 10 year term	9.80

Table 3; Financing Scenarios (NPV in million P)

Indicator	Base case DBP 8%;15 yr, GP 6 yr	F1 ODA 0.3%;20yr, GP 10 yrs	F2 JBIC 0.90%;20 yr, GP 6 yrs	F3 OECD 5%;10 yr, GP 1 yr	F4 Danida 7%;10 yr (grant 35%), No GP
NPV 13.2%	-553	-616	-610	-609	66
With CDM; \$6/t	-453	-516	-510	-508	167
With CDM;\$10/t	-386	-448	-443	-441	234
Hurdle rate	8.68%	6.33%	6.66%	8.96%	9.80%
NPV	243	753	667	103	567
With CDM; \$6/t	379	915	824	236	692
With CDM;\$10/t	469	1023	930	324	776
IRR	9.83%	9.41%	9.45%	9.46%	13.76%
With CDM; \$6/t	10.46%	10.05%	10.09%	10.10%	14.60%
With CDM;\$10/t	10.87%	10.47%	10.51%	10.52%	15.15%
MIRR	7.56%	7.40%	7.41%	7.41%	8.81%
With CDM; \$6/t	7.78%	7.63%	7.65%	7.65%	9.06%
With CDM;\$10/t	7.93%	7.78%	7.80%	7.80%	9.22%
IRR-Investor	14.03%	50.73%	45.17%	13.32%	21.33%
With CDM; \$6/t	16.47%	53.50%	48.20%	14.71%	23.24%
With CDM;\$10/t	18.19%	55.34%	50.19%	15.67%	24.54%

Lessons Learnt

- Lessons learnt in the case study:
 - St. Ana is not viable as a normal project; load factor at 30% is reasonable.
 - Uncertainties (investment cost, O&M cost, and generation) make it a risky venture even with favourable financing packages.
 - A combination of soft financing and high CDM revenues can make it viable.

□ Conclusions

- Economic viability of wind energy is an issue in Philippines
- Nationally, development of wind can be justified from energy security perspective
- Development of wind energy for global environmental reasons may require carbon financing, supplemented through grants / soft financing, wherever necessary.

More info; www.aseanwind.eu

THANK YOU

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Wave Energy – challenges and possibilities



By: Per Resen Steenstrup
www.WaveStarEnergy.com

Wave energy is an old story....



The first wave energy patent is 200 years old.

Over the last 100 years more than 200 new wave energy devices have been developed and more than 1.000 patents have been issued.

Over the last 30 years more than 400 million EUR have been spent on demonstrators in the sea, with little or no success.

Only in the last 5 years the practical solutions have started to show, with real chances of commercialisation.

Main features for success:

- Simple storm protection concept.
- Proven technology in the sea.
- Simple and reliable concept, with simple power take off system.
- Scalable to big MW systems in the future.
- Low weight per MW - potential for future cost reductions.



Wave energy concepts World wide, which have been tested in the sea

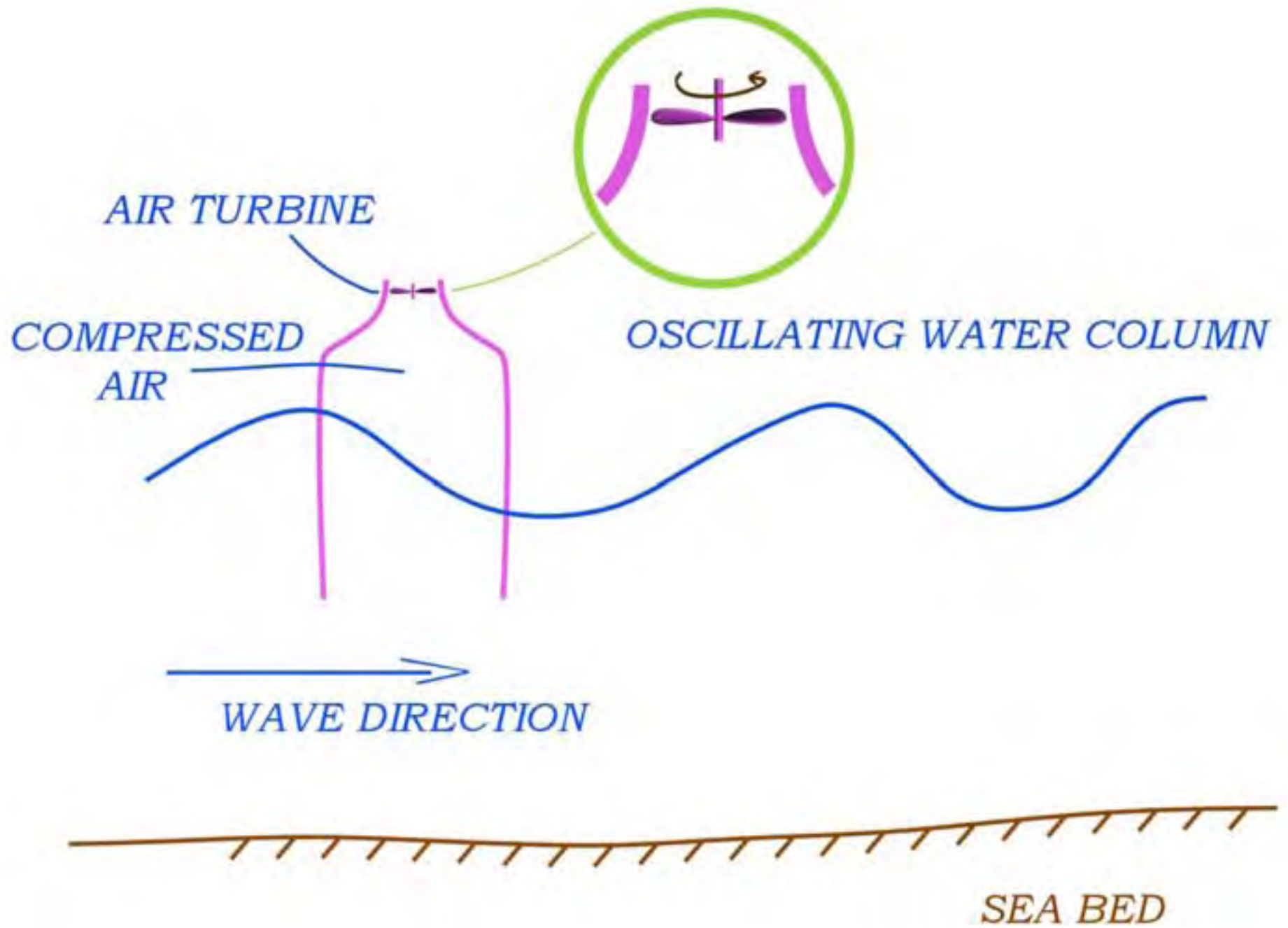
Oscillating water coloum – floating or fixed coastal installation. Air based Wells turbines as power take off.

Over topping waves into a reservoir, with low head turbines as power take off.

Articulating tubes with hydraulic power take off.

Point absorber, with either water pumps, linear generators or hydraulic power take off systems.

Multi point absorbers, with hydraulic power take off.

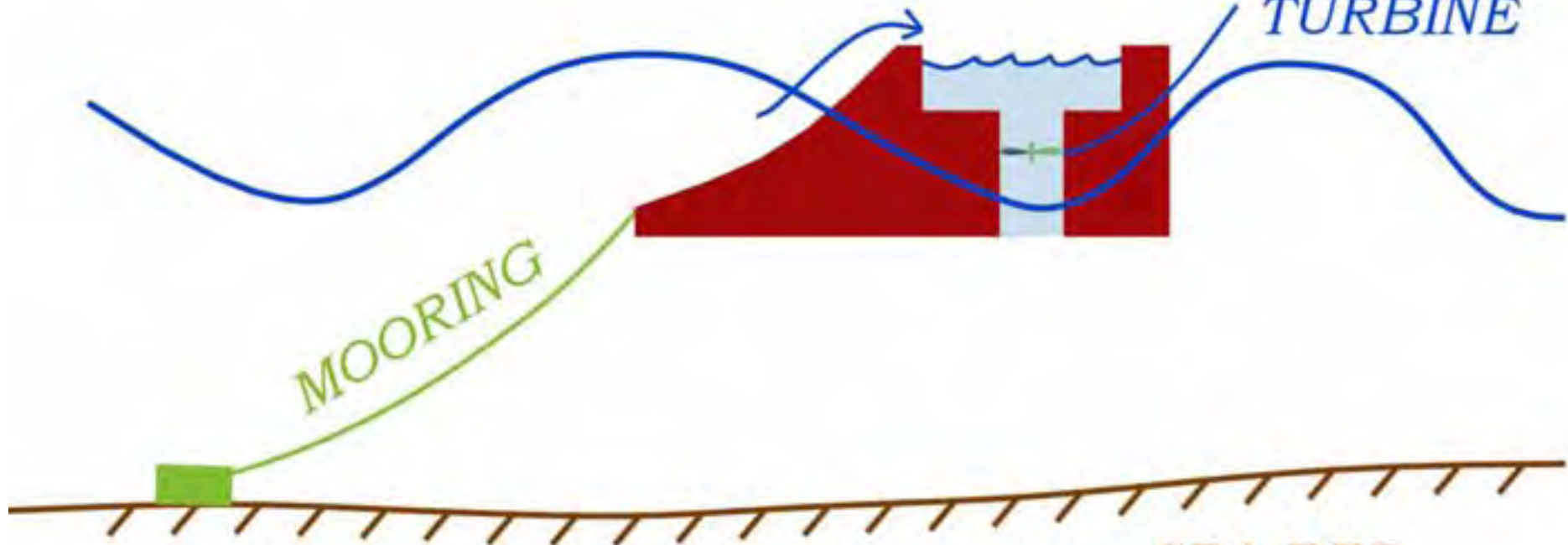


OVER TOPPING RESERVOIR

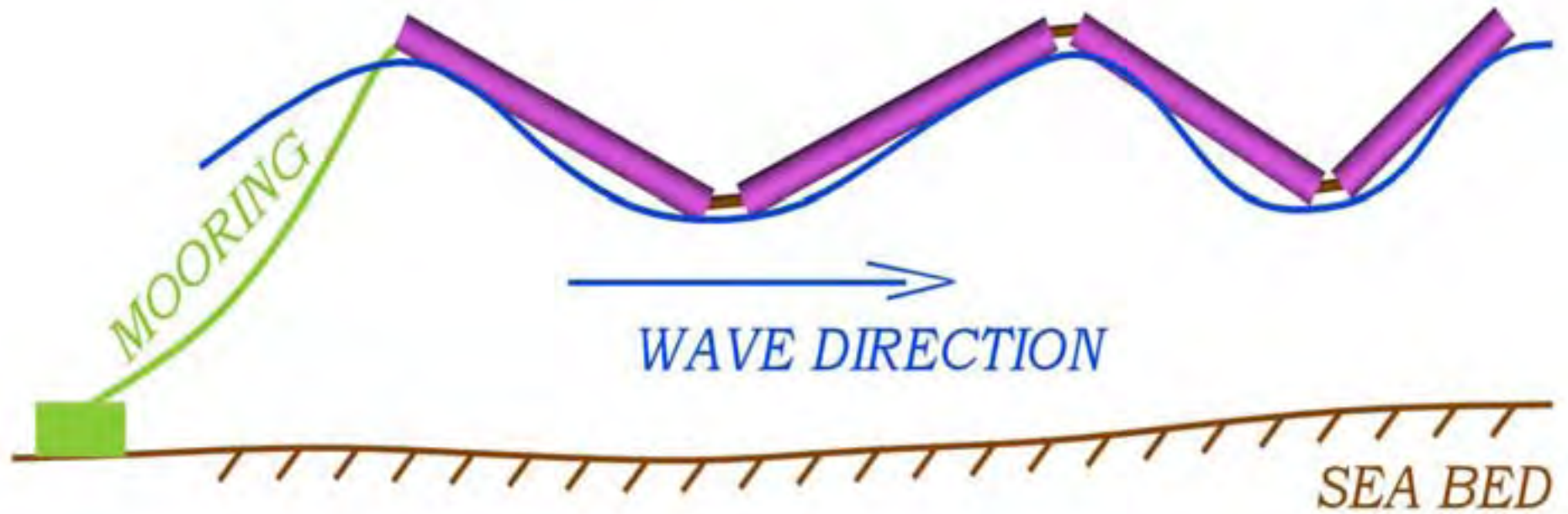
*LOW HEAD
TURBINE*

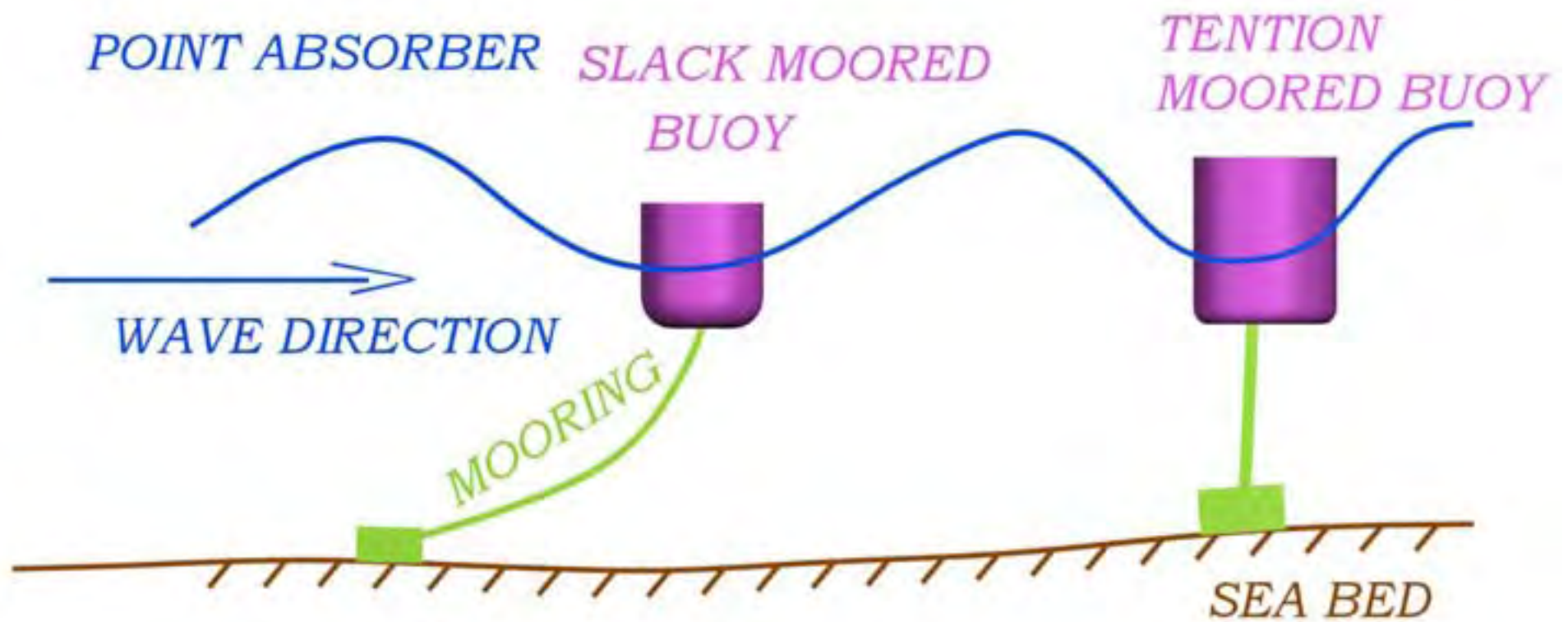
MOORING

SEA BED

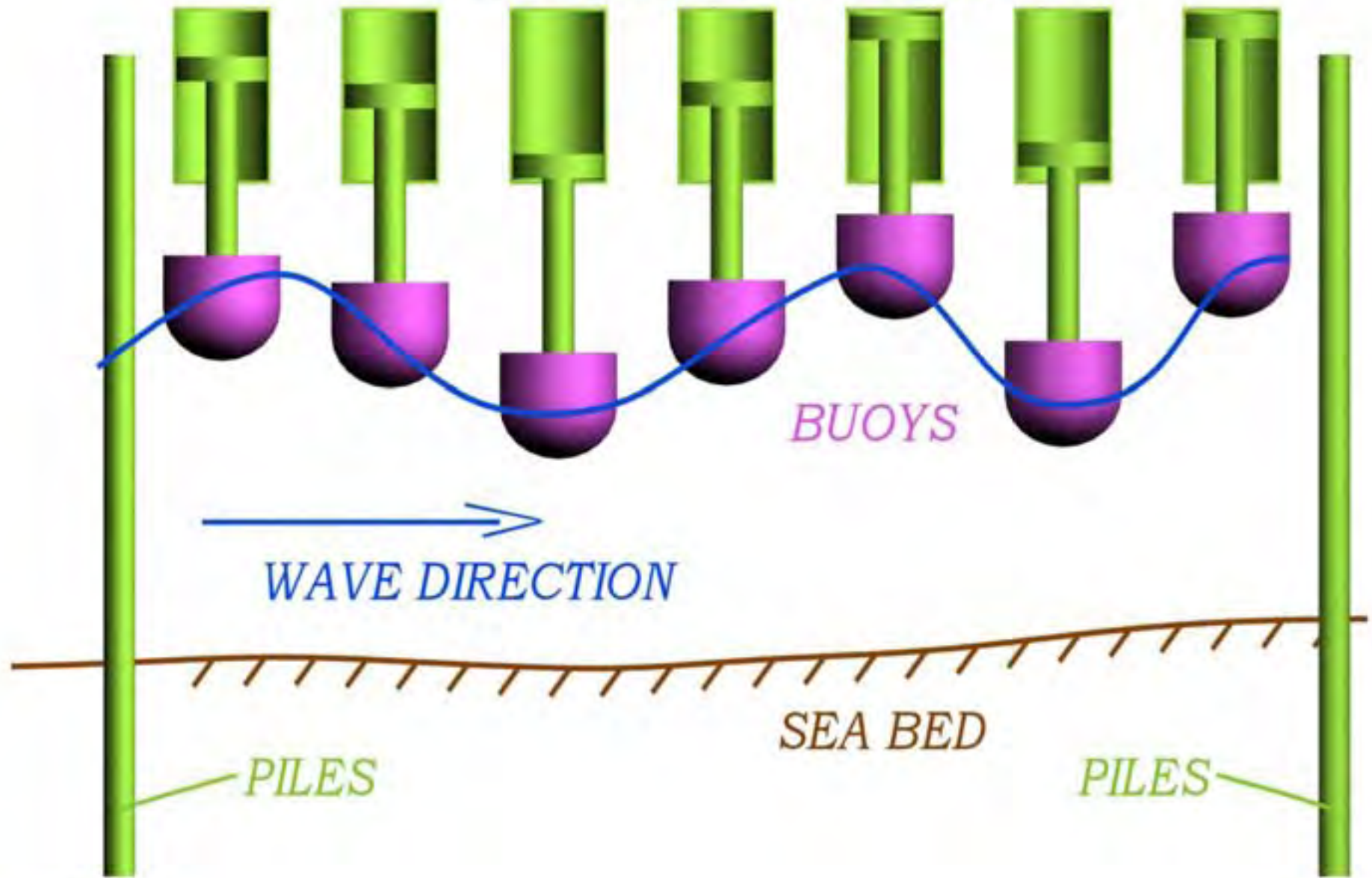


ARTICULATING TUBES WITH HYDRAULIC JOINTS





MULTI POINT ABSORBER



Wave Star's back ground in head lines.



Wave Star Energy was established October 1st 2003, with the sole purpose of commercialising wave energy.

Over a period of 10 months in 2004 a scale 1:40 converter was extensively tested in regular as well as irregular waves, to document the configuration, optimize the power output and document dynamic behavior compared to a hydro dynamic model.

Based on the extensive tank testing a scale 1:10 converter was designed and built during 2005 and deployed in the sea on April 6th 2006 at Nissum Bredning (DK). The converter was built and instrumented to the same high standard as a full scale converter.

After initial testing of all sub systems the converter was grid connected and put into unattended operation on July 24st 2006.

It has been in operation since then and logged more than 6.000 hours.

What is special about the Wave Star concept?



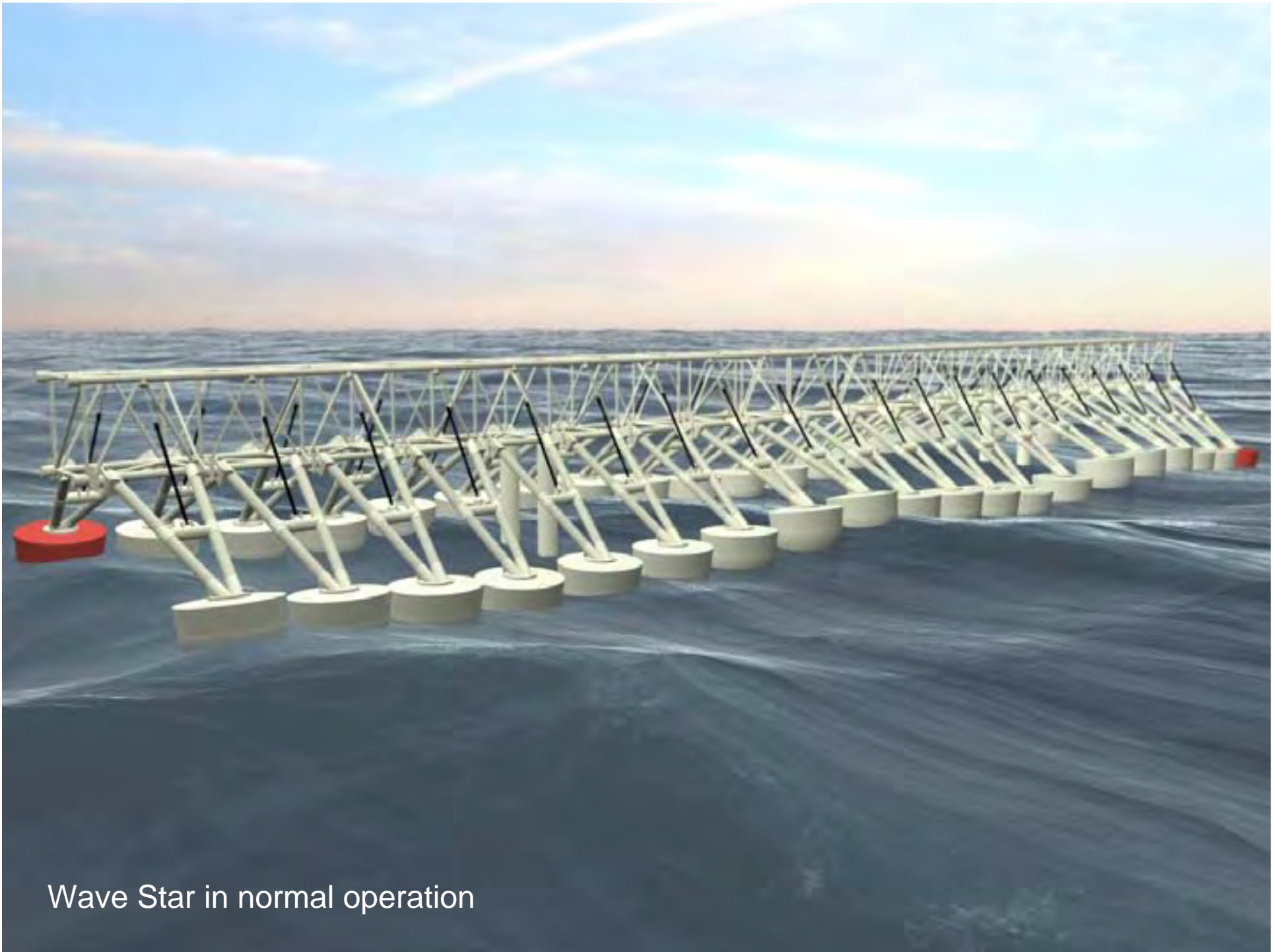
It is a simple reliable design, which can be storm protected.
It sits on piles, just like an offshore structure.

All moving parts are above water and are well protected from
the sea environment.

It is only based on standard components and standard offshore
- and wind turbine technology.

It is scalable into multi MW converters.

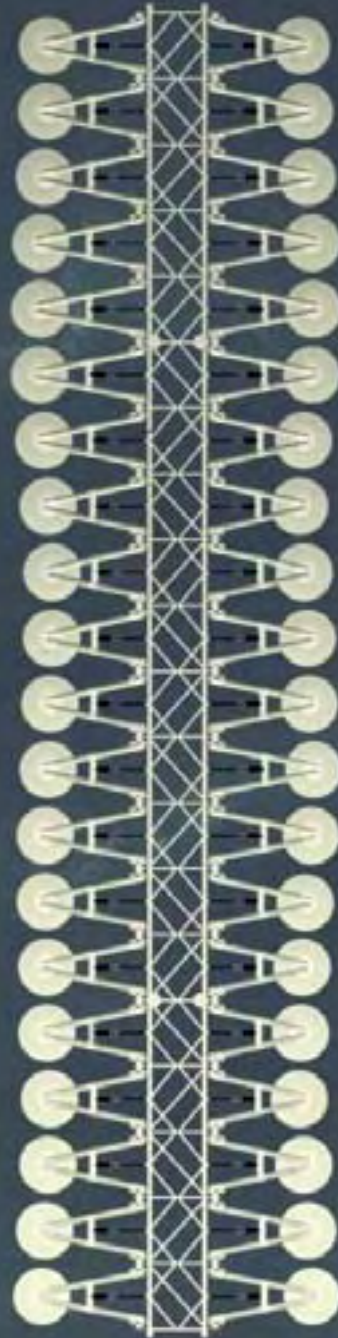
Price and electric production per MW makes it realistic to
become commercial over time, and supplement wind turbines
on a big scale.



Wave Star in normal operation



Wave Star in storm protection mode



*Dominant
Wave Direction*

Birds view

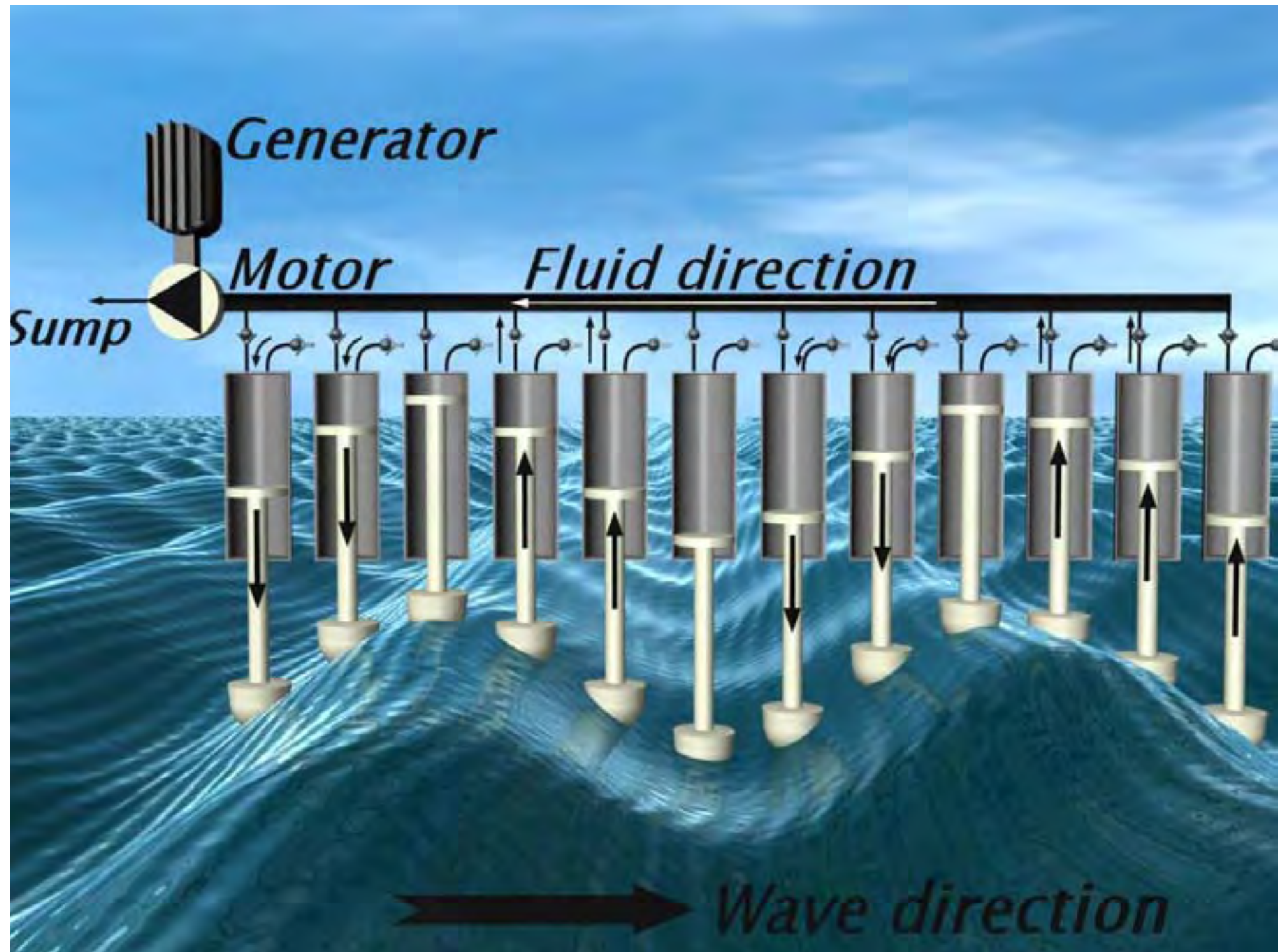




Normal operation



Storm protection mode





How does the power scale with size?

The test converter in Nissum Bredning is a scale 1:10 converter. It is 24 m long with 40 floats of each \varnothing 1m, and operates in 2 m of water. In **0,5 m Hs** the power output is **1.800 W** electric power.

The scale 1:2 converter is 120 m long with 40 floats of \varnothing 5 m and operates in 10 m of water depth. In **2,5 m Hs** the power output is **500 kW**.

The scale 1:1 converter is 240 m long with 40 floats of each \varnothing 10 m and operates in 20 m of water. In **5,0 m Hs** the power output is **6 MW**.

The scale 1,5 :1 converter is 360 m long with 40 floats of each \varnothing 15 m and operates in 30 m of water. In **7,5 m Hs** the power output is **24 MW**.



What are the plans for the future?

The scale 1:10 converter in Nissum Bredning will continue to operate until August 2008. The goal is to optimize the energy production and obtain long term working experience.

Design and build a scale 1:2, 500 kW converter for Horns Rev in the North Sea during 2007 / 2008 .

Arms and floats for the 500 kW converter will be installed and tested at a pier in the North Sea in 2008.

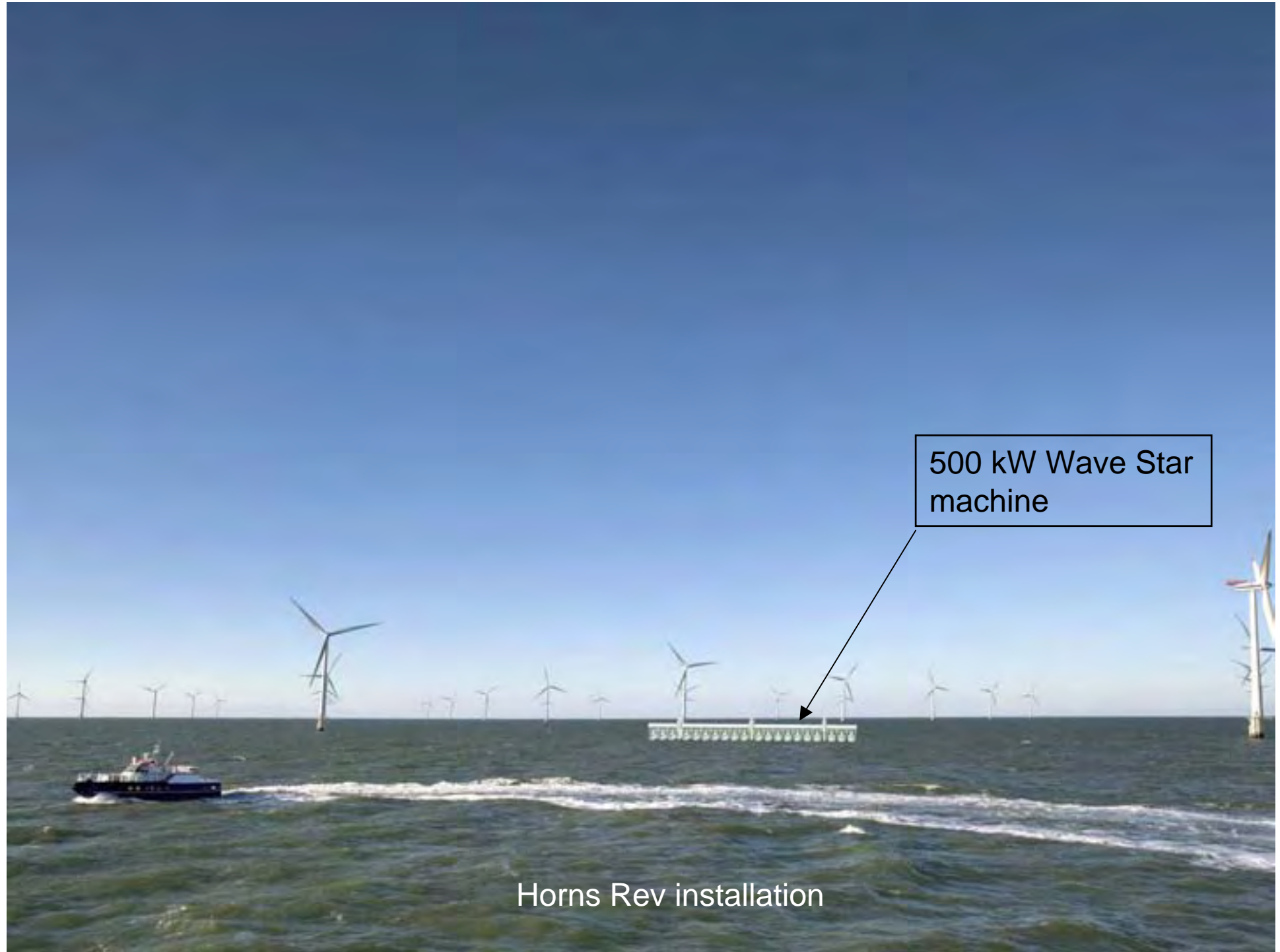
The scale 1:2, 500 kW will be pre installed at the North of Lolland at Onsevig i 2008 / 2009.

Later transferred and installed at Horns Rev (North Sea) in 2009.

Section of 500 kW machine will be installed here



Roshage Pier



500 kW Wave Star machine

Horns Rev installation

What are the major challenges for Wave Star in reaching a commercial break through?



Install and operate the first commercial 500 kW Wave Star Energy machine at Horns Rev i 2009 /2010, without any major technical problems or short commings.

Through cost engineering, in the early development phase of the 500 kW machine, bring the kWh cost down to less than 20 EUR cent, even when the machine is operated in 10 m of water depth and in a low wave climate of only 4 kW / m, in average.

Improve realiability of the first 500 kW machine, to make it the most reliable machine in the market.

Scale the machines in small steps to minimize risk.

500 kW, 1,5 MW, 3,0 MW, 6MW, 10 MW, 15 MW , 20MW etc.



Nissum Bredning test system



Visit by the Danish Deputy Prime Minister
on the 13th of April 2007

Operational costs induced by fluctuating wind power production in Germany and Scandinavia

Peter Meibom, Risø, Technical University of Denmark

Christoph Weber, University Duisburg-Essen

Rüdiger Barth & Heike Brand, IER, University of Stuttgart

Overview presentation

- Purpose of the study
- Methodology
- Results
- Discussion of integration costs
- Outlook

Purpose of study

- Analyse the impact on operational costs from increased wind power in Germany and the Nordic countries
- Part of the so-called integration costs of wind power:
 - Grid reinforcements
 - Investment in balancing power plants
 - Increase in operational costs due to more variable operation of conventional plants

Definition of integration costs of wind power

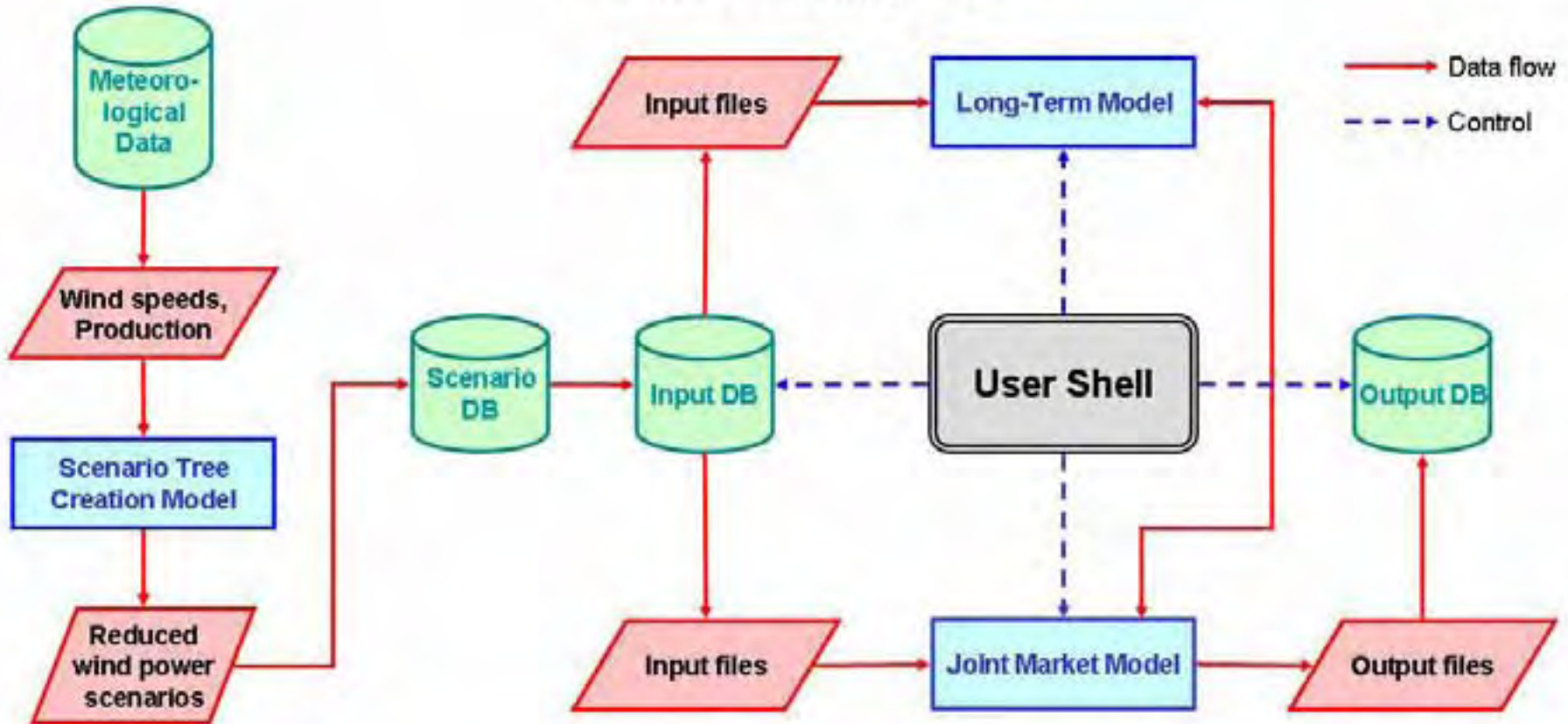
- Difference between
 - Expected reduction in system costs (need clarification)
 - Realised reduction in system costs
- Expected reduction? (often reduction achieved with dispatchable technology):
 - Gas turbine with same energy production as wind production
 - Constant production with same energy production as wind production

Methodology

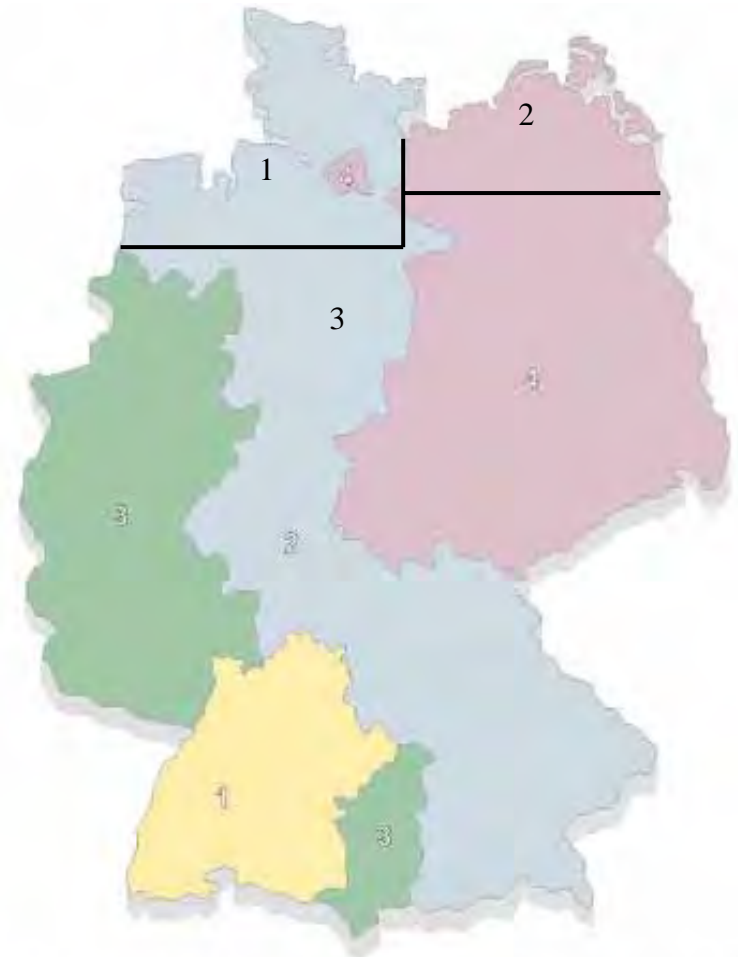
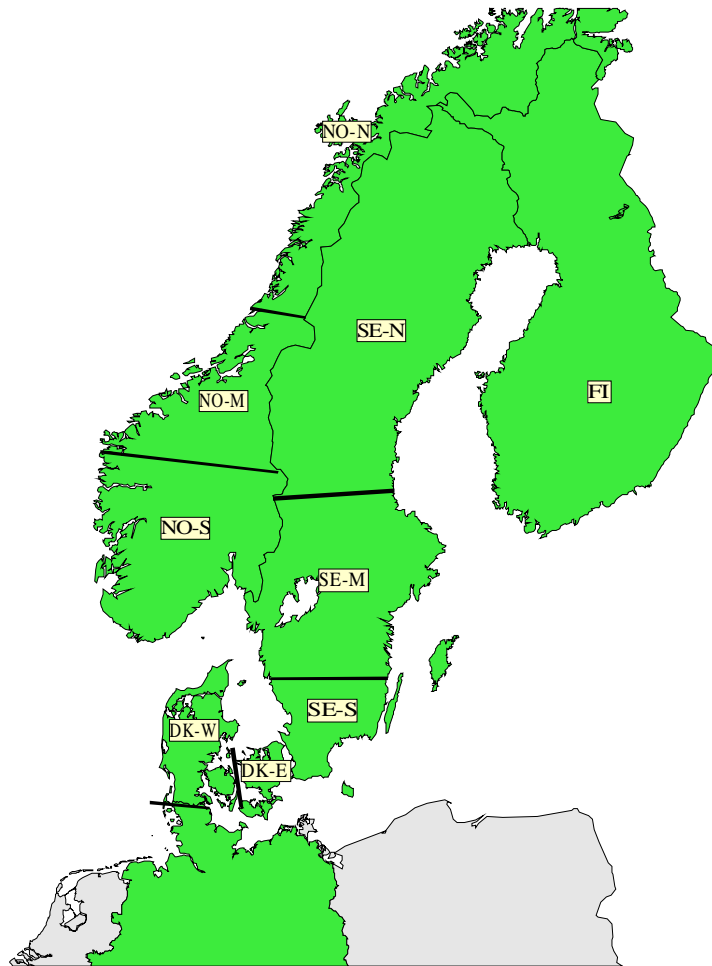
- Calculations with the Wilmar Planning tool (www.wilmar.risoe.dk)
- Compare operational costs in three model runs:
 1. With stochastic wind power production
 2. With deterministic wind power production
 3. With constant wind power production
- 1 minus 2: Costs of partial predictability
- 2 minus 3: Costs of variability
- 1 minus 3: Integration costs of wind power
- Each model run covers 5 selected weeks

Overview Planning tool

Wilmar Planning Tool

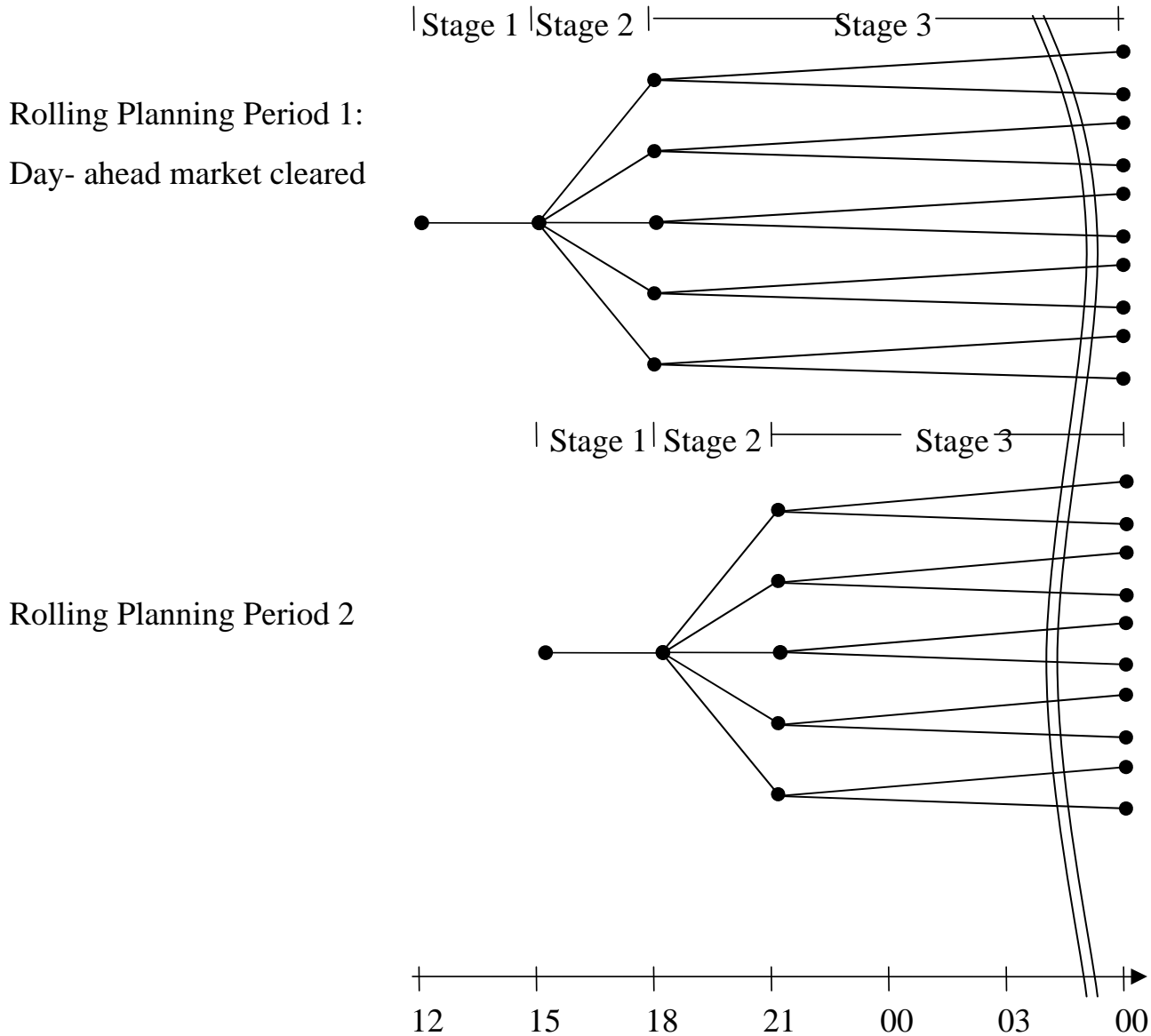


Overview of the Planning Tool



- 1 EnBW Transportnetze AG
- 2 E.ON Netz GmbH
- 3 RWE Net AG
- 4 Vattenfall Europe Transmission AG

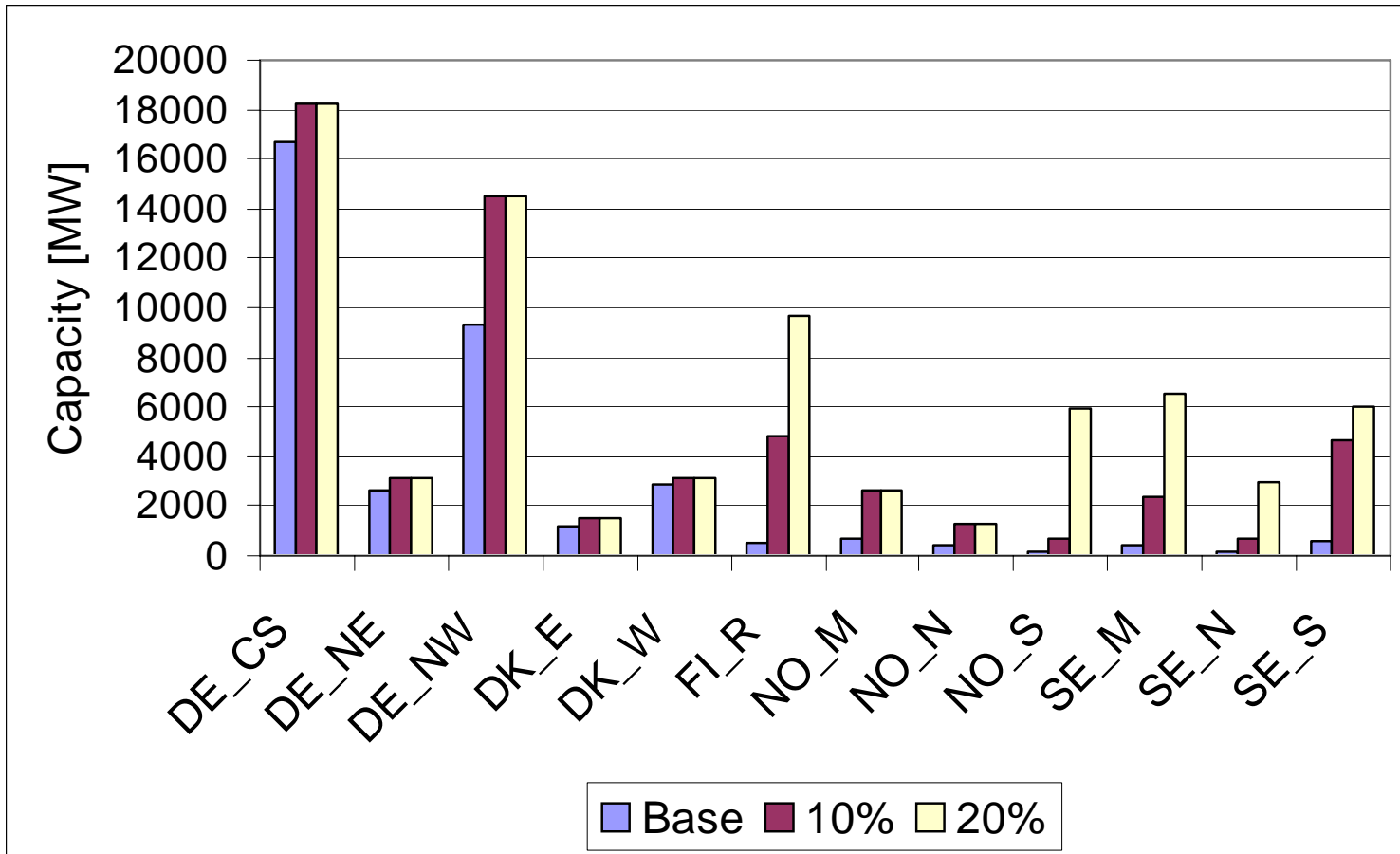
Design of Joint Market model



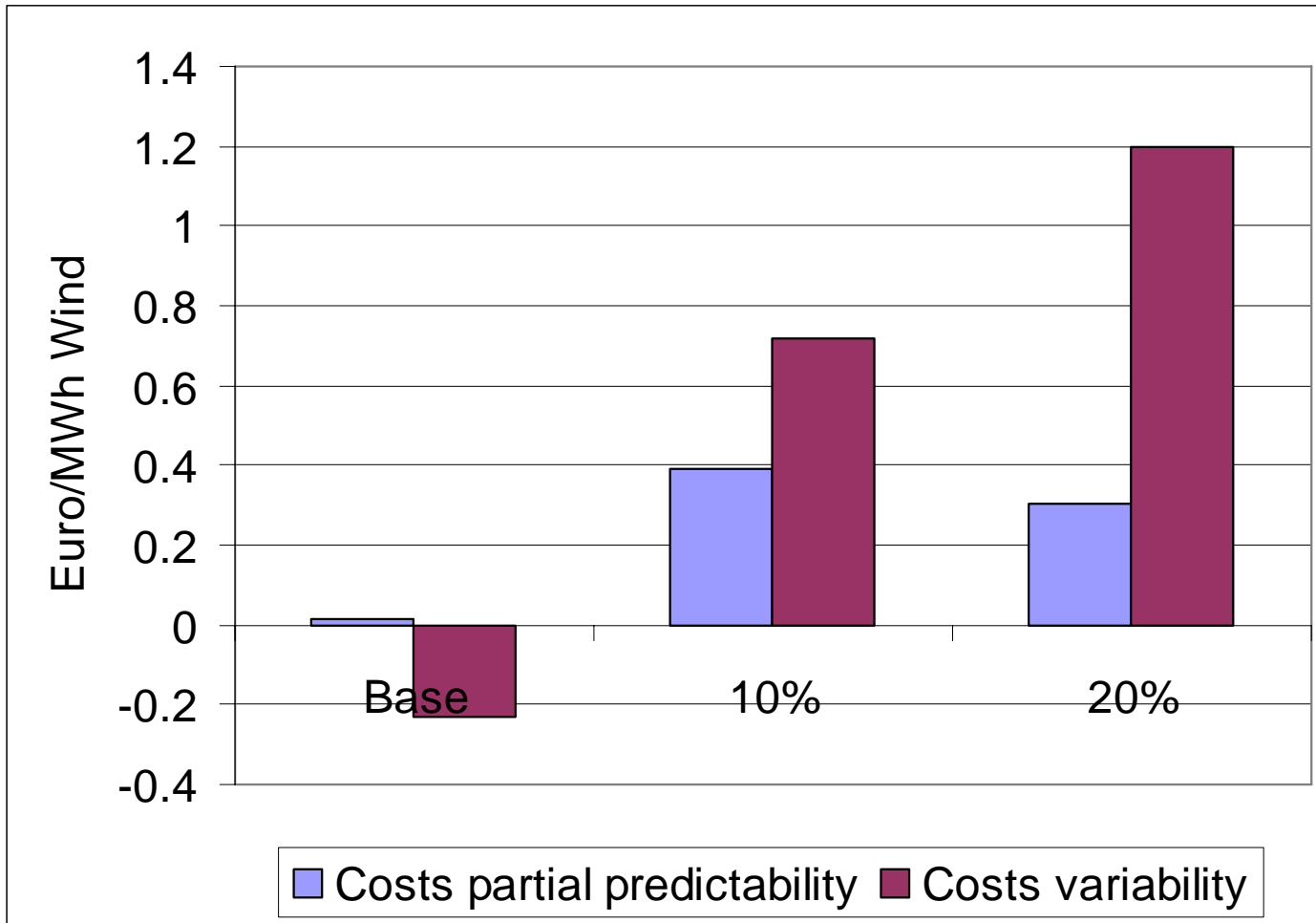
Methodology

- 2010 power system configuration case:
 - Yearly load
 - Transmission lines
 - Power plants
 - Fuel prices
 - CO2 price
- Three cases for installed wind power

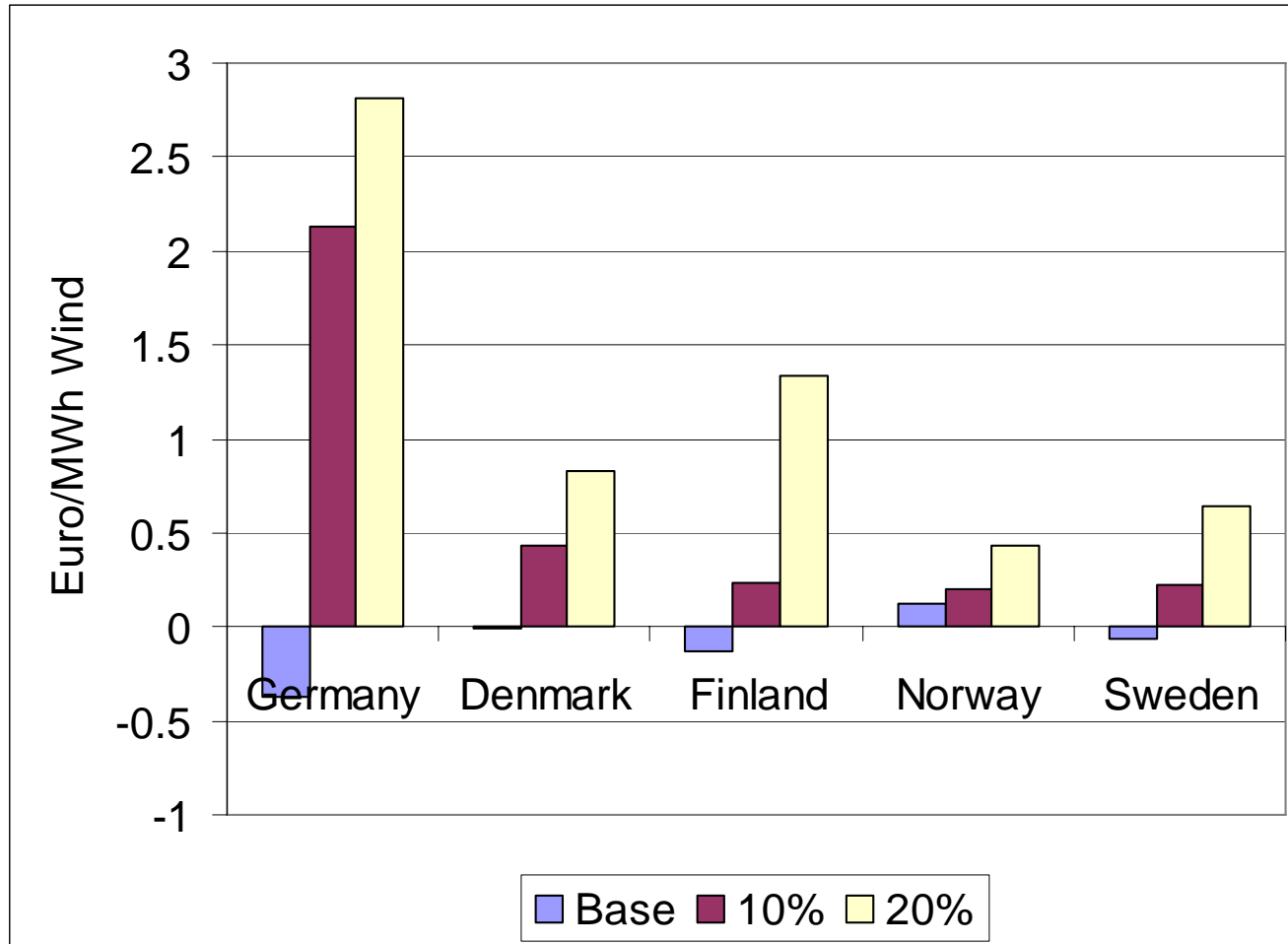
Installed wind power capacity in each wind scenario



Difference in system operation costs



Results



Difference in system operation costs per MWh wind power production for the three wind cases and divided on countries.

Discussion

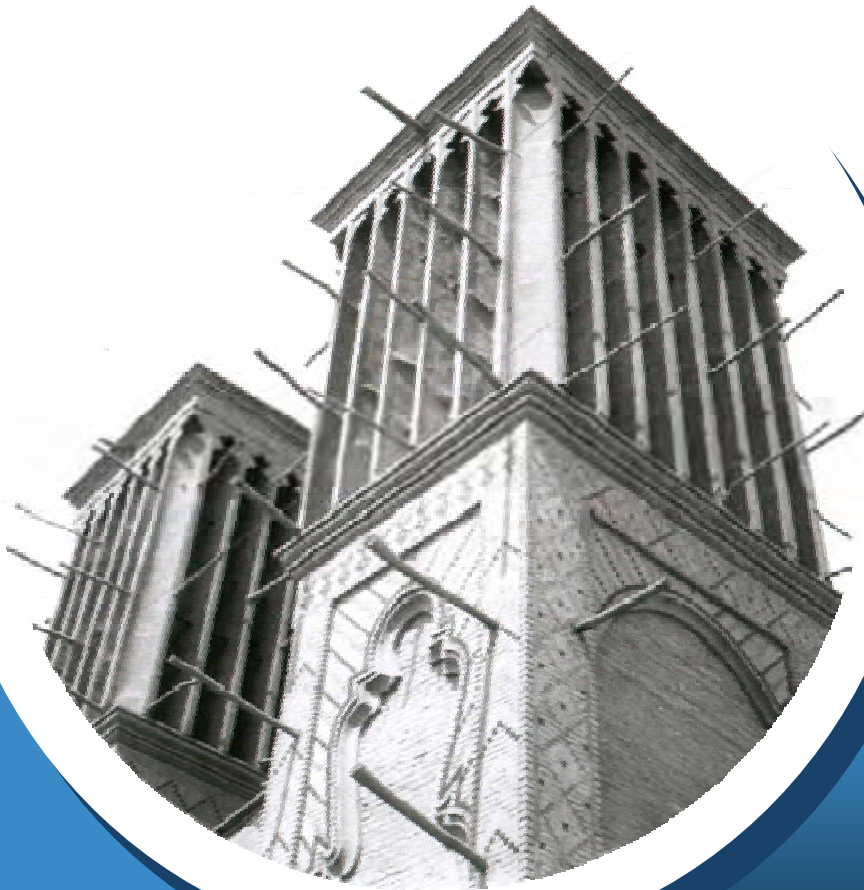
- Integration costs a ill-defined concept:
 - Involves comparison with a hypothetical power system configuration (e.g. constant wind power production)
 - What can the information be used for?
- We should use comparison of system costs and benefits in stead:
 - Power system configurations with different amounts of wind
 - Comparison should include:
 - Investment costs (grid and plants)
 - Operational costs
 - Emissions (CO₂, ...)
 - Different scenarios for fuel prices and CO₂
 - Security of supply

Outlook

- The development and usage of the Wilmar Planning tool is continued in
 - SUPWIND: EU sixth framework programme project, www.supwind.risoe.dk
 - All-Island Grid study: Irish wind integration study
 - Anemos-plus: EU sixth framework programme project
- Model developments:
 - Load uncertainty
 - Forced outages
 - Unit commitment with mixed integers
 - Interaction with investment model
- Case studies:
 - Irish case
 - New Nordic and German cases
 - Probably other European cases

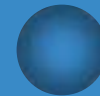
A COOLING SYSTEM FOR BUILDINGS USING WIND ENERGY

Hamid Daiyan
Azad University-Semnan Branch, Iran



Risø International Energy
Conference 2007

Risø National Laboratory
22- 24 May 2007
Denmark



Contents



Introduction

Kind Of Wind Tower

Function of Wind Tower

Case Study

Conclusion

Introduction

In Iranian historical architecture wind tower is used for cooling and ventilation. Wind tower is a tall structure that stands on building. Wind tower is used in dray land, and only uses wind energy for conditioning.



Introduction

Its technologies date back over 1000 years. Wind towers were designed according to several parameters, some of the most important of which were building type, cooling space volume, wind direction and velocity and ambient temperature.



Introduction



Wind tower of Doulat-Abad garden of Yazd with its altitude is 33 meters and 80 centimeter. It is highest wind tower in Iran. It has built in 1750. This wind tower has octagon plan. It can receive wind from eight directions and conduct it inside of room.

1) Square and octagon wind tower is suitable for regions that direction of pleasant wind is various, specially in the warm seasons that some times pleasant wind blows from north to south and some times from east to west.



An octagon wind tower in Yazd

2) Rectangular wind tower has built in the area that direction of wind is from north-east to south-west. For this reason architectures make it in front of big surface of outward appearance.

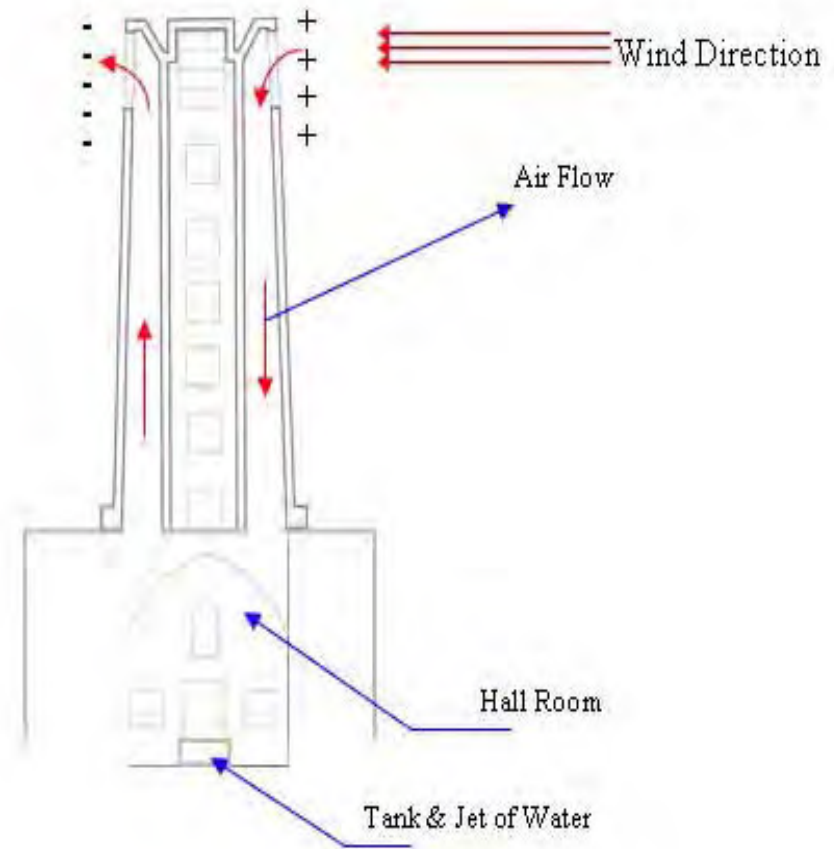


A rectangular wind tower in Semnan

3) In the villages of edge of desert and villages of inside of desert to avoid harm of whirlwind and storm architectures make it only direction, it has made north-east and other sides have been closed. Its direction is to the mountain breeze.

Function of Wind Tower

Function of wind tower basically constructed method of utilization from blowing of wind to take pleasant air in to building and use from its reflection energy to suck for drive away hot and polluted weather.



Function of Wind Tower



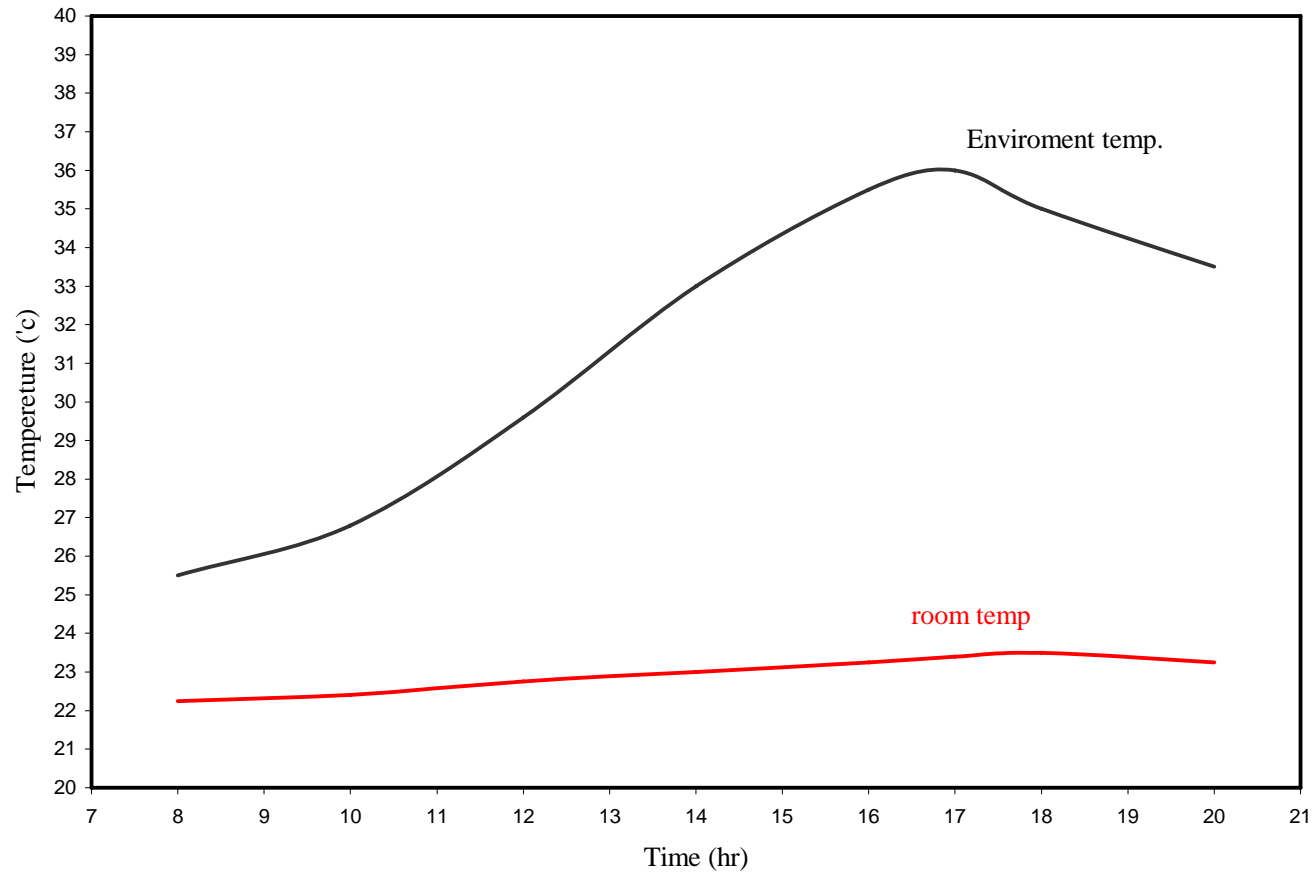
Dry weather that wind tower receives path above of little pool and fountain it becomes cool by method of evaporation and goes into the room.

Case Study

This section indicates conclusion of inside and outside temperature of building that has equipped wind tower in one of summer hot day. This specimen ventilation has been made about 135 years ago in south of Semnan it's high is 20 meters. It is highest wind tower of Semnan.



Case Study

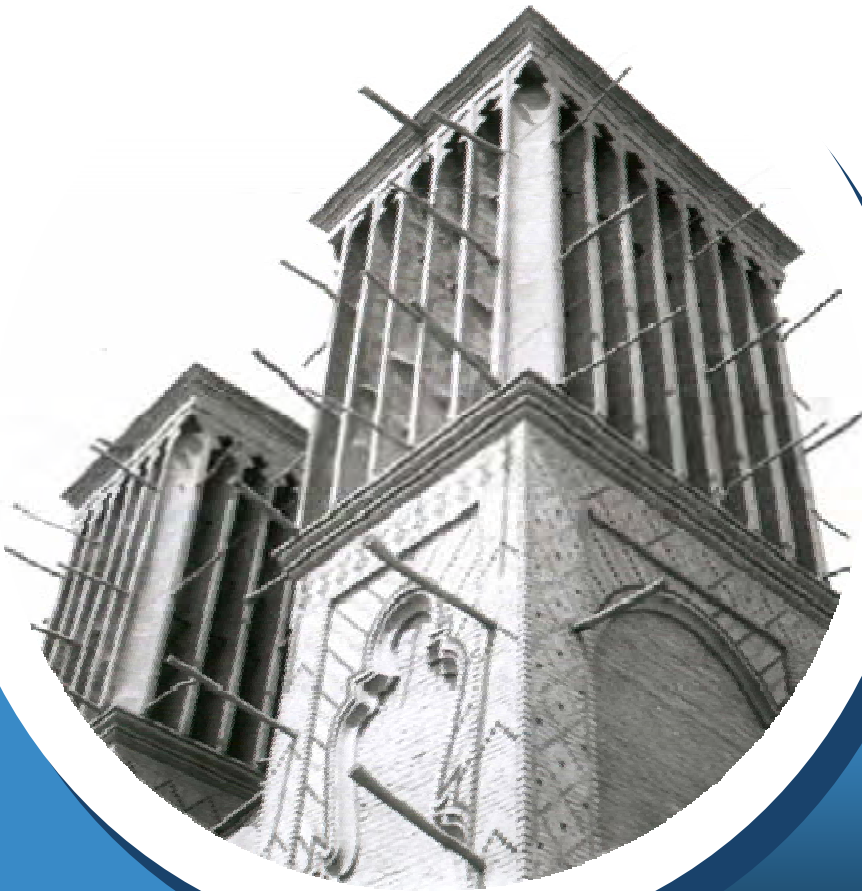


Room temperature comparison

Conclusion

As shown in above graph wind tower can moderate weather of room. Other important point is fixing temperature of room and keeps it in suitable situation. Above graph shown average degree of environment in the outside is $32^{\circ}c$ and average temperature of room is $23^{\circ}c$. It is desirable weather in the warm area.

Thank you very much for your attention



Risø International Energy
Conference 2007

Risø National Laboratory
22- 24 May 2007
Denmark

Energy Demand Patterns

The Effects Substitution and Productivity

Nico Bauer

Potsdam Institute for Climate Impact Research (PIK)



Contents

- Production theory
 - Substitution
 - Biased technological change
 - Separability
- Econometric framework
- Results
- Discussion and further research

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Production Theory

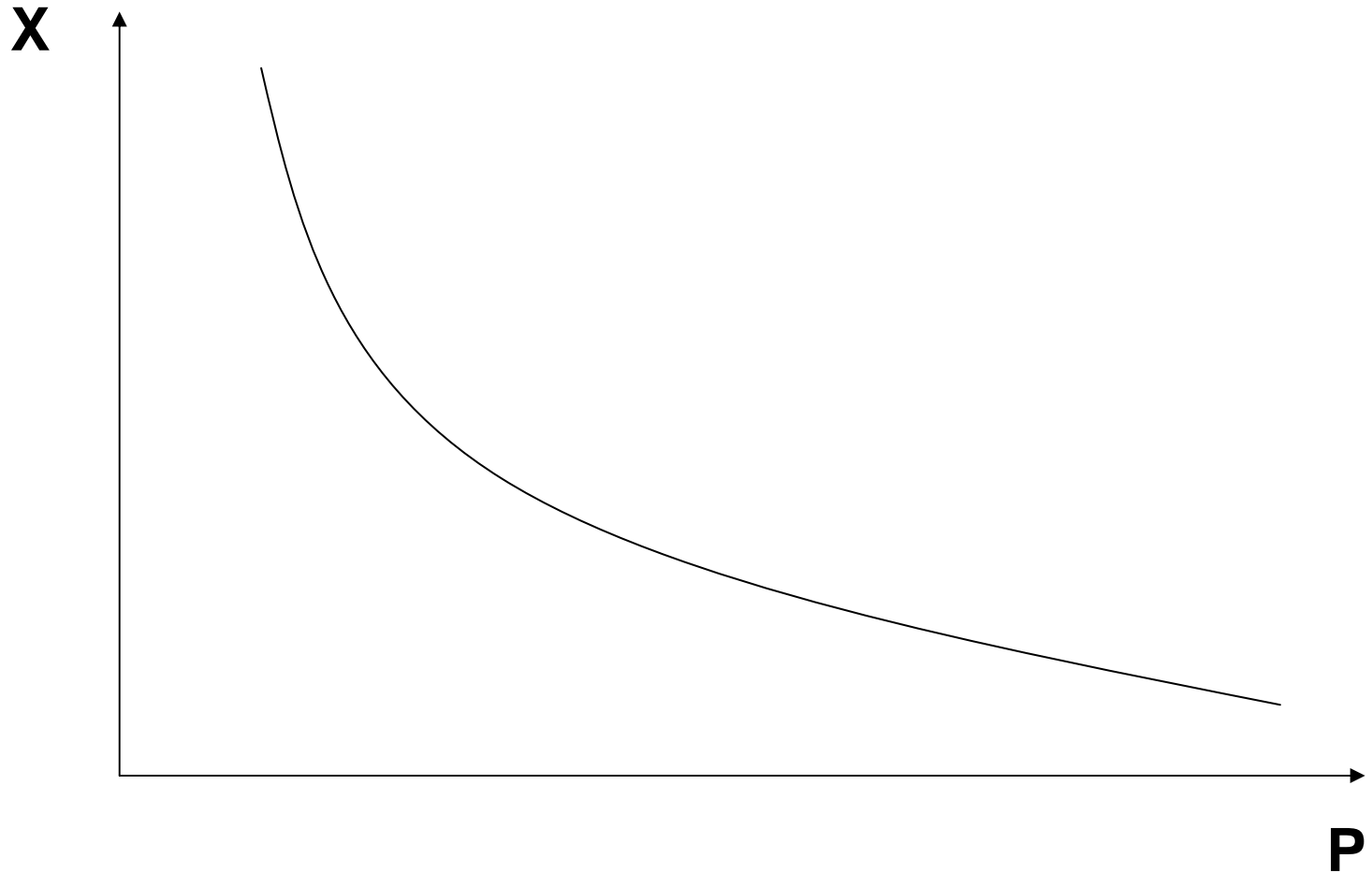
- Aggregate production function $f()$
 - Output y
 - Inputs x
 - Prices p

$$y = \left[(a_1 x_1)^\rho + (a_2 x_2)^\rho \right]^{1/\rho}; \quad \sigma = (1 + \rho)^{-1} = - \frac{\partial x / x}{\partial p / p}.$$

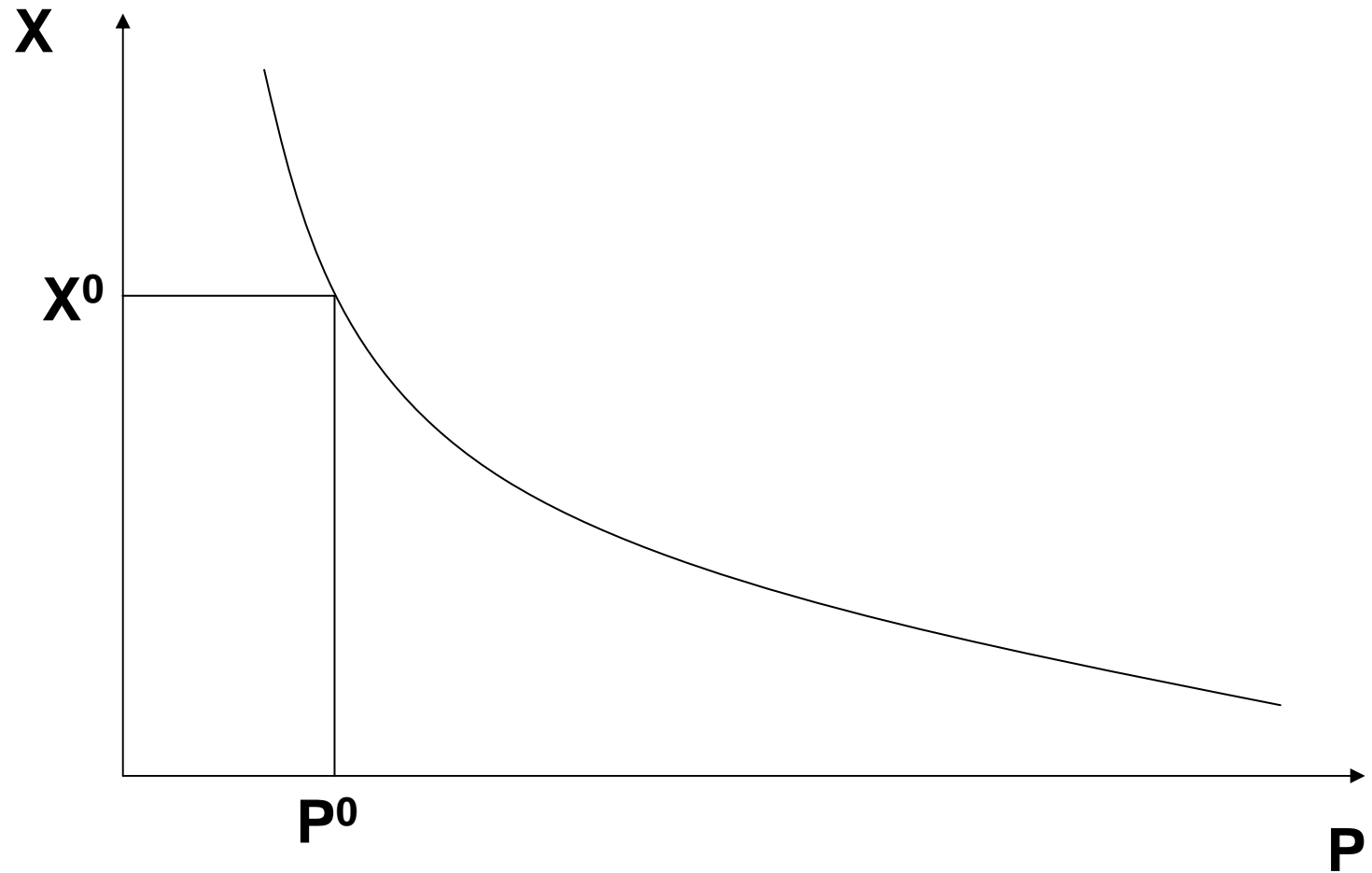
- Optimal Factor Allocation
 - Marginal productivities equal prices

$$p_i = \frac{\partial y}{\partial x_i} \quad \Leftrightarrow \quad x = \tilde{f}(p).$$

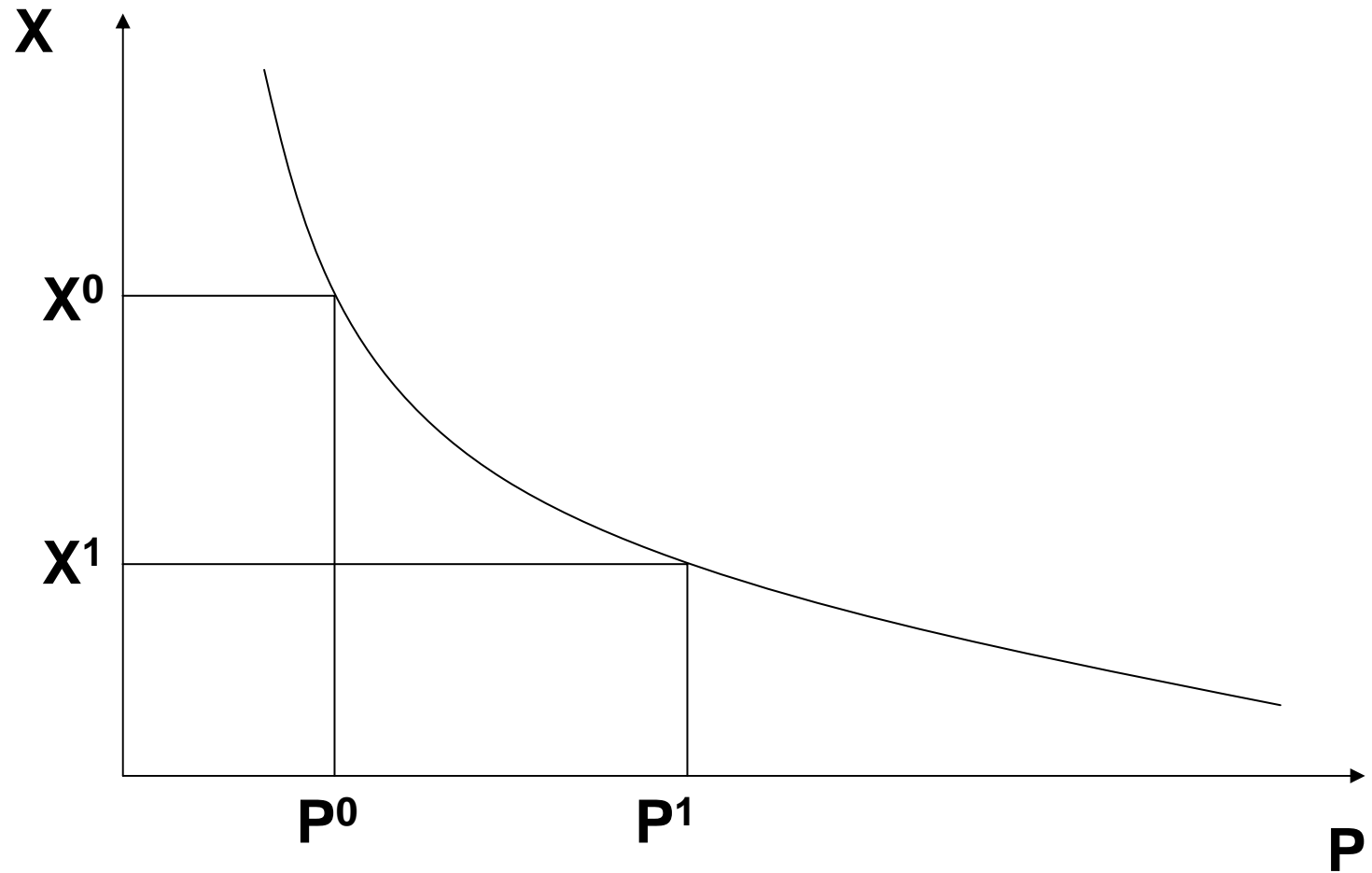
Production Theory



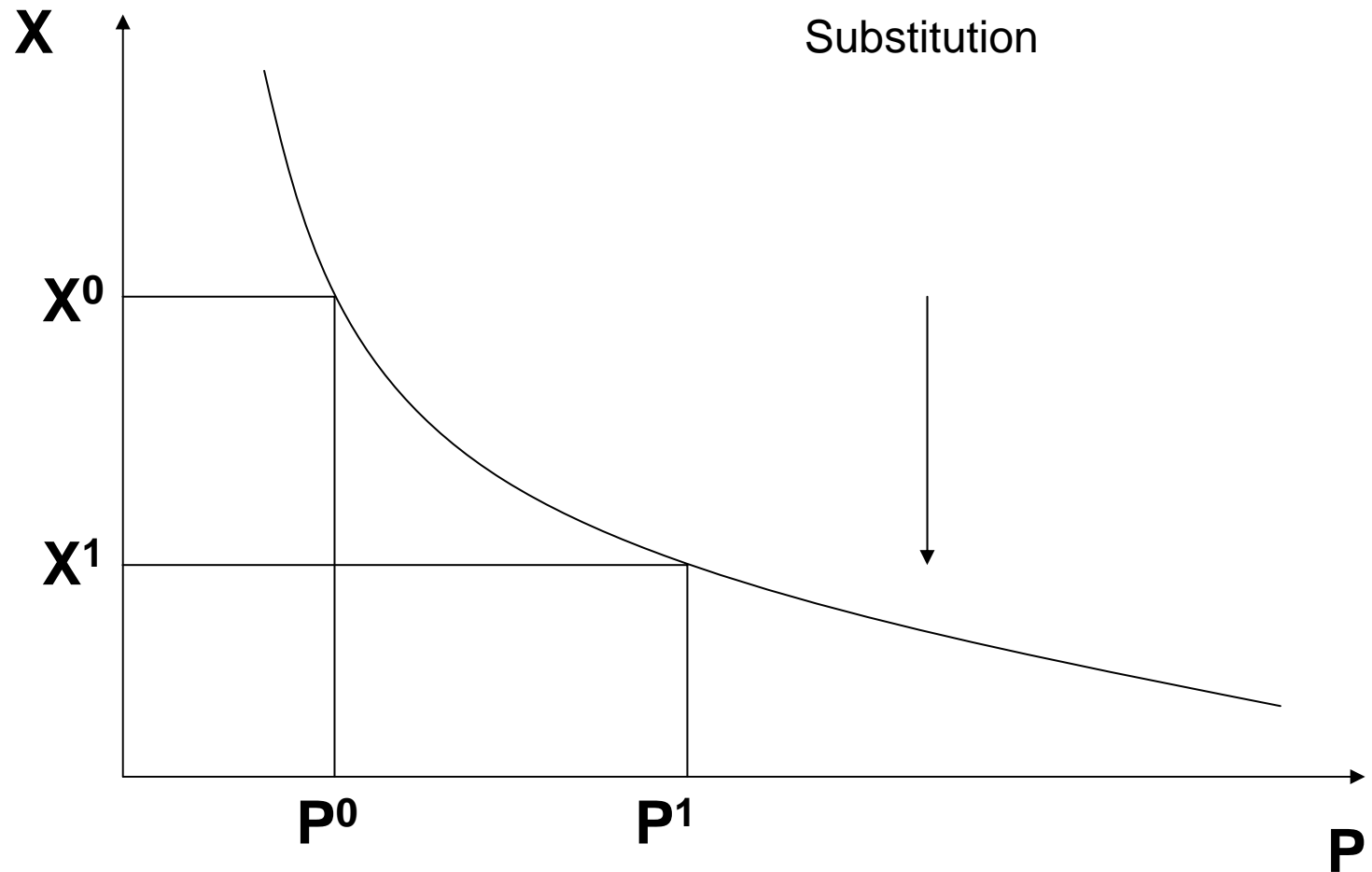
Production Theory



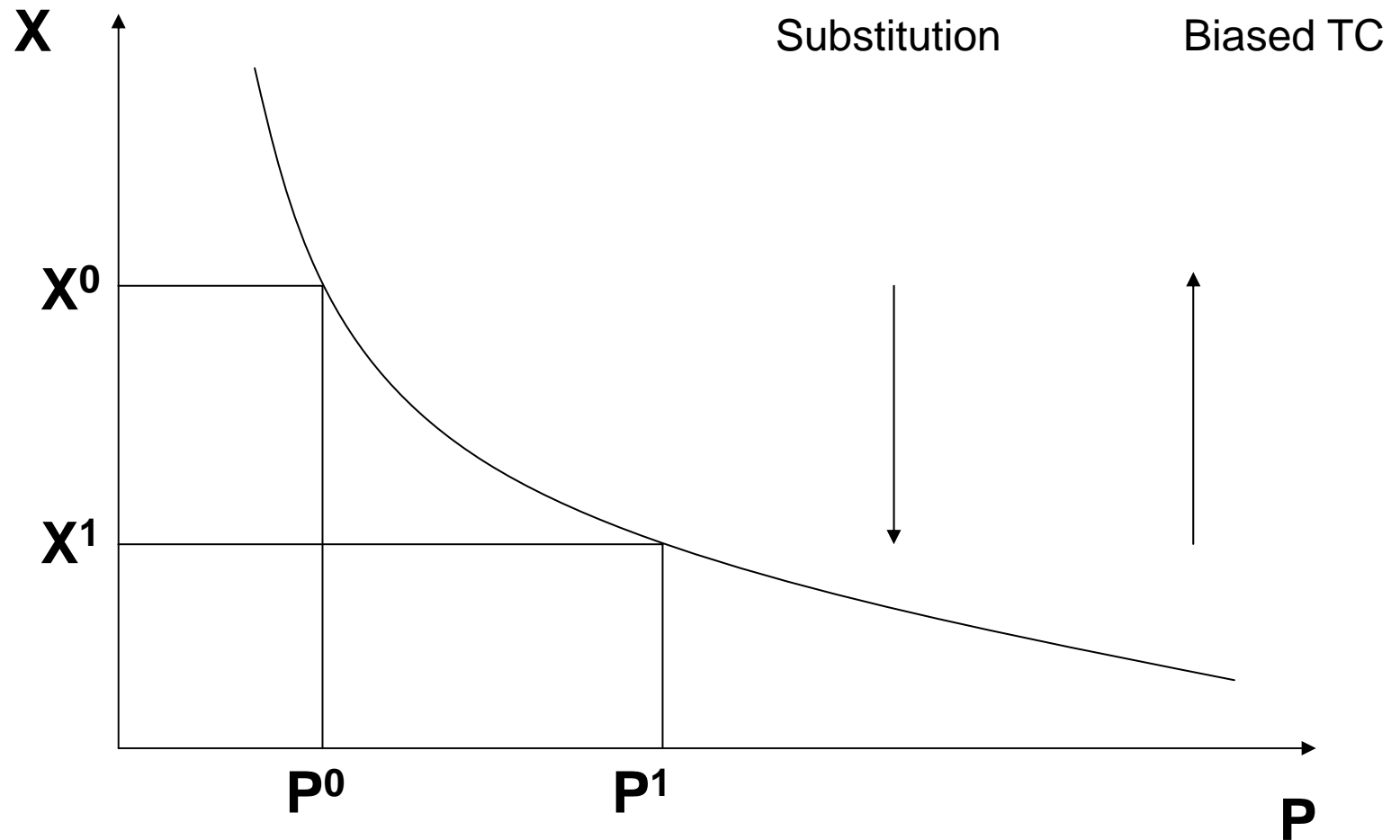
Production Theory



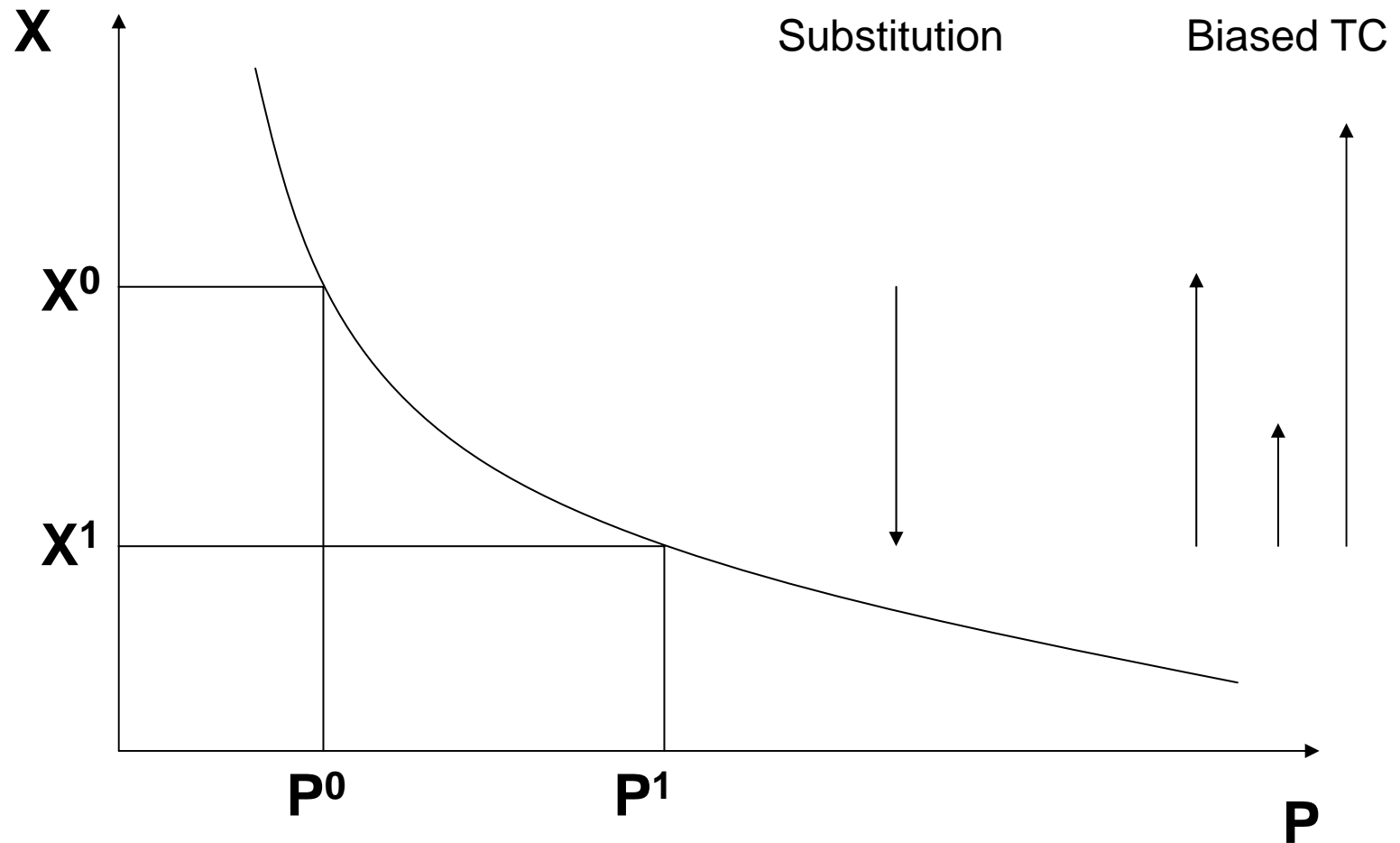
Production Theory



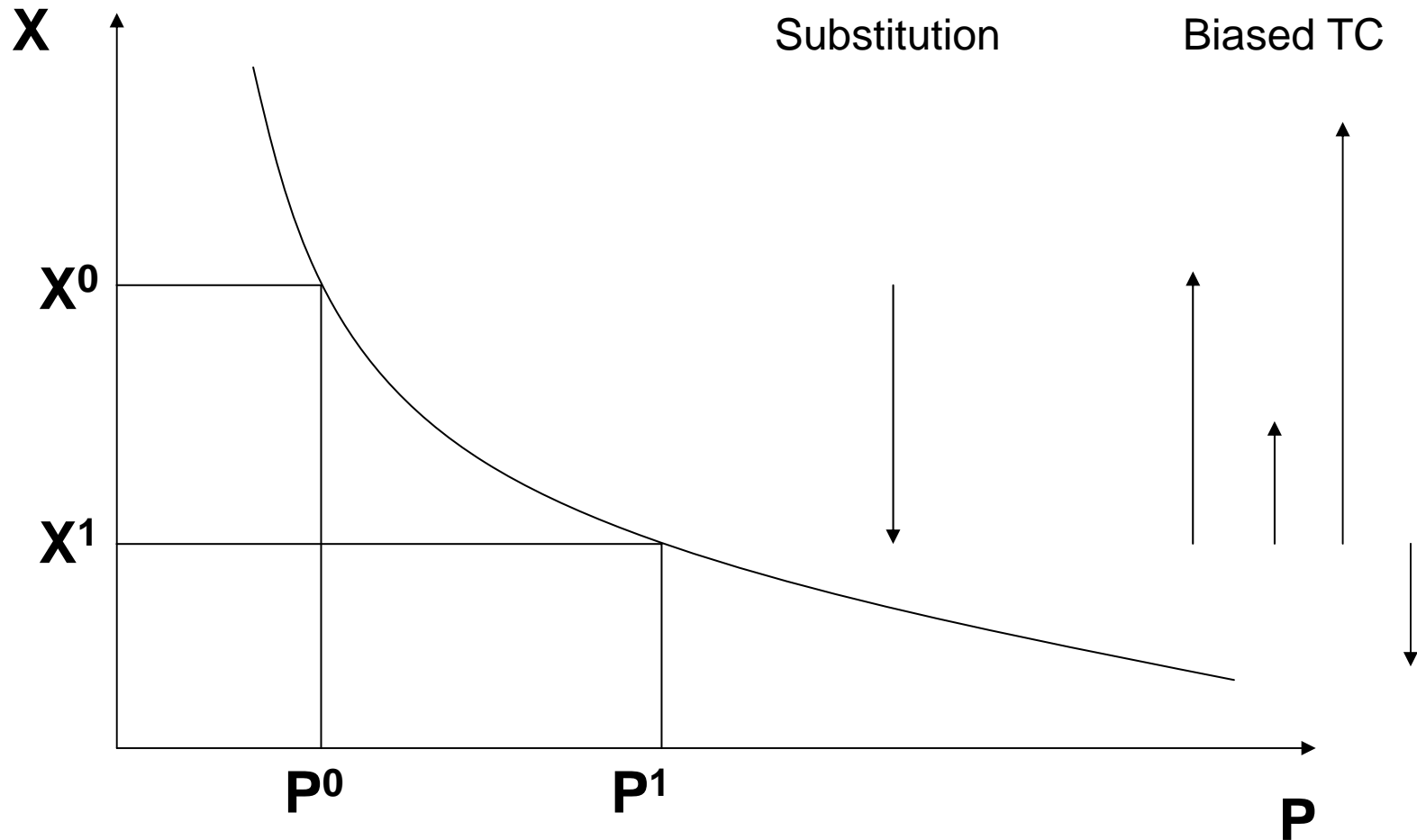
Production Theory



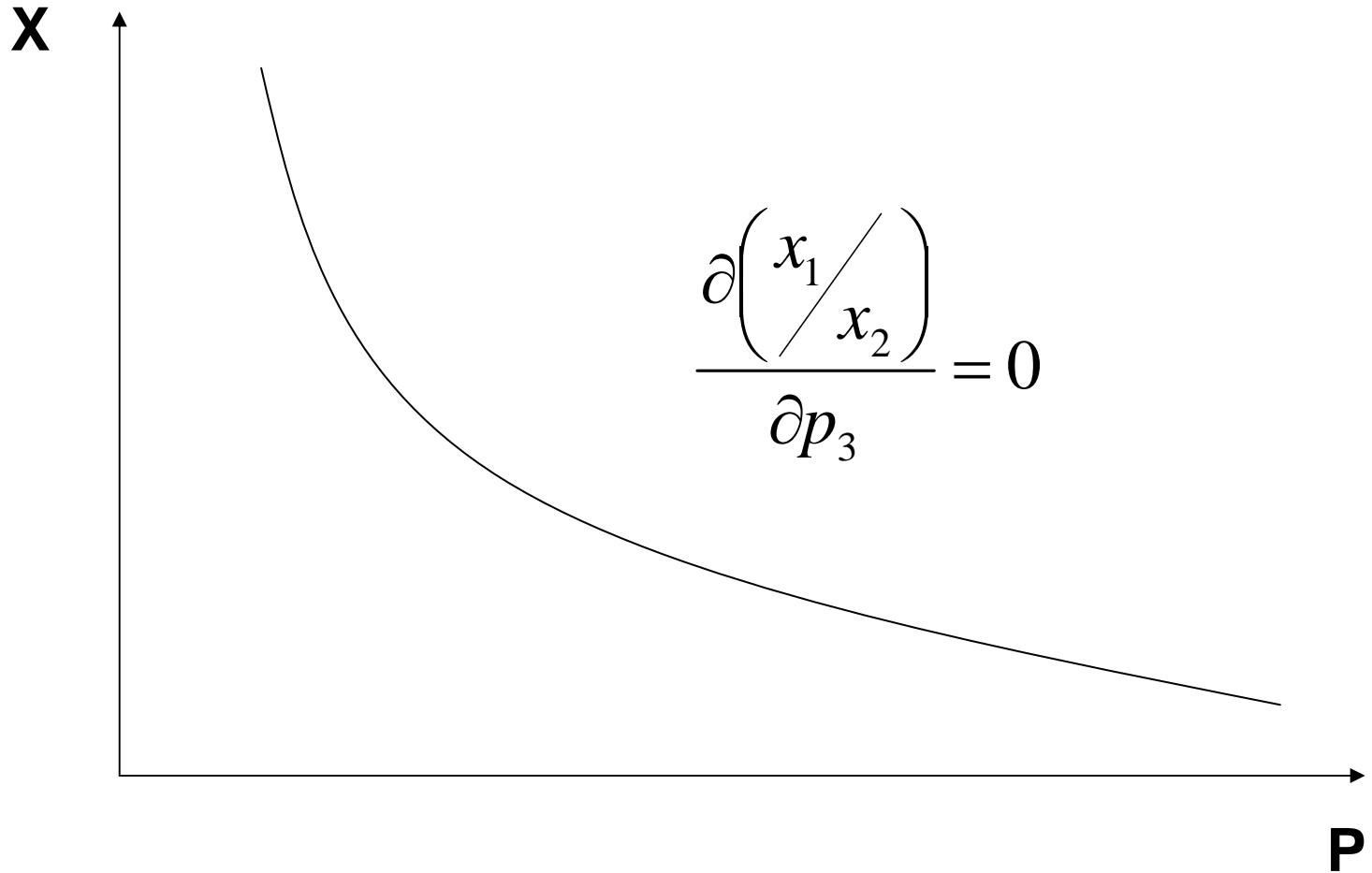
Production Theory

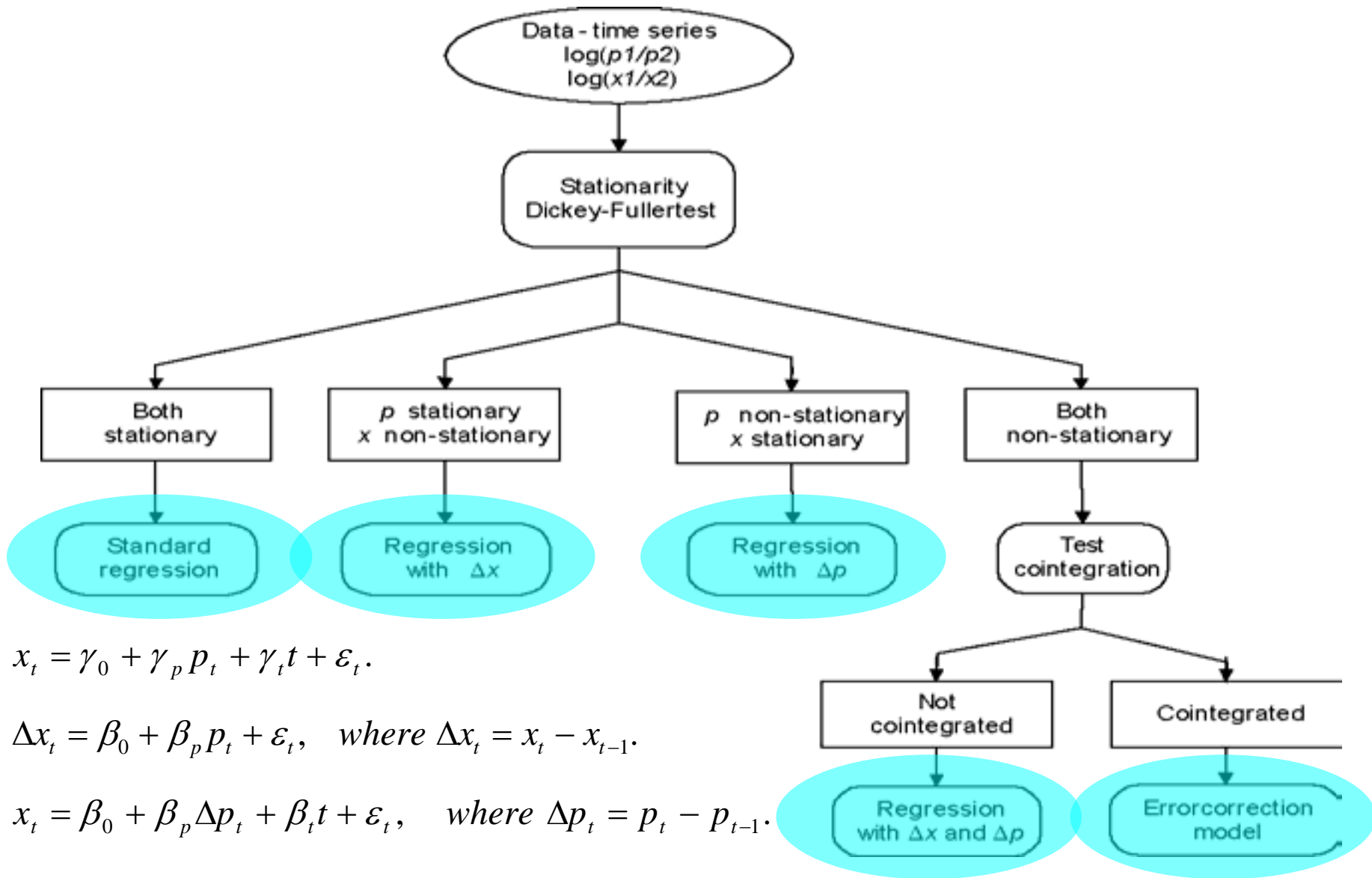


Production Theory



Production Theory





$$x_t = \gamma_0 + \gamma_p p_t + \gamma_t t + \varepsilon_t.$$

$$\Delta x_t = \beta_0 + \beta_p p_t + \varepsilon_t, \quad \text{where } \Delta x_t = x_t - x_{t-1}.$$

$$x_t = \beta_0 + \beta_p \Delta p_t + \beta_t t + \varepsilon_t, \quad \text{where } \Delta p_t = p_t - p_{t-1}.$$

$$\Delta x_t = \beta_0 + \beta_p \Delta p_t + \varepsilon.$$

$$\Delta x_t = \beta_0 + \beta_p \Delta p_t + \beta_e (x_{t-1} - \gamma_0 - \gamma_p p_{t-1} - \gamma_t t) + v_t.$$

Results – Overview

- Nearly all energy ratios are trended; not so much price ratios
- High share of ratios is non-stationary
→ models with differences
- Substitution: rarely significant
- BTC: significant with many structural breaks

Results – Gas-Oil

- Trend to gas → Ö, Bel, CH, J, NL, SP
 - Slowed down → Cz93, F85, D85, I92, UK89
 - Switch to oil → SI92, USA88
 - Trend to oil → Mex
-
- 3 of 24 substitution parameters significant, ...
 - One having the wrong sign.

Results – Gas-Coal

- Trend to coal → Bel
 - Trend to gas → F, J, SI, US
 - Accelerated → CH91, D89, UK92
 - Slowed down → Cz92
 - Switch to gas → Ö85, I85
 - Switch to coal → T93
-
- 2 of 21 substitution parameters significant

Results – Oil-Coal

- Trend to coal → Ö, Bel, NL, Nor
- Trend to oil → Cz, J, UK, SI
- Switch to oil → CH87, F90, D89, I85, US91

- 6 of 22 substitution parameters significant, ...
- One having the wrong sign.

Discussion

- Low evidence for substitution
- High evidence for BTC; structural breaks
- Countries show different patterns
- What may explain BTC?

Discussion

- Investments and depreciation re-structure capital stock
- Changes relative energy demands
- Investments determined not only by energy prices
- Contradiction with separability assumption!
- BTC can capture changed energy demand due to capital stock restructuring
- Problem: how to endogenise BTC?

Further Research

- Improvement of data
 - Sectoral resolution
 - Investment data
- Theoretical analysis
 - Bottom-up vs. top-down → capital theory
 - Separability and BTC
- Integrated modeling
 - Pragmatic approach: exogenous BTC
 - Scenarios, sensitivity analysis



STREAM: A Model for a Common Energy Future

Risø Energy Conference, 24 May 2007

Peter Markussen
DONG Energy Generation

Background



- The future Danish Energy System (2004-2007)
- Initiated by The Danish Board of Technology
 - Public body established by the Danish parliament
- Project content
 - Open scenario process
 - Quantification of scenarios
 - www.tekno.dk

Goal of the project



- Lay dawn objective and possible futures for the Danish Energy System
- Steering group to agree on the process and overall goals for scenarios
 - 10 interested parties from the energy sector and NGO's
- Working group to supply a modeling tool and facts:
 - Mette Behrmann, Jens Pedersen (Energinet.dk)
 - Kenneth Karlsson (Risø)
 - Anders Kofoed-Wiuff, Jesper Werling (EA Energianalyse)
 - Peter Markussen (DONG Energy)

Agenda



1. The scenario process
2. The results
3. The modelling tool
 - Energy savings model
 - The time series model
 - The energy flow model
4. Perspectives

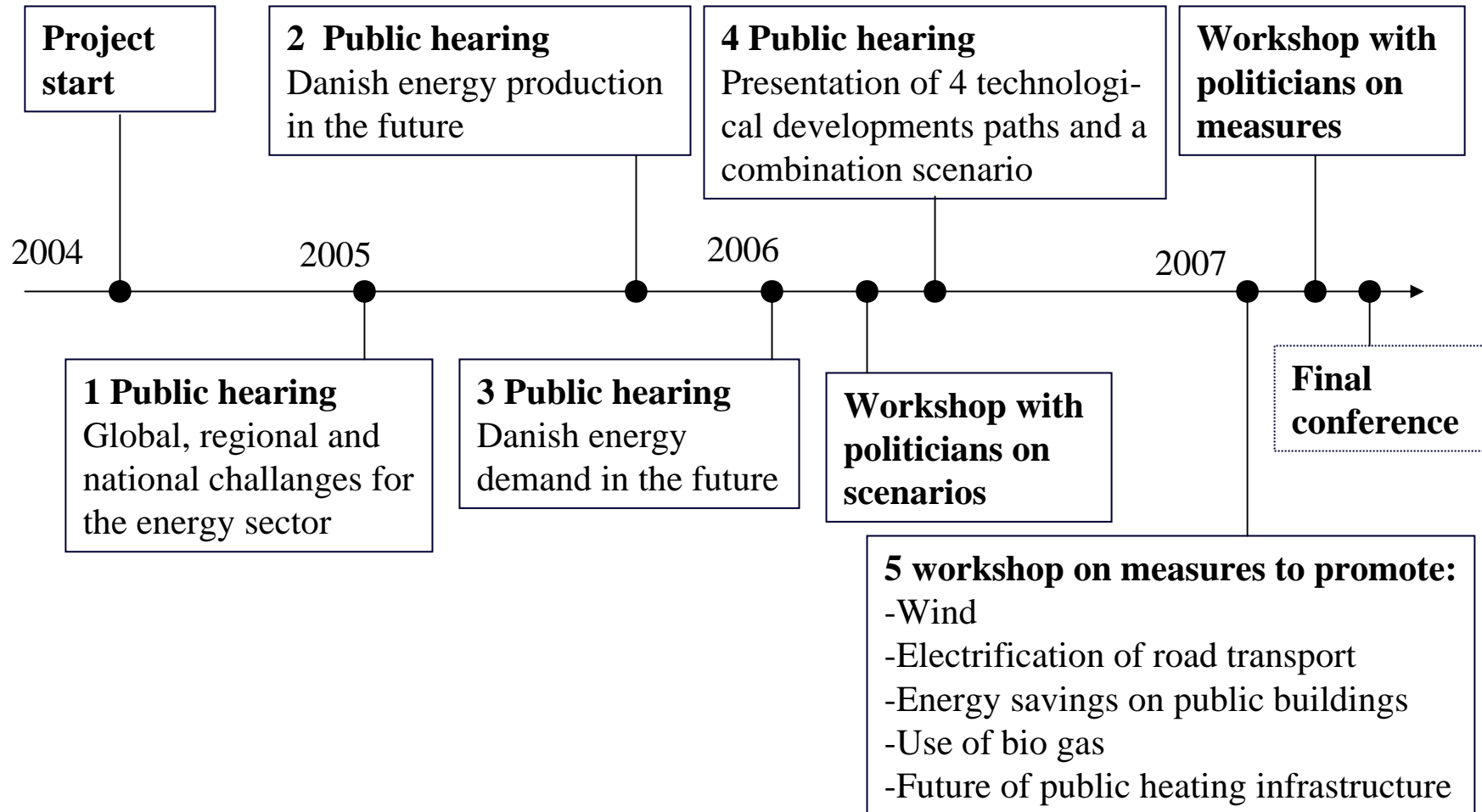
Agenda



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The scenario process



Quantitative targets



- Reduce CO2 emissions by 50% in 2025 compared to 1990
- Reduce oil consumptions by 50% in 2025 compared to 2003
- Take into account global responsibility and national economics

Agenda



1. The scenario process

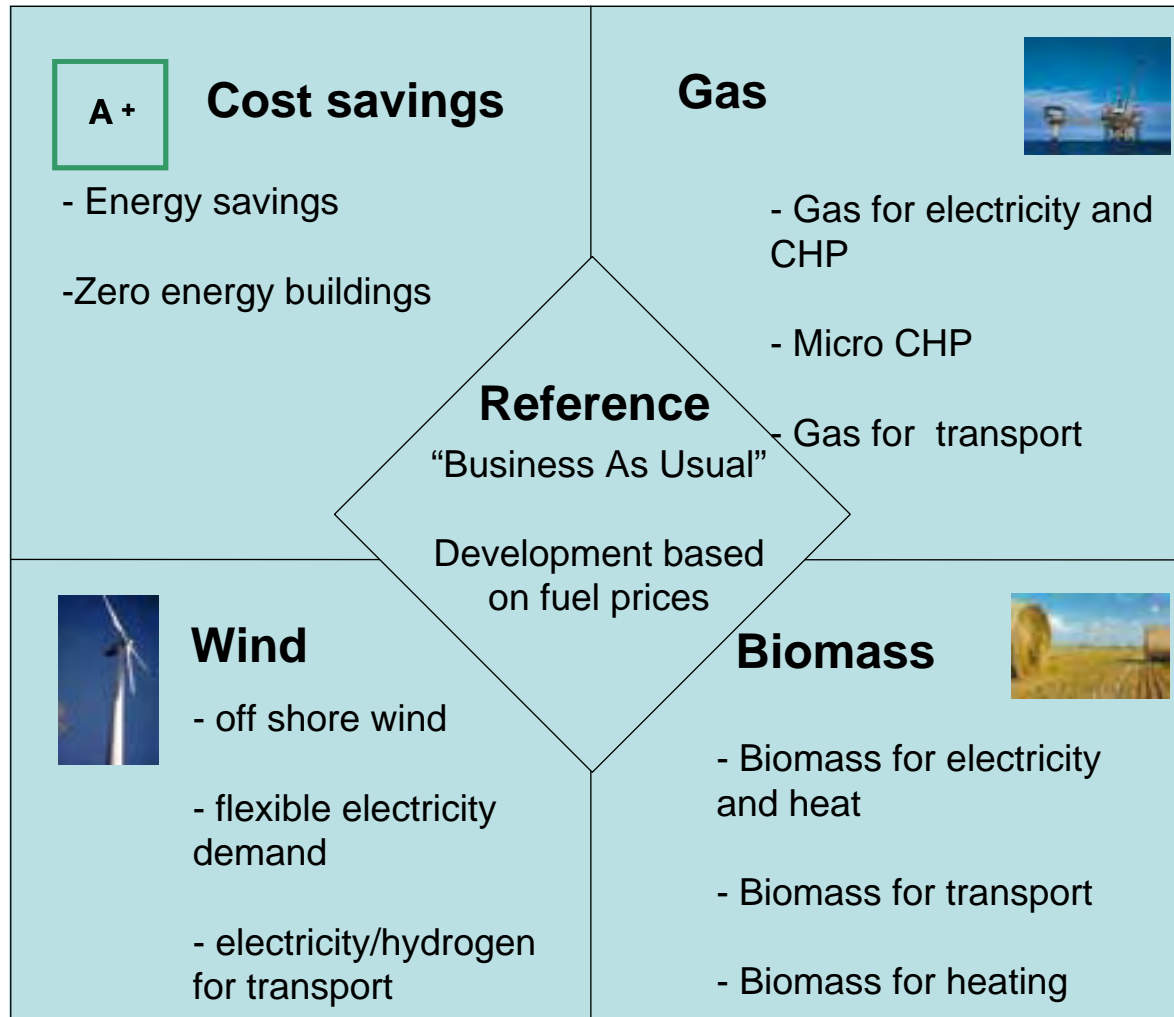
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4. Perspectives

4 technological scenarios to 2025



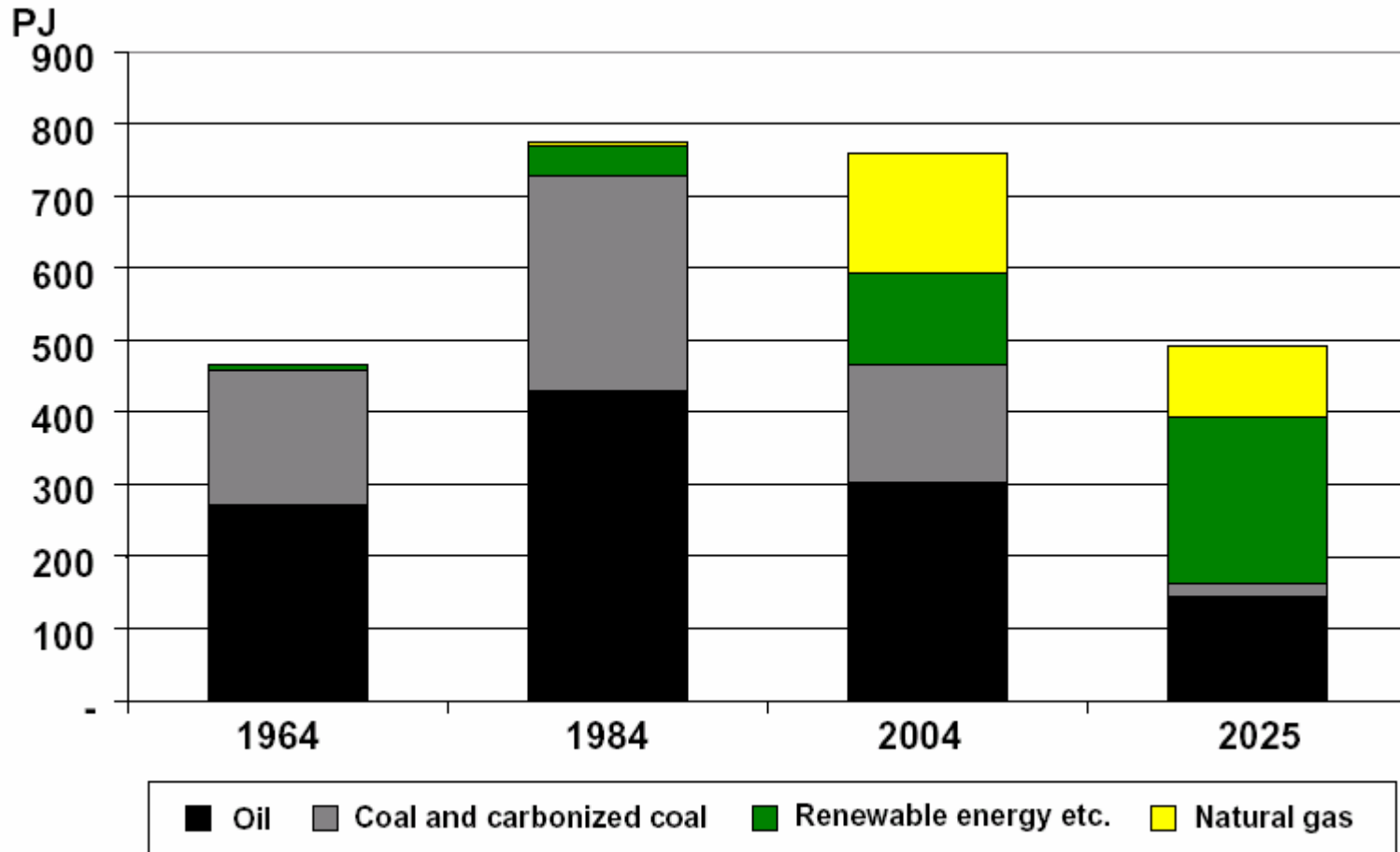
The Combination scenario



- Combination of the 4 technology scenarios
- Inspiration from the workshop with politicians
- Savings and increased electricity production from wind and biomass for transport. Gas as back up for wind.

The Combination Scenario

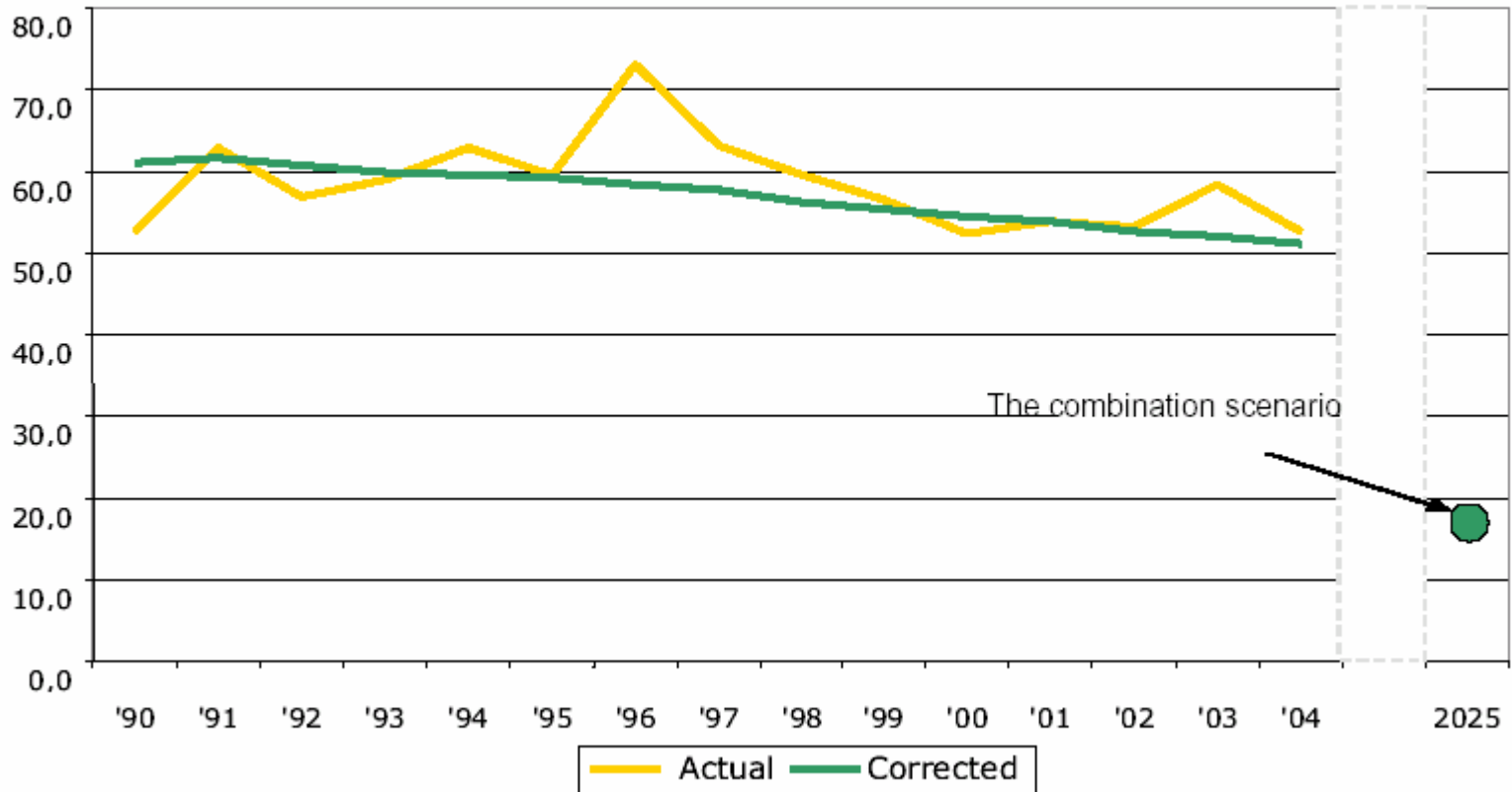
Fuel use



The Combination Scenario CO2 emissions

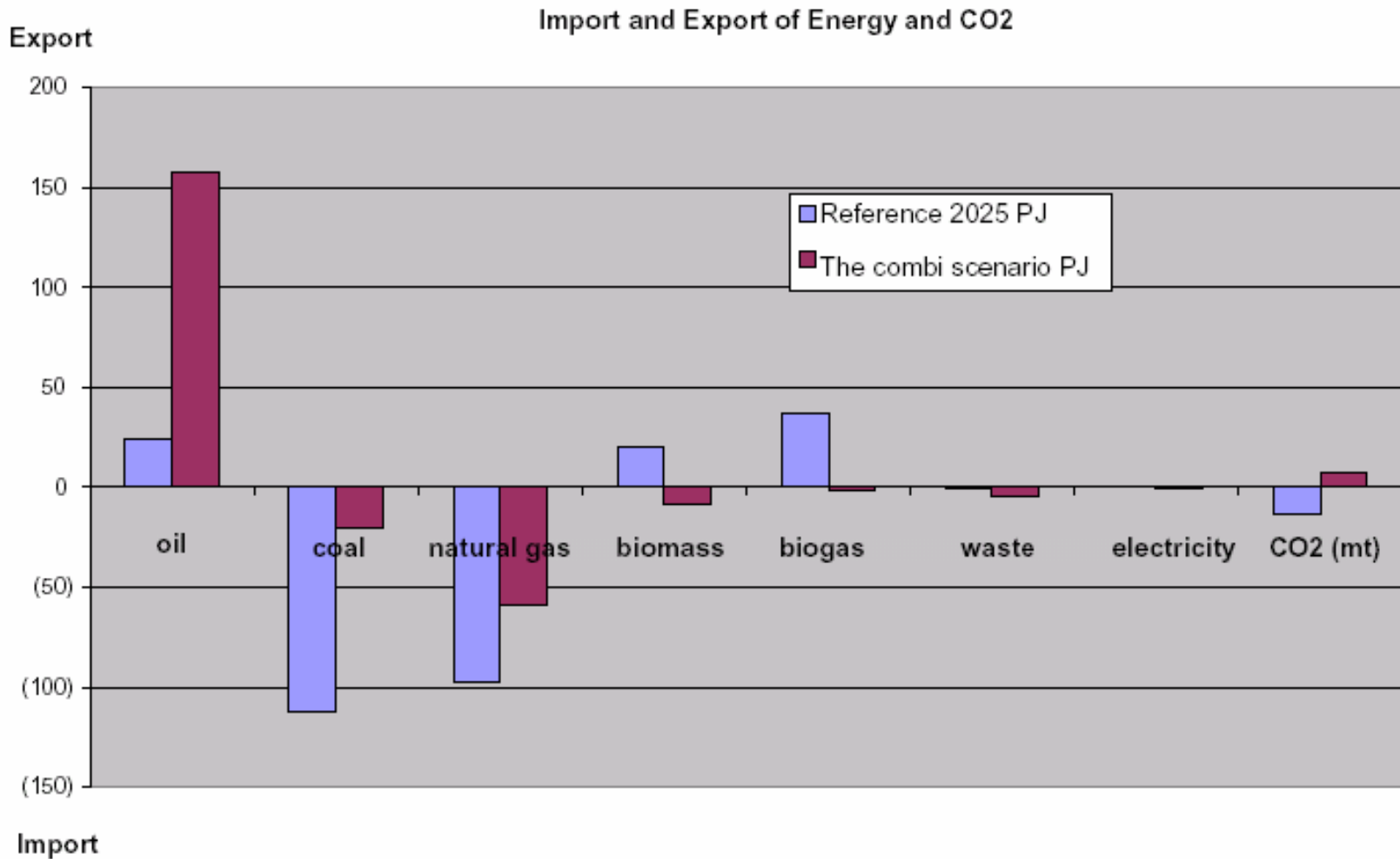


Million tons CO2



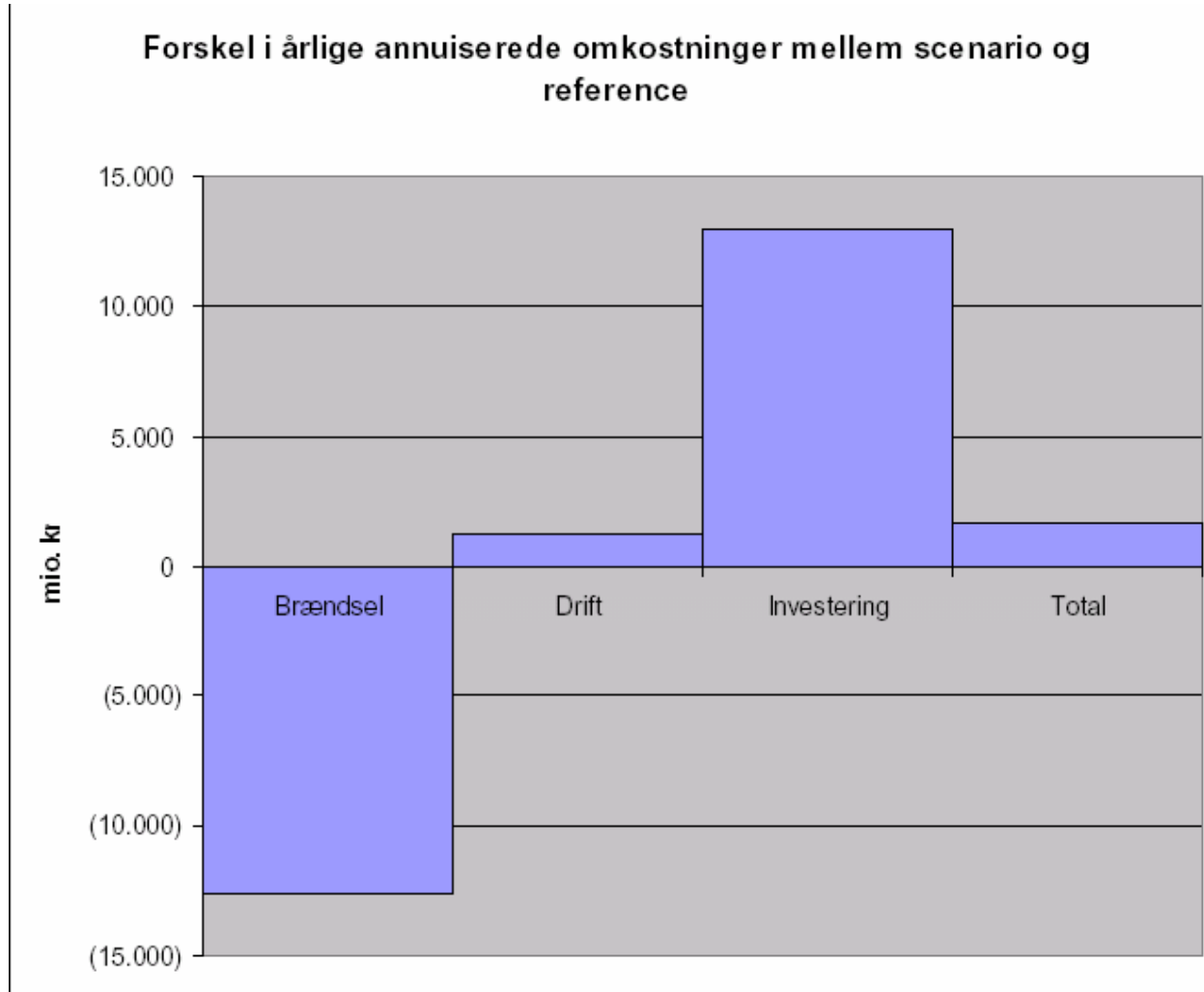
The Combination Scenario

Import/export balance



The Combination Scenario

National economics



Agenda



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The modeling tool: STREAM

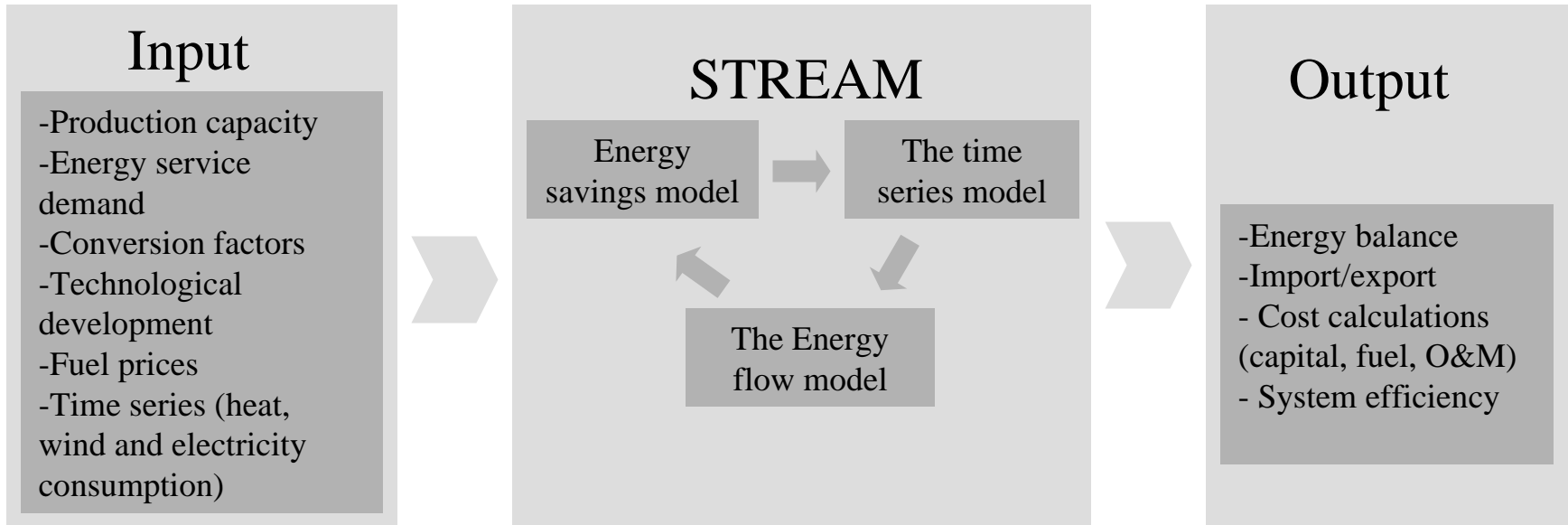


- STREAM: Sustainable Technology, Research and Energy Analysis Model
- Simple and transparent model
 - Enhance complete energy flow
 - Developed in cooperation with broad range of parties
 - Conduct new analysis quickly
- Qualify scenarios through quantification
- Give project attendants better insight on the spot in scenario discussions

STREAM



Overall goals (CO2 emissions, fuel use, etc.)



The energy savings model



- Projection of demand for energy services
 - Calculated for households, service sector, industry and transport
 - In each area different end uses is identified as well as savings potentials and costs
 - Starting point for transport is amount of person kilometres

The energy savings model



Regnearksmodel til fremskrivning af efterspørgslen efter endeligt energiforbrug baseret på baggrundstal fra Energistrategien og Energispareplanen.

Energisparescenario: "Besparelse Scen1"		Scenarier: Reference Kombiscenariet						
Anvendt rente ved investeringer: 6%		Reference scenarieret Kombiscenariet						
Endeligt energiforbrug i sektorer	Forbrug 2003 TJ	Økonomisk vækst % p.a.	Intensitet faktor	Reference scenarieret 2025	Kombiscenariet 2025	Basis forbrug 2025 TJ	Reference scenarieret 2025	Kombiscenariet 2025
				Ekstra omk. ifht. basis mill. kr/år	Ekstra omk. ifht. reference mill. kr/år		TJ	TJ
Handel & Service	83.706	1,6	0,75	879	1.184	111.940	79.691	50.861
Produktion	162.494	1,5	1,00	1.748	2.280	233.304	171.234	130.550
Husholdninger, el - rumvarme	186.324	1,9	0,90	3.496	2.734	225.950	162.210	123.000
I alt	432.524			6.123	6.524	571.193	413.135	304.411
		Vækst transportarbejde		Årlig besparelse ifht. Basis :				
Transport, person	107.456	1,0%	1,00		2952	133.753	122.160	97.462
Transport, gods	60.720	1,0%	1,00		591	75.579	64.308	53.372
I alt inkl. transport	600.700				10.067	780.525	599.603	455.245

Kampagneomkostn
3 kr/GJ

Endeligt forbrug fordelt på brændsler (uden transport)	Forbrug 2003 TJ	Basis forbrug 2025 TJ	Reference scenarieret 2025			Kombiscenariet 2025		
			TJ	%	%	TJ	%	%
El	115.647	157.367	28%	114.631	28%	76.017	25%	
Fjernvarme	108.270	128.958	23%	96.351	23%	82.183	27%	
Kul	9.199	12.682	2%	9.603	2%	4.524	1%	
Olie	91.755	118.758	21%	85.172	21%	25.991	9%	
Naturgas	74.572	94.372	17%	74.964	18%	67.524	22%	
Biomasse (Energiafgrøder)	0	0	0%	0	0%	0	0%	
Biomasse (halm, træaffald)	33.081	40.485	7%	32.413	8%	48.172	16%	
I alt	432.524	552.624	100%	413.135	100%	304.411	100%	

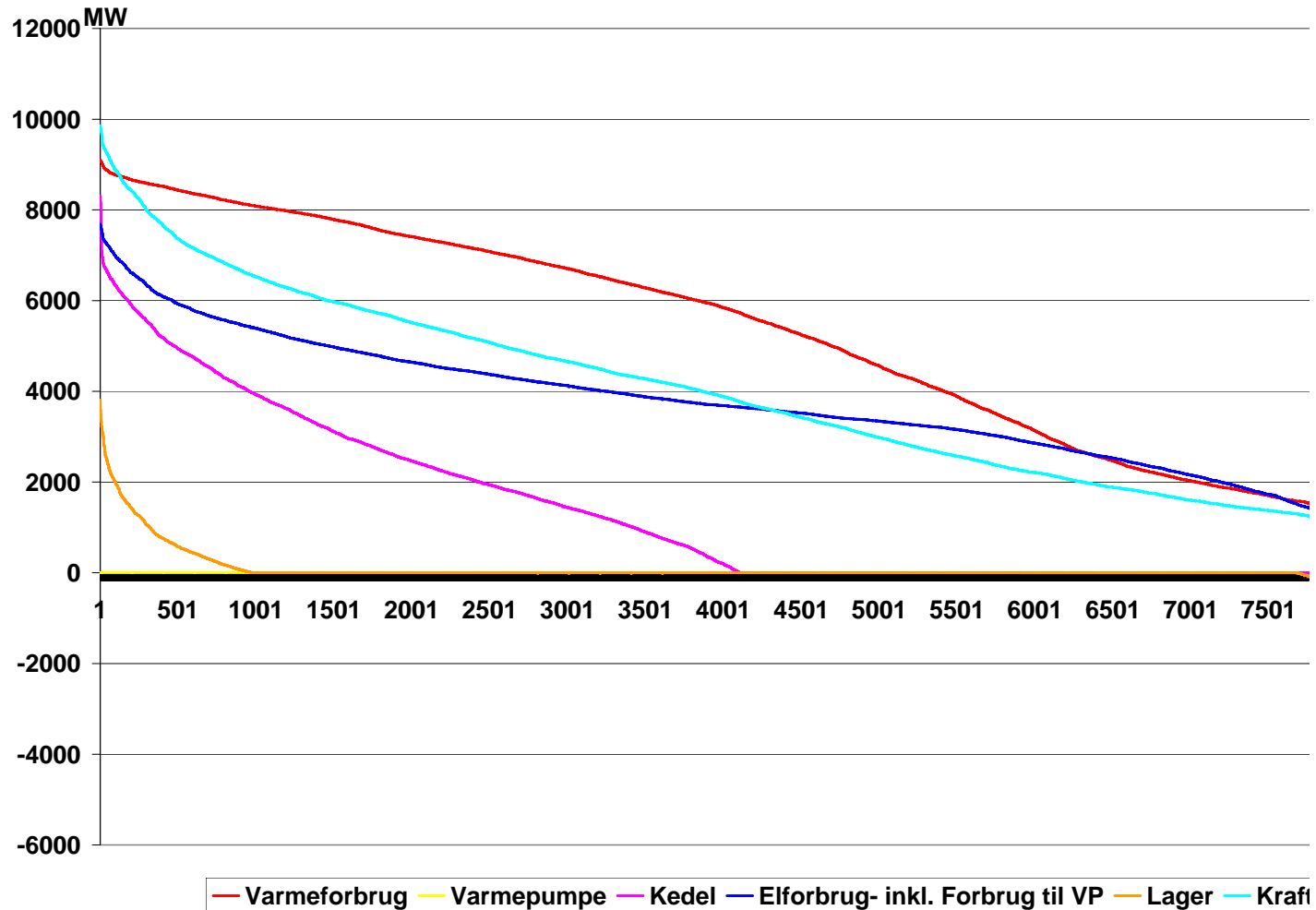
* Alle investeringer er omregnet til annualiserede afdrag i 2003-kr. Svarende til lån, der afdrages med samme årlige betaling over investeringens levetid.

The time series model



- Analyse correlations in the Danish electricity and CHP system on an hourly level.
- Indicates coherence between wind and combined heat and power production

The time series model

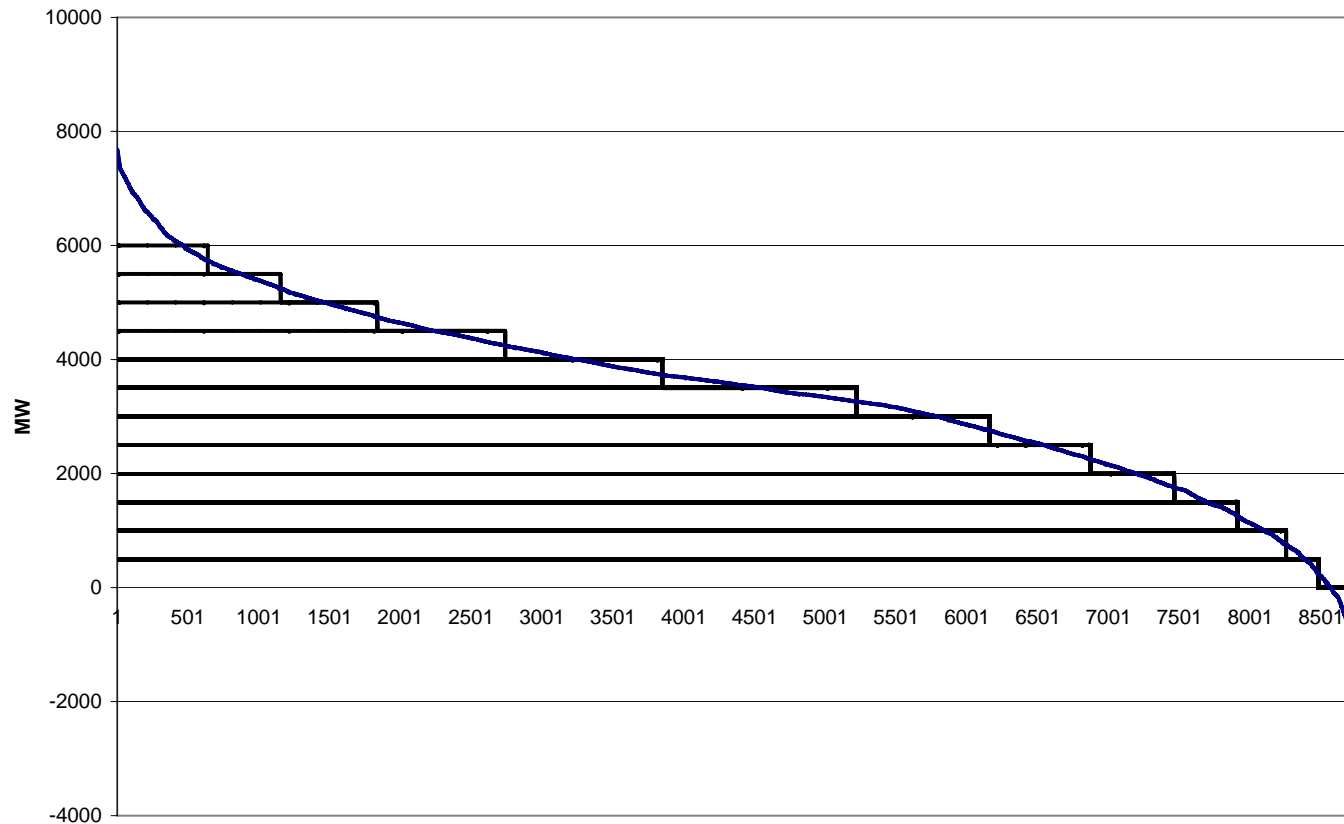


The time series model



Elforbrugsvarighedskurve - fordelt på segmenter af 500 MW

(Husk: varighedskurven skal opdateres vha. makro)



The energy flow model



- Combine models with economics and technology data for a given year
- Produce tables and figures
- Economic costs is determined as the annual costs of running the system in a given year

The energy flow model



Ambitiøse scenario					Brændsler				
Energiprodukter									
(PJ)	el	fjernvarme	varme/ brændsel	Total	el	fjernvarme	olie	kul	naturgas
el produktion	96,27			96,27			0,96	7,22	9,63
el, brændselsforbrug	144,60			144,60			1,77	12,67	15,05
virkningsgrad	67%			67%			54%	57%	64%
fjernvarme, produktion		104,83	0,04	93,05		#REFERENCE!	0,93	6,39	22,13
fjernvarme, brændselsforbrug		66,14		66,14			0,47	3,20	18,74
virkningsgrad / COP		159%		141%			200%	200%	118%
			Produkt						
brint, produktion			0,11	0,20	0,2				
ethanol, produktion		51%	10,12	19,70	1,3	5,2			
methanol, produktion			0,00	0,00	0,0				
biodiesel, produktion			10,15	12,10	1,3	0,2			
varmeforbrug			65,42		7,18	74,51	11,80	1,83	32,36
varmeforbrug, brændsel			73,75	158,54	7,18	77,61	13,11	2,28	34,06
virkningsgrad			89%		100%	96%	90%	80%	95%
nettab	6,01	20,38							
egetforbrug	0,00								
Tvungen el-eksport	(0,55)								
ikke energiformål			0,00						
	El	Fjernvarme	Summen af brændsler	Total	Brændselsforbrug inkl. konverteringstab				
Handel og service	20,13	23,90	6,83	50,86	20,13	23,90	0,68	0,00	3,41
Produktionserhverv	36,02	10,87	83,67	130,55	36,02	10,87	19,56	4,35	38,03
Husholdning	19,86	47,42	55,72	123,00	19,86	47,42	5,75	0,18	26,08
Transport	7,67		146,53	162,45	10,51	5,41	121,35		1,45
Forbrug excl. transport	76,02	82,18	146,21	304,41			25,99	4,52	67,52
Forbrug	83,68	82,18	292,74	466,86			147,34	4,52	68,97
Total bruttoenergiforbrug	144,60	66,14	292,74	503,48			149,58	20,38	102,76

Modelling challenges



- Economic costs from investments and measures handled in a very simple manner
- No economic or advanced optimization of the energy flow and exchange with neighbouring countries.



Origin of data

- Data availability often decisive for modelling
 - Especially in the Energy savings model
- Access to many parties through the scenario process and the active involvement from the politicians

Agenda



1. The scenario process
2. The results
3. The modelling tool
 - Energy savings model
 - The time series model
 - The energy flow model

4. Perspectives



Perspectives

- Consolidation of model
- Public access to modelling tool
- Modelling tool creates common references and understanding of challenges in scenario discussions
 - Also outside Denmark

Vanadium redox-flow batteries

- Installation at Risø for characterisation measurements

Henrik Bindner

Wind Energy Systems

Wind Energy Department

Risø, DTU

Risø International Energy Conference May 2007

Acknowledgement:

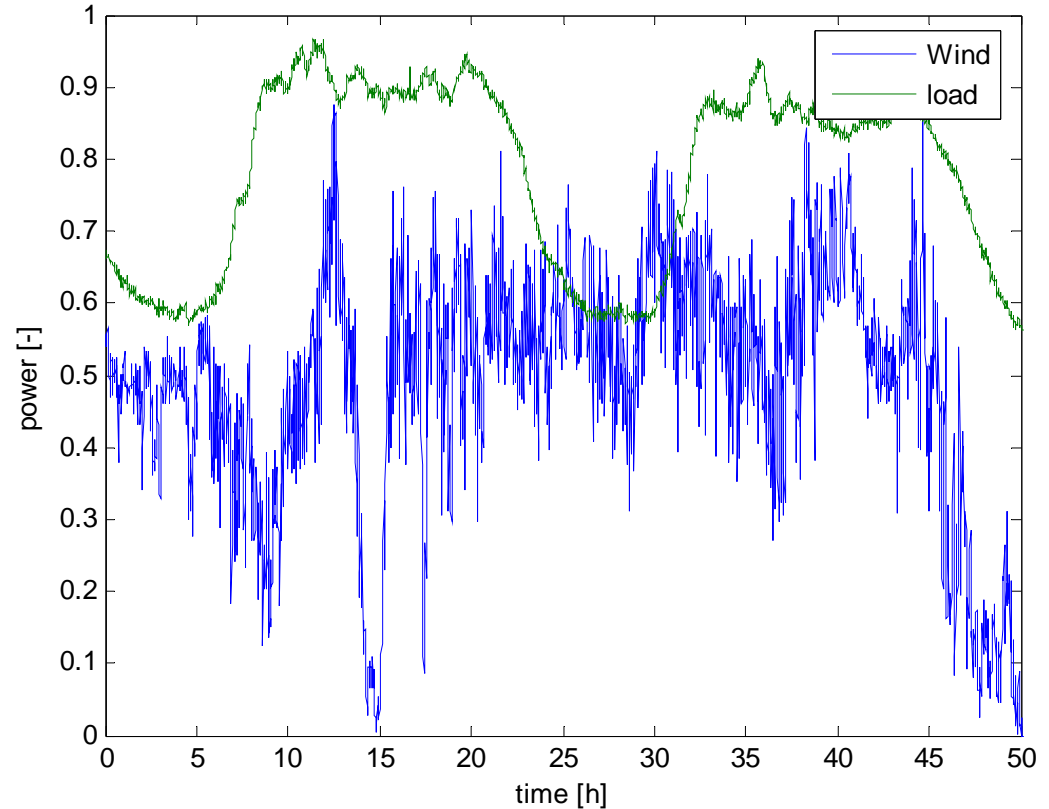
The work presented is supported by Energinet.dk through the PSO-project "karakterisering af vanadium batteri"

Presentation outline

- Power system with a high penetration of wind
- Applications of energy storage and energy storage technologies
- Vanadium batteries
- Vanadium battery as part of SYSLAB
- Current Status and test results

Power Systems with high penetration of wind

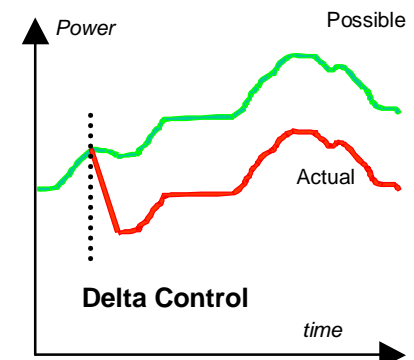
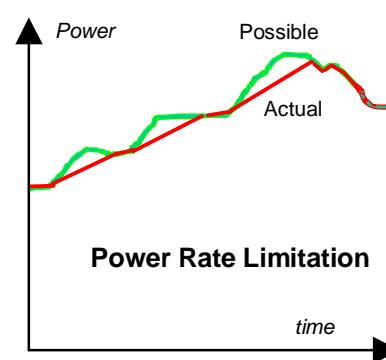
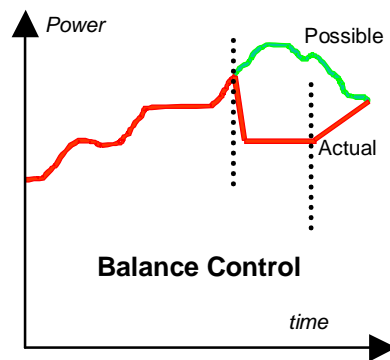
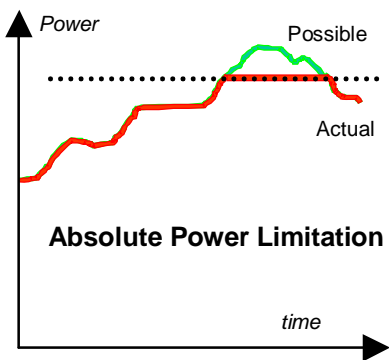
- Production and consumption has to match at any instant
- Issues with wind
 - Fluctuations
 - Variations
 - Predictability
- The rest of the system has to compensate for the fluctuations on the short time scale (sec-min) and variations and prediction errors on a longer time scale (hours-days)
- Flexibility of the rest of the system is crucial for achieving high penetration
- More and more functions are provided via a market



- Flexibility can be provided by several means
 - Production
 - Flexible/intelligent consumption
 - Energy storage

Power plant functions from wind farms

- Wind turbines are installed in larger and larger wind farms
- The spatial smoothing is reduced resulting in larger fluctuations
- but coordinated control of all the wind turbines is improved
- During recent years there has been an effort to develop functions similar to other power plants to provide frequency and voltage control support
- Due to the stochastic nature of wind it is limited what can be obtained without support technologies



Energy storage functions and issues

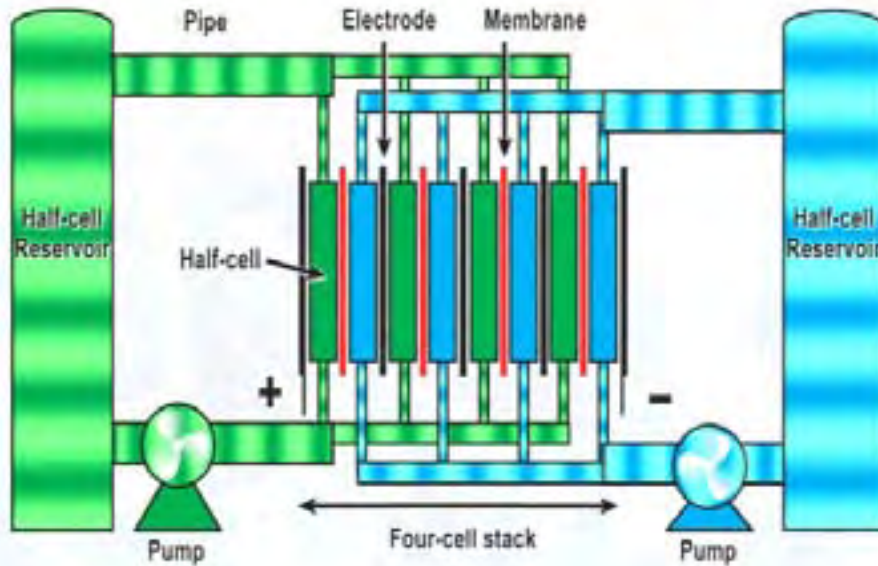
- Batteries can have many functions in the power system
- Several of the storage technologies can provide several functions simultaneously
- Potential functions include:
 - Very short term power quality improvement
 - Uninterruptible power supplies
 - Reduction of short term fluctuations in renewable energy production
 - Reduction of spinning reserve
 - Reduction of standing reserve
 - Daily smoothing
 - Seasonal storage
 - Energy arbitrage
- Issues with application of batteries:
 - Costs
 - Uncertainty of cost
 - Lifetime
 - O&M cost
 - Efficiency
 - Self-discharge
 - Operational capabilities
 - Reliability
 - Safety and environmental issues

Energy storage technology overview

Technology	Power/Energy Range	Applications	State of development
Supercapacitors, superconducting magnetic energy storage	High power Low energy	UPS, power quality	Pre-mature
Flywheels	High Power Low Energy	Power quality	Mature
Batteries: lead acid, lithium, sodium-sulphur, nickel	Medium power Medium Energy	UPS, RE fluctuation reductions	Pre-mature – mature
Redox-flow batteries: Vanadium, Br-S, Zn-Br	Medium power High Energy	RE fluctuation reduction, spinning/standing reserve	Pre-mature
Pumped hydro	High Power Very High Energy	Spinning/standing reserve, energy arbitrage	Mature
Compressed air	High Power Very High energy	Spinning/standing reserve, energy arbitrage	Mature
Hydrogen	Medium Power High Energy	RE fluctuation reduction, spinning/standing reserve	Prototype
Thermal	-	RE fluctuation reduction, spinning/standing reserve	Mature
Demand response	-	RE fluctuation reduction, spinning/standing reserve	Pre-mature

Vanadium redox-flow battery technology

- Flow/membrane based battery
- Electrolyte is vanadium dissolved in sulphuric acid



- Electrodes do not participate in the electro-chemical process
- Same electrolyte on both sides
 - No cross-contamination
 - Very long lifetime
- Independent sizing of power and energy capacity
- Low maintenance
- Very good cycling capability – more than 10000 cycles
- Good efficiency ~75%
- Low self-discharge
- Fast response

- Only change in valence of vanadium



Charge

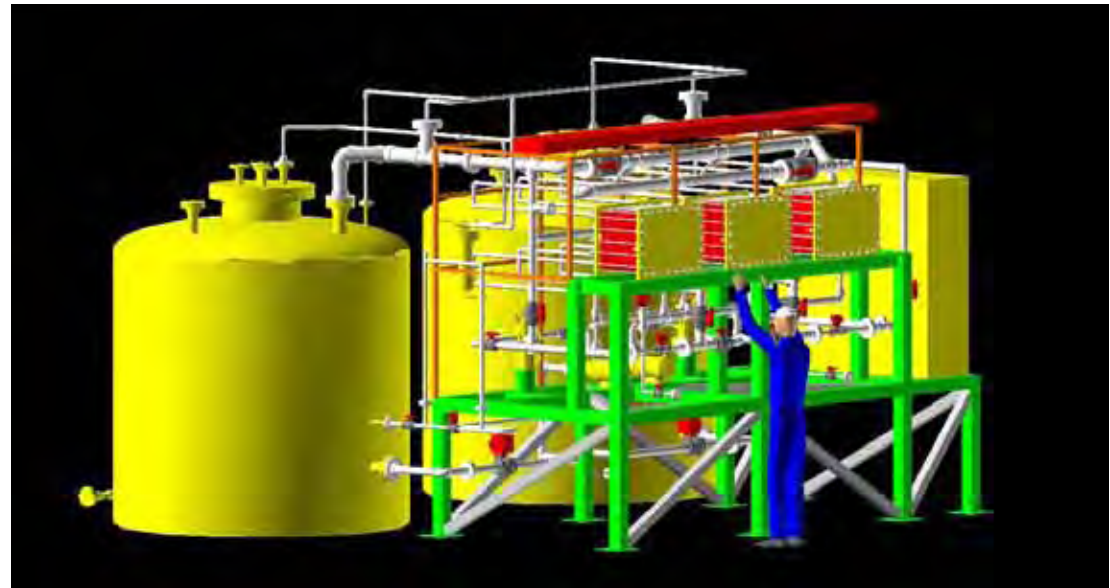
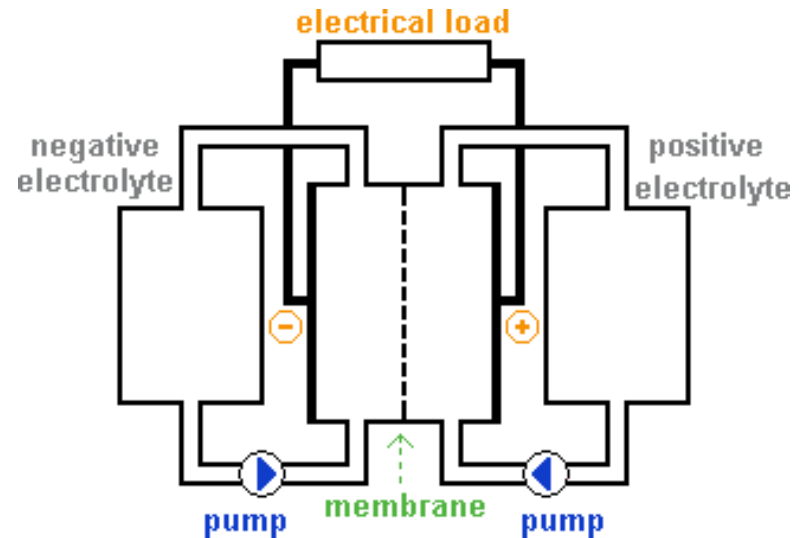


Discharge



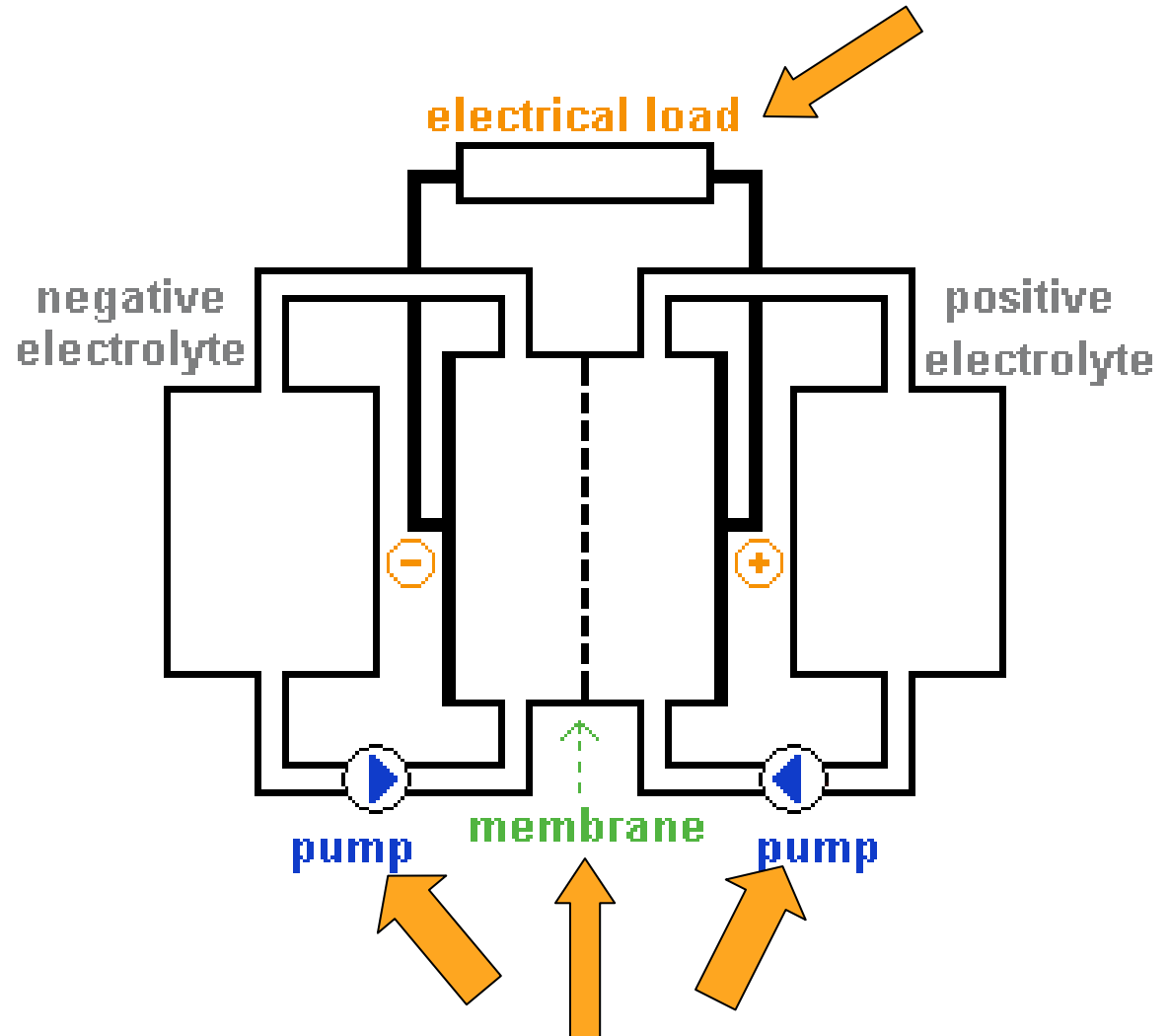
Vanadium flow battery

- Current costs:
 - 250kW/2MWh:\$1.000.000
- Potential for lower cost if mass-produced
- Energy density:
~25Wh/kg
- Risø unit:
 - 15kW/120kWh
 - 4 quadrant power electronics
 - Island and grid connected mode of operation



Component testing – Characterisation of vanadium batteries

- PSO-project – supported by Energinet.dk
- Hands-on experience
- Efficiency @ different operating conditions
- Response time etc.
- Limits for operating range
- Cycling ability
- Grid interface



SYSLAB – Distributed Energy System Laboratory

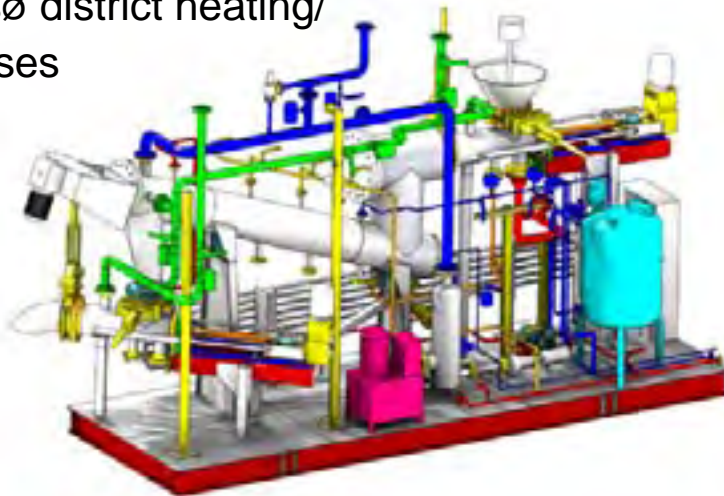


High penetration wind power systems

- Intelligence/Communication
 - Embedded, distributed control
 - Self-organising distributed control
- Flexibility
 - FlexHouse, Demand response
 - Vanadium battery
 - Hybrid/Electric car

SYSLAB – Development perspectives

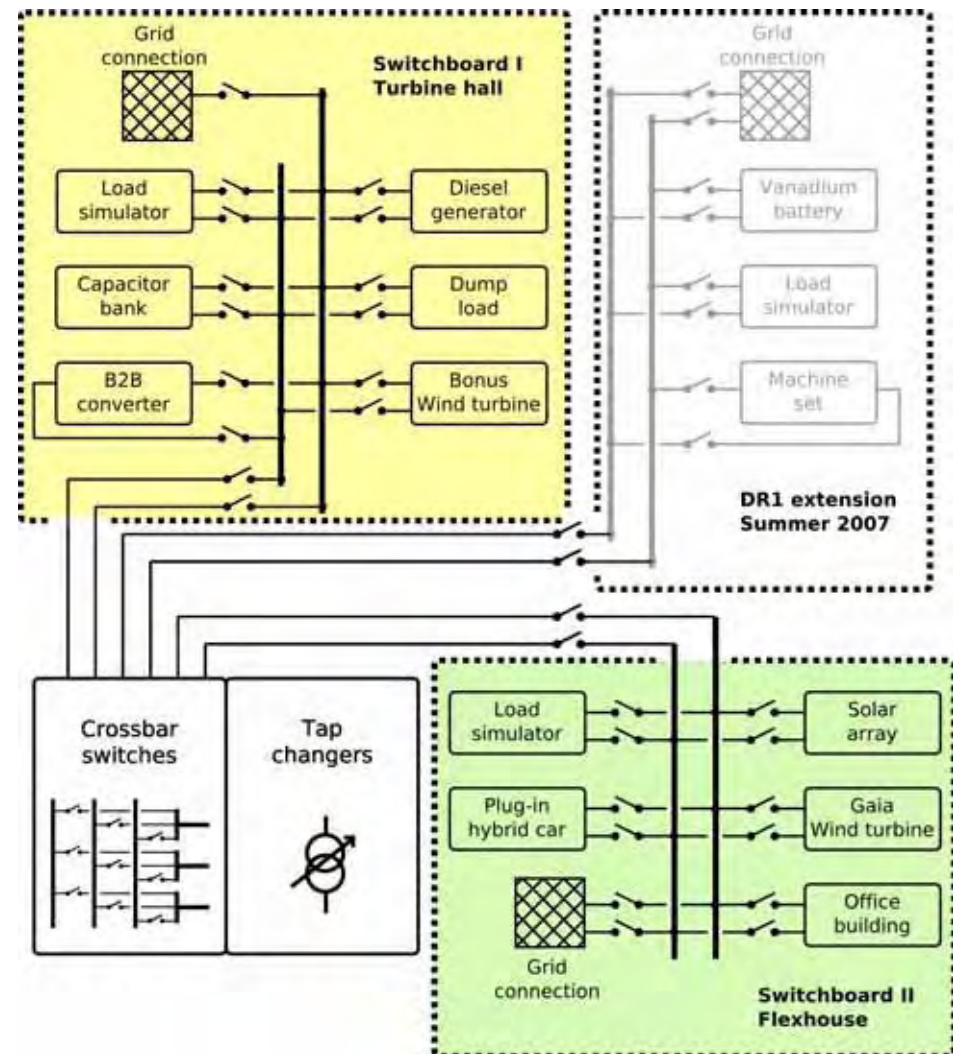
- Investigate technical possibilities
 - Embedded intelligence
 - Distributed control
 - Integration of energy carriers
 - Multiple RE sources
- Possible extensions
 - Hydrogen/Fuel cells
 - Biomass
 - Risø district heating/houses
- Integrates several areas of research
- Upscaling to nationwide system
 - Simulations (IPSYS)
- Facility used in PhD and MSc projects



1-5 kW Topsoe FC CHP Test System

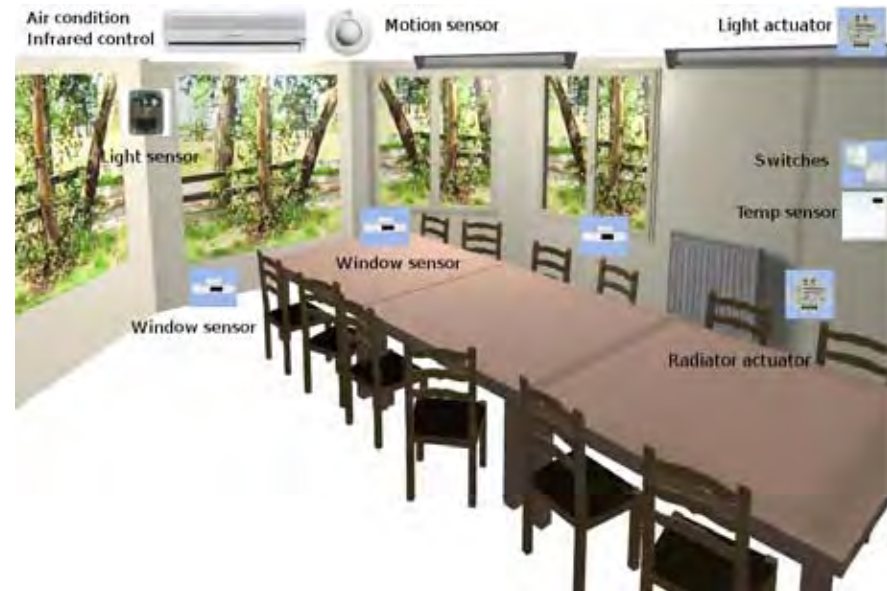
Electrical layout of SYSLAB

- Flexible grid configuration
- Autonomous grid
- Units can be tested in under various grid conditions
- Suitable for component and system tests
- Very flexible control



PowerFlexhouse

- Intelligent control
- Demand response
- Many individually controllable loads
 - Heater
 - Airconditioners
 - Water heater, coffee machine
- Many sensors
- System-house and house-user interaction and communication
- Plug-in/vehicle2grid hybrid car: Toyota Prius with extended battery and bi-directional converter



Vanadium redox-flow batteries – initial results

- Unit will be installed in August 2007
- Unit is being factory testet



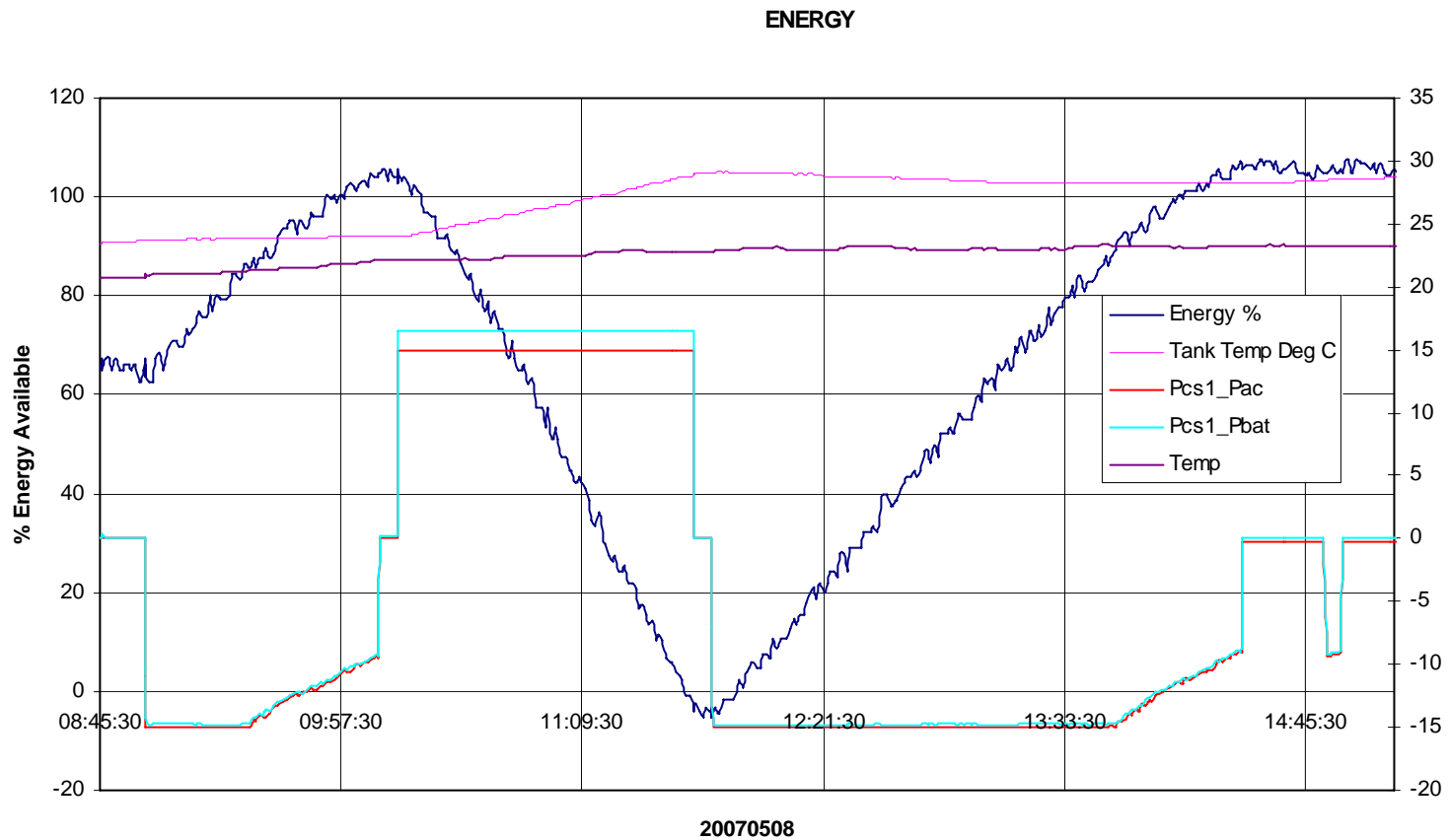
- Foot-print is 7mx7m
- Tanks are 8m³ each

Factory test of system

- 3*kW cells stacks
- 15kW/20kVA power electronics

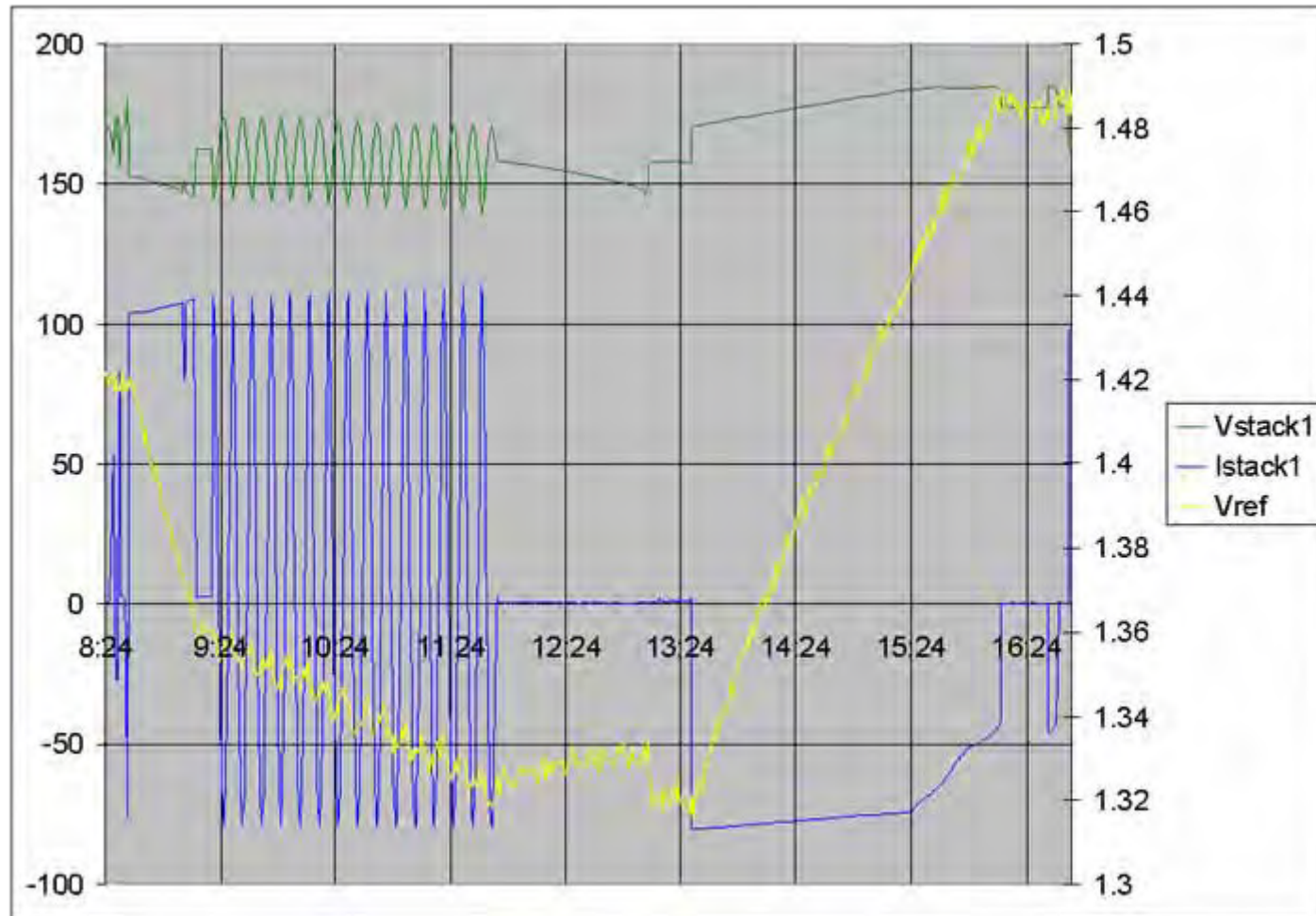


Factory tests II



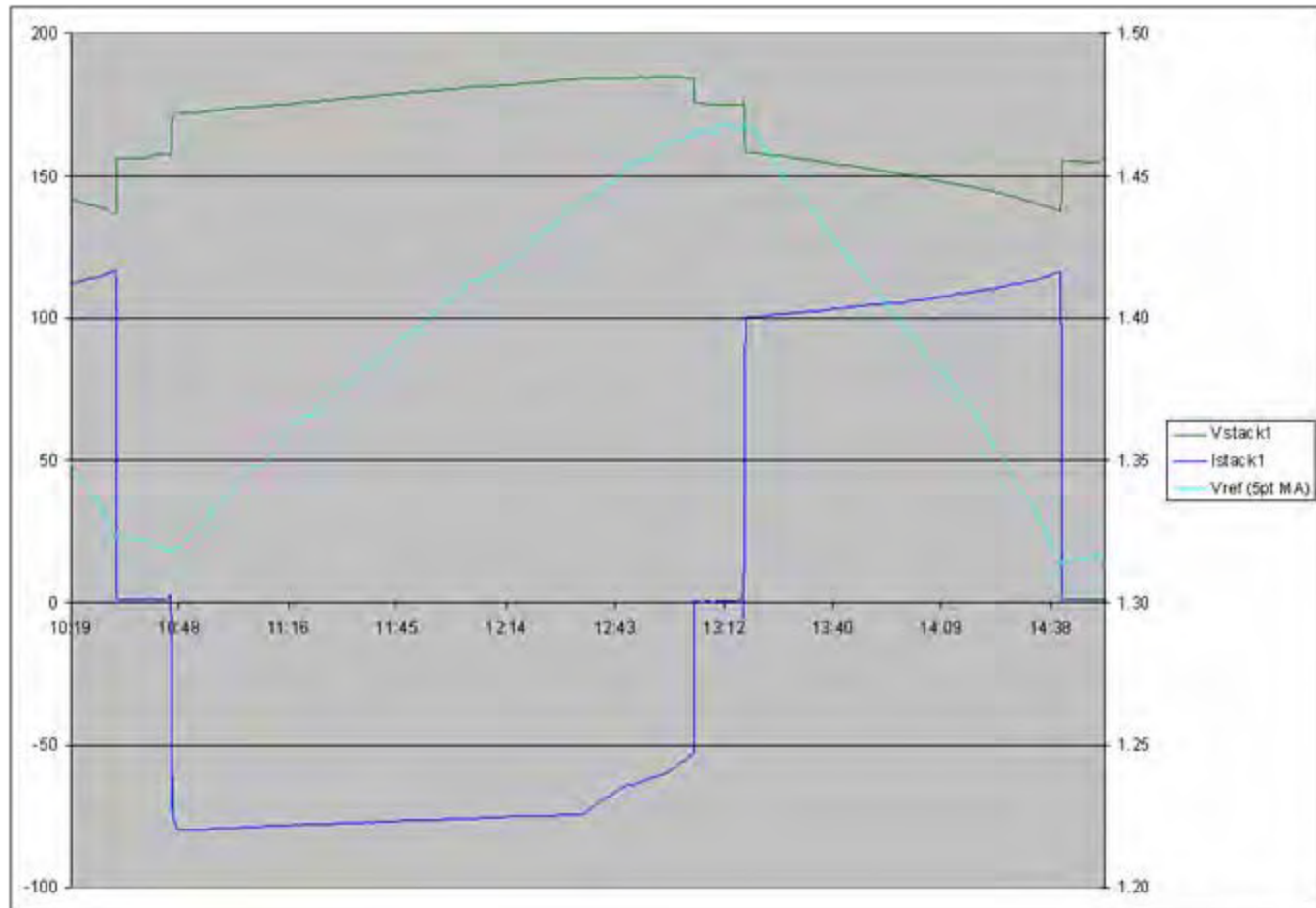
Factory test III

- Cycling test



Factory test IV

- Single charge-discharge cycle



Demonstration of the SYSLAB facility

- Everyone is welcome at SYSLAB after the conference
- The SYSLAB will be demonstrated and there will be time for discussions
- See you at the center of the **RED** circle (Møllehallen)



Centralised and decentralised control – a power system point of view

Oliver Gehrke (Risø/DTU)
Stephanie Ropenus (Risø/DTU)
Philippe Venne (UQAR)

Outline

- (1) Requirements and challenges for current power systems
- (2) Design parameters for power system evolution
- (3) Decentralised control
- (4) Activities at Risø

Demands for future power systems

- Integration of distributed generation
- Integration of intermittent energy sources
- Markets for power and ancillary services
- Open, equal and barrier-free access for third-party service providers
- Security of supply
- Power quality
- Energy efficiency

Limitations and challenges in current systems

- Growing complexity, bad scalability
- Limited access to power markets
- Lack of data and automation in large parts of the grid
- Lack of flexibility: Power system structure is considered static in the short and medium term
- DG *needs* to provide ancillary services, because their peak contribution grows faster than their average contribution
- Large untapped potential for demand response (households, refrigerated warehouses, greenhouses etc.)
- Lack of transmission capacity

Design parameters

Not a simple evolution in one area of technology.

Many aspects and design parameters and no general agreement on the target.

- Role of small DER and households
- Types of markets for power and ancillary services
- Market access rules and regulation
- Communication
- Topology of distribution grids
- Role of storage technologies
- Role and providers of ancillary services
- Role of the system operator and its control center

Big differences in current implementations, under technological, economical and political aspects.

Use of communication technology

Increasing activeness of small DER



Dedicated (private) communication links between control center and larger units


One-way broadcasts to smaller units

Two-way communication with DER at the household level, using public infrastructure

Communication protocols beyond SCADA (policies, negotiation etc.)

Small DER interaction

Increasing participation



Meter read once a year

Real-time metering and price signals
(user-in-the-loop)

Automated demand response

Direct participation in market mechanisms
(power and ancillary services)

Market access

Easier access



High thresholds (capacity requirements, trading fees)

Market aggregators allowed

Open access to markets or sub-markets

System control and operation

Increasingly decentralised



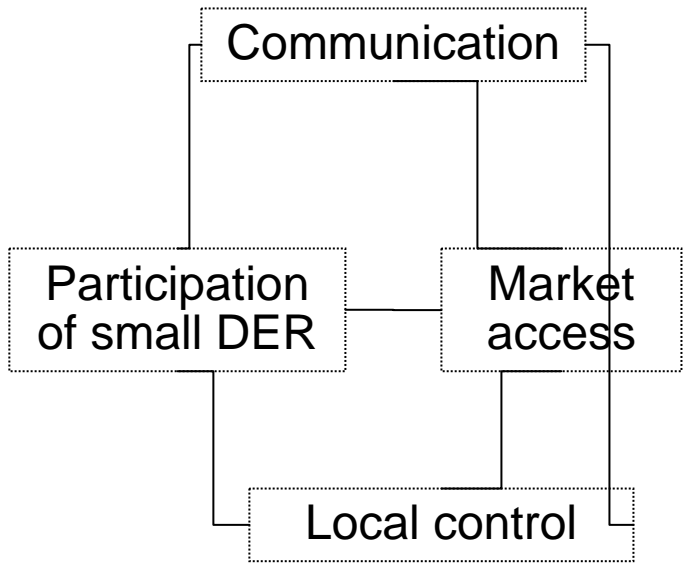
Control Center

Aggregation (Virtual Power Plants)

Delegation (Services provided by grid)

Self-organisation

Interrelations



Design parameters are mutually dependent, but not always strongly linked.

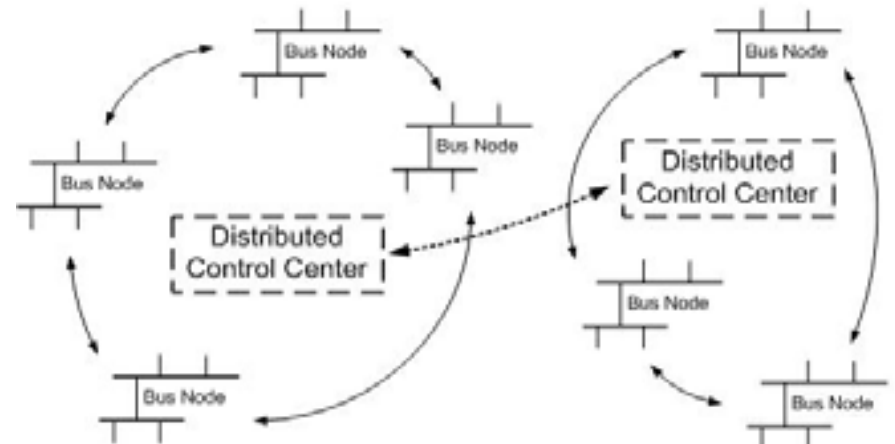
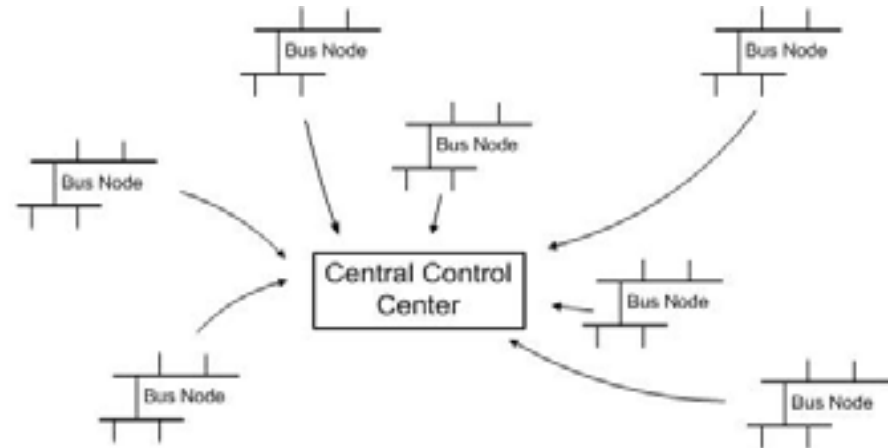
Example: Market access for small DER requires some form of communication, but not all types of communication link make sense economically.

Many possible scenarios, picking a particular one is speculative.

The way of operating and controlling the power system is a central issue. It is not clear what is technically possible.

Decentralised operation and control

- Reducing complexity by solving local issues locally, with local data
- Better scalability, making future DER technologies less disruptive
- More flexibility when responding to changes in system structure
- Eliminating single points of failure
- Need for widely available protocols and interfaces promotes accessibility

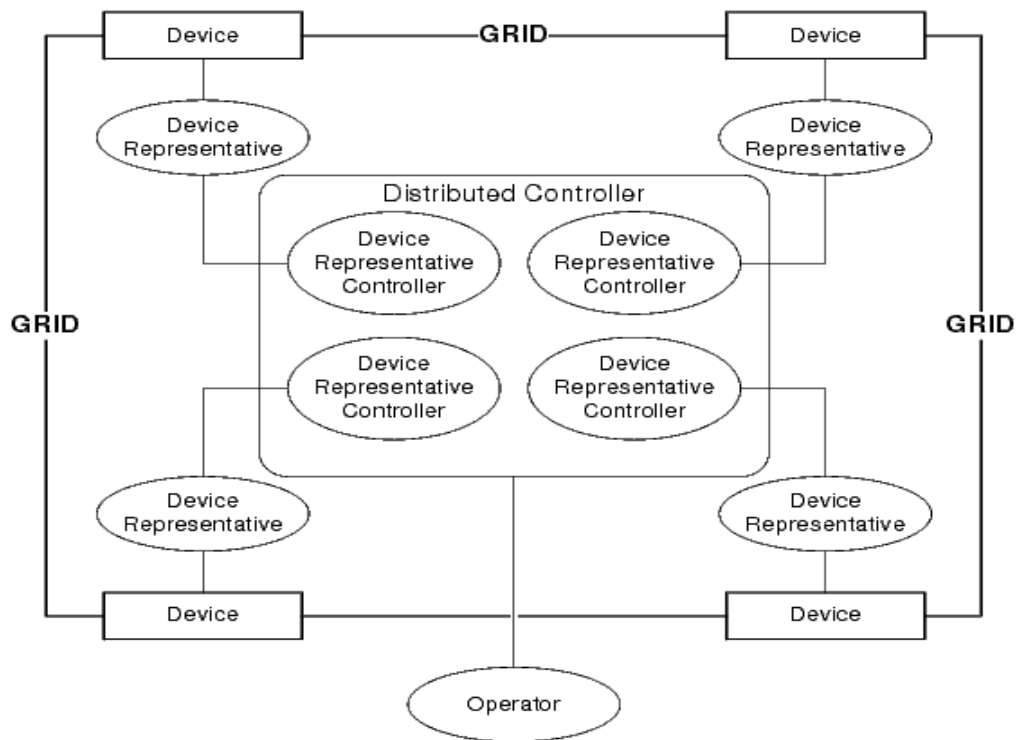


Vision for a future power system (2025+)

- Grid is self-aware (knows its topology, capabilities, limits and state)
- Role shift: System operator-> System facilitator
- “Human-out-of-the-loop”: Supervisors set policies, rather than execute them.
- Flexible, negotiated control hierarchies
- Boundaries between transmission and distribution system become blurred
- Wide-scale use of automated demand response at the household level
- Use of public communication networks (Internet) for small-size DER
- Open – and largely automated - access to markets for power and ancillary services
- New services: Self-islanding, dynamic protection management

Generic control architecture

Generic architecture for a decentralised power system



- Device: Grid-connected energy resource
- Device representative: Logical unit providing access to a device
- Device representative controller: Supervises one or more devices
- Distributed controller: Composed of individual controllers

“Playground” implementation: SYSLAB

Not feasible to test in a real power system (not at this stage) and no tools available for the combined simulation of

- power system dynamics
- stochastic communication systems
- real-time decentralised decision making

Possible approaches:

- Use a small experimental power system (accepting that scaling issues are postponed)
- Use a real-time grid simulator with real-world controllers (accepting that interfacing issues are postponed)

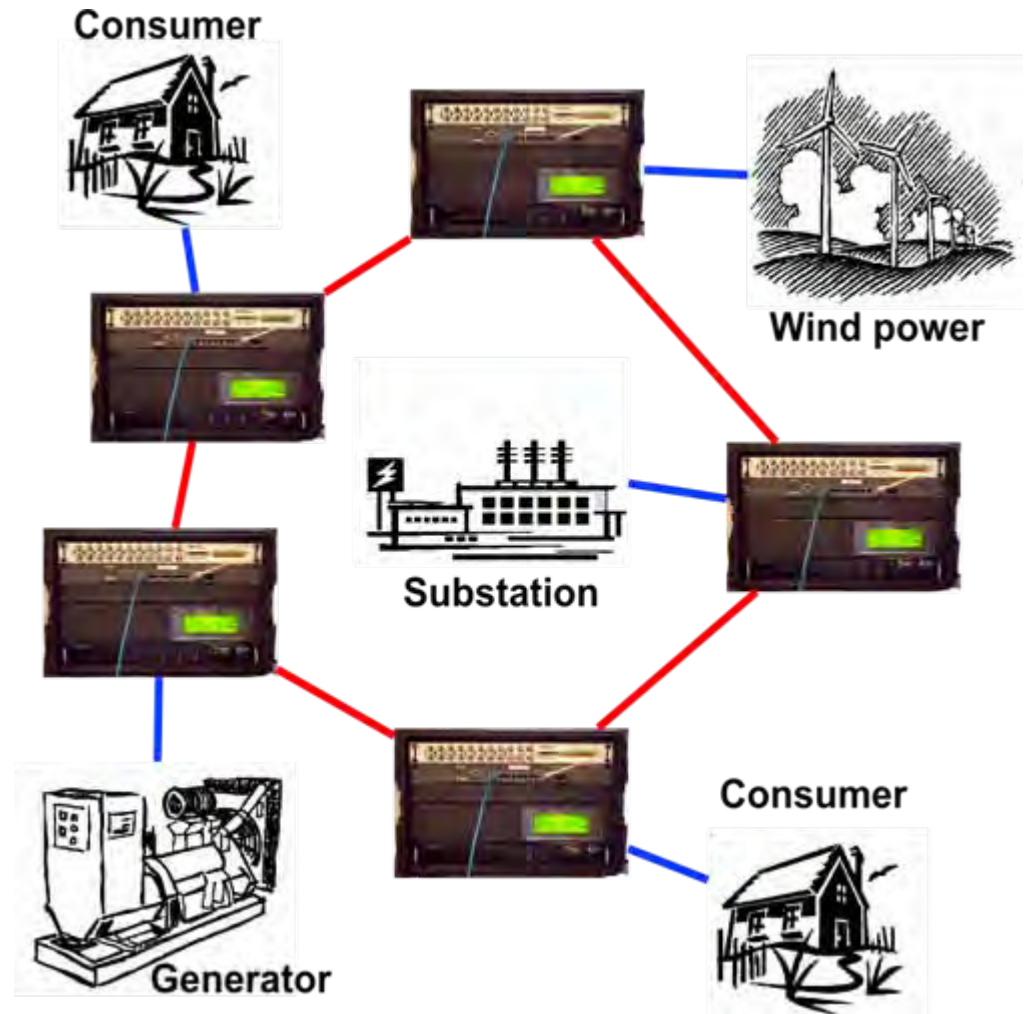
Advantages of an experimental system:

- Most realistic control system studies
- Results have more convincing power
- Advanced environment for component testing

SYSLAB: Concept

- One intelligent node per power system component
- Local data acquisition and storage
- Development of self-organising middleware for “plug-and-play” operation
- Supervisory control shared between nodes

Purpose: Testing of communication protocols, control algorithms, energy technologies and components, human-machine interaction



Assessing the Role of Energy in Development and Climate Policies in Large Developing Countries

Amit Garg and Kirsten Halsnæs

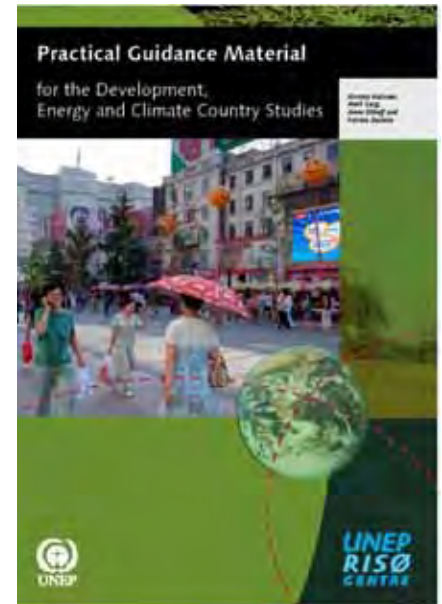
Risø International Energy Conference 2007

24 May 2007

Research Enquiry

- How to align sustainable development, energy and climate change policies at national level (for Brazil, China, India and South Africa)?
- What are sustainable development indicators and their future projections that capture the above alignments?
- What are the CO₂ and local pollutant emissions implications of development under a reference scenario for these countries?
- Can alternative development pathways align energy and climate change policy perspectives, and how?

Development, Energy and Climate Project





IIMA
India

ERC
South Africa

ENDA-TM
Senegal

BCAS
Bangladesh

KEI
S. Korea

ERI
China

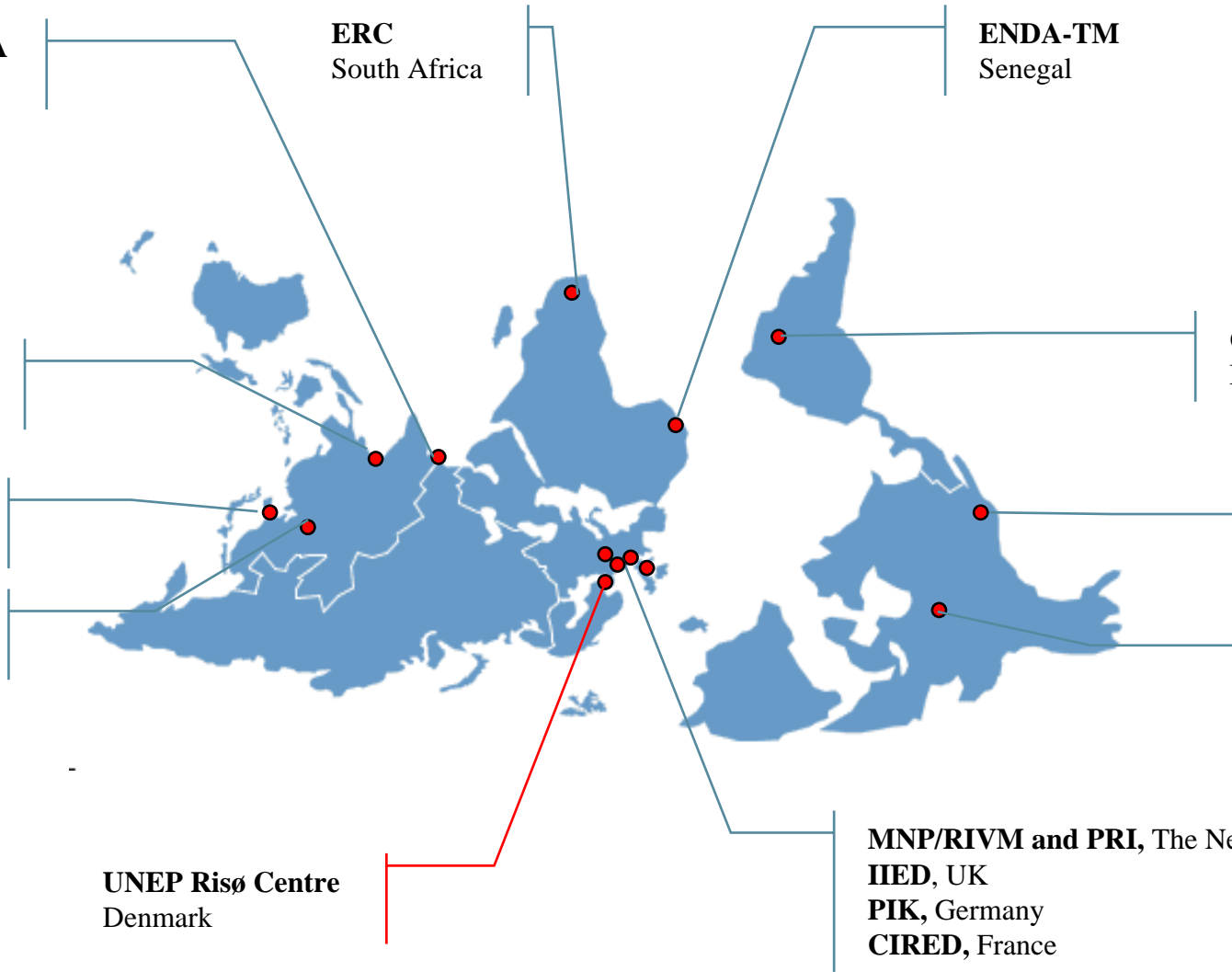
COPPE
Brazil

Stanford Univ.
USA

IISD
Canada

UNEP Risø Centre
Denmark

MNP/RIVM and PRI, The Netherlands
IIED, UK
PIK, Germany
CIREN, France



Methodology

- Used integrated energy modelling framework
- Each country uses comparable energy-environment models
- Consistent reference scenario assumptions in line with global climate change scenario efforts
- Consistent assumptions on oil and gas prices, UN population projections
- National case studies conducted and up scaled to integrate with country models

Why Use an Integrated Energy Framework for SD Assessment?

- **Human activities and most sustainability issues are closely linked to energy use**
 - Critical component in factor productivity (capital, labor, land), can constrain well being, missing energy imposes time and labor burden on households
 - Most important sustainability issues (poverty alleviation, health, education, economic development) as well as climate change issues directly relate to production and use of energy
 - Even some of the other important sustainability issues (freshwater, landuse, atmospheric integrity, agriculture) are directly/indirectly related to production and use of energy
- **World (humans, systems and environment) can be easily visualized as a *flow of and linked through energy***

Why Use an Integrated Energy Framework? (contd.)

➤ **Offers consistent, comparable and transparent framework for future projections**

- Relationships between sustainability dimensions are considered consistently
- Can project and compare across alternative development pathways
- Can compare across different countries (if due care is taken)
- Can compare SD and CC impacts of competing technologies

➤ **Possible to estimate future energy flows and most of the proposed indicators with commonly used energy models**

- Economic models miss out on environmental issues such as climate change
- Environmental models miss out on macro-economic depth and are very sector/region specific

Modeling SD, Energy and CC Linkages

Millennium development goals and global targets	India's national development targets	Energy sector implications	Implications for energy modeling
<p><u>Goal 1: Eradicate extreme poverty and hunger</u> <i>Target 1:</i> Halve, between 1990 and 2015, the proportion of people whose income is less than \$1 a day <i>Target 2:</i> Halve, between 1990 and 2015, the proportion of people who suffer from hunger</p>	<ul style="list-style-type: none"> ● Double the per capita income during 2002-2012 ● Reduction of poverty ratio by 5 percentage points during 2002-2007 and by 15 percentage points during 2002-2012 ● Reduce decadal population growth rate to 16.2% between 2001–2011 (from 21.3% during 1991–2001) 	<ul style="list-style-type: none"> ● Energy for increased production and consumption ● Energy for local enterprises and machinery ● Energy and electricity to facilitate income generation ● Energy for providing family planning and health services 	<ul style="list-style-type: none"> ● GDP and population projections ● Sectoral demand projections consistent with the above ● Reflect/capture inputs needed for increased health services etc in sectoral demand projections ● Energy needed for the above using sectoral/ national models

Proposed Sustainable Development Indicators (SDI)

Using energy framework for SDI requires an approach where the energy analysis starts with development and human needs rather than structured around energy system logics

➤ **Economic indicators**

- Efficiency of production indicators
- Efficiency of energy use indicators
- Energy investment indicators

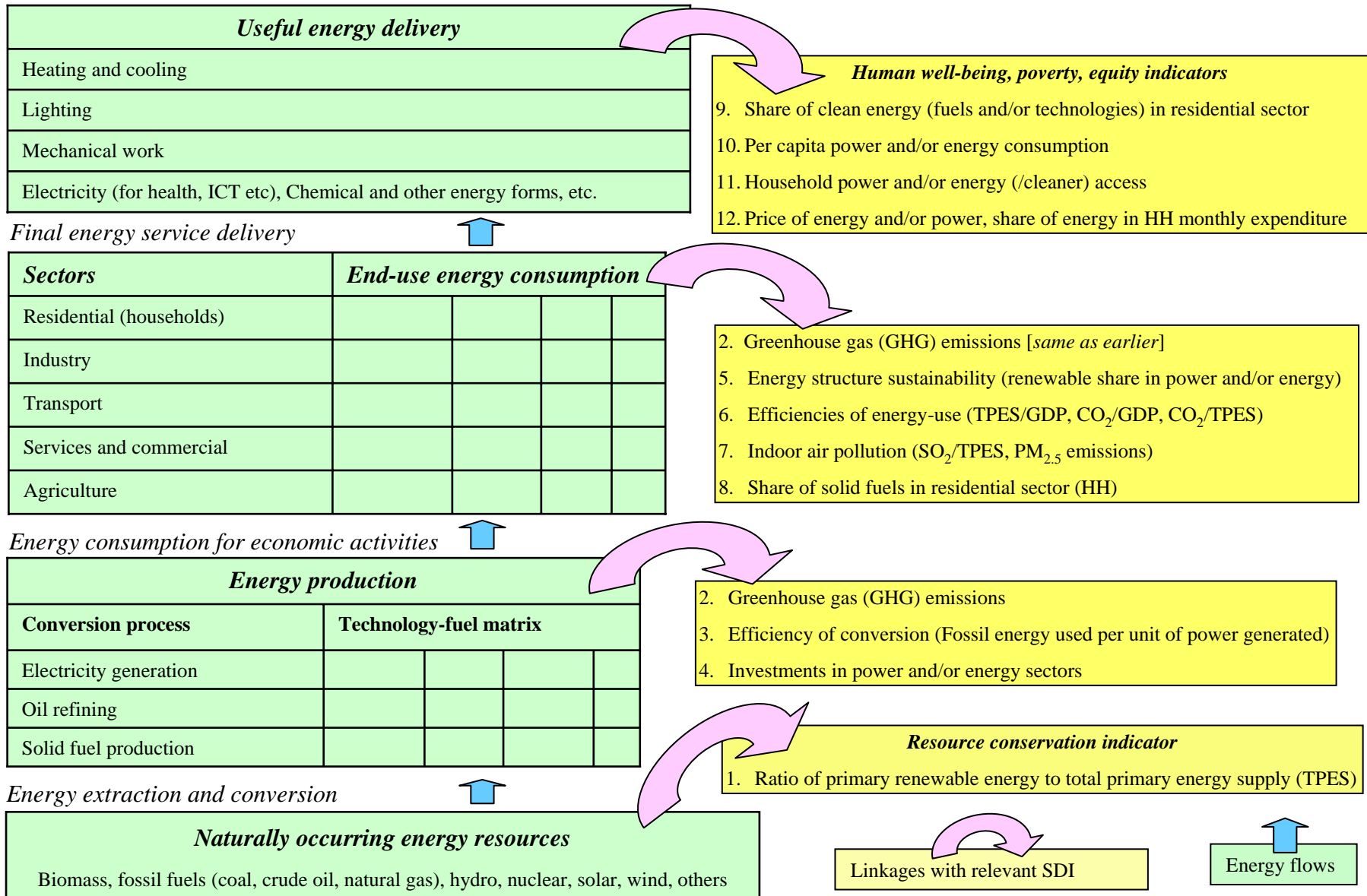
➤ **Environmental indicators**

- GHG and local pollutant emissions (per unit of output and per capita)
- Share of solid fuels in residential sector (households)

➤ **Social indicators**

- Energy affordability indicators
- Per capita consumption
- Share of clean energy in residential sector (households)

Integrated Energy Modeling and SDI



Some Cross-country Results

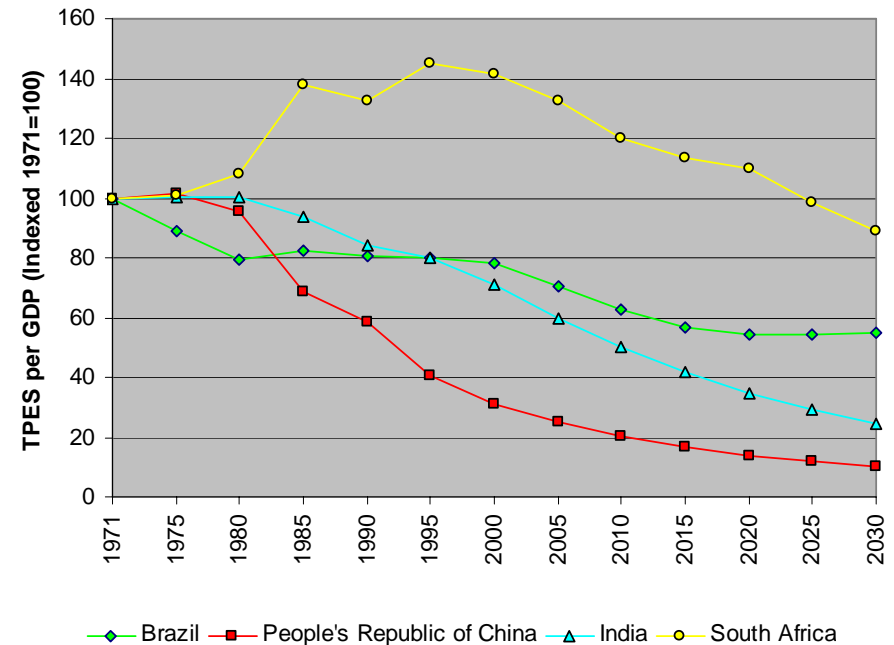
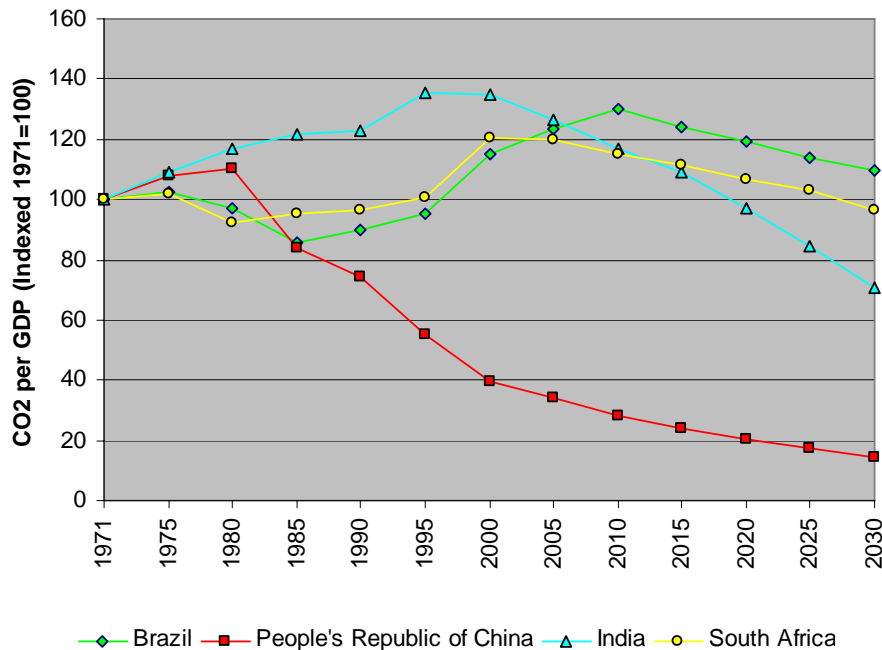
Energy Policies Linked with SD and CC

<i>China</i>	
2004	Energy Medium-Long term Development programme (2004-2020), such as energy security, energy efficiency, and clean-coal.
2004	60 GW renewable power capacity by 2010 (10% of total power generating capacity) and 121 GW by 2020 (12% of total capacity)
2005	Medium-Long term Energy Conservation programme, annual energy conservation rate of 2.2% till 2020 covering various sectors.
Current	Strong economic growth, and declining population growth
Current	More efficient coal-based power generation from existing and new plants
Current	Strong thrust on energy efficiency improvement in all sectors (e.g. 20% energy intensity reduction during 2005-2010, efficiency of coal-fired power plants to increase to 40% by 2030, new building to reach 75% increase standards in 2030 etc.)
UC	Nuclear power capacity of 40 GW by 2020

Energy Policies Linked with SD and CC

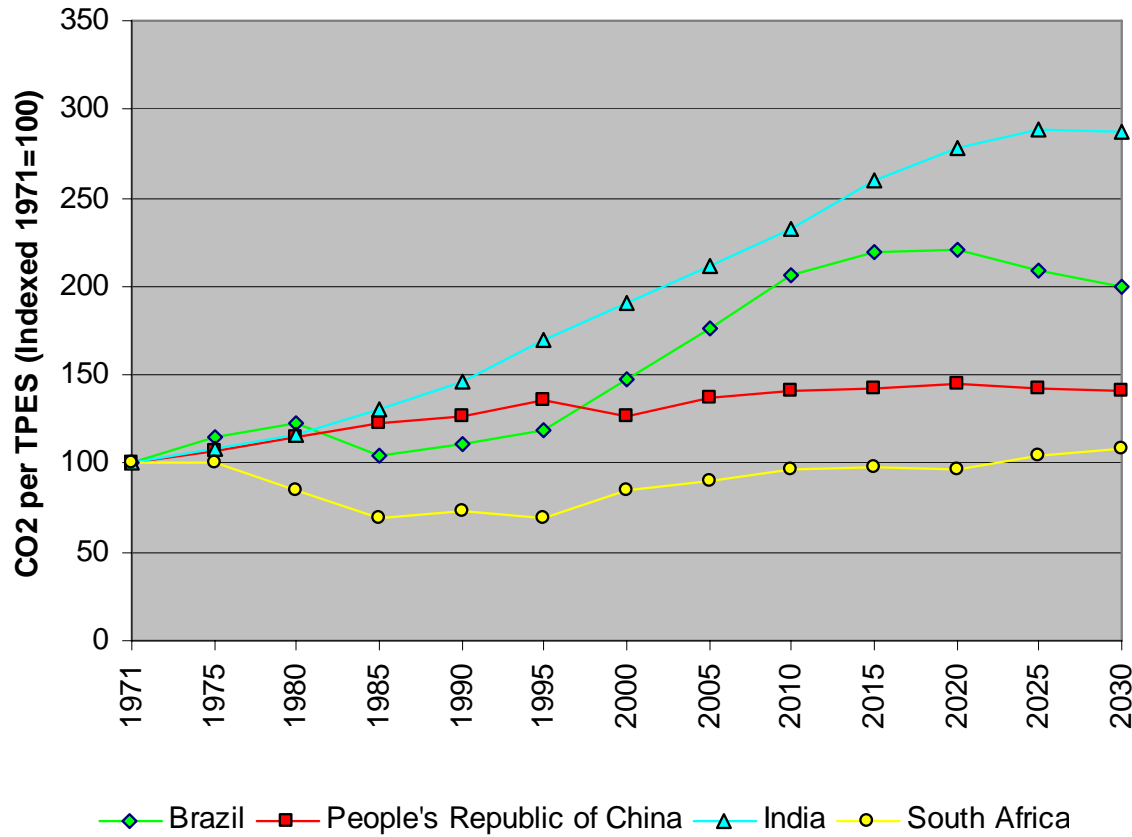
<i>India</i>	
Current	More efficient coal-based power generation from existing and new plants
2001	reduce power transmission and distribution losses
2002	10% of new power generation capacity by renewables by 2012
2002- Current	Doubling per capita income during 2002-2012, and to reduce decadal population growth rate to 16.2% between 2001-2011 (from 21.3% during 1991-2001)
2002	Auto fuel policy: Emission norms for new vehicles - Euro-3 equivalent norms from 2010 for the entire country, but for 11 large cities Euro-3 equivalent from 2005 and Euro-4 equivalent from 2010
2005	Ethanol blend in gasoline (up to 5-10% in phases), ongoing discussions for expansion
2005	100% household electrification in rural areas by 2010 covering 75 million rural households, and modernizing rural electricity infrastructure
2006	Minimum employment guarantee scheme for rural areas (100 days' employment per household per year) in 200 districts (extended to 350 districts now)
UC	Nuclear power capacity of 20 GW by 2020

Efficiencies of Energy Use



- GDP becomes less energy and less CO₂ intensive under all scenarios
- Decoupling rates, timings and extent are however different for different countries
- Sectoral variations exist in each country

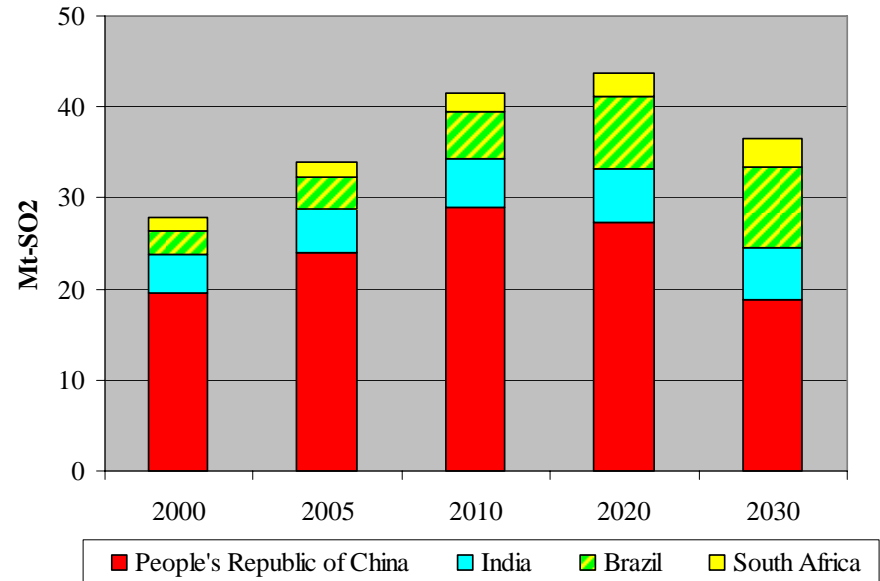
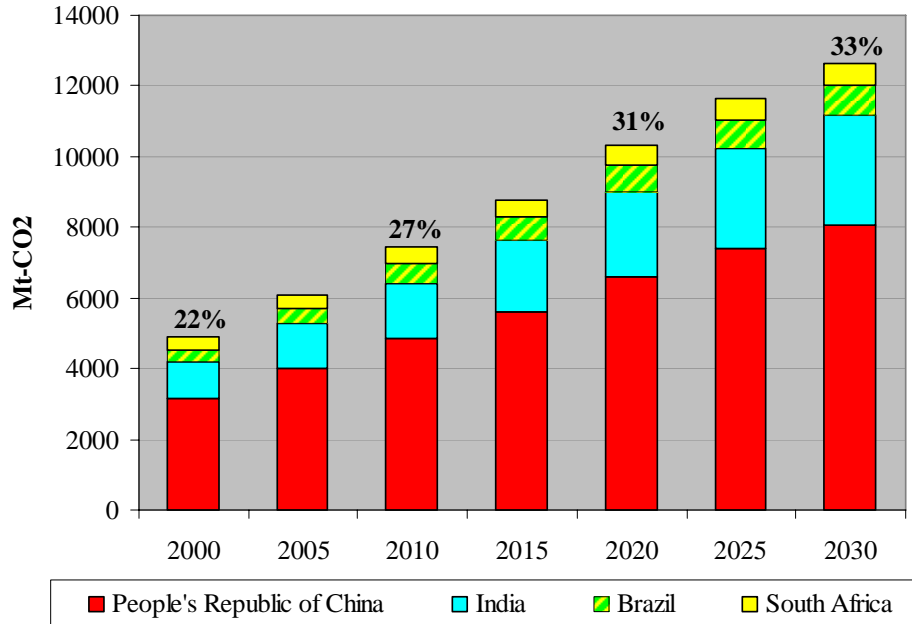
Decoupling of Energy and CO₂ Emissions



- Energy and CO₂ emissions do not decouple much under reference scenario
- Reasons are different for each country

CO₂ and Local Pollutant Emission Projections

- Large developing countries are projected to add considerable fossil fuel based capacities during 2007-2030
- CO₂ emissions are projected to grow as a result

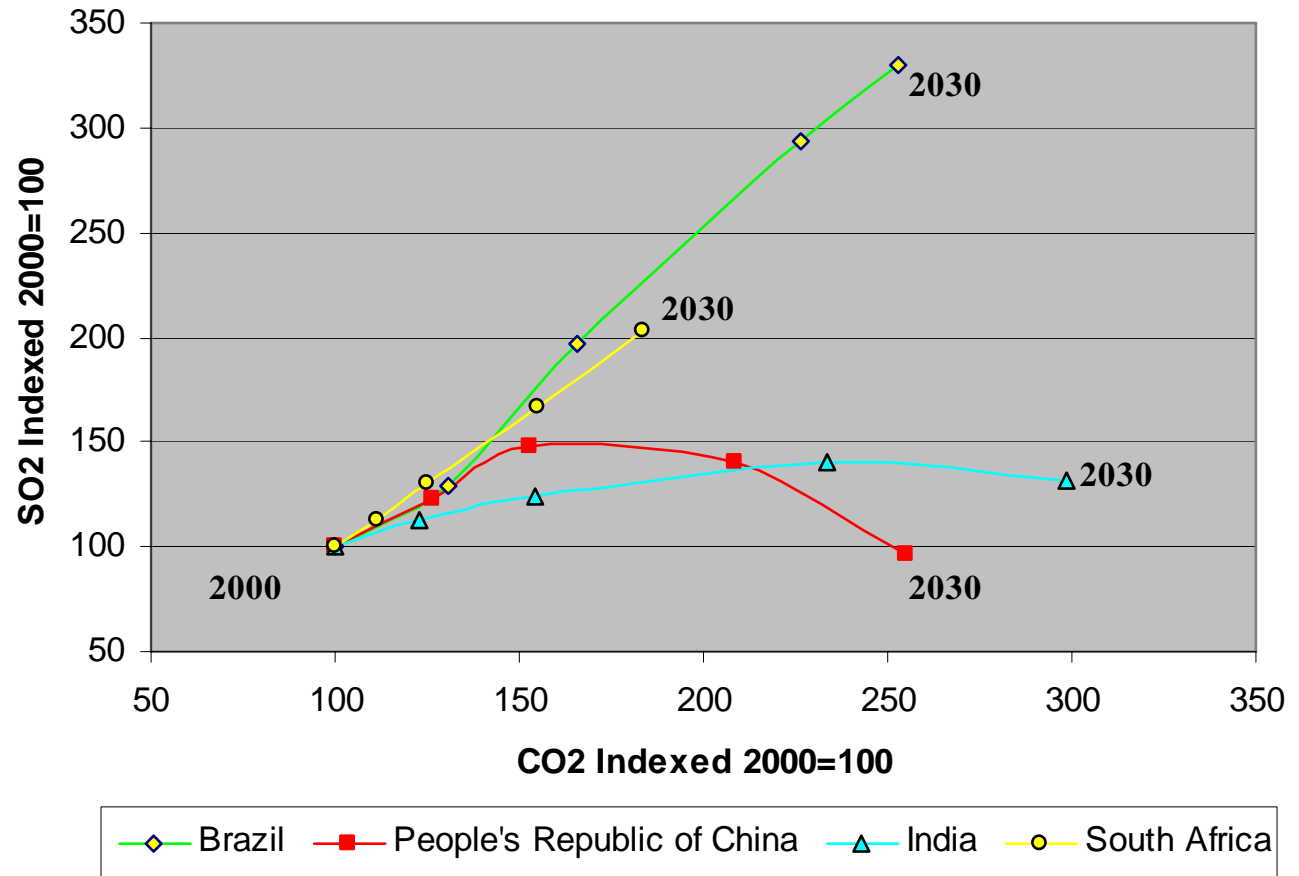


Emission Relationships

- CO₂ and local pollutant emissions (e.g. SO₂, NO_x and particulates) decouple

- Elasticity of mitigating CO₂ as a side-benefit of SO₂ mitigation policy is lower (0.1-0.01 in 2020 for India) than elasticity of mitigating SO₂ as a side-benefit (1.2 to 1.4 in 2020 for India) from a direct CO₂ mitigation policy. Same for CO₂ and particulates. Similar trends for China.

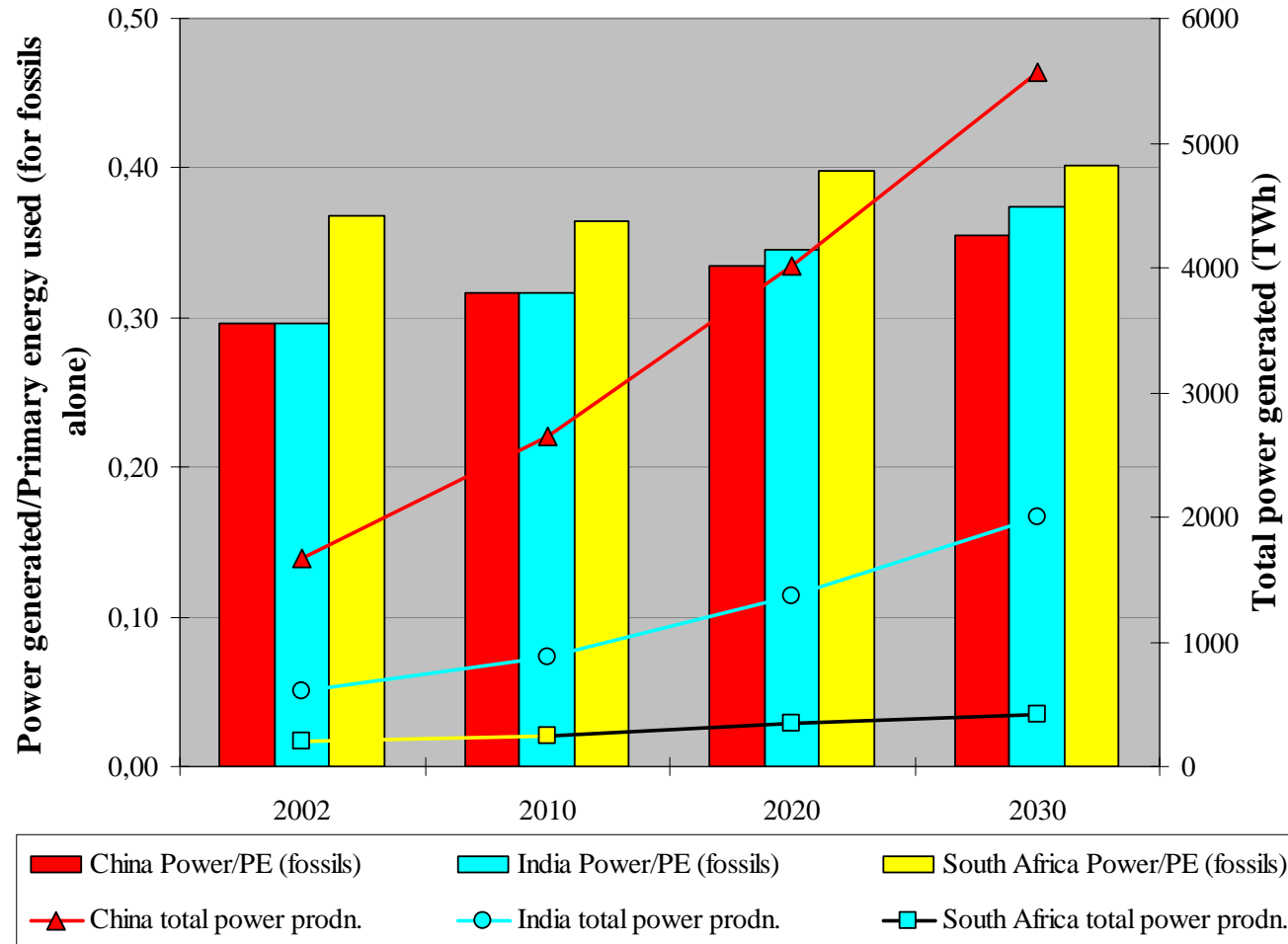
- Policy relevance and investment implications



SD Indicators Linked with the Power Sector

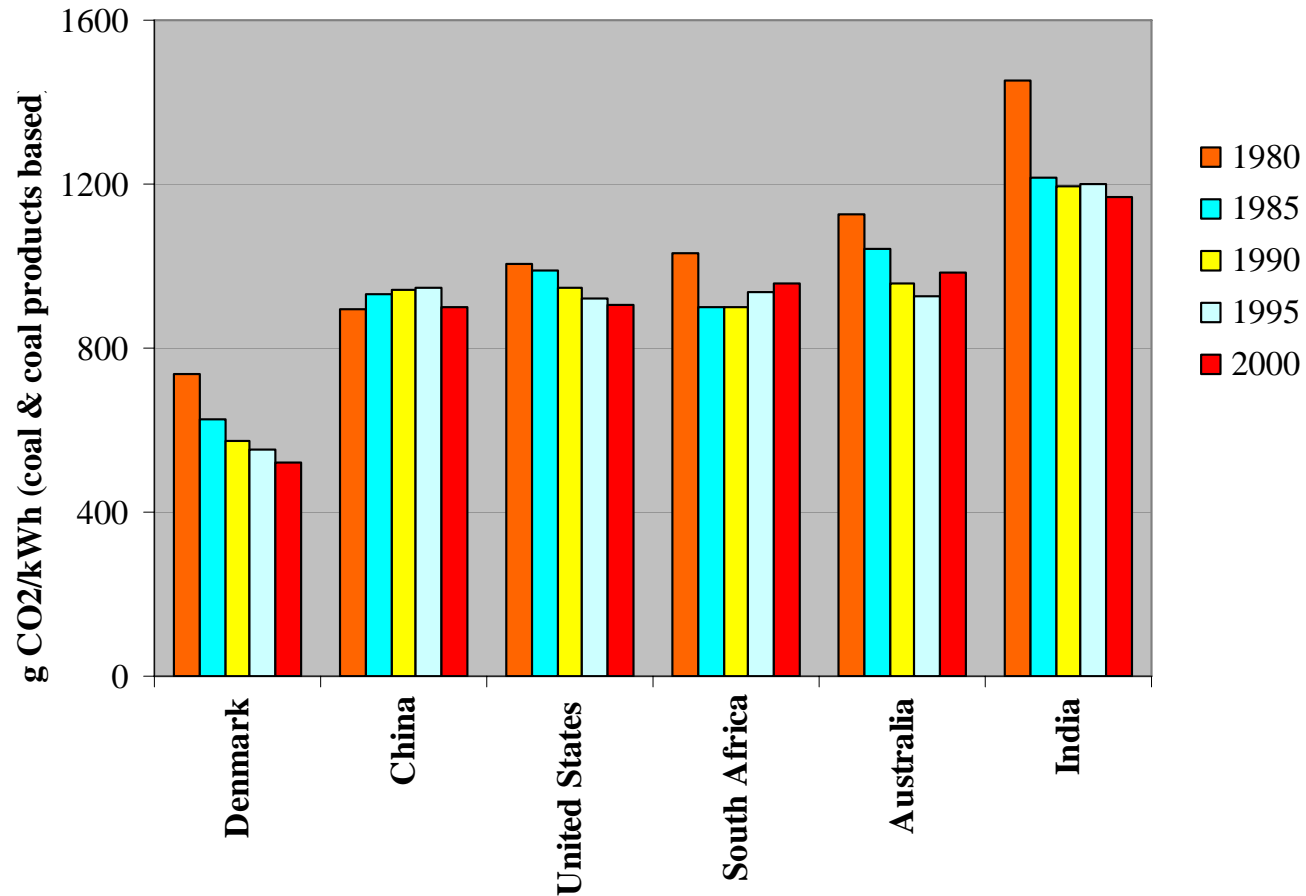
Efficiency of Conversion (Energy used basis)

- Current efficiency of production is relatively lower, however projected to improve in future.
- China, India and South Africa consume over 40% of global coal, about 2/3rd is for power generation.



Efficiency of Conversion (CO₂ emissions basis)

Average CO₂ emissions per unit of electricity generated are much higher than the best global practices



General Conclusions about the Relationship between Development and Energy

- Reallocation of household time (especially by woman) from energy provision to improved education and income generation and greater specialisation of economic functions.
- Economics of scale in more industrial-type energy provision.
- Greater flexibility in time allocation through the day and evening.
- Enhanced productivity of education efforts.
- Greater ability to use a more efficient capital stock and take advantage of new technologies.
- Lower transportation and communication costs.
- Health related benefits: reduced smoke exposure, clean water and refrigeration.

Households

HH income category	India rural, 2000		India urban, 2000		China urban, 2004	
	Absolute expenditure (USD, 2000 prices)	% share of total HH expenditure	Absolute expenditure (USD, 2000 prices)	% share of total HH expenditure	Absolute expenditure (USD, 2000 prices)	% share of total HH expenditure
Poorest 0-5%	0.46	10.2%	0.65	10.9%	3.00	10.3%
0-10%	0.51	10.1%	0.80	10.7%	3.33	9.8%
10-20%	0.62	9.0%	1.04	10.5%	4.10	8.7%
20-40%	0.73	8.7%	1.46	10.1%	4.79	7.9%
40-60%	0.97	8.9%	1.73	9.6%	5.57	7.2%
60-80%	1.15	8.6%	2.13	8.9%	6.55	6.6%
80-90%	1.44	8.1%	2.67	7.8%	7.67	6.0%
Top 90-100%	1.79	7.2%	4.01	5.7%	10.10	5.0%

Households

Table 2 Summary of How a Typical Household in Rural Philippines Benefits from Electricity, 1998

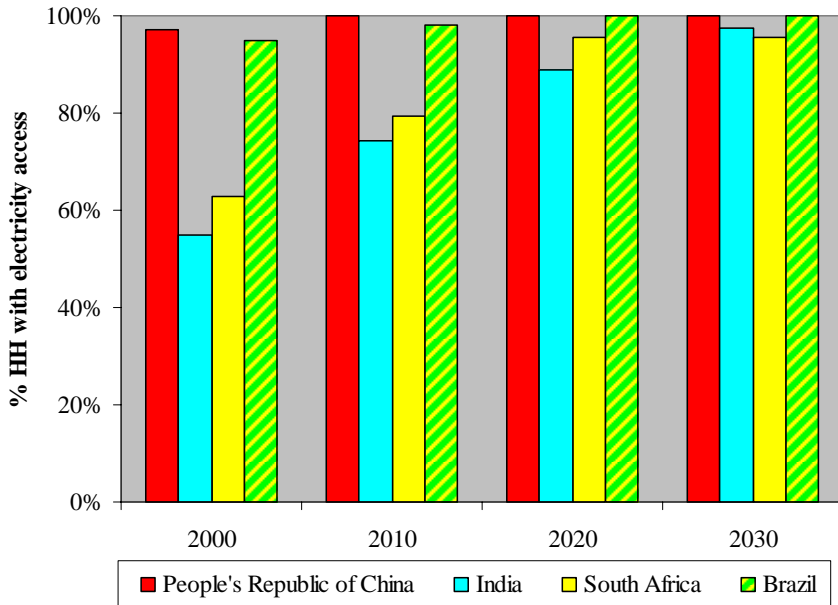
Benefit Category	Benefit Value US \$	Unit Per month
Less expensive and expanded use of lighting	36.75	Household
Less expensive and expanded use of radio and television	19.60	Household
Improved returns on education and wage income	37.07	Wage earner
Time savings for household chores	24.50	Household
Improved productivity of home business	34.00 (current business) 75.00 (new business)	Business

Source: ESMAP, 2002 Table E-1

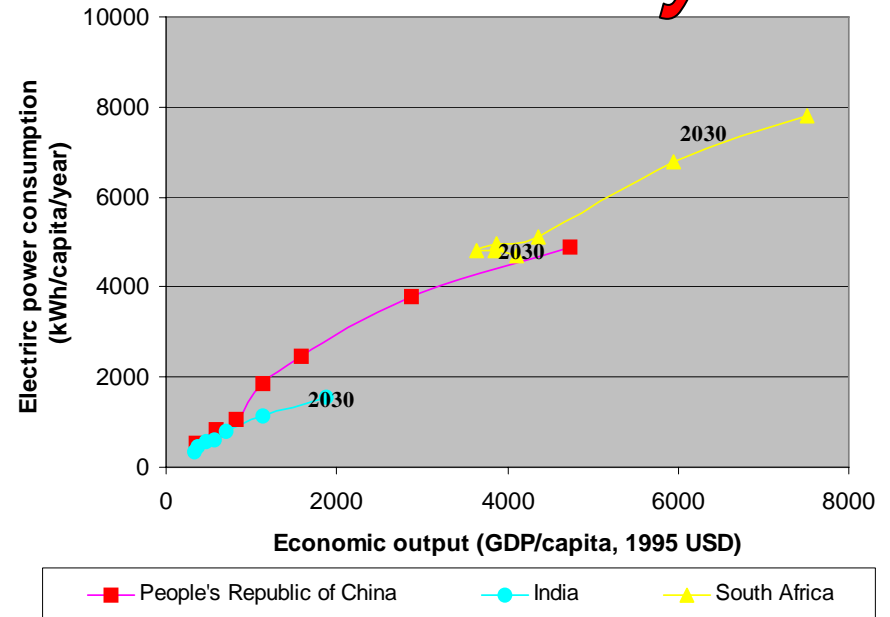
Electricity Access and Affordability Indicators

- Reducing energy poverty, and enhanced electricity access for developmental goals is projected to increase electricity requirements during 2007-2030
- Coal based power is projected to remain the primary source - mainly due to energy security considerations
- Coal use becomes cleaner, but not clean enough.

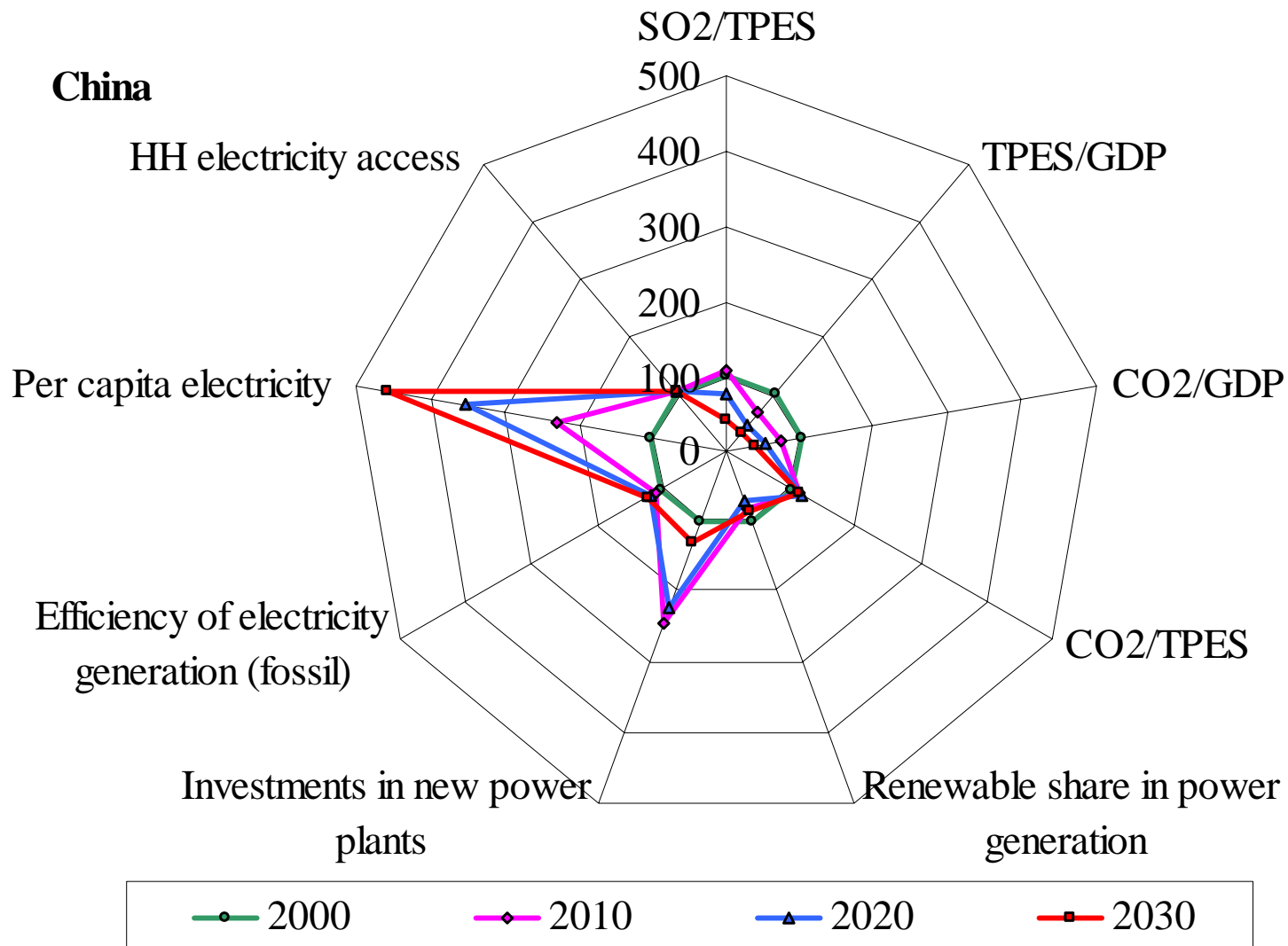
Access



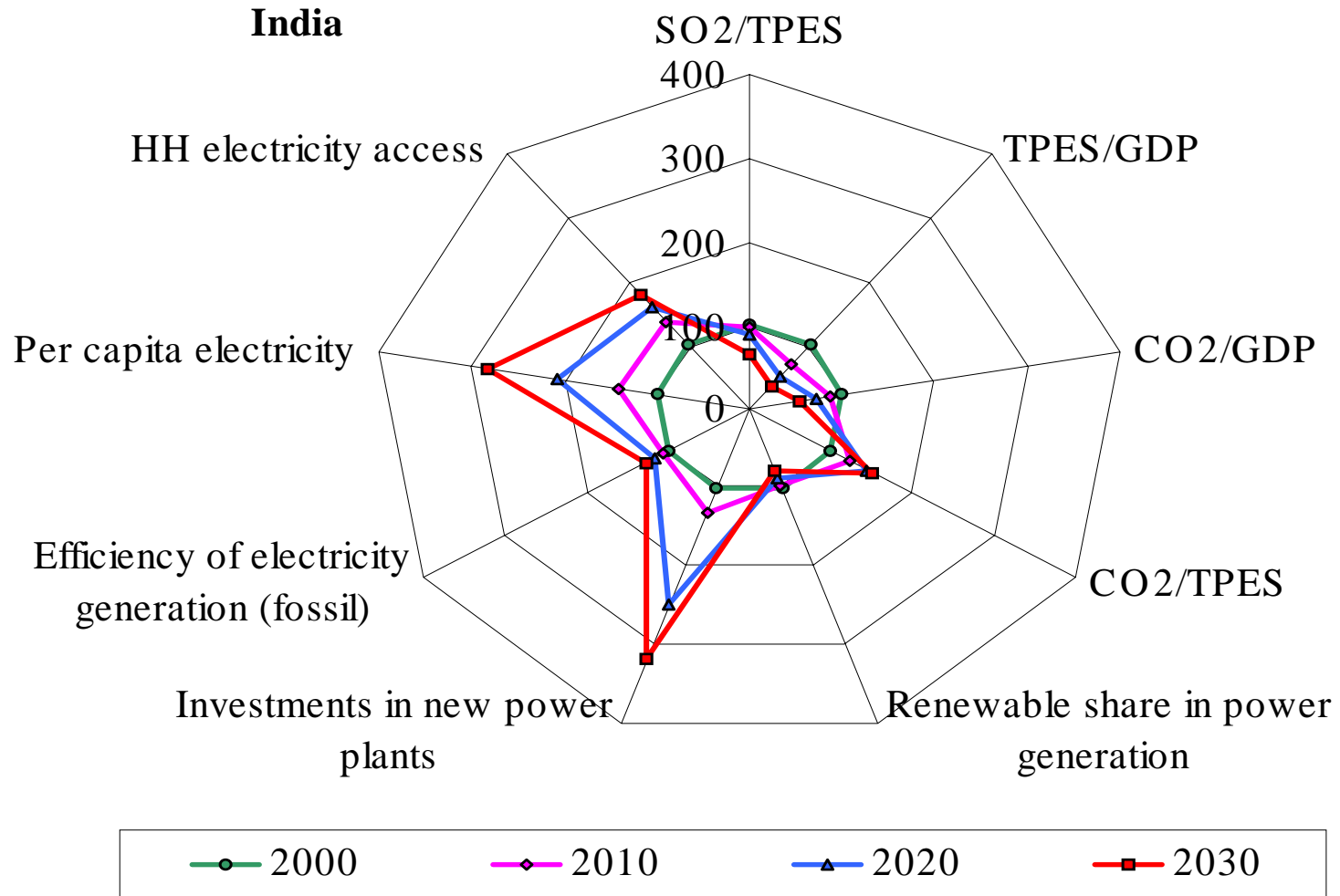
Affordability



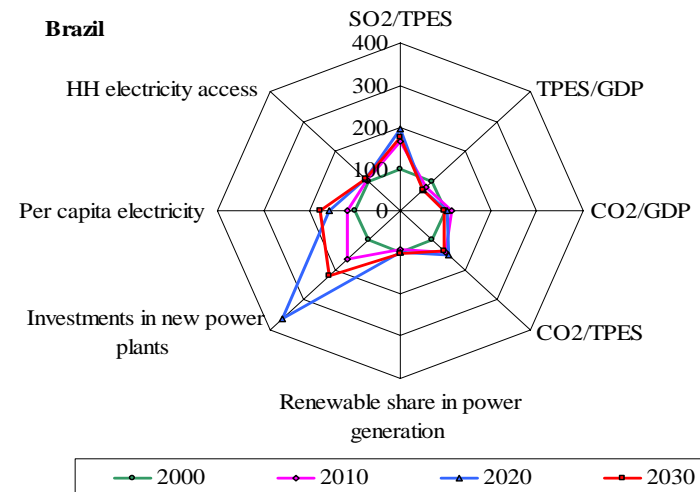
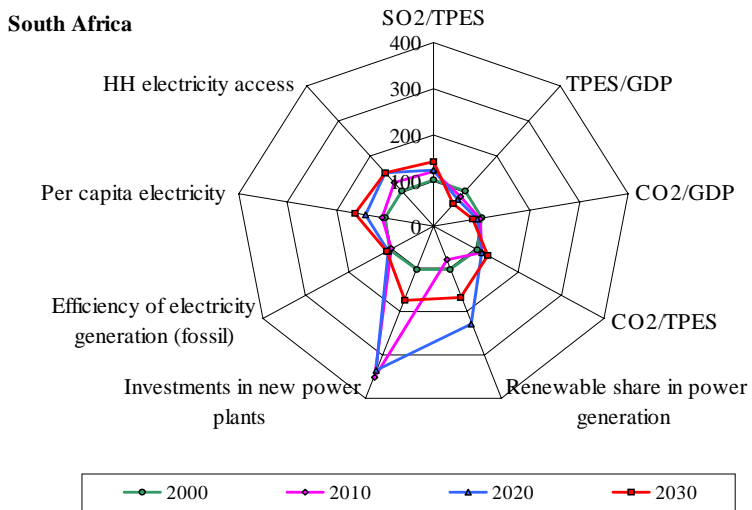
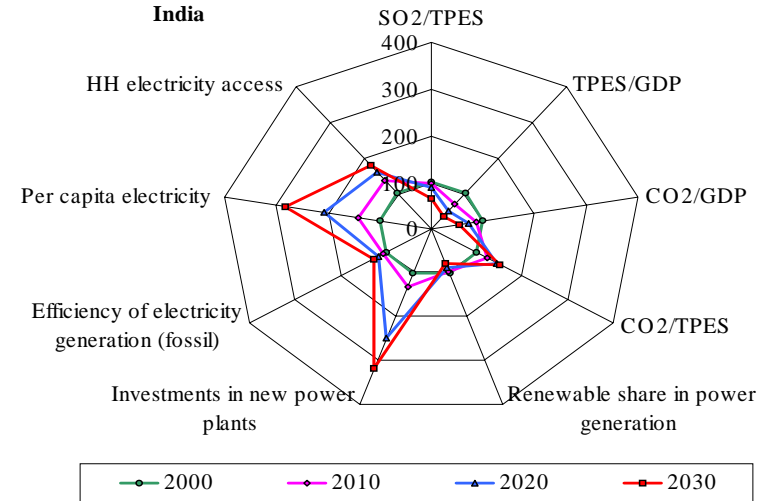
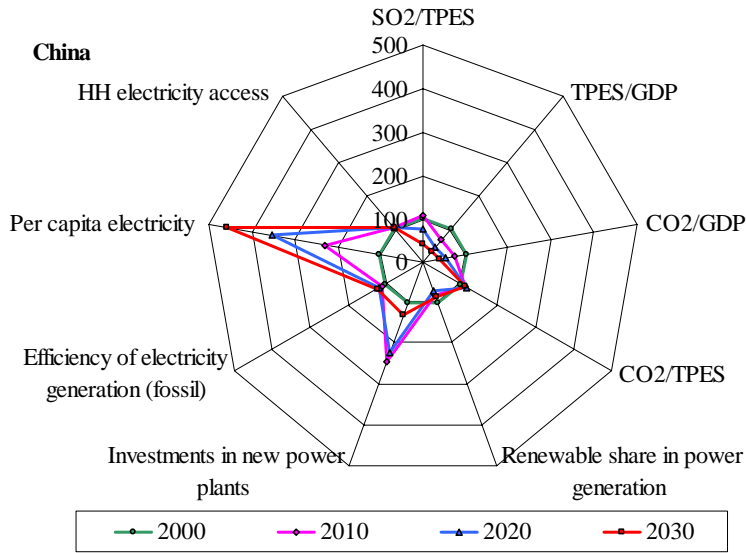
Sustainable Development Indicators for China



Sustainable Development Indicators for India



Cross-country SDIs



National Energy Case Studies of Climate Friendly Development

National Success Stories for China and India

Case example	Development impacts	Climate change mitigation/adaptation
<p>China: Energy efficiency in industry and power production</p>	<p>Local air pollution control, Energy cost savings in efficiency cases</p>	<p>Total SD scenario offers CO₂ reductions of 1.5 billion tC in 2030</p>
<p>India: South Asia energy-electricity market integration</p>	<p>Energy supply savings, cost savings, CO₂ and SO₂ emission reductions</p>	<p>1.4 billion tC and 50 million ton SO₂ saved over 30 years, Flood control, Reduced energy/electricity costs</p>

National Success Stories for Brazil

Case examples	Development impacts	Climate change mitigation/adaptation
Ethanol programme	Employment, foreign exchange savings, local air pollution	9.45 MtC saved per year (17% of energy sector emissions in 1994)
Zero tillage to ensure higher content of organic matters in soil	Increased use of herbicides, energy cost savings	60-80 Mt CO ₂ not released in 1999, 70% reduction in diesel consumption

National Success Stories for South Africa

Case examples	Development impacts	Climate change mitigation/adaptation
Clean energy generation mix: Gas, hydro, renewables, nuclear	Energy security benefits, local environmental improvements	Annual CO ₂ savings in 2025: 70 Mt CO ₂
Industrial energy efficiency in 3 major companies	Energy cost savings, local environmental benefits	Annual CO ₂ savings of around 0.07 mtCO ₂

Analysing Alternative Pathways for Aligning SD, Energy and CC

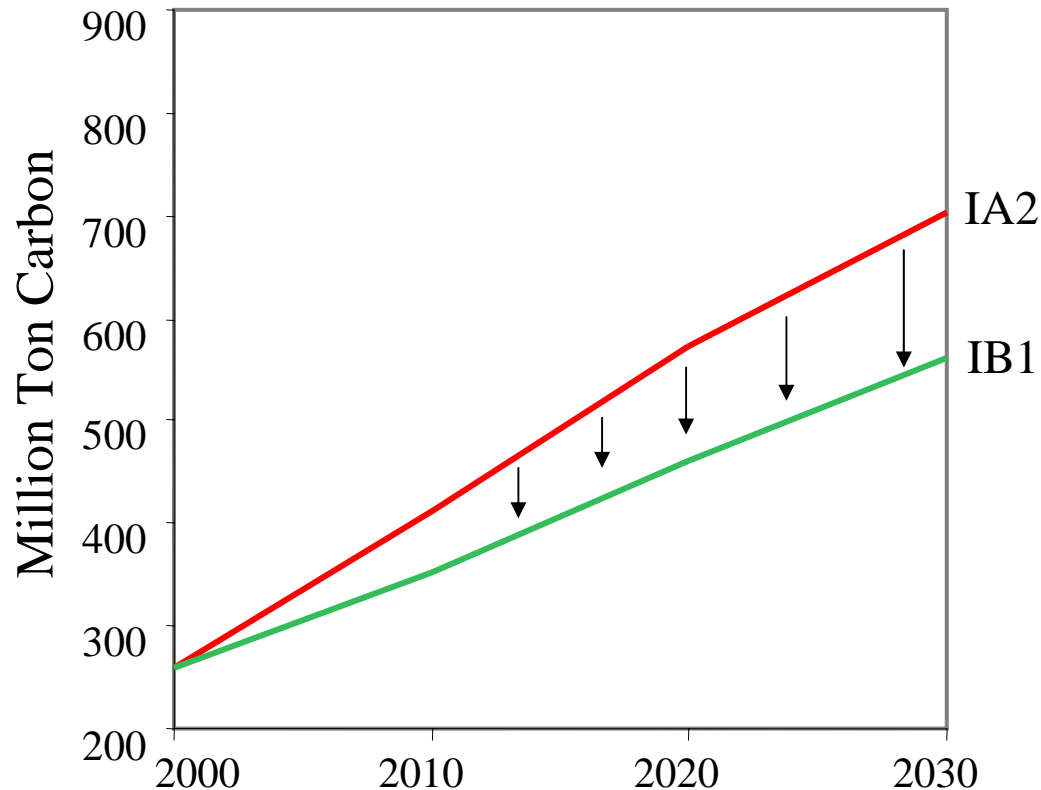
Points of Intervention

- Business-As-Usual energy policies will not change the development path to a desirable climate friendly pathway
- We need to intervene at critical times (starting now) and through appropriate policies to change the development (and therefore emission) pathways
- These Points of Intervention could be, e.g.
 - Bringing in cleaner coal technologies for power generation
 - Biofuels
 - Rural electrification
 - Efficient transport (e.g. strengthening railway networks including metros)
 - Dematerialization of product designs at all levels
 - Cleaner fuels/technologies for cooking
 - Environmental education and consciousness at all levels

Alternative Developmental Pathways for India: Comparative Performances

Parameters	IA1	IA2	IB1	IB2
Global equivalent Scenarios	Fossil intensive	Markets first	Global sustainability	regional solutions
GDP annual growth (2000-2030)	7.1%	5.5%	6.5%	4.2%
Cumulative Bt-CO ₂ (2000-2030)	61	53	45	23
Per capita CO ₂ in 2030 (ton-CO ₂)	2.3	1.8	1.7	1.4

Development Path Transitions and CO₂ Emissions for India



- Mitigate 8 Bt-CO₂ over 2000-2030 to transit from IA2 (Markets first) to IB1 (Global sustainability) pathway
- Welfare loss due to;
 - Mitigation costs (up to 1.5% GDP loss)
 - Other development paradigms and GDP follow IA2 scenario (and not IB1)
- Better to follow climate friendly development path from the beginning

Clean Coal Technologies in China Under Alternative pathways

Sector	Technology	Share in 2030	
		Reference scenario	Alternative scenario
Power generation	Super Critical	25%	25%
Power generation	IGCC	4%	30%
Industry/Boiler	Advanced boiler	45%	75%
Industry/Kiln	Advanced kiln	38%	70%
Coal processing	Coal liquefaction	2% of total coal	10% of total coal
Desulphurization in power plants		58% of all plants	80% of all plants

Promoting Clean Coal Technologies in China

Policy impacts on development, energy and climate change:

- Energy security
- Large employment to low income families that are employed with the production of the technologies (7.6 million people in 2004 and 7.8 million people in 2030)
- Establishment of a strong position for China on international markets for cleaner coal technologies
- Reduction in local and global emissions

Key Lessons Learnt

- BAU energy policies of large developing countries will not align their national developmental goals with global climate change mitigation concerns
- Integration of climate and broader SD concerns early in energy policy process (path change) is cost-effective both from development and climate change perspectives
- Each country has to choose its own development pathway. Diversity of alternative opportunities, projects and approaches exist
- National case studies demonstrate that many dedicated development policies and activities make (“unintended”) positive climate contributions
- Quantifying development and climate change impacts of energy policies enhances policy relevance of the research considerably
- The ‘non-climate’ route for international climate change policy making is feasible and cost-effective
- Main challenge is implementation

Thanks

Sustainable Transport Practices in Latin America

Risø International Energy Conference 22-24 May 2007
Energy Solutions for Sustainable Development

Jorge Rogat and Miriam Hinostroza
UNEP Risø Centre
Roskilde, Denmark

The Transport Situation in Latin America

- Lack of efficient, reliable and safe public transport systems
- Excessive number of old, unsafe and highly polluting buses
- Deregulated sector
- Lack of resources and political will
- Steadily increasing private motorisation in the region (250% increase in the car fleet between 1970 and 1990)
- Increased congestion, number of accidents and air pollution

The turning point

- Need to reformulate transport policies with the aim of providing safe, cost-effective, and environmental-friendly public transport systems
- Curitiba in Brazil became the first city in Latin America to rethink transport policies and found in integrated urban planning and mass rapid transit, with BRT (Bus Rapid Transit) as the main component, the answer to the problem

- The example was first followed by Bogota, Colombia with the implementation of Transmilenio
- Today BRT systems have been implemented, or are in the implementation phase in Guayaquil, Ecuador; Guatemala City, Santiago, Chile and other LA cities

- BRT systems have been implemented or are planned in Jakarta, Indonesia; Beijing, China; Bangkok, Thailand; Nantes, France, Eindhoven, Netherlands; Boston and Orlando in the USA; Adelaide, Australia
- Unique example of South-South, South-North technology transfer

Definition of BRT

is a system that emphasises priority for rapid movement of buses by securing segregated busways (IEA, 2002)

How do BRT systems work?

- In a similar way to light-rail trains or rail-based metros, but operate along corridors on dedicated busways at street level
- Use articulated buses with a carrying capacity of around 160 passengers or bi-articulated buses (270 passengers)
- Supplemented by feeder buses
- Modal integration complementing other transport systems
- Can carry up to 35,000 passengers per hour an direction
- Rapid boarding
- Public-private partnership

Successful practices

Curitiba's Integrated Transport Network (ITN)

- Integrates land use and public transport under joint public-private operation with emphasis on equity and affordability
- Government officials started in the 60s to work on a master plan
- Restructured the city's radial configuration into a linear model of urban expansion

- Three-part road system with each axis made up of a central street with special lanes for efficient public transportation
- In 1971 Jaime Lerner developed plans for the ITN of Curitiba
- Favouring public transport, using appropriate rather than capital-intensive technologies

In 1974 the first BRT system in Latin America was operational

- ✓ Thirteen express routes with direct routes using boarding tubes
- ✓ Twenty eight routes including special buses for students and the disabled
- ✓ Approximately 1900 buses of which 500 articulated buses (160) and 300 bi-articulated buses (270) that carry around 2 million passengers/day or about 75% of the total number of passengers

- ✓ Around 58 km of dedicated busways along 5 corridors complemented by 270 km of feeder routes and 185 km of inter-district routes
- ✓ Feeder and inter-district routes supplemented by city centre routes
- ✓ Prepaid boarding (one ticket) through 25 transfer terminals and 221 tube stations

Curitiba



Bogota's Transmilenio

- With Curitiba as the source of inspiration, but taking into consideration prevailing local conditions
- More because of the chaotic transport problem affecting the mega city than the aim of urban development as in the case of Curitiba
- A component of the city's Mobility Strategy

- To provide an efficient, safe and comfortable mass rapid transit system for the people
- With emphasis on affordability meaning: (1) possible for the government to afford the infrastructure; (2) for the private sector to recover costs of bus acquisition and operations and; (3) for the users to pay the fare

Transmilenio was launched in December 2000

- ✓ The BRT system is currently composed of about 800 articulated buses and 470 feeder buses
- ✓ Covers about 400 km along 22 dedicated busways with 2 lanes in each direction
- ✓ Carries up to 45 thousand passengers per hour and direction
- ✓ Managed by public-private partnership
- ✓ It aims at transporting 80% of the people of Bogotá by 2015

Transmilenio



Some of the new initiatives

Guayaquil's Metrovía

- Metrovía is the main component of the Massive Urban Transport (MUTP) Programme of Guayaquil
- Like in Bogotá it is thought to be the answer to the problems affecting the transport sector
- The main objective of the MUTP is to provide an efficient, safe, reliable, fast and affordable public transport system to the 84% of the population using public transportation

The first corridor introduced in August 2006

- ✓ Uses 72 articulated buses and 69 conventional buses as feeder buses
- ✓ It's expected to carry 140 thousand passengers per day
- ✓ Prepaid boarding
- ✓ Managed by a public-private partnership
- ✓ When the complete BRT is in place (2020), 7 corridors will be operational

Metrovía



Guatemala City's Transmetro

- First replication of Curitiba and Transmilenio in Central America
- Main component of the Urban Mobility Plan for 2020
- Main objective to provide reliable, safe and affordable transport services for the people
- To decrease congestion, vehicle operational costs, travel time, traffic accidents, energy consumption and local air pollution
- Transmetro is considered key in achieving these objectives

First corridor operational in February 2007

- ✓ Managed by a public-private partnership
- ✓ New and cleaner articulated buses with a carrying capacity of 160 passengers (48 articulated buses of which 17 are new)
- ✓ Replace 4-5 old buses by a new bus
- ✓ The system is expected to transport 180 thousand passengers per day
- ✓ When completed in 2020 it will be composed of 12 corridors

Transmetro



Santiago's Transantiago

- One of the components of a comprehensive restructuring of the whole public transport sector designed by the government of Chile in 1995
- Main objectives are: (1) to solve the current transport problems; (2) to maintain the current 50% ridership; (3) to provide a reliable and safe public transport system and; (4) to develop a modern, environmentally clean and economically efficient public transport system
- Is being implemented by various ministries
- When completed will consist of 5 corridors

Transantiago was launched in February 2007

- ✓ It has been integrated with the Metro and with urban and interurban trains
- ✓ It uses around 4,700 buses (1,200 new buses) including articulated and conventional feeder buses instead of 7,500 used before
- ✓ Feeder buses complement both the BRT and the Metro
- ✓ Fare collection through smart electronic prepaid cards
- ✓ Fare depending on the numbers of transfers made but with a maximum fare of US\$0.80

Transantiago



Results

Curitiba's ITN

- 30% previously travelled by car
- 27 million fewer trips made by car
- per capita fuel consumption has decreased by 30%
- air pollution is the lowest in the country

Transmilenio

- 90% fewer traffic accidents
- about 40% less air pollution
- 40% reduction in travel time
- 90% passenger satisfaction

Metrovía

- High passenger satisfaction
- 97% on-time performance on both trunks and feeders
- Increased travel speed from 16 to 22km

Transmetro

- High passenger satisfaction
- Increased safety
- 80% reduction in travel time

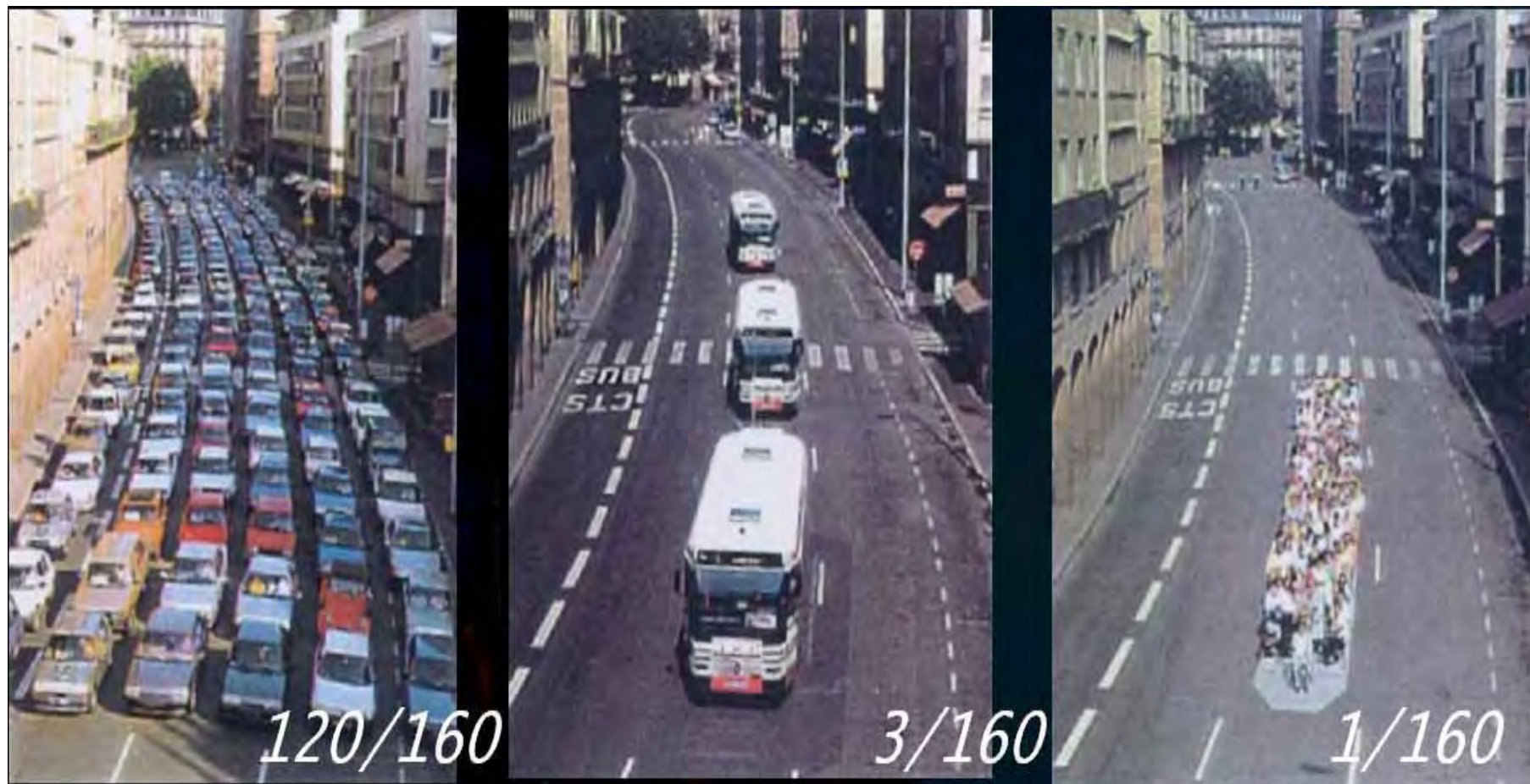
Transantiago

- Extremely low passenger satisfaction
- Increased travel time (20 to 30 minutes)
- The Metro has collapsed

Conclusions

- Well planned and implemented BRT systems have proven to be the right transport solution in many cities
- BRT systems can provide high quality services similar to other MRT systems like light-rail trains or metro
- High political will reflected in continued local transport policy aimed at favouring the use of public transport
- Urban planning compatible with innovative public transport solutions

- Appropriate rather than capital-intensive technology:
BRT cost/km 2 – 5US\$ million while rail based metro 60 - 200US\$ per km
- Participatory approach
- Gradual changes in passengers' habits





Risø International Energy Conference 2007
24th May 2007

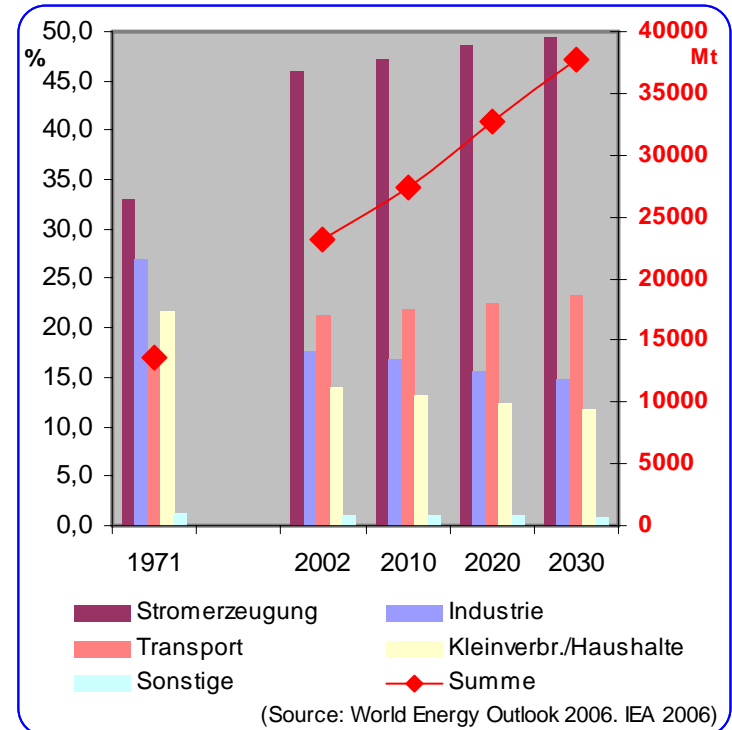
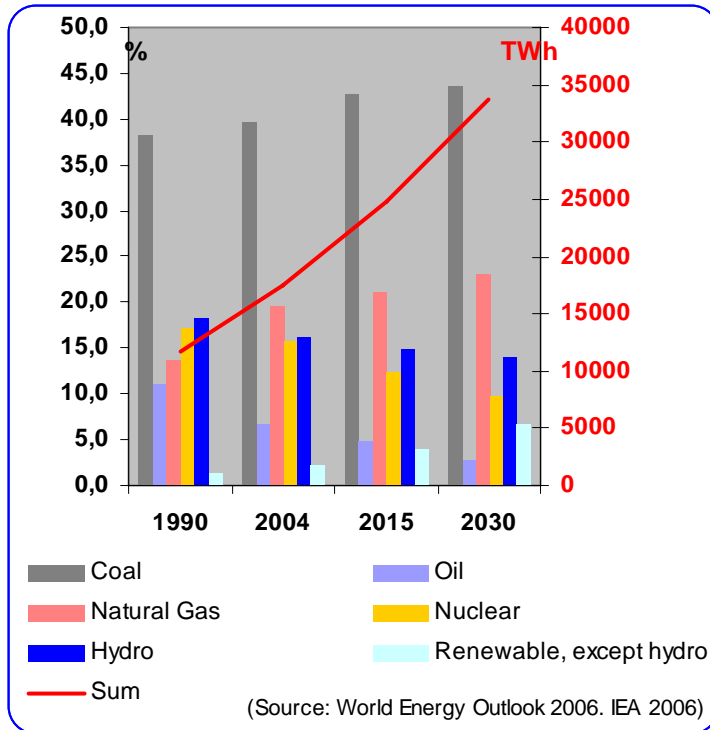
Environmental Analysis of Coal-based Power Production with Amine-based Carbon Capture

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J. Nazarko², A. Schreiber¹, P. Zapp¹

Institute of Energy Research
1 Systems Analysis and Technology Evaluation (IEF-STE)
2 Fuel Cells (IEF3)
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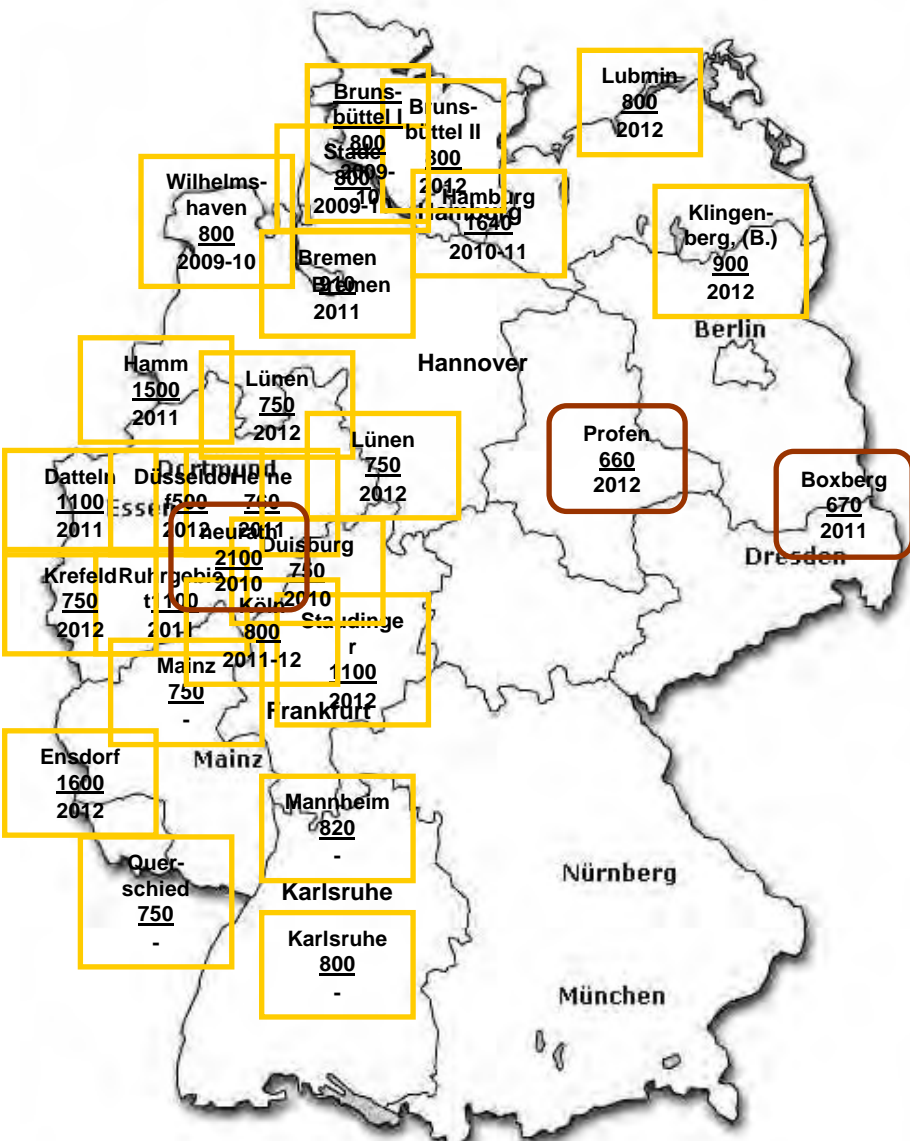


1. Introduction
2. CO₂ capture concepts
3. Methodology and basic parameters
4. Inventory analysis
5. Impact assessment
6. Summary and outlook

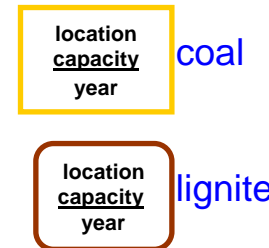


- Increase of future global electricity demand
- Strong dependency on fossil-based power generation (coal, gas)
- Increasing share of renewable energies
- Decreasing share of nuclear power and hydropower

- Increasing global CO₂ emissions
- Share of CO₂ from transport increasing
- Share of CO₂ from industry and households decreasing
- Share of CO₂ from power generation increasing, unless measures like CCS are taken



- Worldwide investment in fossil-based power generation capacity expected
- European Union: Announced construction of new plants
- Coal and gas power generation in Germany: 27 announcements of new power plants (coal, lignite), 25,000 MW



(Source: Handelsblatt, VDEW, BUND)

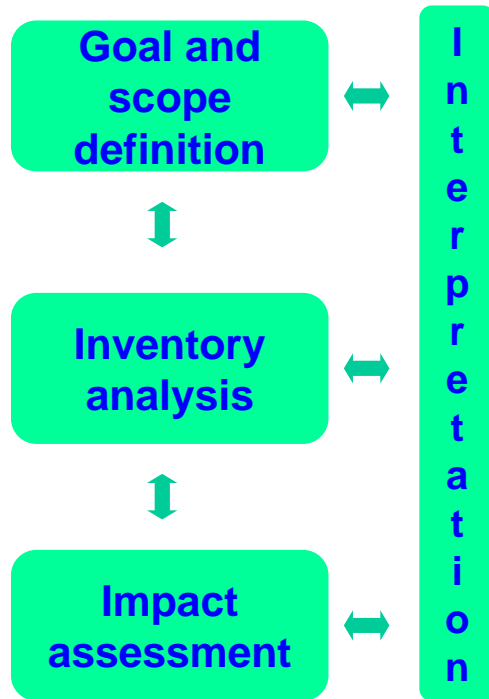


CO₂ capture concepts

Concepts	Energy supply perspective: Assets (+) and drawbacks (-)	Environmental impacts: Assets (+) and drawbacks (-)
Post combustion: CO ₂ capture from flue gas	<ul style="list-style-type: none"> + technology available + retrofitting possible - high energy penalty - high cost increase 	<ul style="list-style-type: none"> + reduced net CO₂ emissions ? process inputs ? process outputs
Oxyfuel: CO ₂ concentration in flue gas	<ul style="list-style-type: none"> + compact boiler design + high retention rates - high e-penalty for air sep. - high invest cost 	<ul style="list-style-type: none"> + reduced net CO₂ emissions ? process inputs ? process outputs
Pre combustion: CO ₂ capture from syngas after CO-shift	<ul style="list-style-type: none"> + lower e-penalty + hydrogen production - technical availability of IGCC - complex CO₂ capture 	<ul style="list-style-type: none"> + reduced net CO₂ emissions ? process inputs ? process outputs

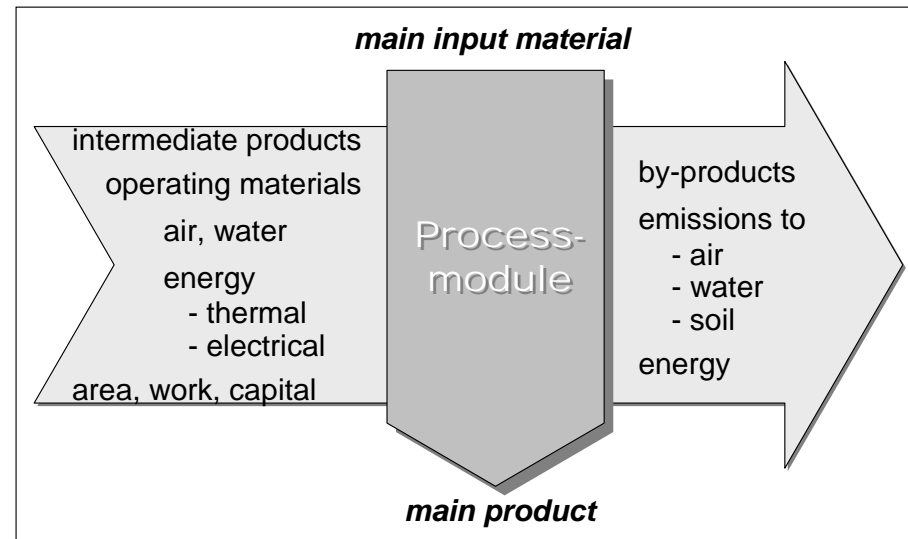


Method for assessment of environmental impacts throughout the life cycle of a product / technique from raw material acquisition through production, use, end-of-life treatment and disposal



Phases of LCA

Reference: ISO 14040, 14044, 2006



Unit process



Goal and scope definition

- Environmental impact analysis of coal-based power generation without and with MEA-based CO₂ capture
- No upstream and downstream activities
- Geography: Germany, Europe
- Point in time: 2005 – 2010 – 2020
- Functional unit: 1 kWh_{el}

“Conventional” pulverized coal power plants

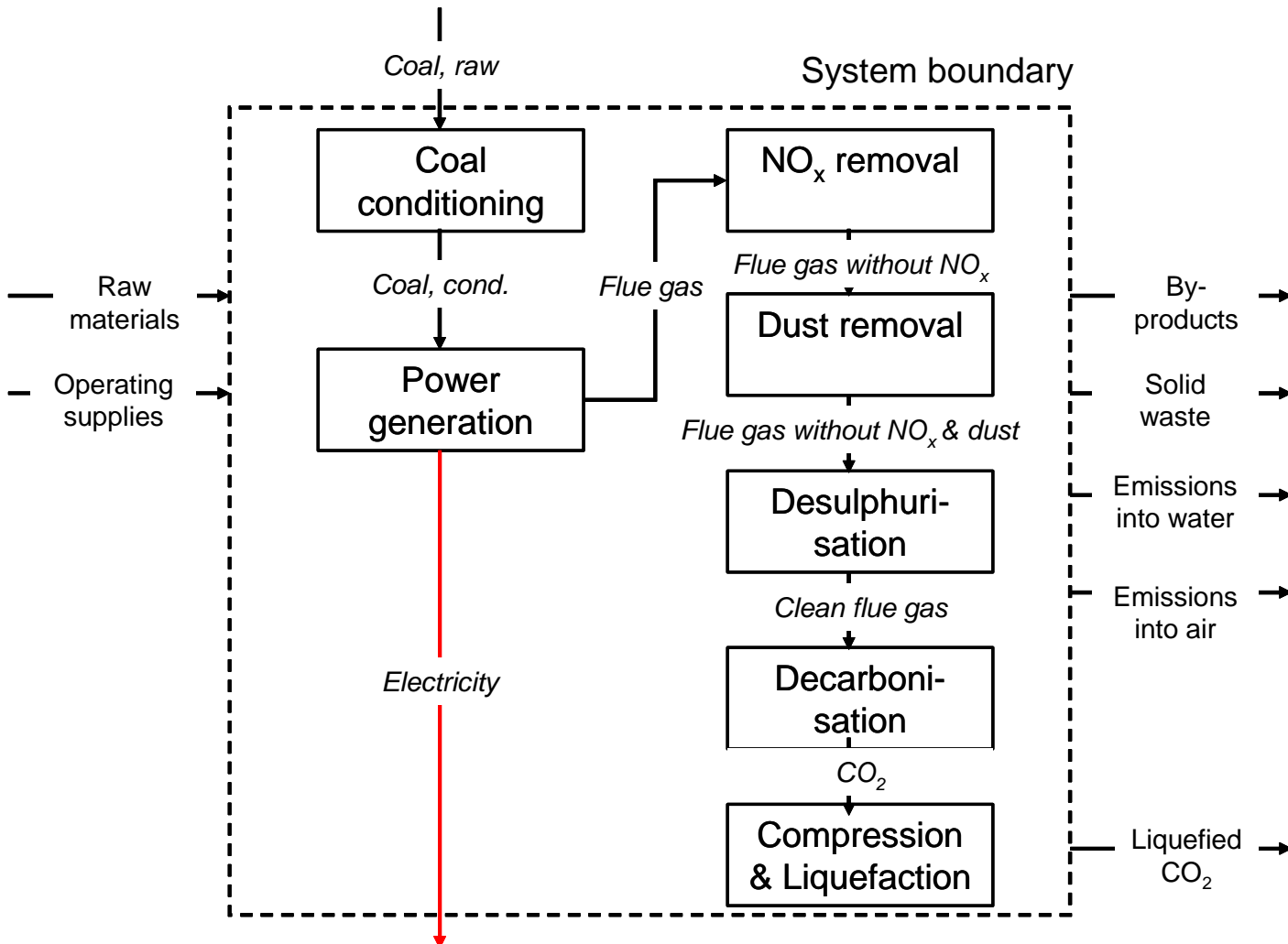
1. Coal plant₂₀₀₅: operating in 2005
2. Coal plant₂₀₁₀: installed in 2010
3. Coal plant₂₀₂₀: installed in 2020

Pulverized coal power plants with Amine-based carbon capture

4. MEA_{retrofit1}:
Coal plant₂₀₀₅ + MEA₂₀₂₀ retrofitted in 2020
5. MEA_{retrofit2}:
Coal plant₂₀₁₀ + MEA₂₀₂₀ retrofitted in 2020
6. MEA_{greenfield}:
Coal plant₂₀₂₀ + MEA₂₀₂₀ installed in 2020



Power plant and CO₂ capture: Processes and system boundaries





Technical parameters of the power plants

<i>Plant parameter</i>	unit	Coal plant ₂₀₀₅	Coal plant ₂₀₁₀	Coal plant ₂₀₂₀	MEA _{retrofit1}	MEA _{retrofit2}	MEA _{greenfield}
combustion capacity	MW _{th}	1164	1200	1424	1164	1200	1424
gross capacity	MW _{el}	550	600	750	479	527	707
net capacity	MW _{el}	500.5	552.0	697.0	378.6	426.5	592.0
gross efficiency	%	47.3	50.0	52.7	41.1	43.9	49.6
net efficiency	%	43.0	46.0	49.0	32.5	35.5	41.6
electrical equivalence factor	----	----	----	----	0.2	0.2	0.1

- Coal plant₂₀₀₅ – coal plant₂₀₂₀

- Increase of net capacity
- Increase of net efficiency: 43% to 49%

- MEA_{retrofit1} - MEA_{greenfield}

- Increase of net capacity
- Decrease of energy penalty: 10.5 to 7.4%points
- Decrease of electrical efficiency factor



Inputs

<i>Inputs g/kWh_{el}</i>	Coal plant ₂₀₀₅	Coal plant ₂₀₁₀	Coal plant ₂₀₂₀	MEA _{retrofit1}	MEA _{retrofit2}	MEA _{greenfield}
hard coal	282	264	247	373	341	291
cooling water	1398	1222	1077	2126	1834	1389
ammonia	0.63	0.58	0.54	0.84	0.75	0.64
lime stone	23	22	20	30	28	24
MEA	0	0	0	2.3	2.1	1.1
sodium hydroxide	0	0	0	0.12	0.11	0.09

■ Coal plant₂₀₀₅ – coal plant₂₀₂₀

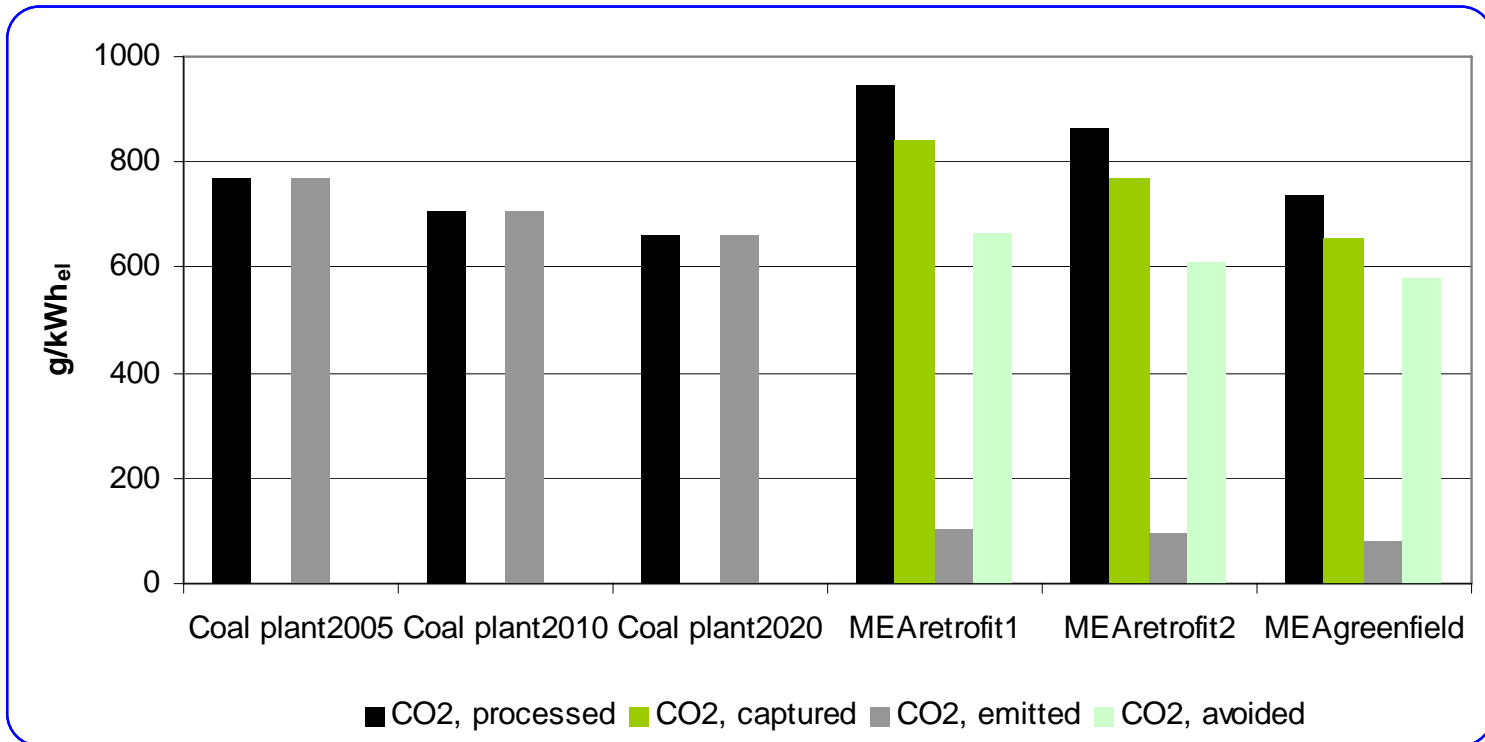
- Reduction of hard coal and cooling water
- Reduction of ammonia and lime stone
- No MEA solution and sodium hydroxide

■ MEA_{retrofit1} - MEA_{greenfield}

- Higher, but decreasing level of hard coal and cooling water
- Higher, but decreasing level of ammonia and lime stone
- Decreasing use of MEA solution and sodium hydroxide
- MEA_{greenfield} most attractive



Output: CO₂



■ Coal plant₂₀₀₅ – coal plant₂₀₂₀

- CO₂ processed = CO₂ emitted
- Less carbon dioxide processed

■ MEA_{retrofit1} - MEA_{greenfield}

- Higher, but decreasing level of CO₂ processed
- Fixed share of carbon dioxide captured
- Lower and decreasing level of CO₂ emitted
- Decrease of carbon dioxide avoided
- MEA_{greenfield} most attractive



Further outputs

<i>Outputs g/kWh_{el}</i>	Coal plant ₂₀₀₅	Coal plant ₂₀₁₀	Coal plant ₂₀₂₀	MEA _{retrofit1}	MEA _{retrofit2}	MEA _{greenfield}
waste heat	590	552	518	1179	1076	920
waste water	120	113	106	159	146	126
gypsum (FGD)	40	37	35	52	48	42
waste, sludge, slag	0.90	0.85	0.79	1.26	1.15	1.01
hazardous waste	---	---	---	3.46	3.07	1.22

■ Coal plant₂₀₀₅ – coal plant₂₀₂₀

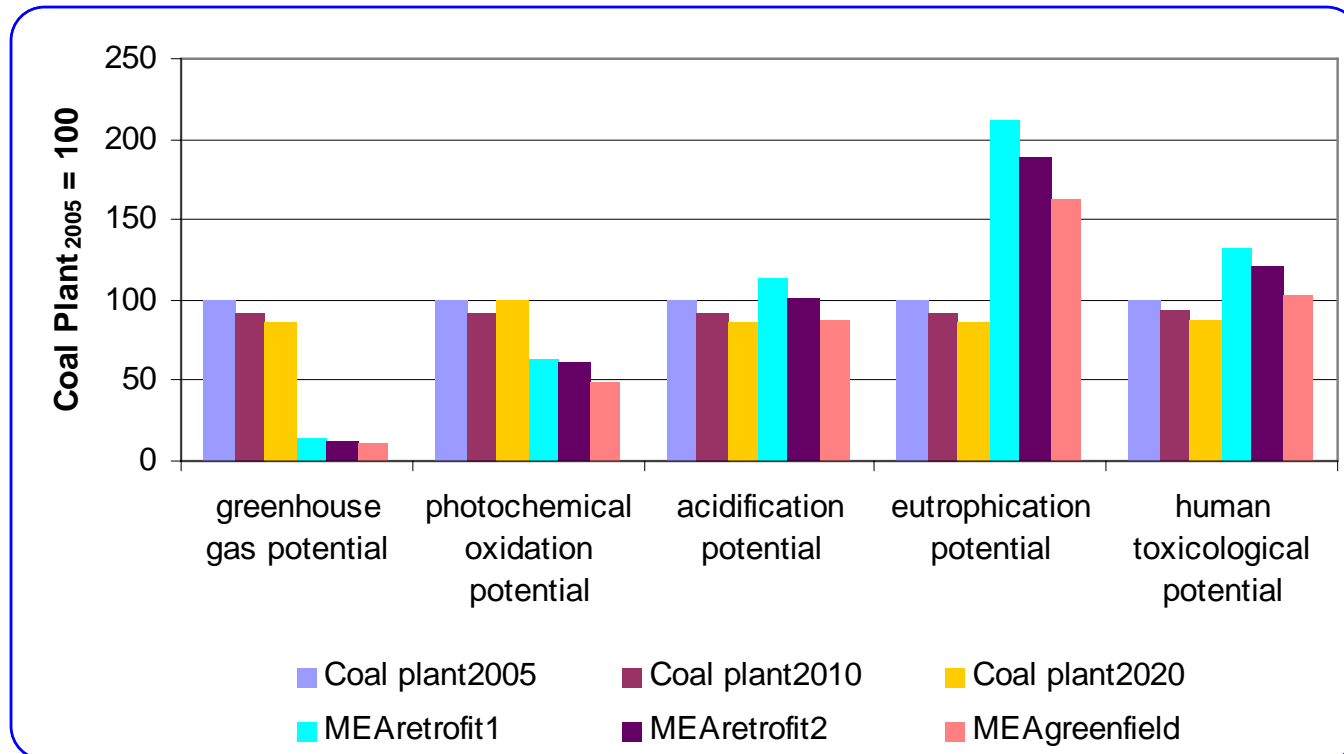
- Decrease of waste heat and waste water
- Decrease of gypsum
- Decrease of waste, sludge and slag

■ MEA_{retrofit1} - MEA_{greenfield}

- Higher, but decreasing level of waste heat and waste water
- Higher, but decreasing level of gypsum, waste, sludge and slag
- New: hazardous waste (decreasing level)
- MEA_{greenfield} most attractive



Selected results of the impact assessment



- For greenhouse gas potential and photochemical oxidation potential clear advantage for MEA-based capture
- For acidification potential no clear advantage for MEA-based capture
- For human toxicological potential MEA-based capture unfavourable
- For eutrophication potential clear disadvantage for MEA-based capture



- High, but decreasing level of energy penalty
- Higher level of material and energy flows and additional flows
- Less CO₂ emissions and global warming potential
- Higher level of other emissions and additional emissions
- Subsequently higher level for some environmental impacts

- MEA-based technology superior with respect to CO₂
- MEA_{greenfield} most favorite capture technology
- No clear advantage for MEA-based capture taking into account other environmental impacts



Future activities for plant-related analysis:

- Inclusion of CO₂ transport and storage and up- and downstream processes
- Analysis of other capture routes and technologies (pre combustion and oxyfuel)

Future activities for full capacity-related analysis:

- Adaptation of plant-related results for dynamic analysis taking into account capacity development



Thank you for your attention

Solid Oxide Electrolysis for Fuel Production

Sune D. Ebbesen, Anne Hauch, Søren H. Jensen, and Mogens Mogensen

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DK-4000 Roskilde, Denmark

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Sune.Ebbesen@risoe.dk

Risø International Energy Conference, 23rd May 2007

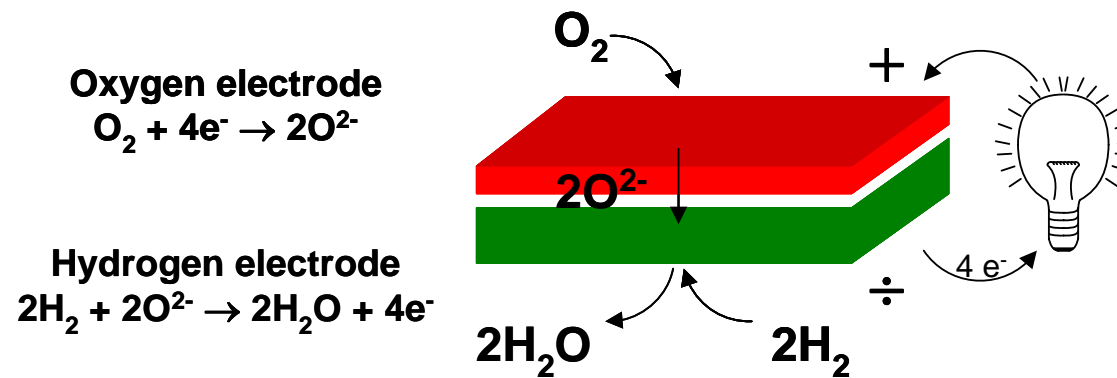
Outline

Solid Oxide Electrolysis for Fuel Production

1. Principle for **S**olid **O**xide **E**lectrolysis **C**ells (SOECs)
 - Production of hydrogen and synthetic fuel
 - Advantages of SOEC compared to PEM/Alkaline electrolysis
2. Perspectives for SOECs
 - Economy estimation for hydrogen production
 - Synthetic fuel
3. Conclusions and what about the future ?

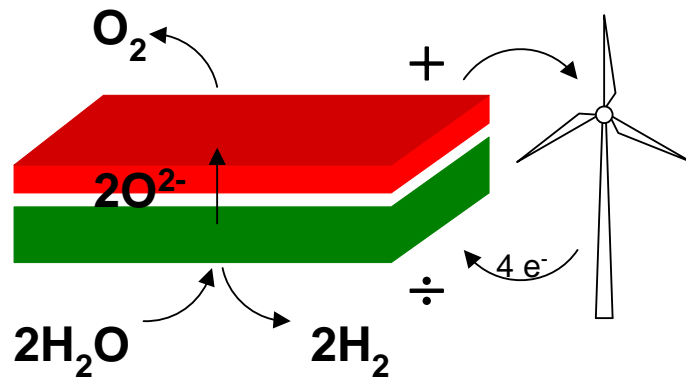
Principle for SOECs

Solid Oxide Fuel Cells



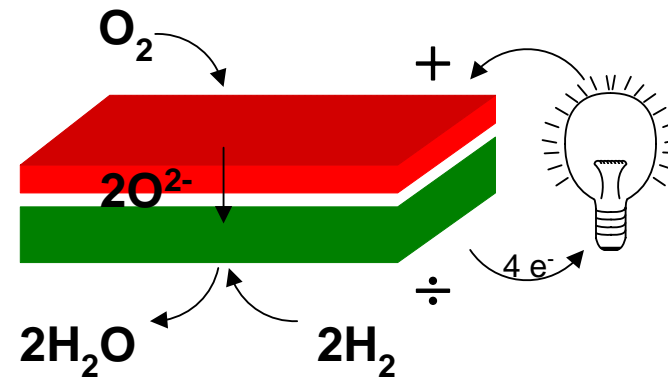
Principle for SOECs

Solid Oxide Electrolysis Cells



Consuming water and electricity
 Producing hydrogen
 Electrolysis of $\text{CO}_2 + \text{H}_2\text{O}$ to
 synthesis-gas ($\text{CO} + \text{H}_2$)

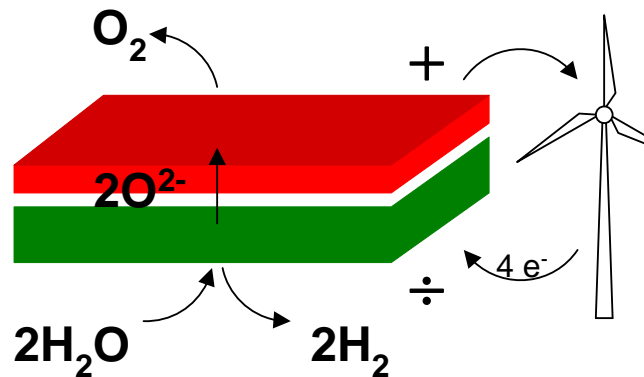
Solid Oxide Fuel Cells



Consuming hydrogen
 Producing electricity

Principle for SOECs

Solid Oxide Electrolysis Cells



Consuming water and electricity
Producing hydrogen
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Morgenkaffen kogt på strøm fra vindmøller

27. okt. 2006 10.54 Indland

Halvdelen af landets husholdninger har i dag kunnet lave morgenkaffe med strøm fra vindmøller. Efterårets første alvorlige blæsevejr er nemlig guldgrube for den alternative energi.

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Med en vindhastighed op omkring 20 m/s i det vestlige Jylland, hvor mange vindmøller er placeret, er elproduktionen fra vindmøller tæt på det maksimalt mulige.

Kommer vindhastigheden op omkring 25 m/s, stopper vindmøllerne derimod.

Gratis el i nat

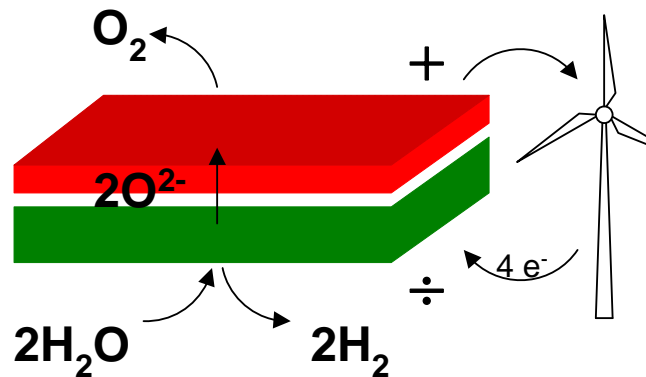
I nat betød elproduktion fra vindmøllerne, at udbuddet af el på den nordiske elbørs var så stort, at elspotprisen i både Øst- og Vestdanmark var nul i timerne med vind.

Vindmøllerne producerede strøm nok til at dække 80 procent af det samlede elforbrug i Danmark.

Landets kraftværker måtte endda skruer ned for produktionen, fordi der ikke var plads til mere strøm på de elektriske forbindelser til udlandet.

Principle for SOECs

Solid Oxide Electrolysis Cells



Consuming water and electricity
Producing hydrogen
Electrolysis of $\text{CO}_2 + \text{H}_2\text{O}$ to
synthesis-gas ($\text{CO} + \text{H}_2$)

Ingeniøren
ing.dk

Danmarks første brintanlæg åbner på mandag

Nakskov får landets første anlæg, der ved hjælp af strøm fra vindmøller spalter vand til brint og ilt. Samtidig er Lolland vært for en international energikonference.

Af [Thomas Lemke](#) | onsdag 16.05.2007 kl. 11:43

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Anlægget, der står i Nakskov, skal omdanne strøm fra vindmøller til brint og dermed være med til at løse problemet med at lagre energi fra vindmøller. I første omgang fungerer det som demonstrationsanlæg, men om et par år er det meningen, at det skal indgå i et større anlæg og forsyne Vestenskov på Vestlolland med brint.



På mandag begynder elektrolyseanlægget i Nakskov produktionen af brint. [Klik for større foto](#)

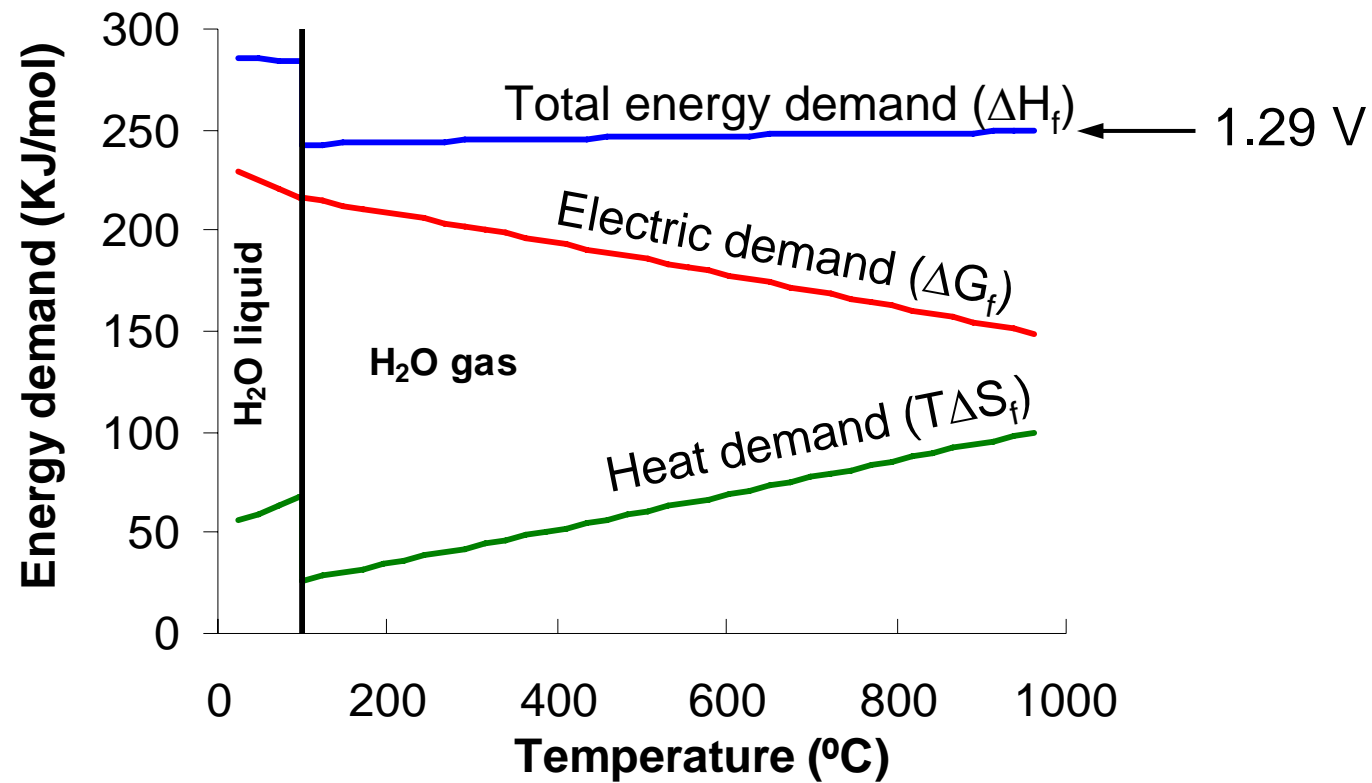
Når det blæser kraftigt, producerer vindmøllerne på Lolland mere strøm, end markedet kan aftage, og prisen dykker til næsten ingenting. Derfor er der store fordele i at anvende overskudsstrømmen til at fremstille brint, argumenterer initiativtagerne, selv om meget af energien fra vindmøllestrømmen går tabt under processen.

Advantages of SOECs

	SOEC	Alkaline	PEM
Reactants and products	$\text{H}_2\text{O} \rightarrow \text{H}_2$ $\text{CO}_2 \rightarrow \text{CO}$	$\text{H}_2\text{O} \rightarrow \text{H}_2$	$\text{H}_2\text{O} \rightarrow \text{H}_2$
Electrolyte	Ceramic	KOH or NaOH	Polymer
Electrodes	Nickel, ceramics	Nickel	Platinum
Temperature	850 °C	80 °C	80 °C

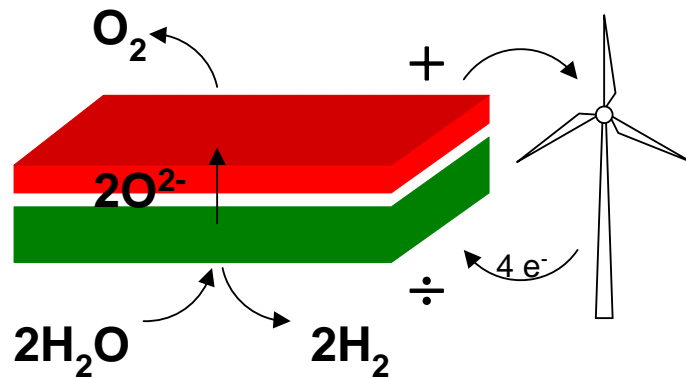
Advantages of SOECs

Thermodynamics for water electrolysis

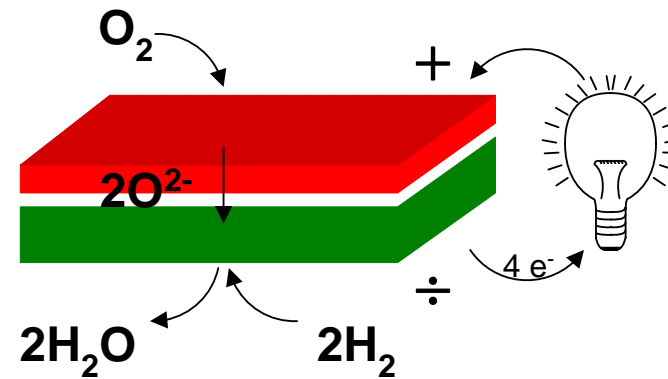


Thermodynamics is optimal case ... Real life ?

Solid Oxide Electrolysis Cells



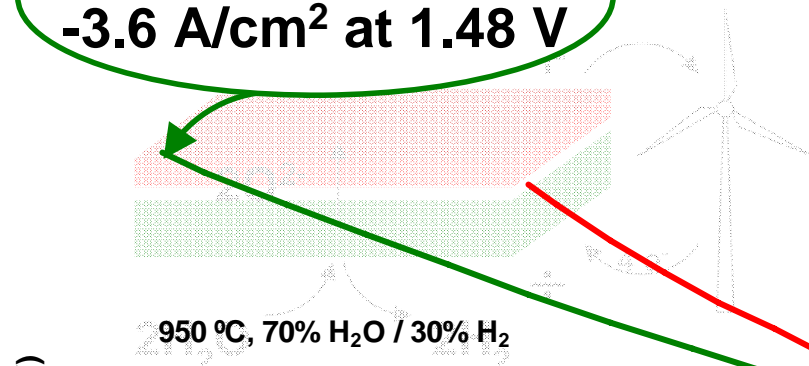
Solid Oxide Fuel Cells



Thermodynamics is optimal case ... Real life ?

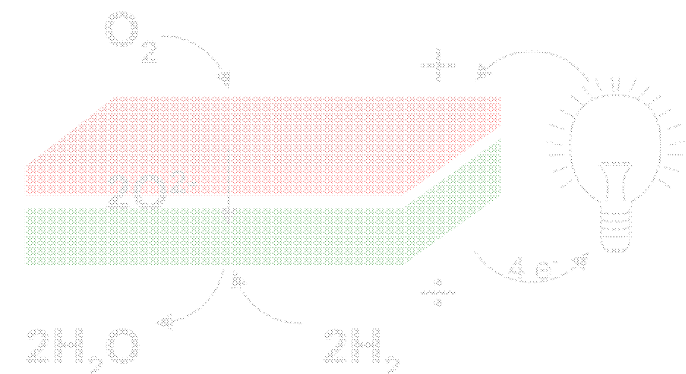
Solid Oxide Electrolysis Cells

World record
-3.6 A/cm² at 1.48 V

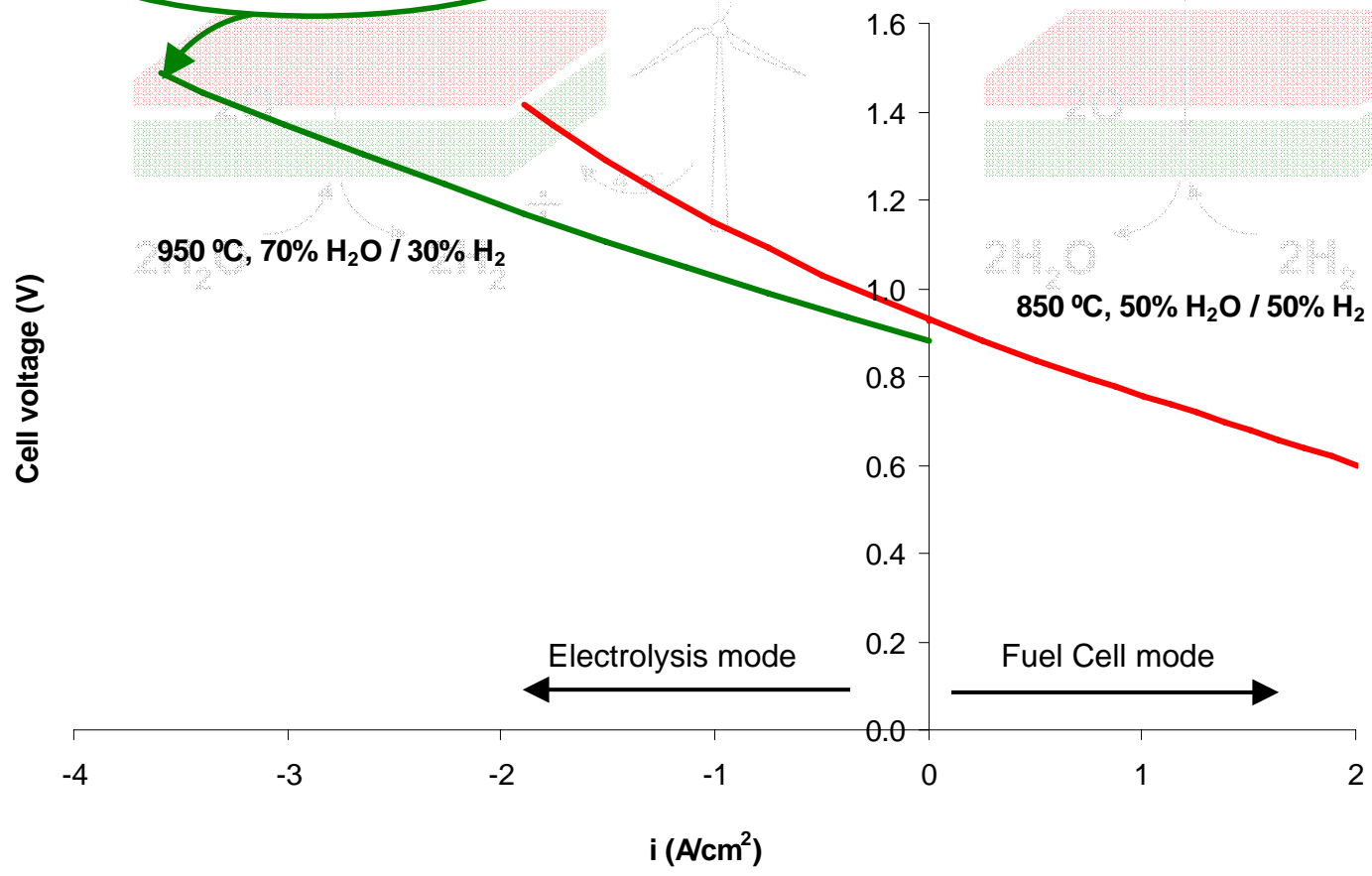


950 °C, 70% H₂O / 30% H₂

Solid Oxide Fuel Cells

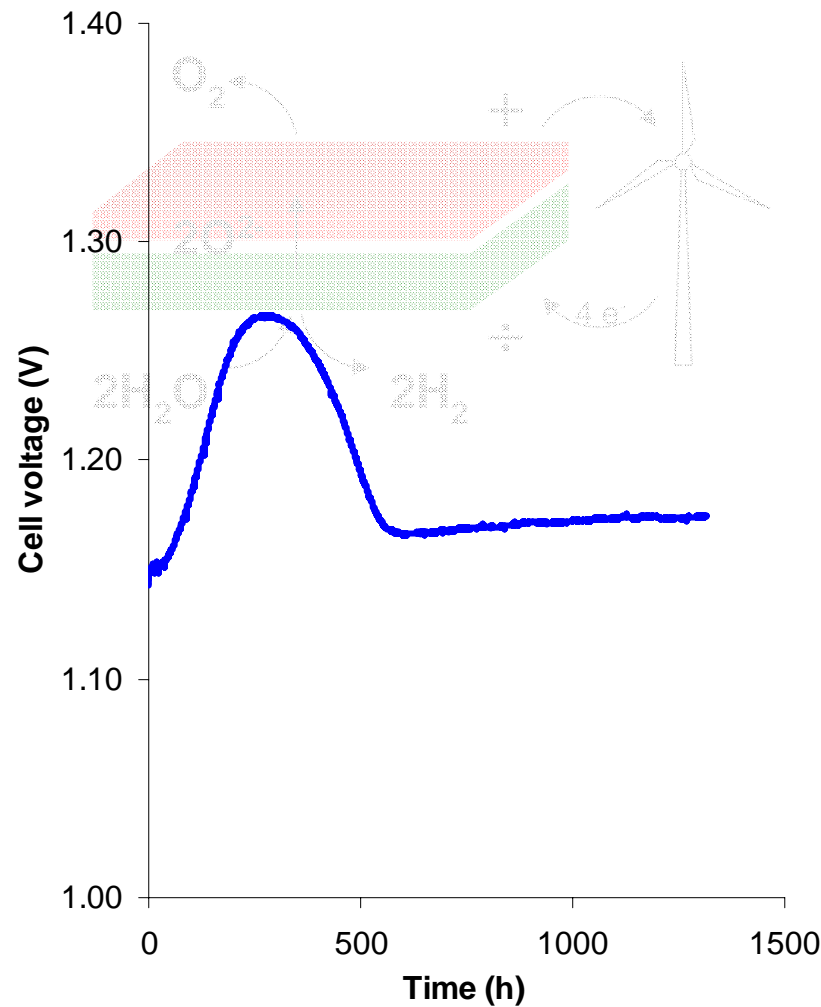


850 °C, 50% H₂O / 50% H₂

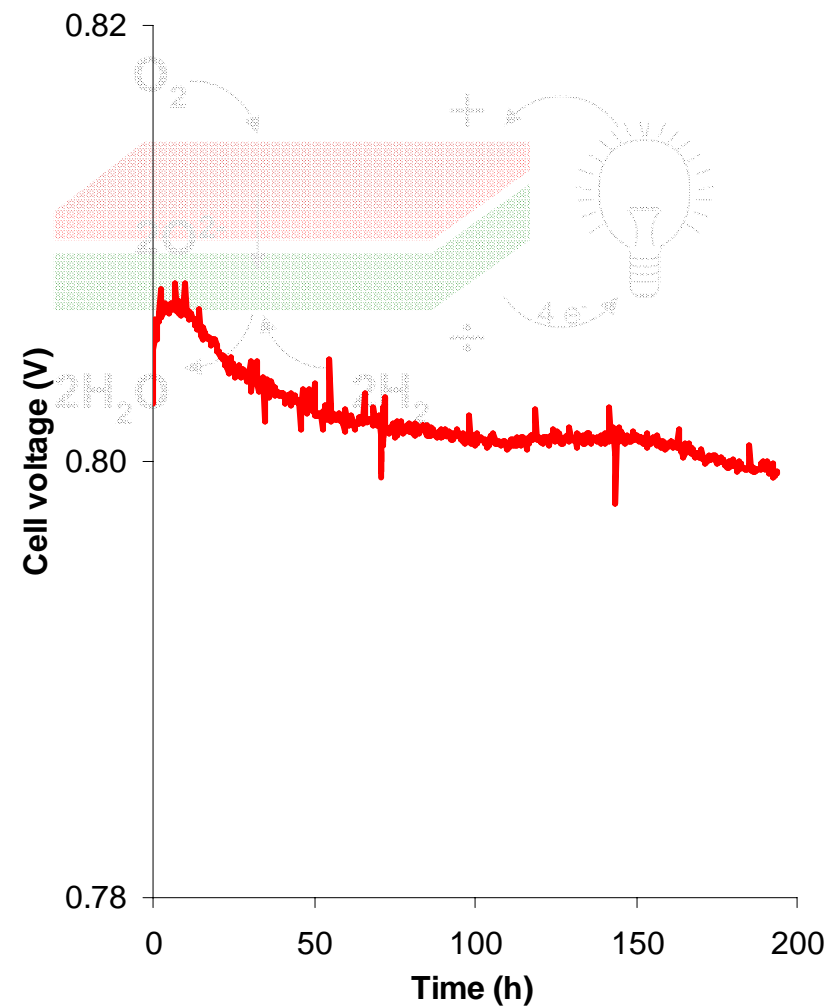


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Solid Oxide Electrolysis Cells

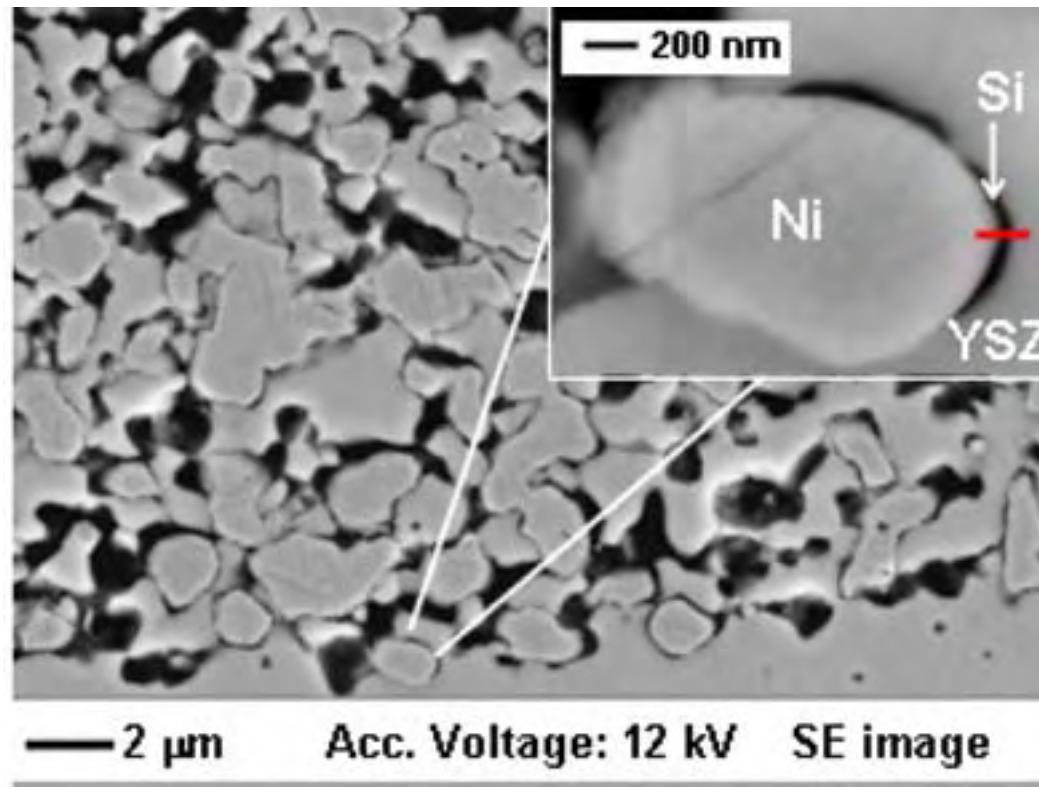


Solid Oxide Fuel Cells



SOEC Durability

SEM micrograph of hydrogen electrode after electrolysis



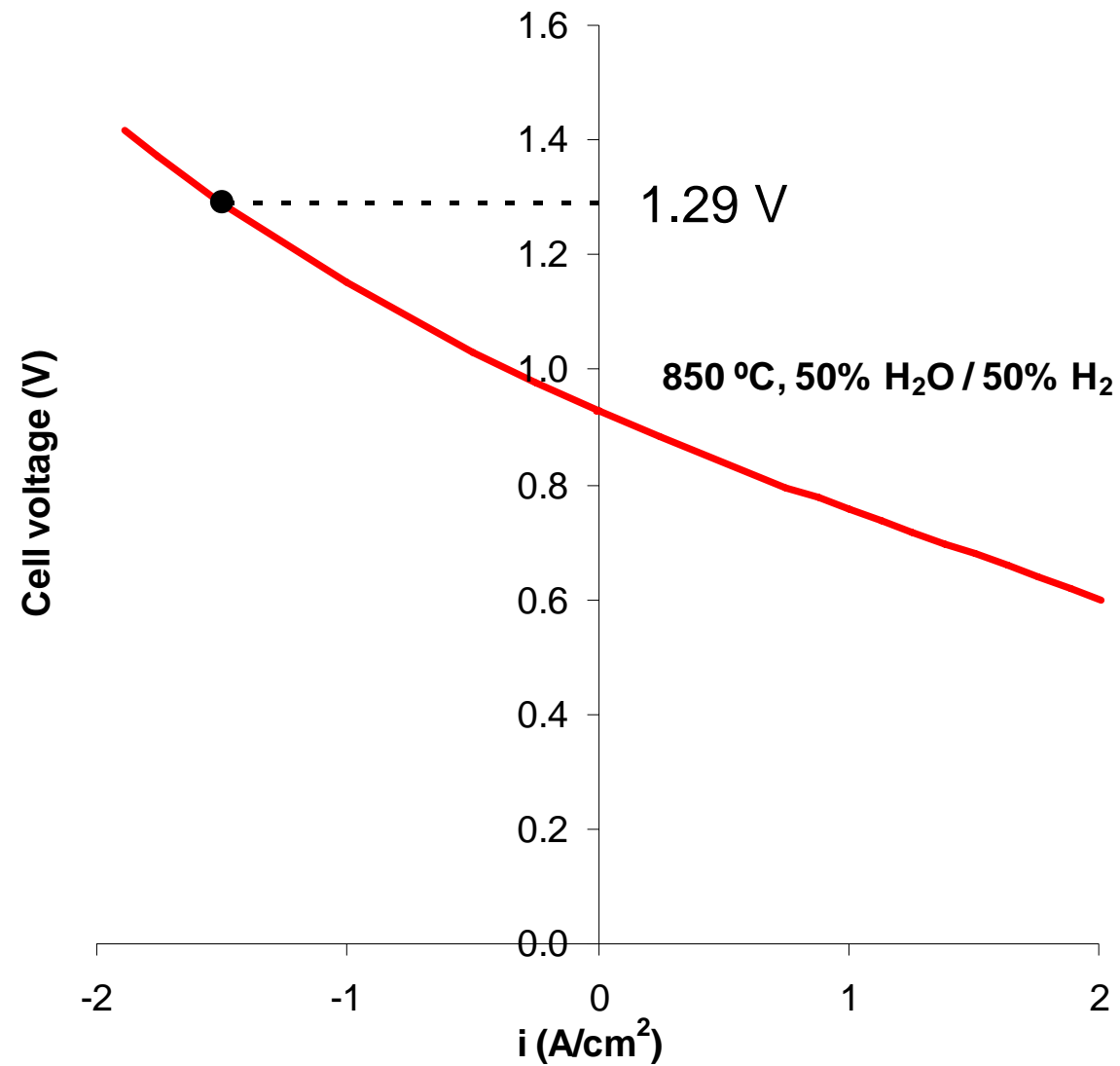
Post examination after electrolysis at 850°C, 70% H₂O, -1 A/cm² for 353 h and -0.5 A/cm² for 227 h

SOEC Durability

Electrolysis cell	Fuel cell [1]
-0.5 A/cm ² at 850°C	1.0 A/cm ² at 850°C
~2%/1000 h (1316 h test)	Below 1%/1000 h (1500 h test)

-1.0 A/cm ² at 950°C	1.0 A/cm ² at 950°C
~30%/1000 h (620 h test)	Below 1%/1000 h (1500 h)

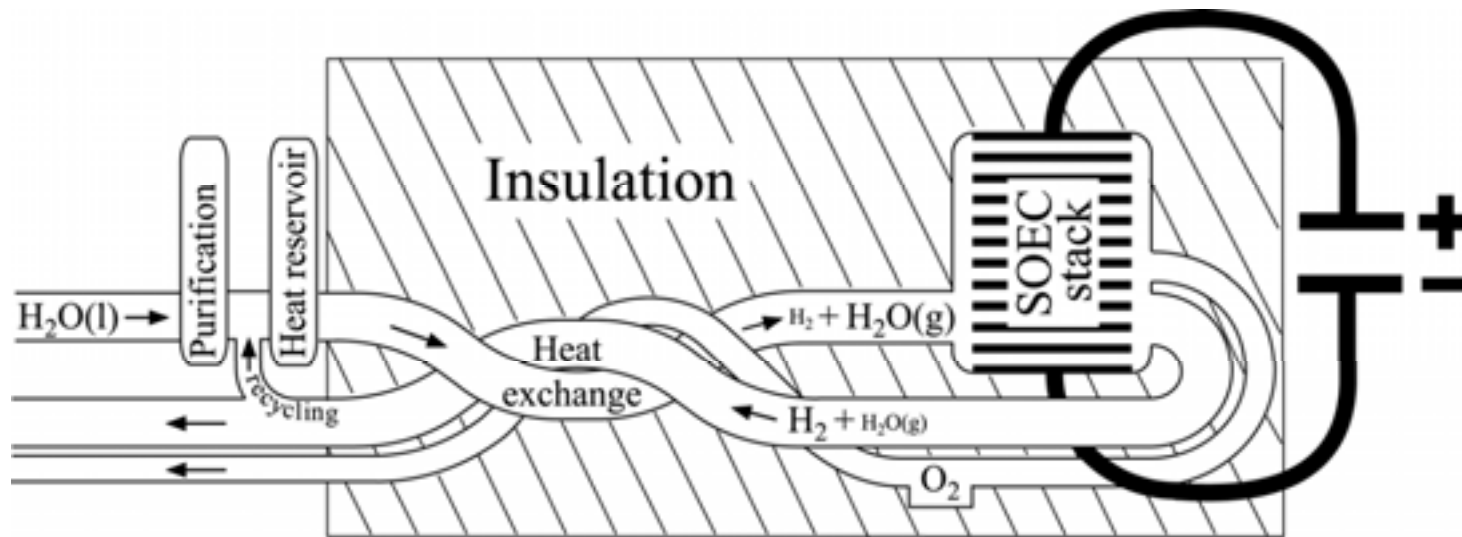
Economy estimation for hydrogen production



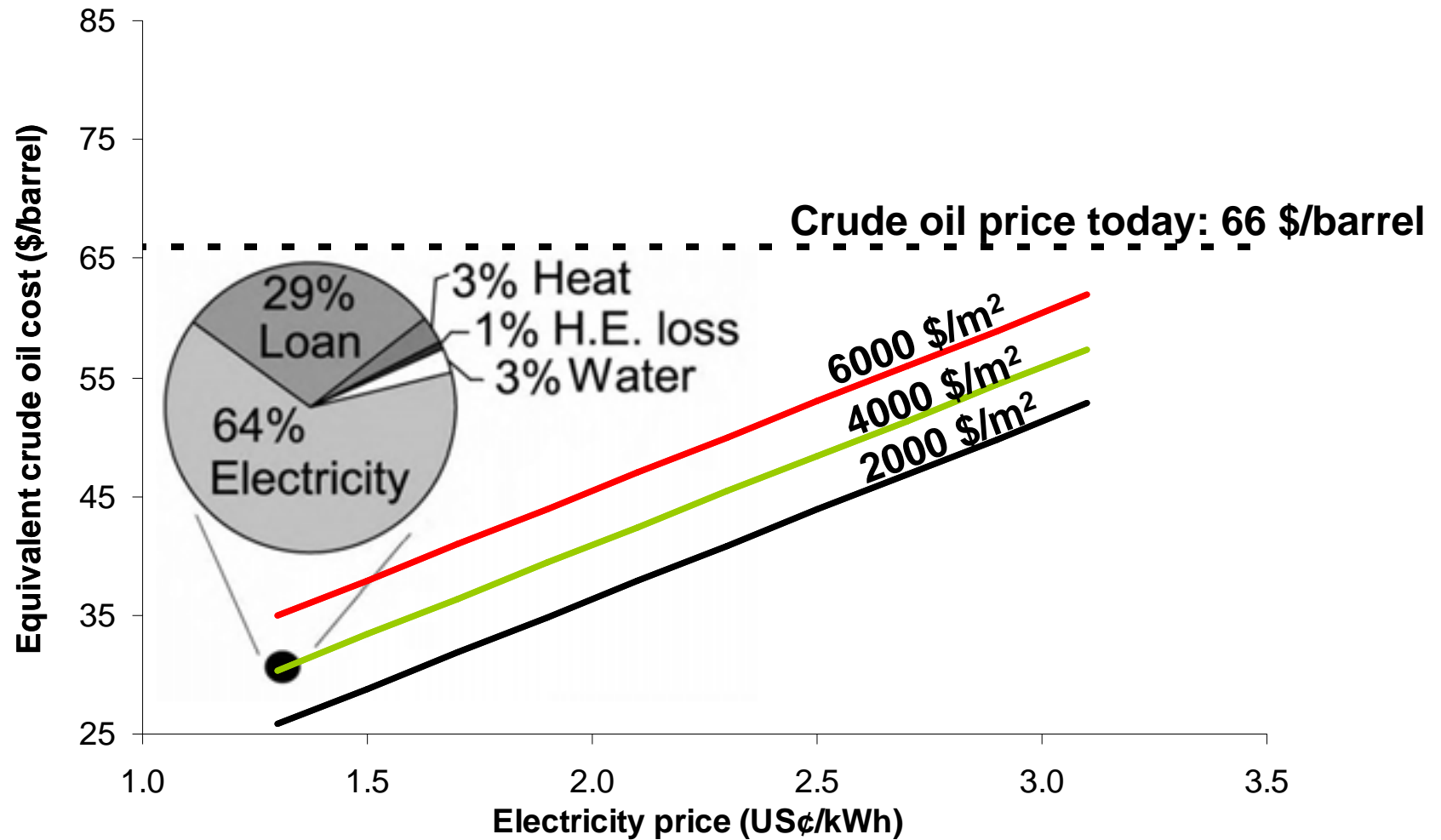
Economy estimation for hydrogen production

Cell voltage	1.29 V (thermo neutral potential)
Electricity price	1.3 US¢/kWh
Heat price	0.3 US¢/kWh
Investment	4000 US\$/m² cell area
Demineralised Water	2.3 US\$/m ³
Cell temperature	850 ° C
Heat reservoir temperature	110 °C
Pressure	1 atm
Life time	10 years
Operating activity	50%
Interest rate	5%
Energy loss in heat exchanger	5%
H ₂ O inlet concentration	95% (5% H ₂)
H ₂ O outlet concentration	5% (95% H ₂)

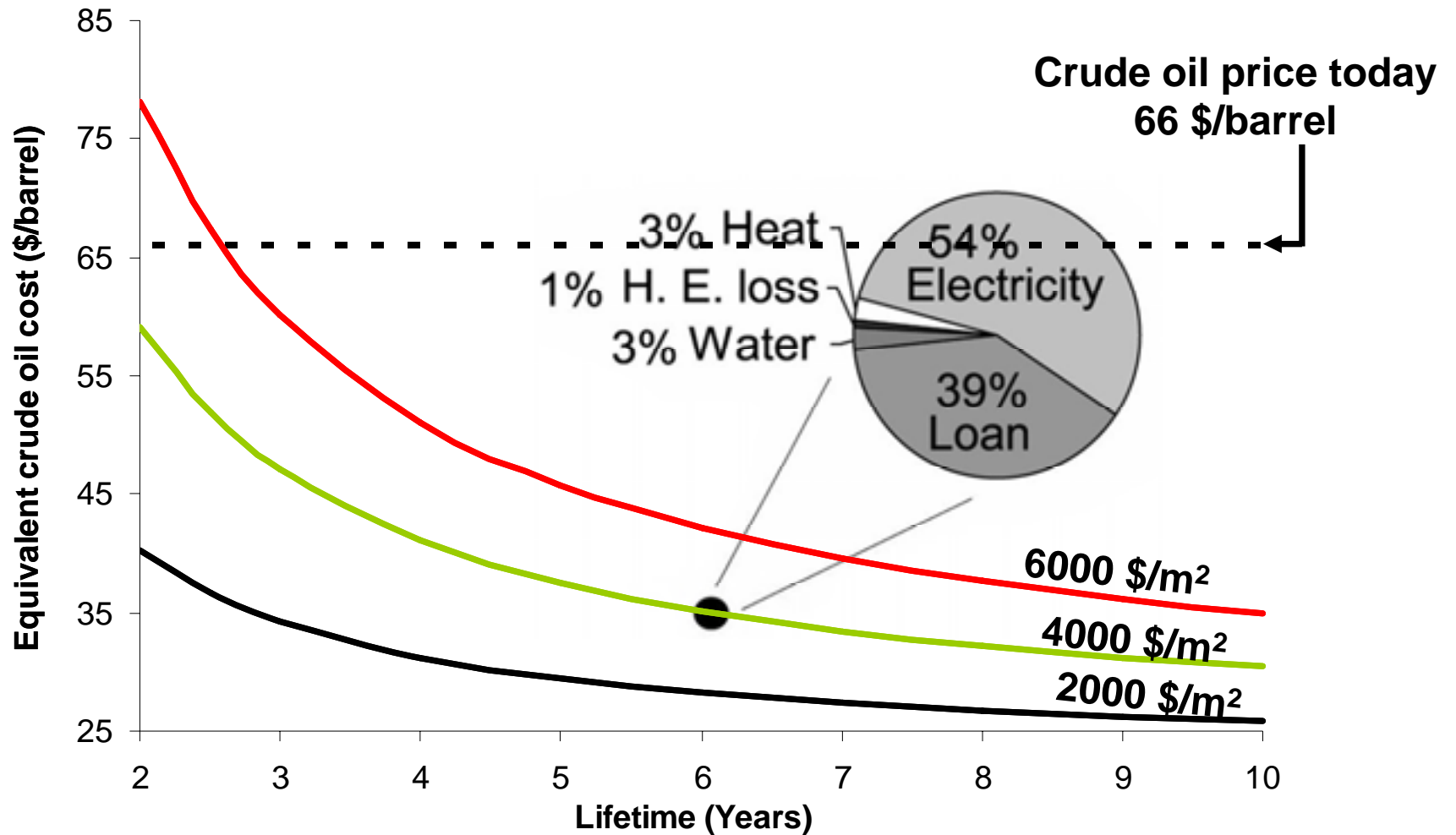
Economy estimation for hydrogen production



Economy estimation for hydrogen production



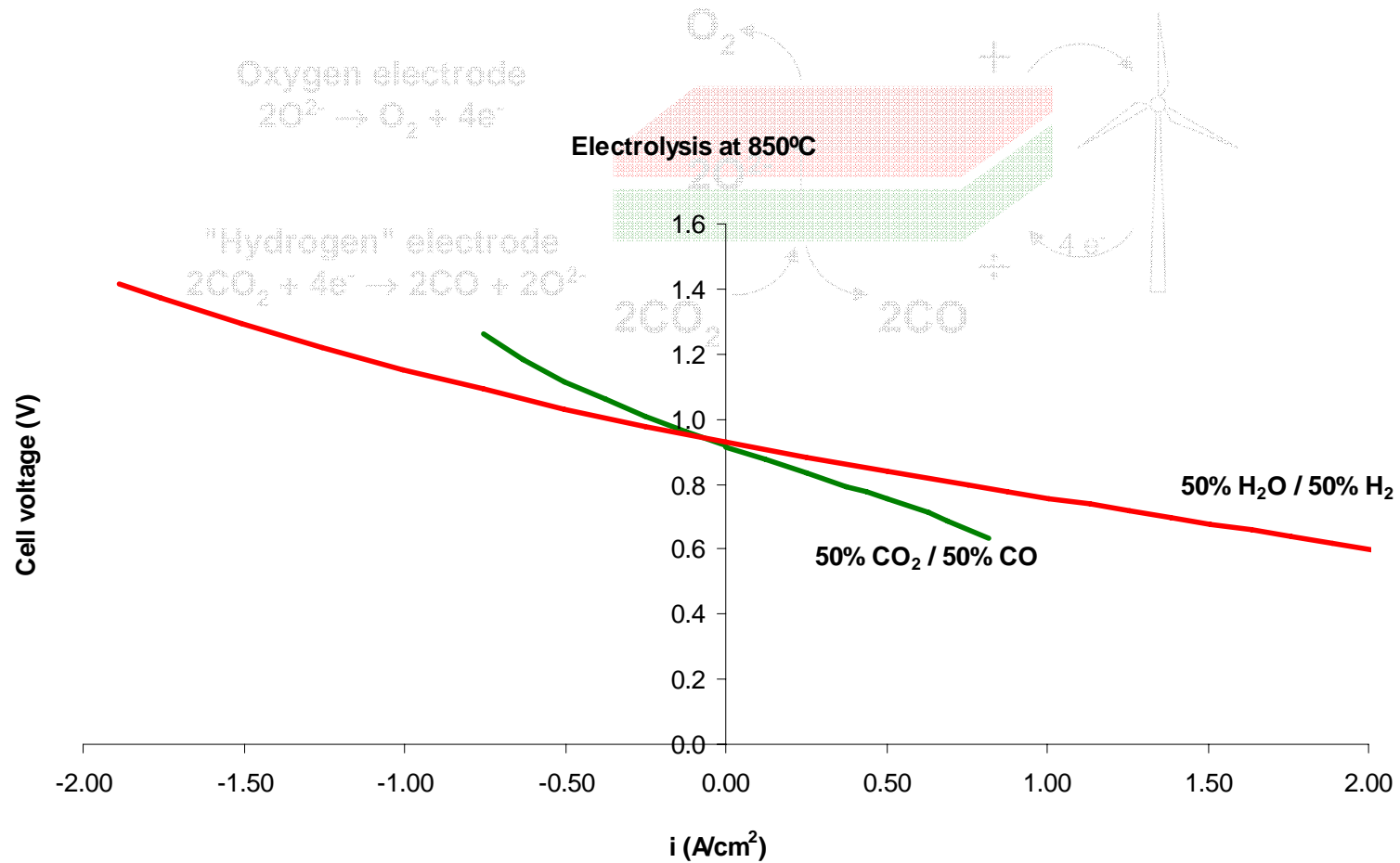
Economy estimation for hydrogen production



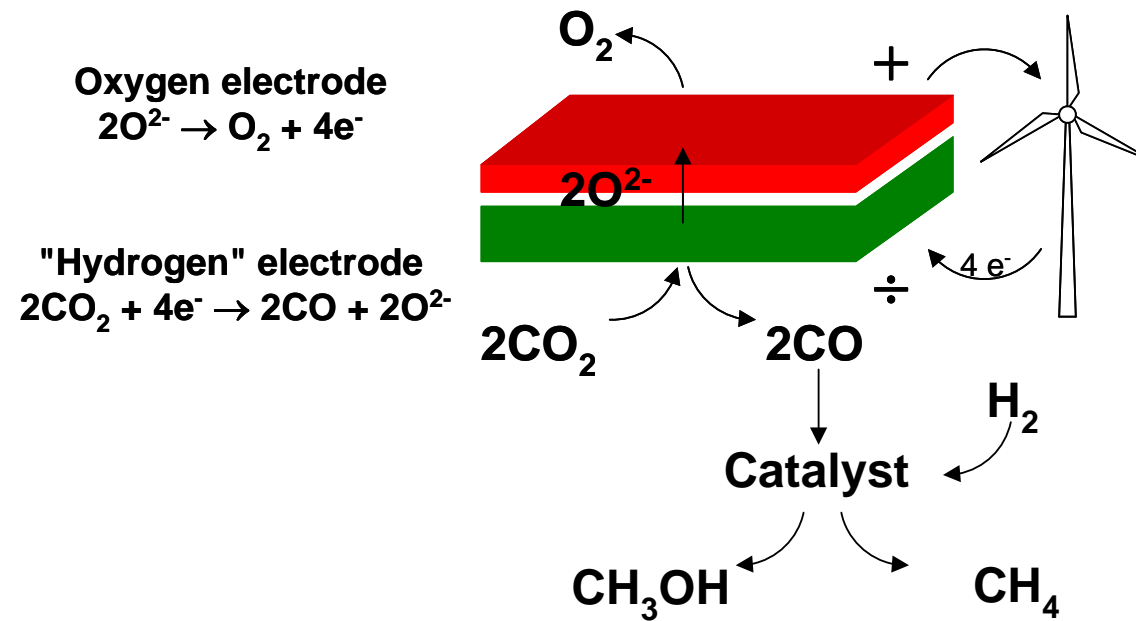
Conclusion (hydrogen production)

- Excellent initial electrolysis performance
- Main passivation problem on hydrogen electrode
 - Significant amount of silica impurities
- Long-term durability needs to be improved
- Low hydrogen production price by electrolysis

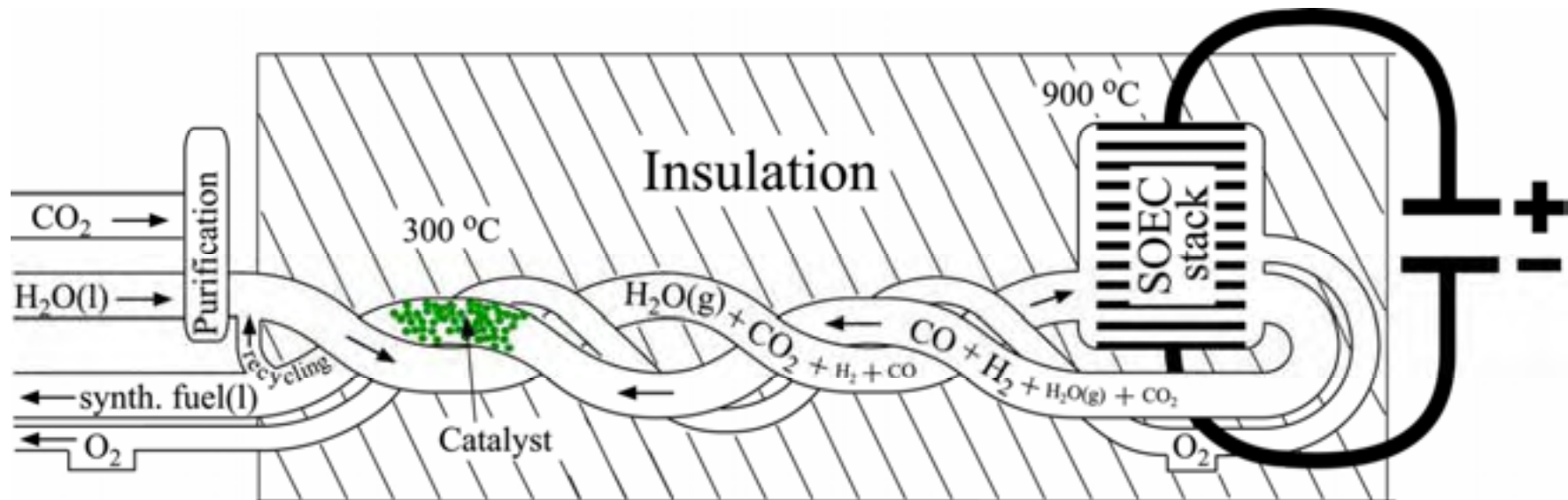
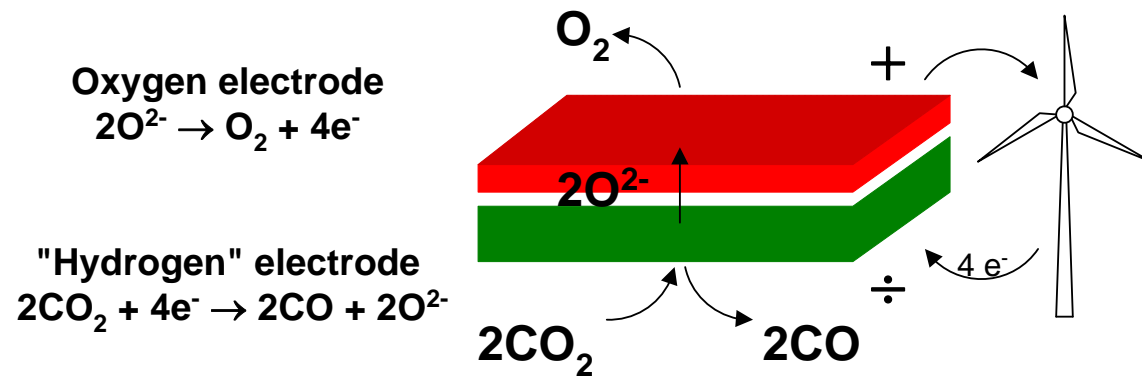
Production of synthetic fuel



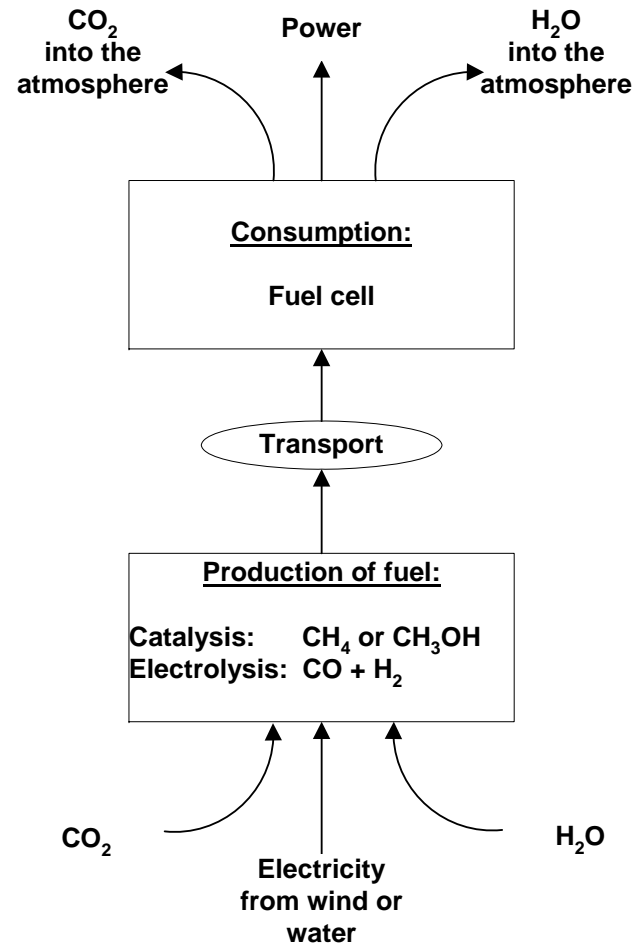
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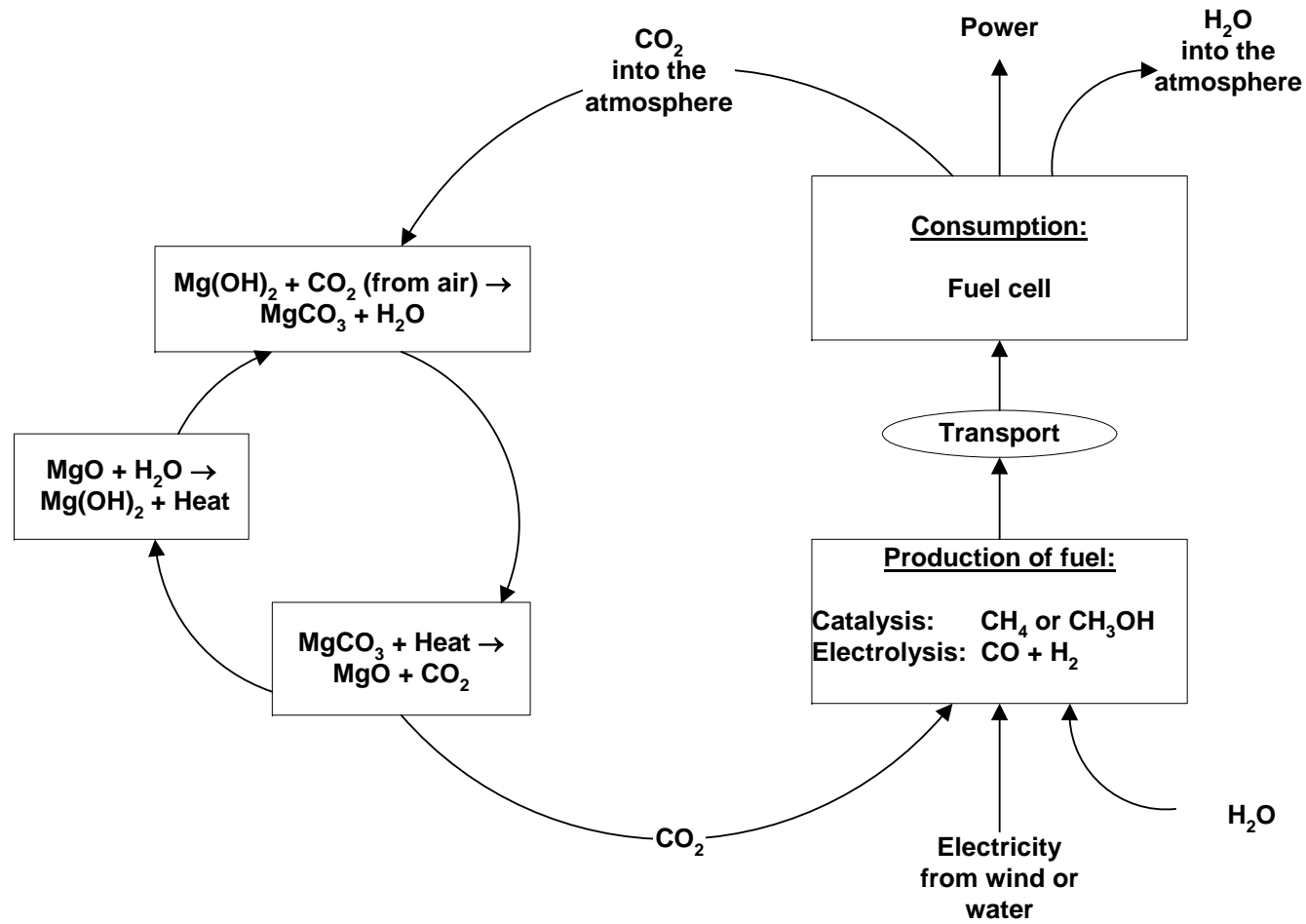
Production of synthetic fuel



Production of synthetic fuel



Production of synthetic fuel



Conclusion & Outlook

- **Excellent initial electrolysis performance**
- Main passivation problem on hydrogen electrode
 - Significant amount of silica impurities
- Long-term durability needs to be improved
- **Low hydrogen production price by electrolysis**
- **Synthetic fuel for the future**

Solid Oxide Electrolysis for Fuel Production

Sune D. Ebbesen, Anne Hauch, Søren H. Jensen, and Mogens Mogensen

Thank you

Fuel Cell and Solid State Chemistry Department
Risø National Laboratory, Technical University of Denmark
DK-4000 Roskilde, Denmark

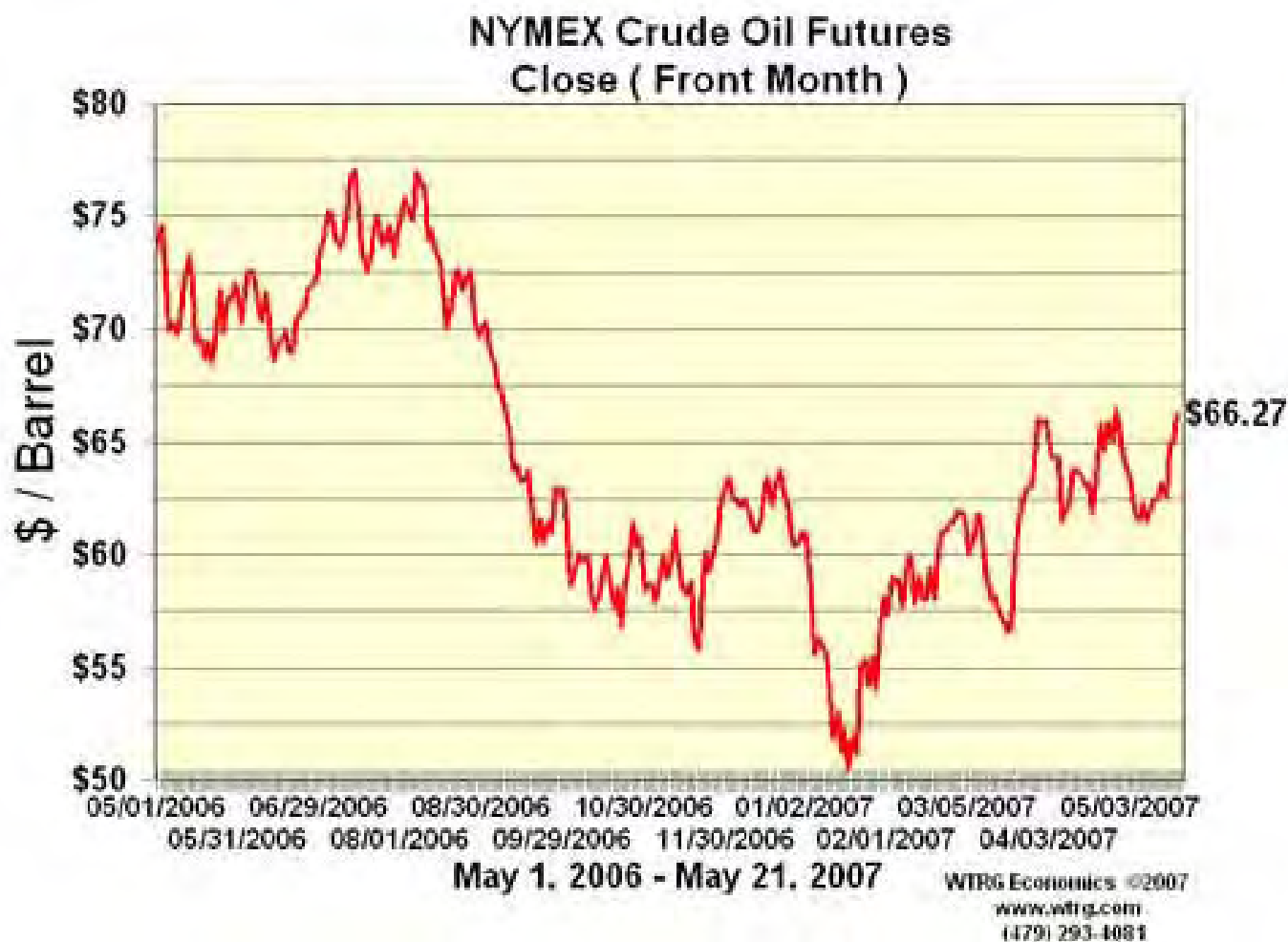
www.risoe.dk

Sune.Ebbesen@risoe.dk

Risø International Energy Conference, 23rd May 2007

Extra slides

Crude oil price



Danmarks første brintanlæg åbner på mandag

Nakskov får landets første anlæg, der ved hjælp af strøm fra vindmøller spalter vand til brint og ilt. Samtidig er Lolland vært for en international energikonference.

Af Thomas Lemke | onsdag 16.05.2007 kl. 11:43

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Brinten kan nemlig lagres i tanke og senere bruges i elværker, som brændstof i brintbiler eller sendes direkte ud til forbrugerne via rørfedninger.

Brinten produceres ved hjælp af elektrolyse, hvor almindeligt vand spaltes til brint og ilt ved hjælp af strøm. Ved at bruge overskudsstrøm fra vindmøller bliver brinten således CO2-neutral energi, og samtidig er det en brugbar måde at lagre strøm fra vindmøller på.

Åbningen af brintanlægget i Nakskov klokken cirka 17.15 på Nakskov Genbrugsstation, Miljøvej 14, Nakskov. Arrangementet er åbent for alle interesserede.

Morgenkaffe kogt på strøm fra vindmøller

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■ 27. okt. 2006 10.54 Indland

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Kl. 9 i dag kunne stømmen fra møllerne dække cirka halvdelen af det samlede danske elforbrug. På årsplan leverer møller ellers kun strøm til 20 procent af forbruget.

Med en vindhastighed op omkring 20 m/s i det vestlige Jylland, hvor mange af Danmarks vindmøller er placeret, er elproduktionen fra vindmøller tæt på det maksimalt mulige.

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Gratis el i nat

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Vindmøllerne producerede strøm nok til at dække 80 procent af det samlede forbrug klokken 4 i nat.

Landets kraftværker måtte endda skrue ned for produktionen, fordi der ikke var plads til yderligere eksport på de elektriske forbindelser til udlandet.



Use of Alternative Fuels in Solid Oxide Fuel Cells

Anke Hagen

Fuel Cells and Solid State Chemistry Department
Risø National Laboratory
Technical University of Denmark

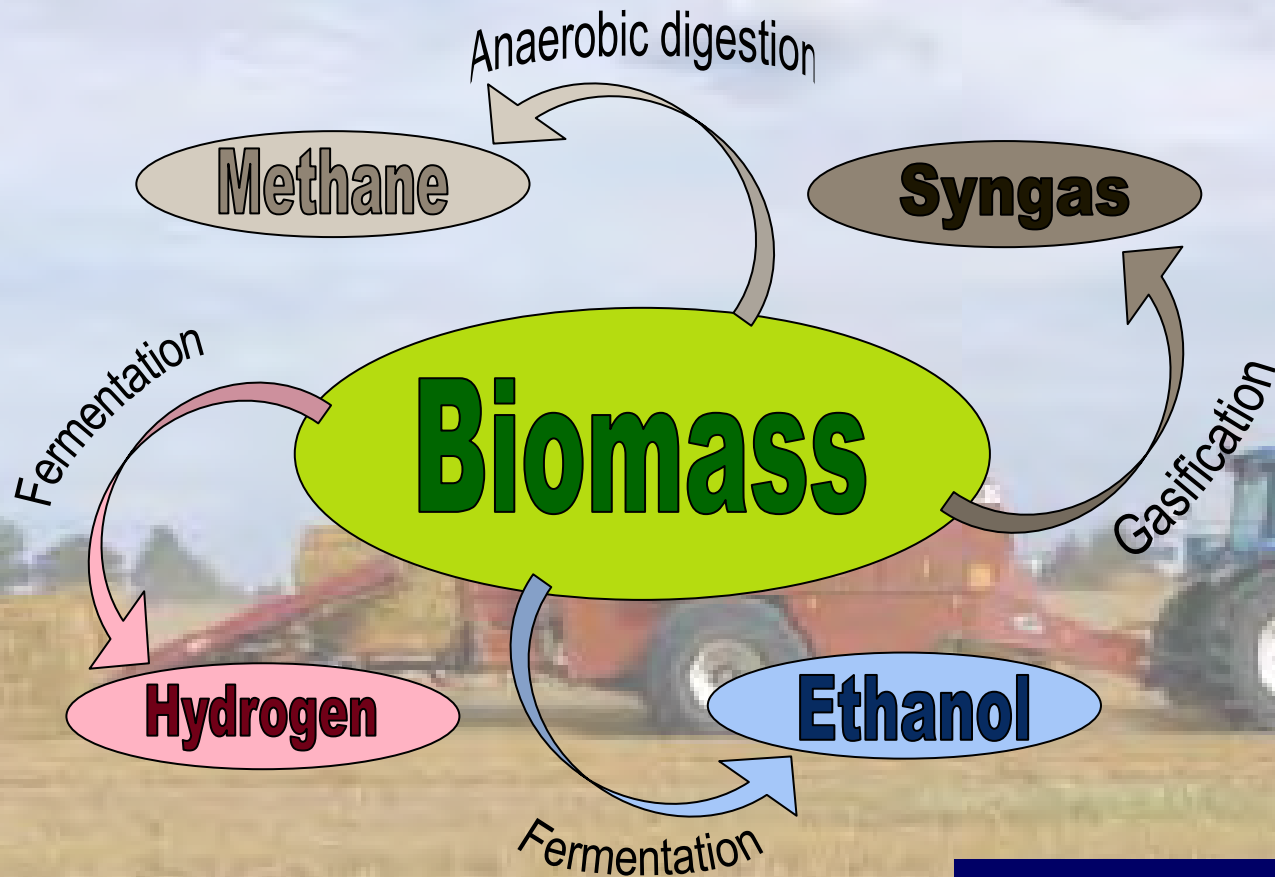
Outline

- **Background**
 - **Conventional – Alternative fuels**
 - **Solid Oxide Fuel cells – SOFCs**
- **SOFC Fuelled with alternative feed stocks**
 - **Performance/stability**
 - **Effect of impurities**
- **Summary - Outlook**

Background - Conventional vs. Alternative Fuels

Conventional
(based on fossil resources)

Alternative
(biomass derived)

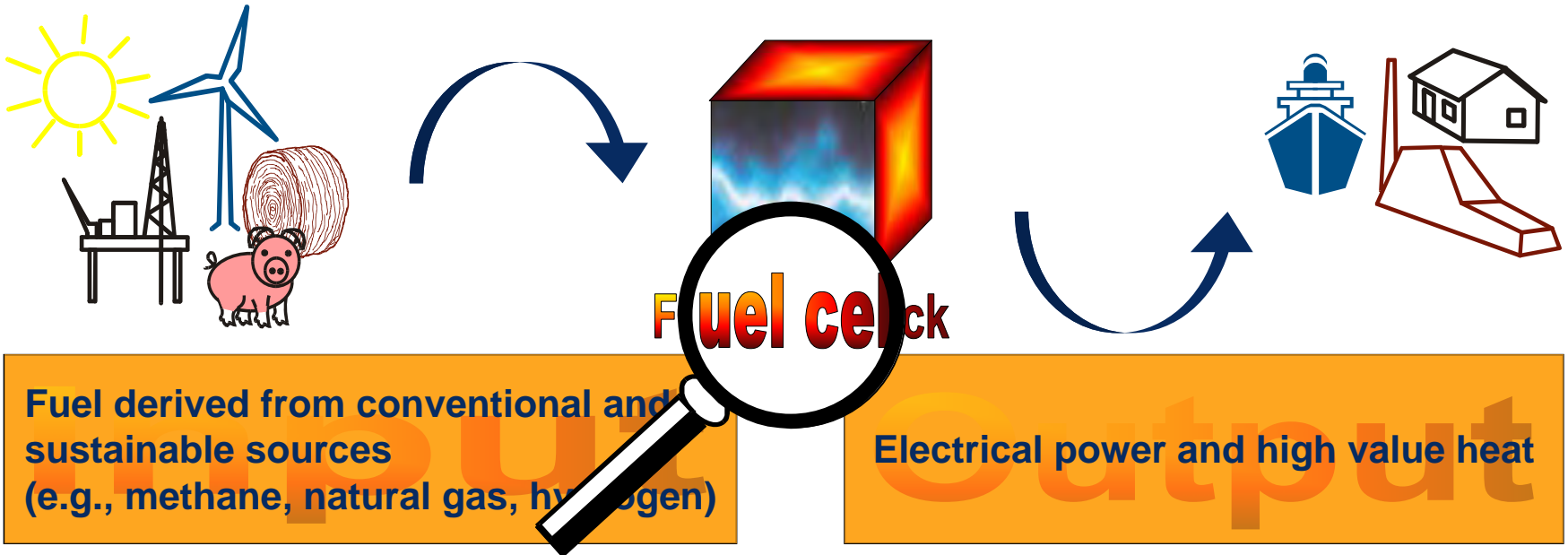


Fuels for SOFCs

Background – Motivation for the Use of Alternative Fuels

- Reserves of conventional fuel sources (natural oil and gas) limited
- Economic reasons (increase of crude oil price)
- Dependable supply and availability
- Local, de-central solutions
- Environmental restrictions (CO₂ emissions, stringent pollution limits)

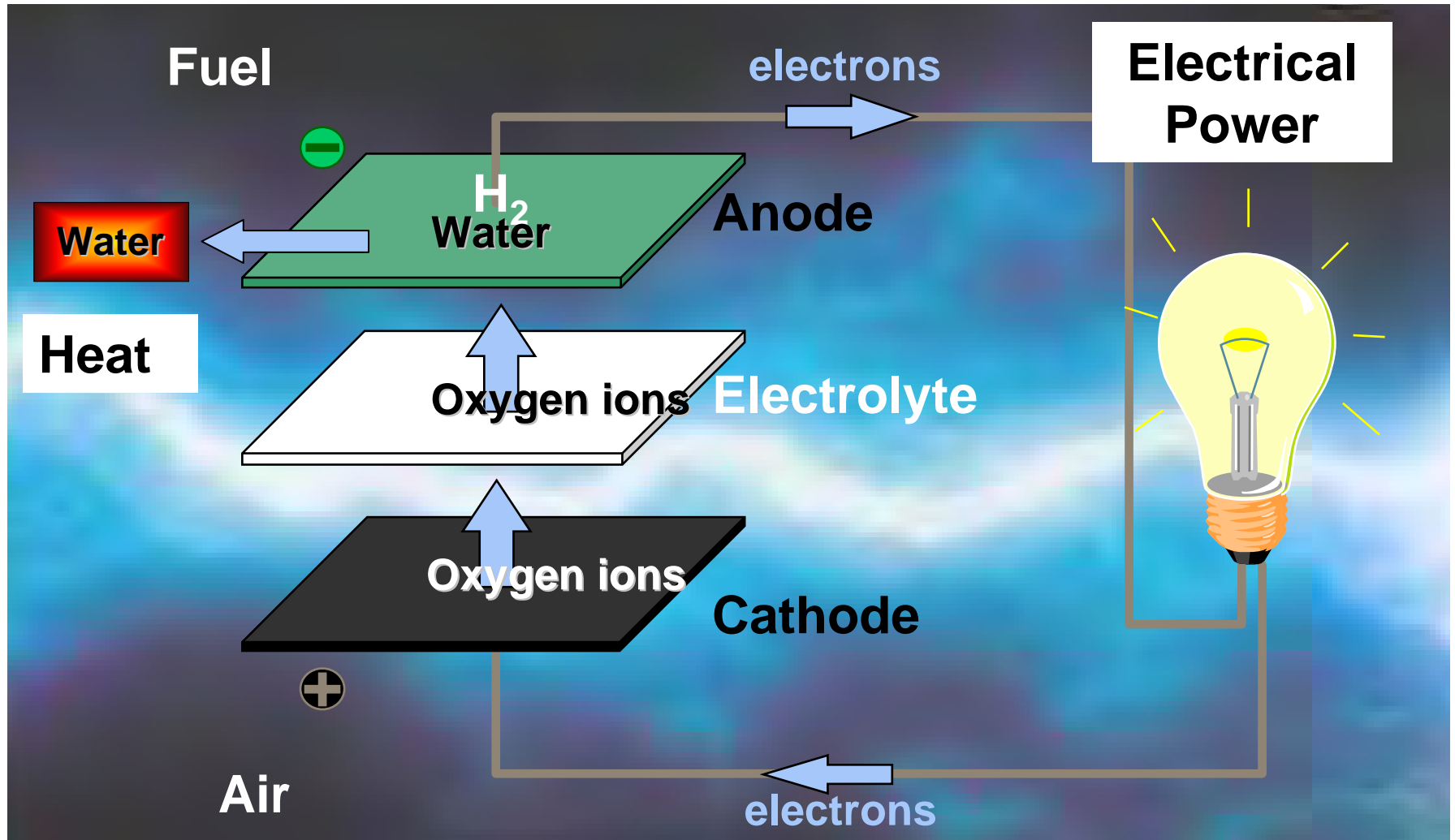
Solid Oxide Fuel Cells – SOFCs – Vision



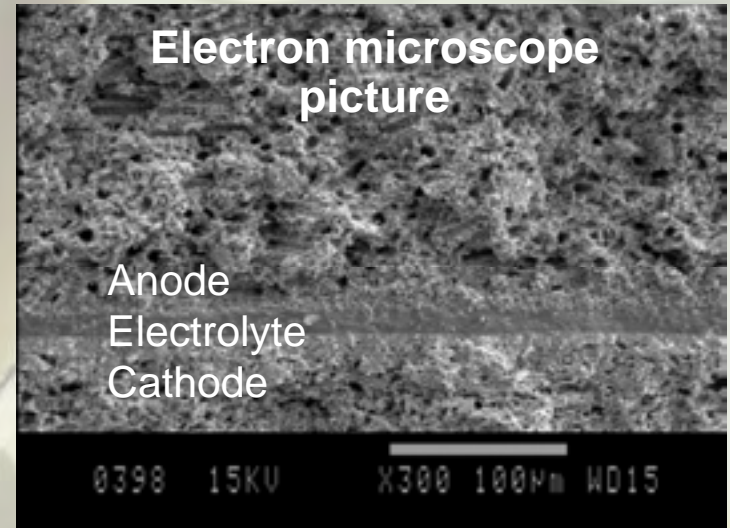
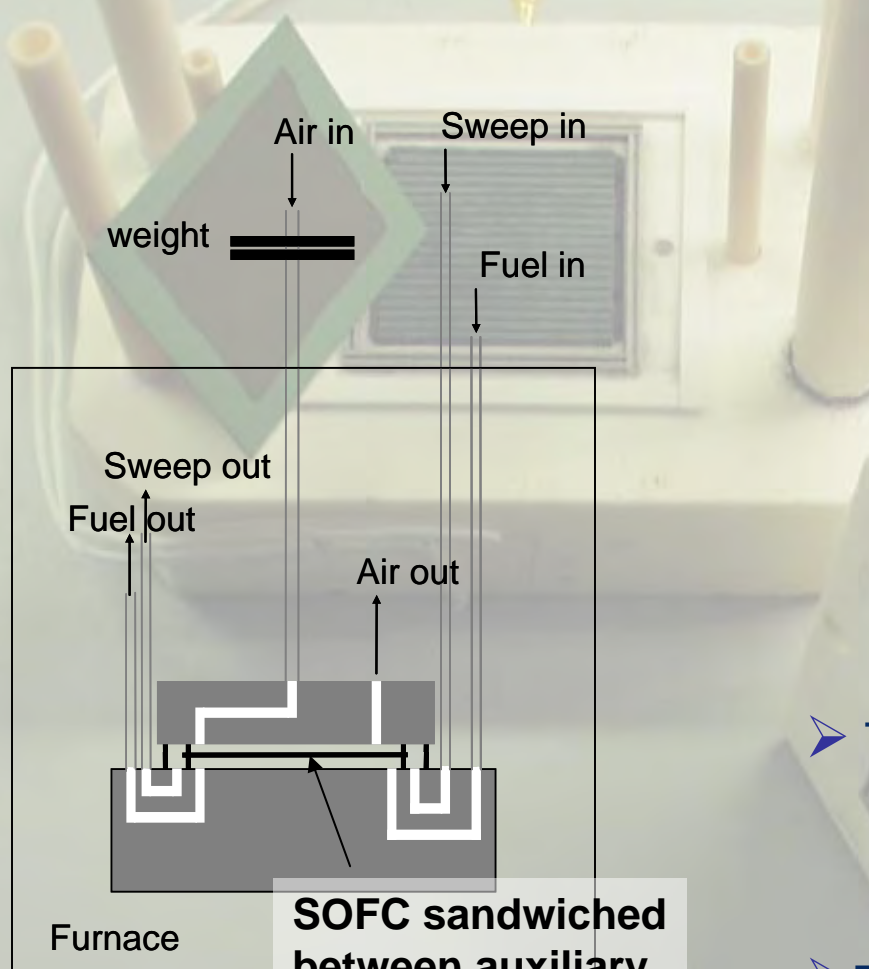
- Higher efficiency than conventional power generation systems
- Reduction of emissions and pollution (NO_x, CO₂, noise)
- Potential for CO₂ sequestration
- Modular concept (from kW to MW)

Combination of two (potentially) environmentally benign and efficient technologies – fuels derived from biomass and fuel cells to contribute to a sustainable energy supply system

Solid Oxide Fuel Cells – SOFCs - Principle



Solid Oxide Fuel Cells – SOFCs - Testing



- Test of performance and long-term durability under technologically relevant conditions
- Effect of impurities in the fuel

General Considerations about Carbon Containing Fuels

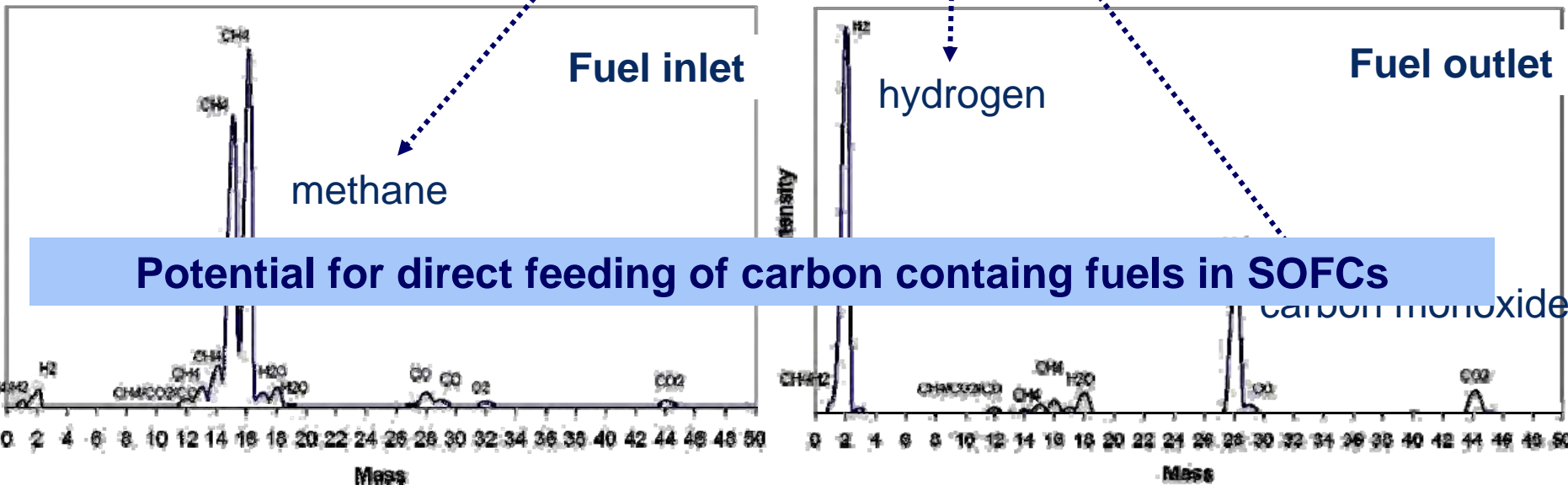
- CO and H₂ are direct fuels for SOFCs



- Carbon containing fuels are to be converted to CO and H₂, for example by partial oxidation or reforming (see equations):

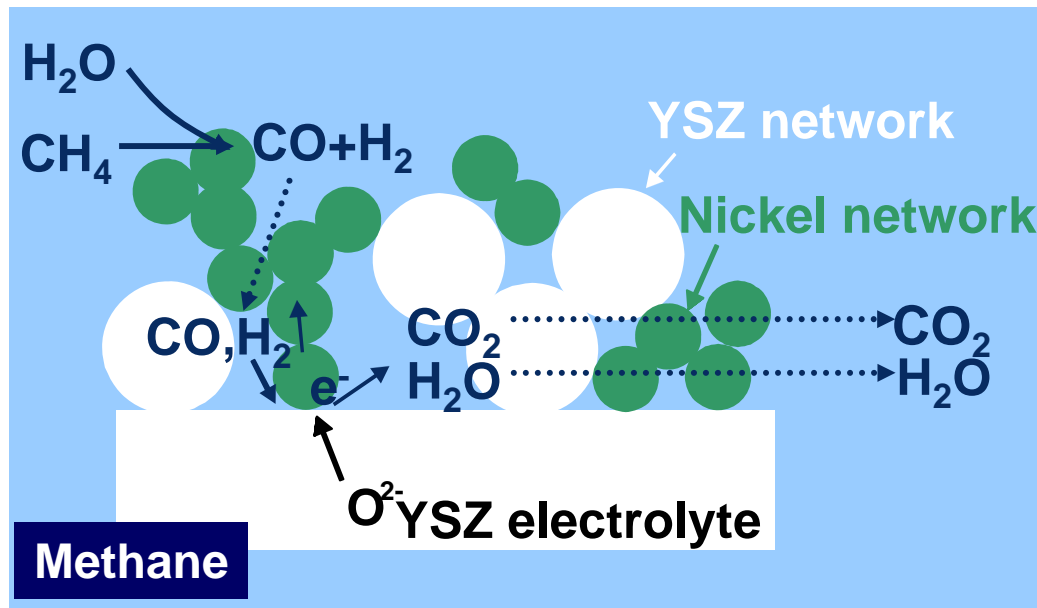


- The SOFC anode acts as catalyst for reforming (see gas analysis):



Potential for direct feeding of carbon containing fuels in SOFCs

SOFC Anode as Catalytic Converter: Methane

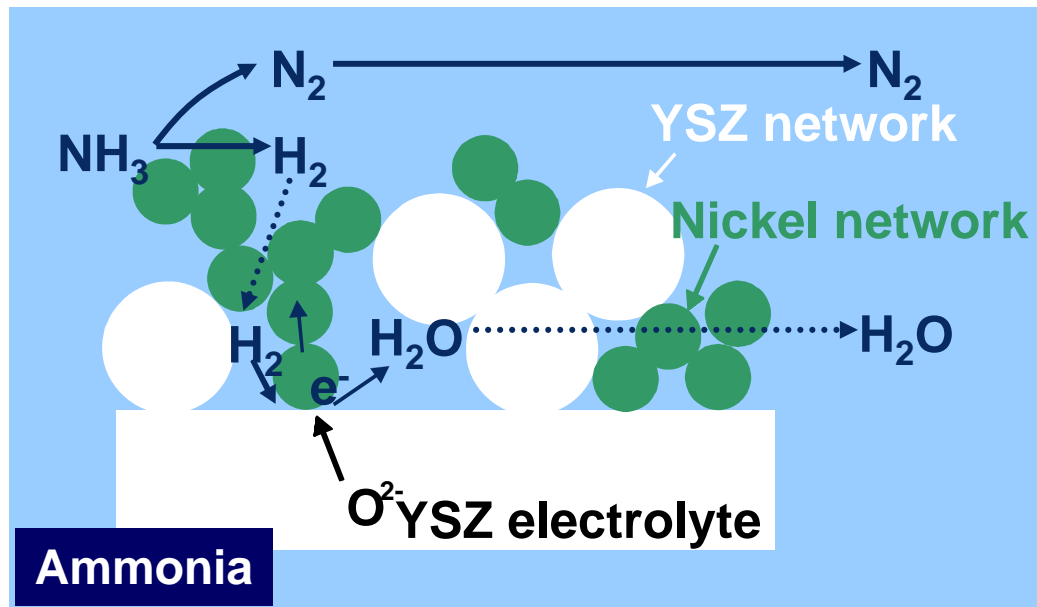


Alternative Fuels - Ammonia



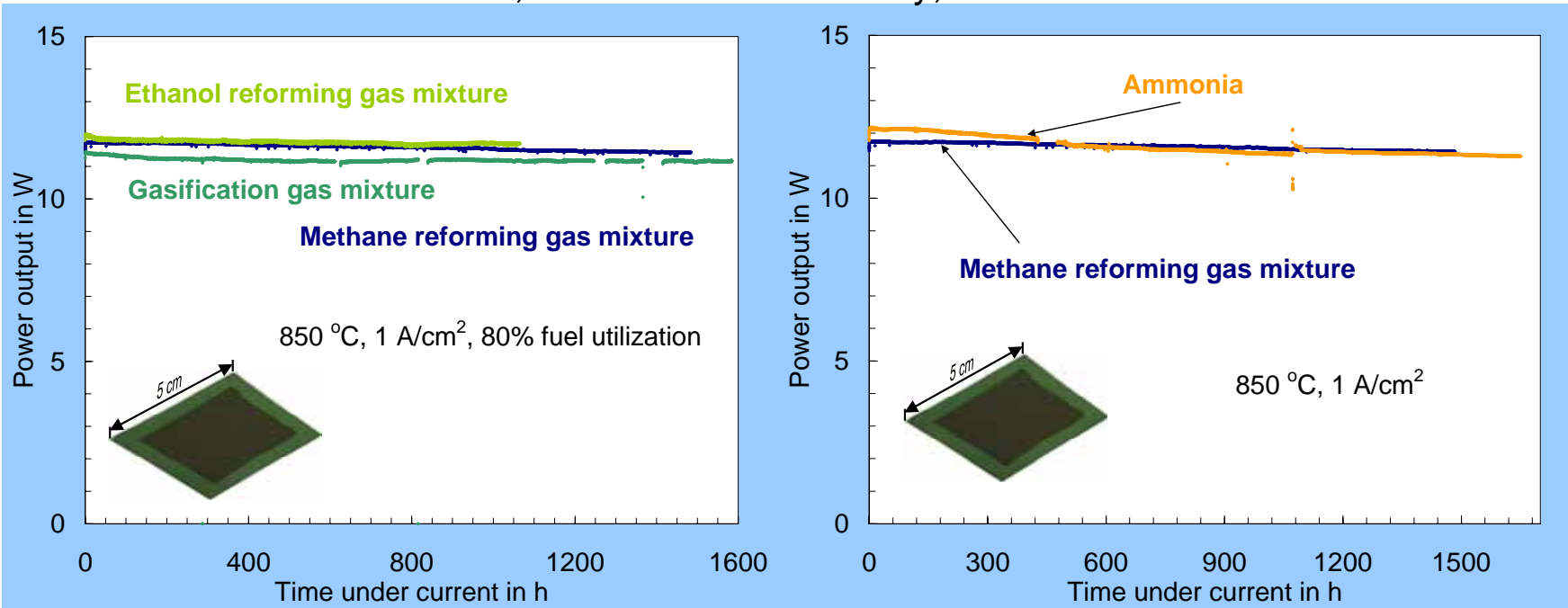
- Becomes liquid at 8 bar: storage and transport
- Comparable power density by weight and volume as carbon fuels such as petrol
- Does not release CO_2 under SOFC-process
- Second largest synthetic product in the world (fertilizer, chemicals)
- More than 90% of the overall consumption manufactured by Haber-Bosch-Synthesis ($\text{H}_2 + \text{N}_2$ on iron-containing catalyst at elevated temperatures (350 – 550 °C) and pressures above 100 bar)

SOFC Anode as Catalytic Converter: Ammonia



Long-term performance of SOFCs

5 x 5 cm² SOFC at 850 °C, 1 A/cm² current density, ~75-80% fuel utilization



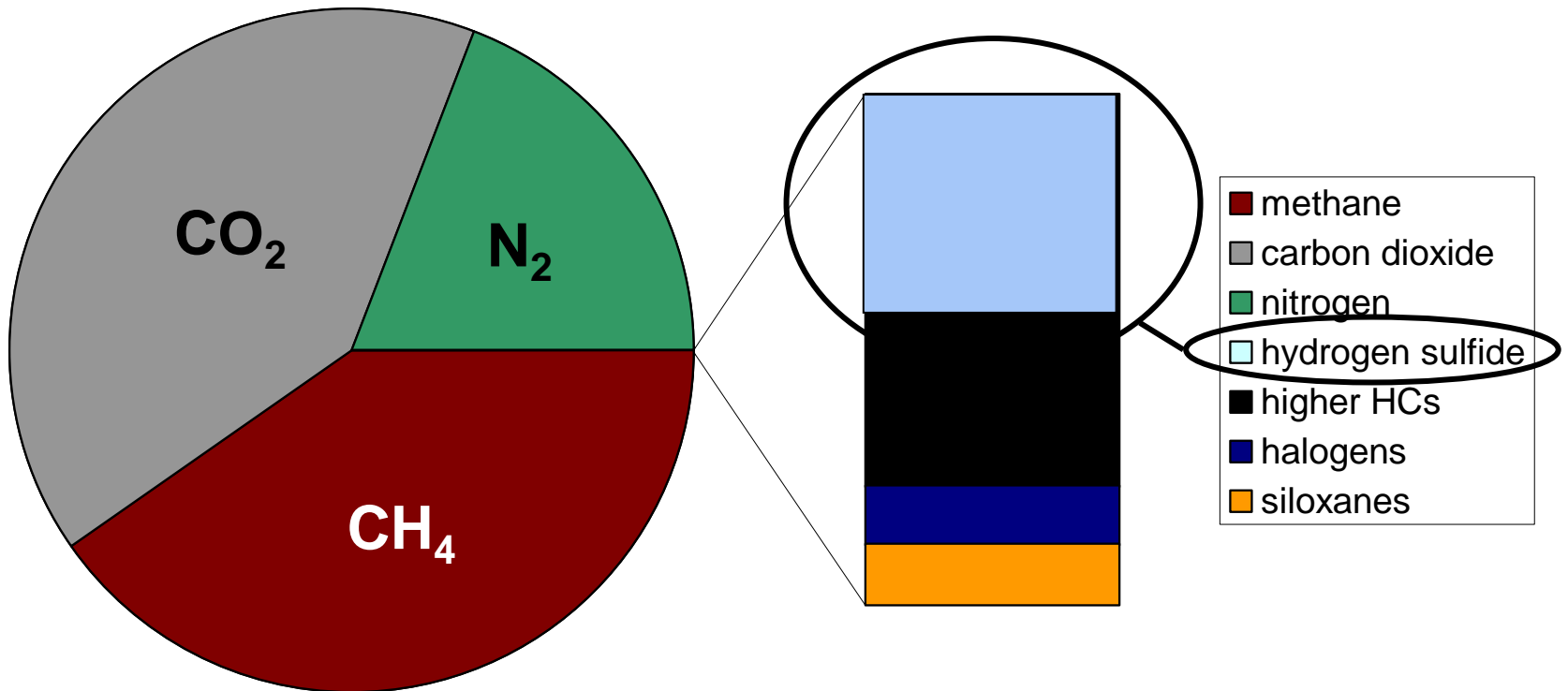
Methane reforming gas mixture: steam to carbon ratio of 2
 Gasification gas mixture: wood derived
 Ethanol reforming mixture: ethanol/water ratio of 1/1.5

Methane reforming gas mixture: steam to carbon ratio of 2
 Ammonia: 100%

- Technologically relevant conditions
 - Large power output
 - Stable performance over 1500 hours (and beyond)

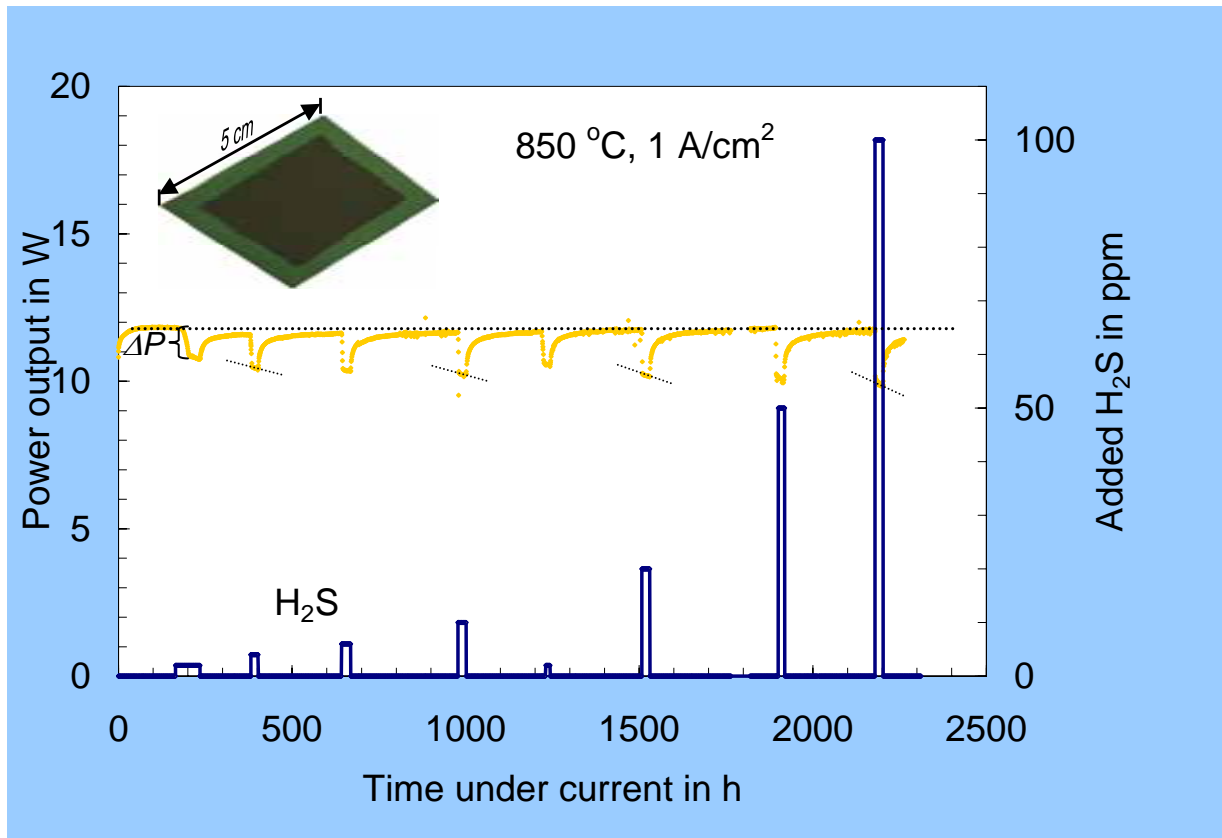
Biogas – Composition – Minor constituents - Impurities

Saturated with water



Landfill gas, De Mes et al. 2003

Effect of H₂S impurities on performance of SOFC



Power output under a long-term test using hydrogen as fuel on a 5 x 5 cm² SOFC at 850 °C, 1 A/cm² current density, hydrogen

- H₂S has two effects:
 - drop of power output
 - increase of degradation rate
 - both effects are reversible until 100 ppm in H₂

Summary - Outlook

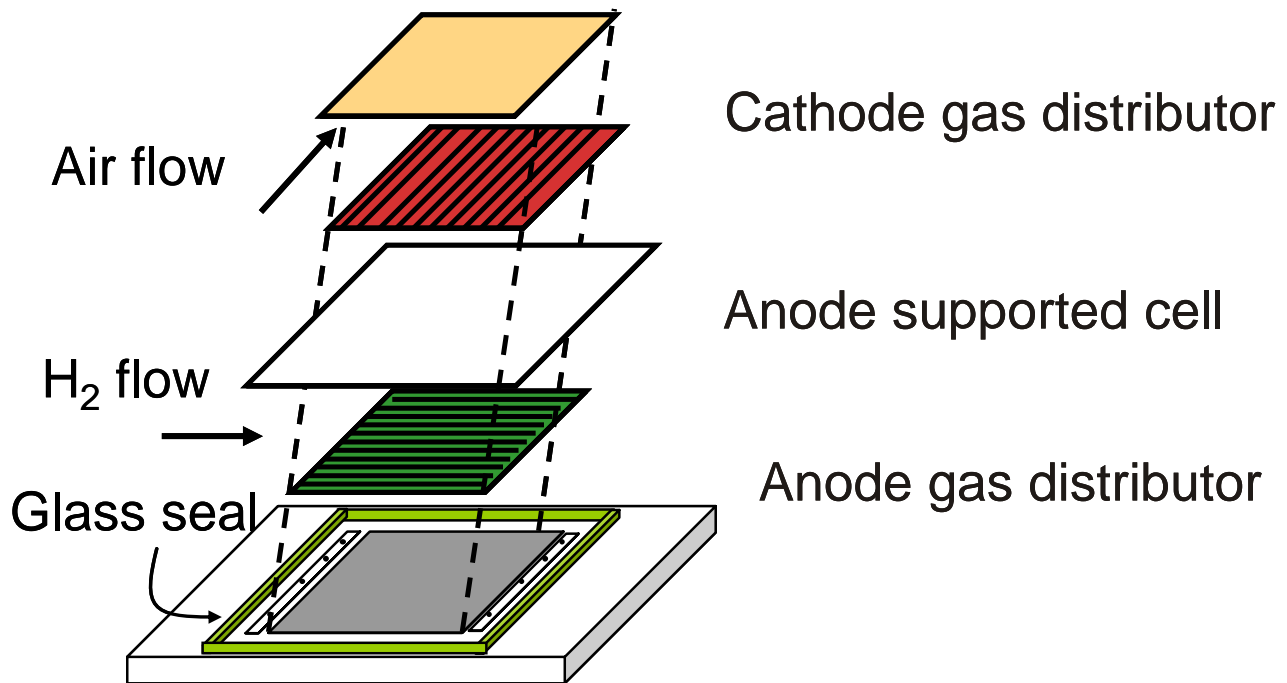
- SOFCs were operated:
 - On a number of fuels based on fossil or bio-derived sources
 - With high and stable power-output over 1500 hours and under technologically relevant conditions
- SOFC anodes are versatile catalysts:
 - For steam reforming of carbon containing fuels into CO and H₂
 - Ammonia is decomposed into H₂ and N₂
 - CO and hydrogen are electrochemically converted to CO₂ and H₂O under release of electricity (and heat)
- Hydrogen sulfide in hydrogen fuel has an effect on the performance and stability of SOFCs, which is reversible until 100 ppm
- Effect of characteristic impurities has to be further studied (max. possible concentrations, removal technologies)

Acknowledgement

We gratefully acknowledge support from our sponsors:

- Topsoe Fuel Cell A/S 
- Danish Energy Authority 
- Energinet.dk 
- EU 
- Danish Programme Committee for Energy and Environment
- Danish Programme Committee for Nano Science and Technology, Biotechnology and IT

Test Set-up



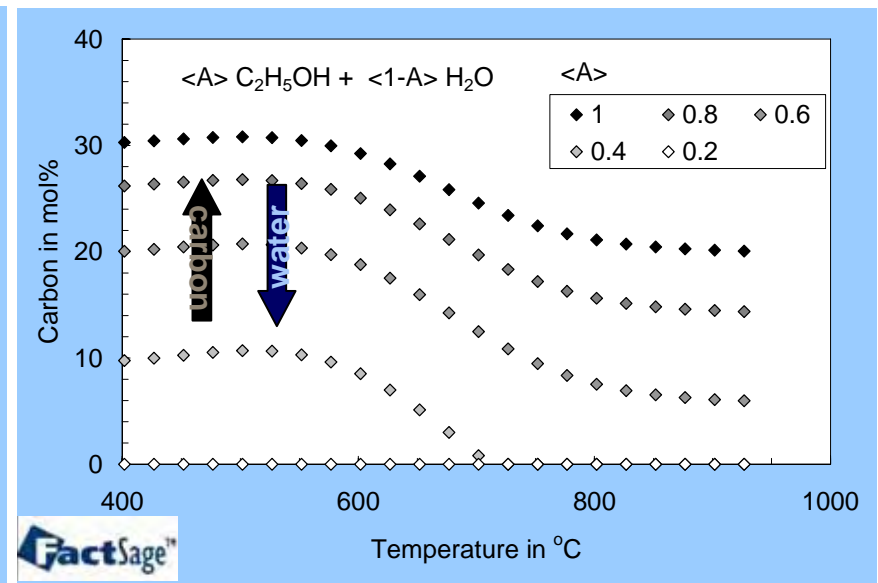
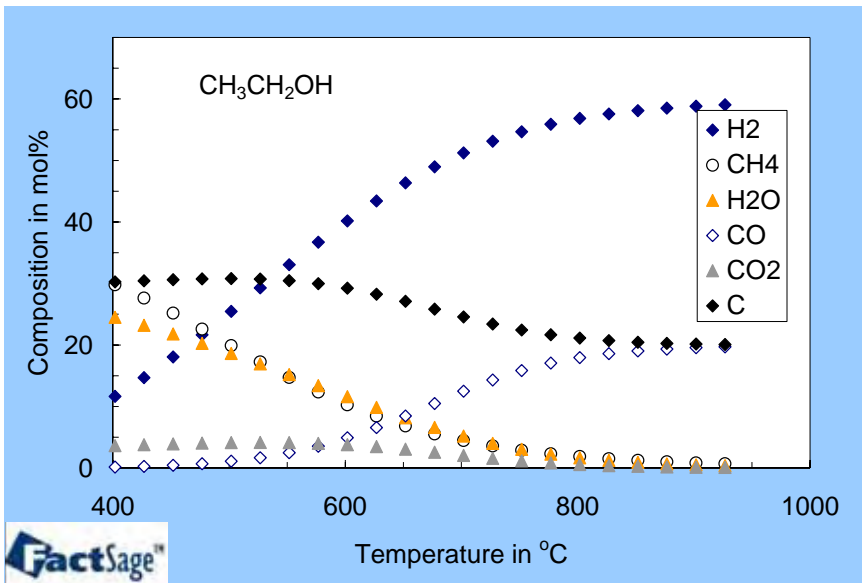
Cell house, alumina

Carbon formation at SOFC anode

- (Thermodynamic) risk of carbon formation for all carbon containing fuels

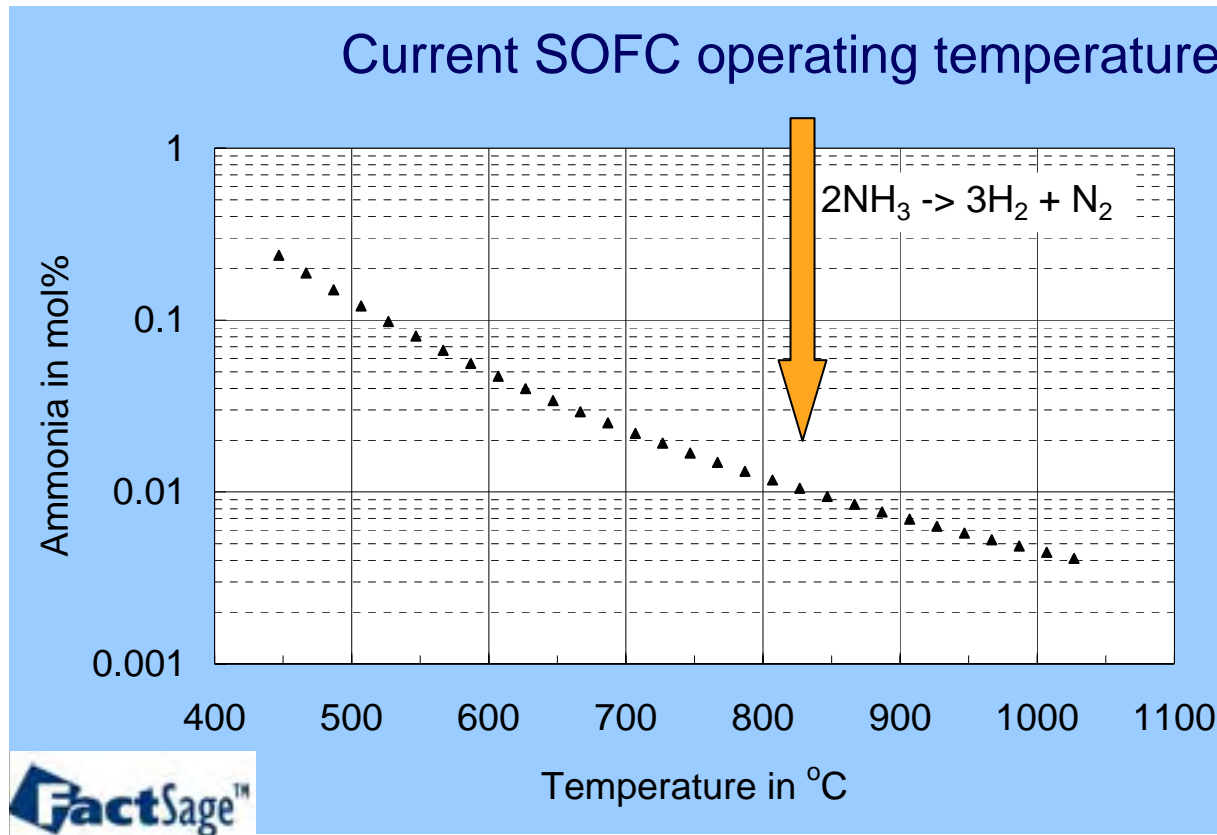


- Solution: Addition of sufficient water/steam

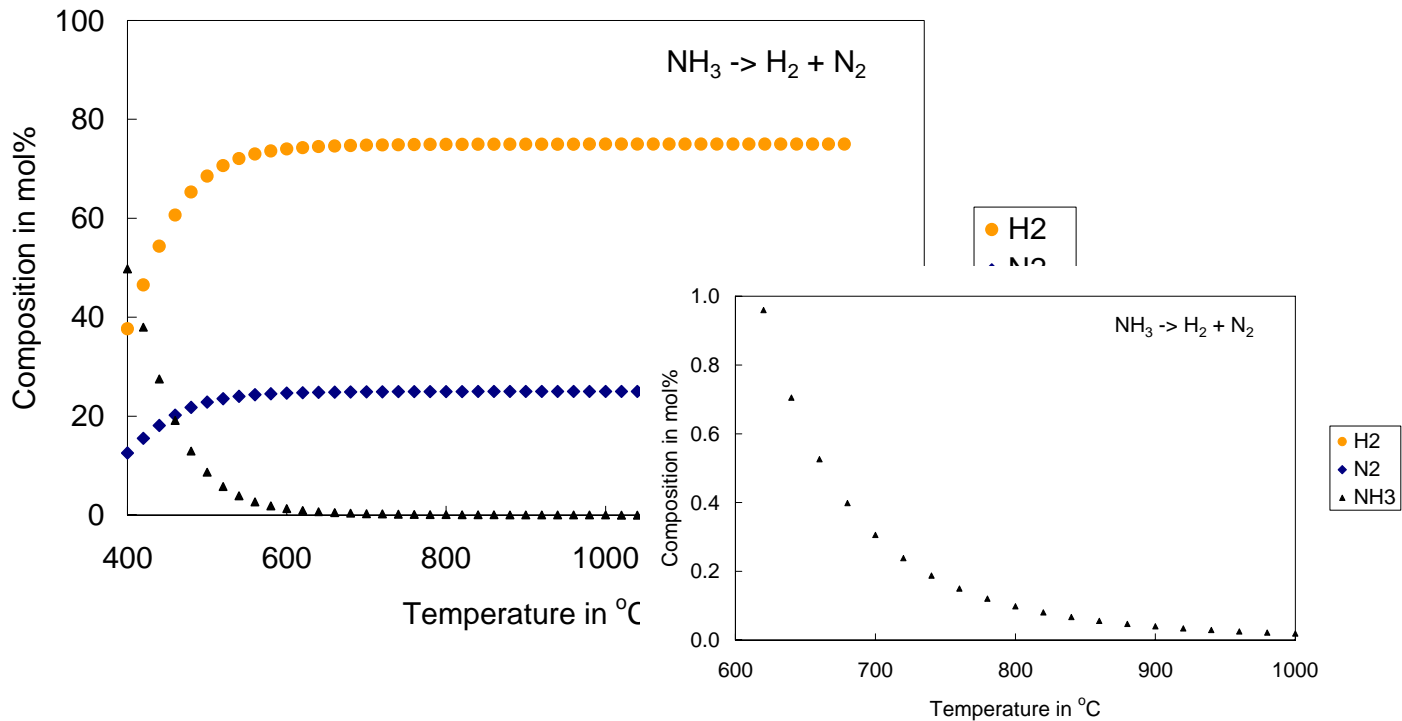


Thermodynamics of ammonia decomposition

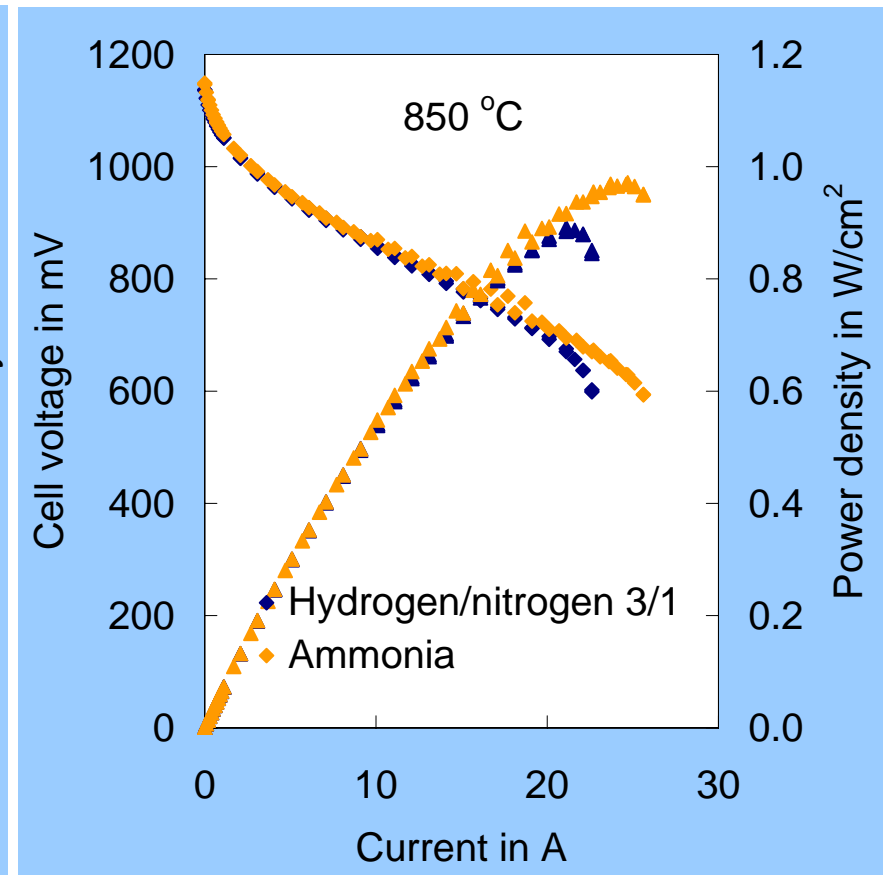
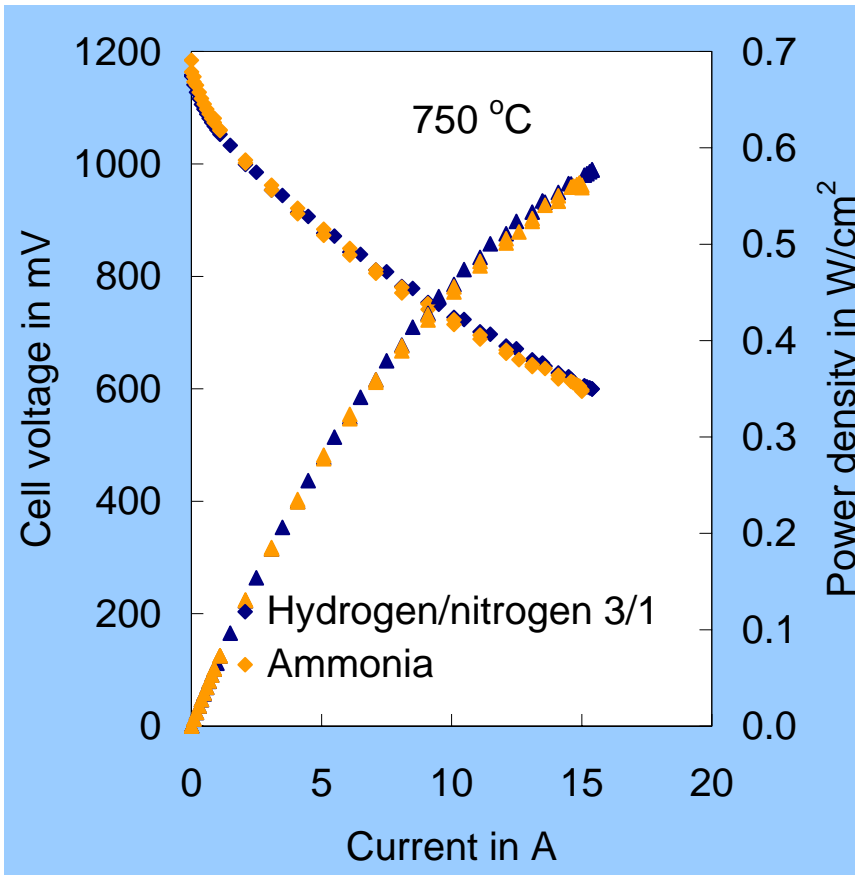
- Nearly complete ammonia decomposition at SOFC operating temperature



Ammonia decomposition



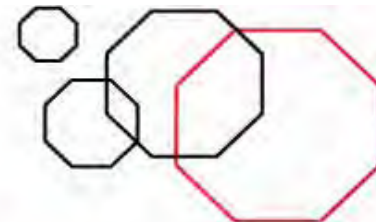
Ammonia – Power output



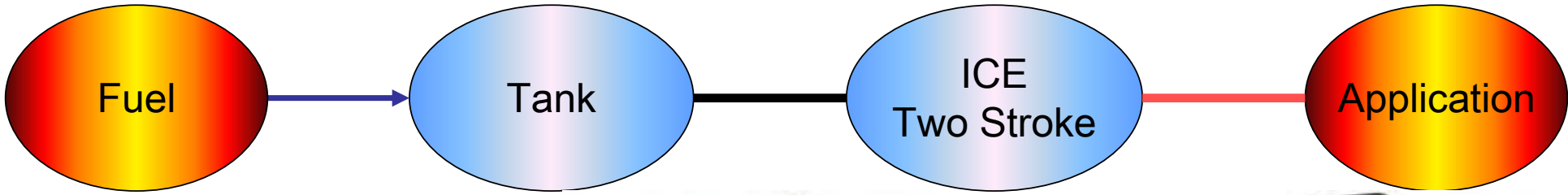
Fuel Cell - Shaft Power Packs FC-SPP

RISØ Energy Conference 2007

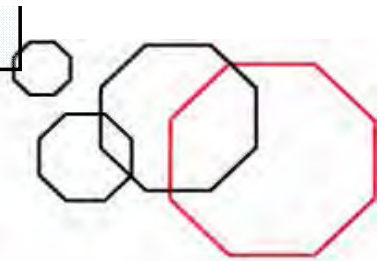
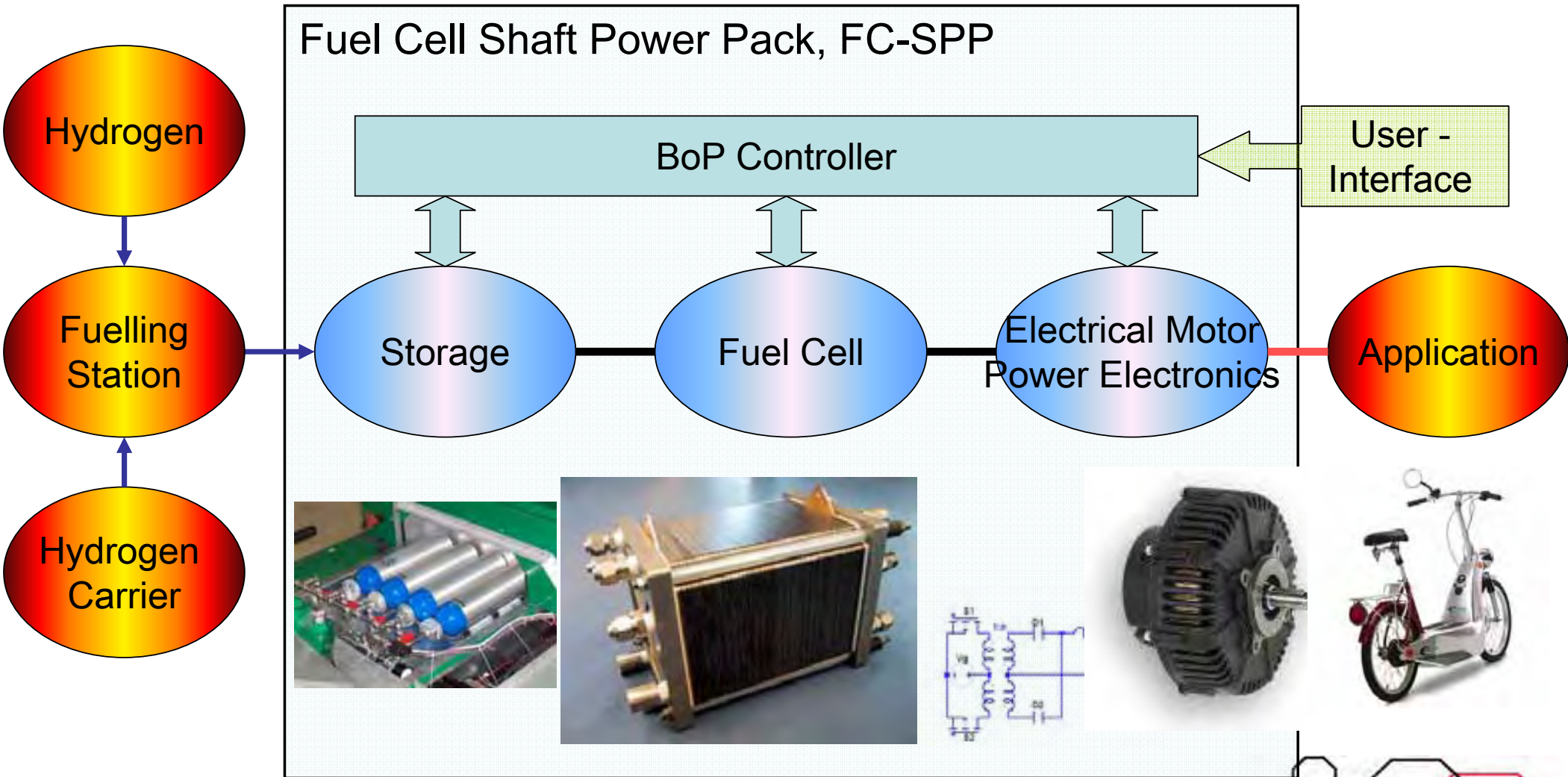
Centre Manager
Renewable Energy & Transport



Current Concept



New Concept



Vision:

- Through applied research, development and demonstration, the consortium will create the foundation for a production of hydrogen power packs
- The consortium will look at the market for hydrogen based power packs and develop tools that ensures the basis of a commercial production



Project Team & Budget

Total budget approx. 30 mill. DKK (5.5 mill. USD)

Project duration: 3 years

Demonstration team

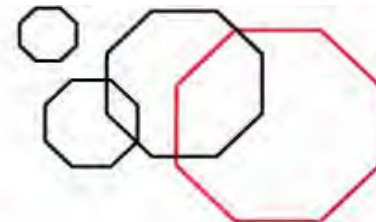
- Cykellet/DSR Scandinavia
- GMR Maskiner
- Trans-Lift
- Falsled Højtryk

Research team

- Aalborg University
- The Danish Technological Institute
- Copenhagen Business School
- Hydrogen Innovation Research Centre

Development team

- Dantherm Airhandling
- Migatronic
- H2Logic
- Parker Hannifin DK
- kk-electronic
- Xperion
- EGJ Development



Project Structure

Mercantile Research
CBS

Technical Research
AAU

5 Ph.D. Projects

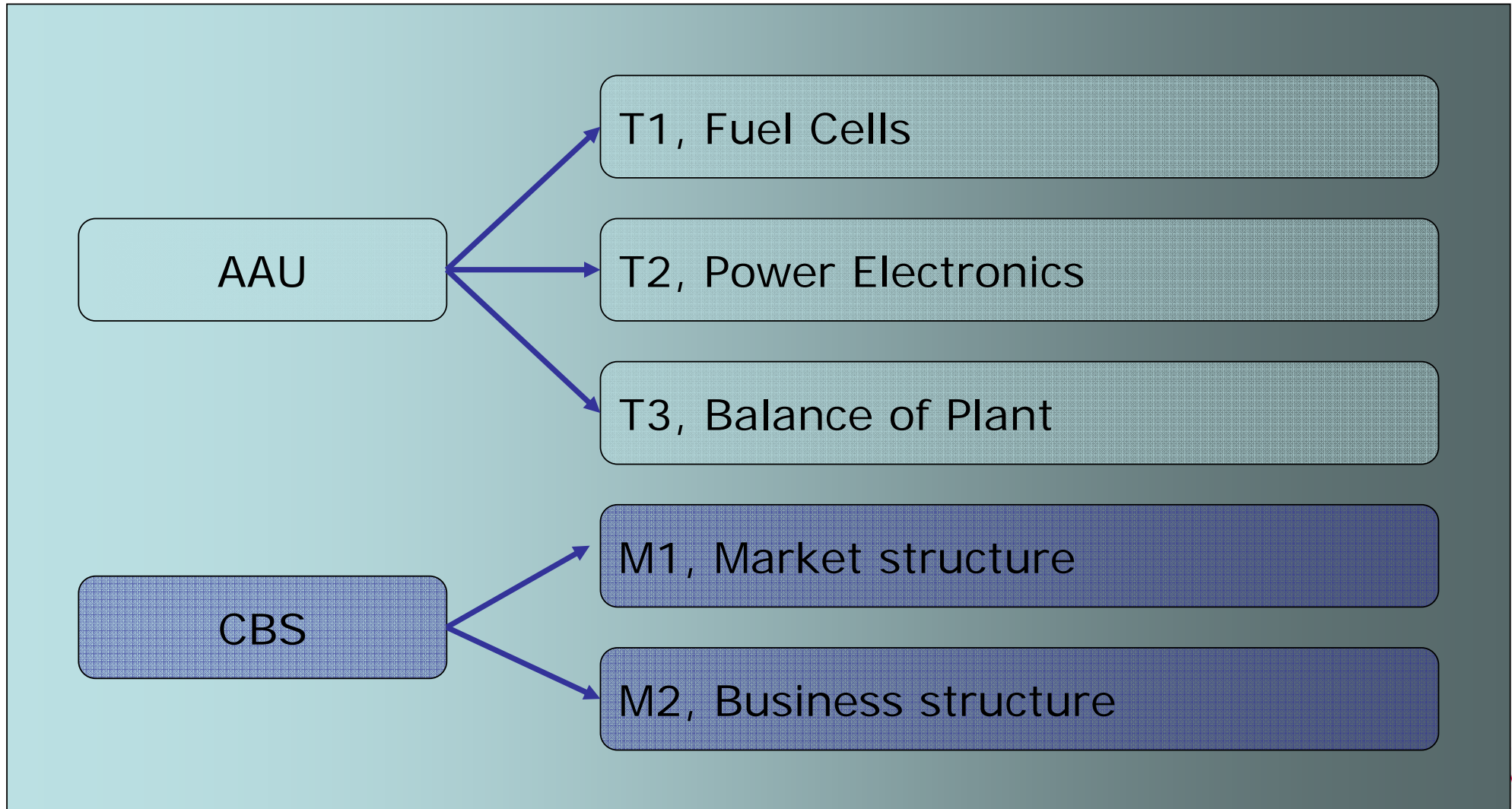
Applied Research & Development
DTI/HIRC

Fuel Cell Shaft Power Packs

Demonstration projects
4 applications
Component and System Suppliers and End-users

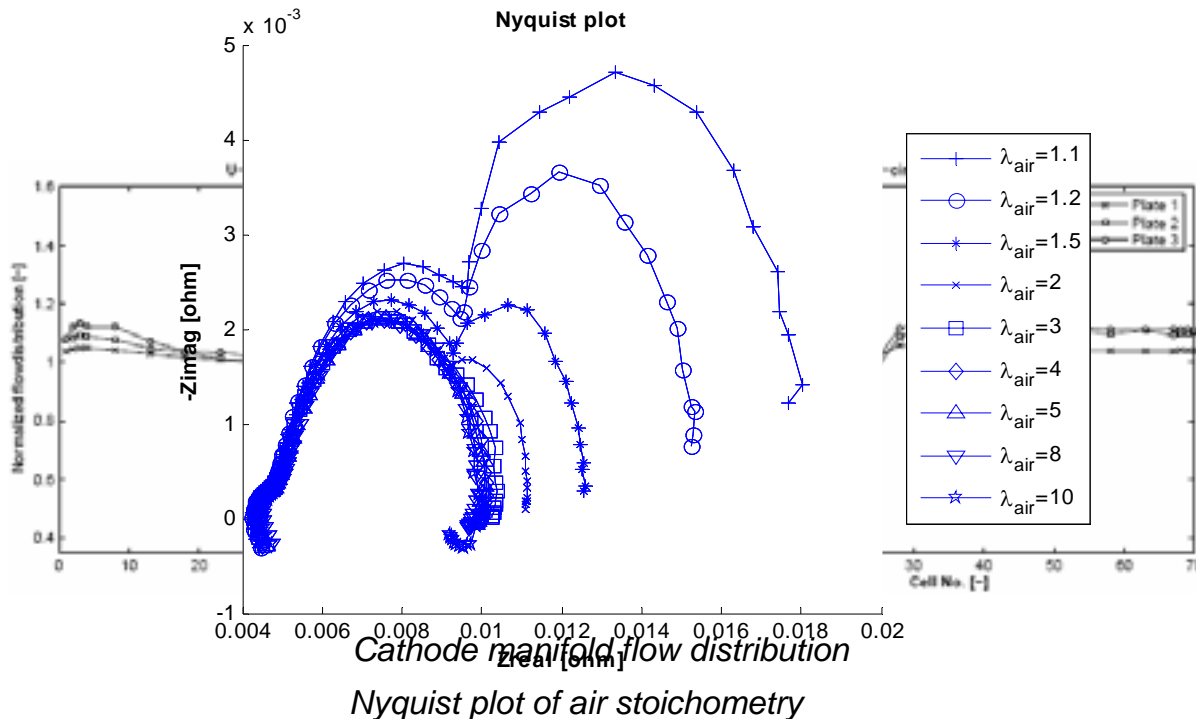


The Research Team



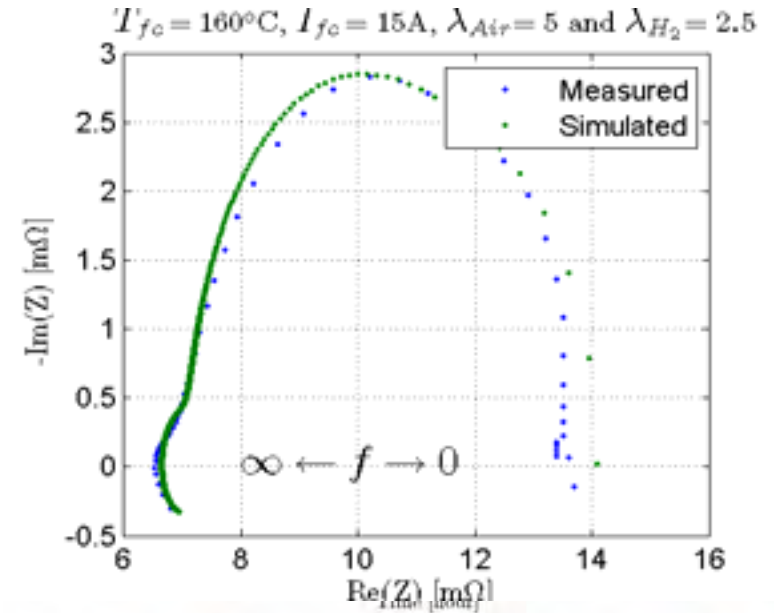
Technical PhD 1: Experimental Characterization of Fuel Cells

- Investigation of the cathode manifold flow
- Gas-phase micro-PIV (Particle Image Velocimetry) on bipolar plate channels (at University of Victoria BC, Canada)
- Electrochemical Impedance Spectroscopy (EIS)
- *In situ* temperature measurements (SEMOS)

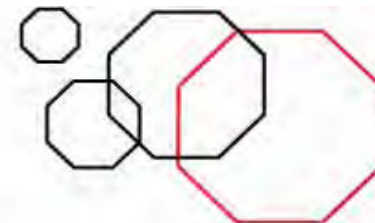
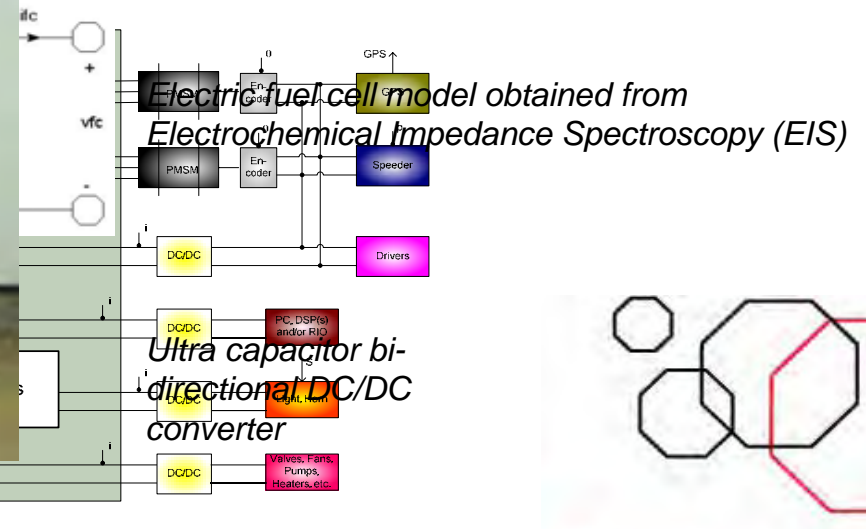


Technical PhD 2: Power Electronics

- Field measurement of drive profile (DTI)
- Design of propulsion system
- Energy management strategies
- Transient modeling of fuel cell, battery, ultra capacitor, DC/DC converters, DC/AC converters and motor



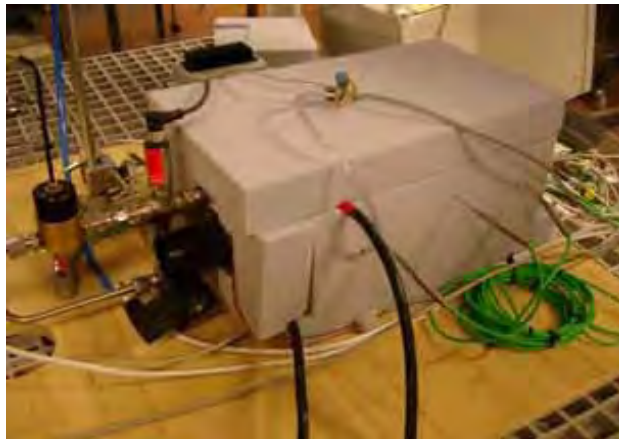
Source: www.gmr.dk



Technical PhD 3:

High Temperature PEM Fuel Cell System Design and Control

- HTPEM fuel cell system design
 - System configuration, evaluation of different system concepts
 - Modeling of system components and fuel cell stack
- Fuel cell system control
 - Identification of critical control states
 - Model based control design
 - Implementation and testing of developed control strategies
- Application control of electrical hybrid vehicle
 - Overall application control strategy control development
 - Performance and field testing of vehicle for model verification



Mercantile PhD 1: FC market drivers and dynamics

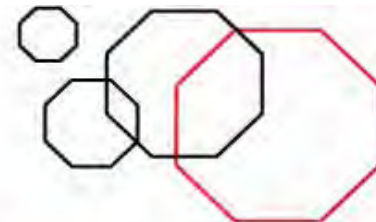
FC is a *systemic* innovation: value creation of components depends upon incorporation into a system

- Co-evolution of components, systems, and markets
- Dynamic processes unfolding from *feedback mechanisms*
- Feedbacks transcend disciplinary boundaries (social/technical/economic factors)
- Analytical tool: system simulation

Mercantile PhD 2:

Building Absorptive Capacity in Research Collaboration

- *Absorptive capacity – a concept explaining how companies acquire, assimilate and exploit knowledge from external sources*
- To what extent is research collaboration a vehicle for development of absorptive capacity?
- How to manage the collaboration to maximise benefits for participants not only in terms of technological research results, but also development of organisational skills?
- Project as an integral part of FC-SPP: using observations and experience of the companies participating in FC-SPP for advancing the research on one hand, and disseminating results to the companies in order to help them better benefit from the cooperation.

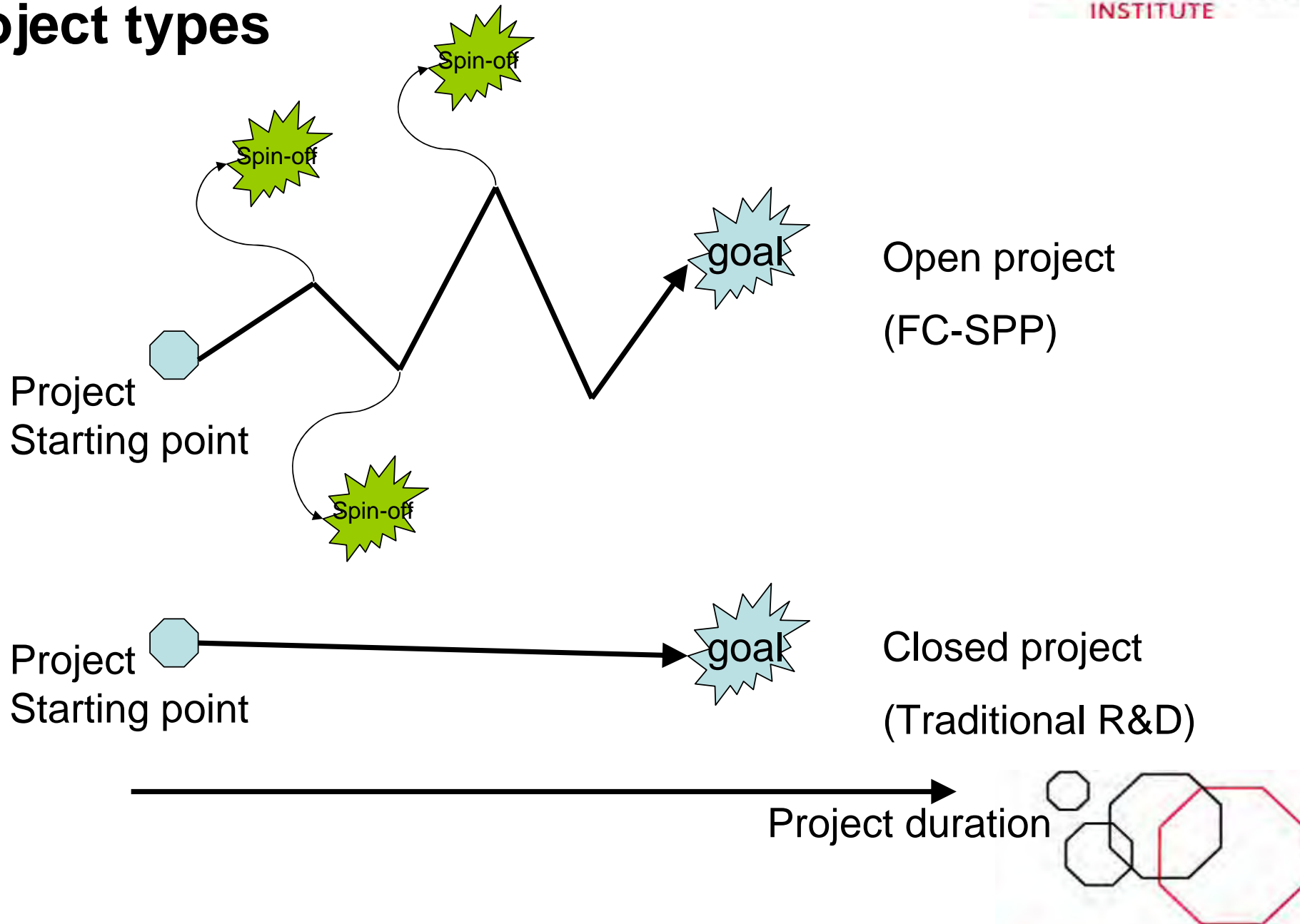


Four demonstration projects

1. Cykkellet/DSR Scandinavia (Electric powered bike)
2. Trans-Lift (Pallet truck)
3. GMR Maskiner (Truck for maintenance of "green areas")
4. H2O Skypump (Professional high pressure cleaner)



Project types



Trans-Lift - case

Trans-Lift design and produce battery powered vehicles for goods handling.

Problems:

- batteries are expensive
- must be replaced from time to time
- must be recharged

Advantages with FC:

- Lower operating costs
- No wasted time for battery charging



Migatronik - case

Migatronik a welding machine producer



Problems:

- None...

Possibilities with FC:

- Create a new product range
- Enter new markets
- More turnover
- Less vulnerable



Thank you!

Overview of U.S. DOE's Coal RD&D Programs

Clean and Secure Energy From Coal



Scott M. Smouse
International Coordination Team Leader
National Energy Technology Laboratory

Risø International Energy Conference 2007
Copenhagen, Denmark
22-24 May 2007

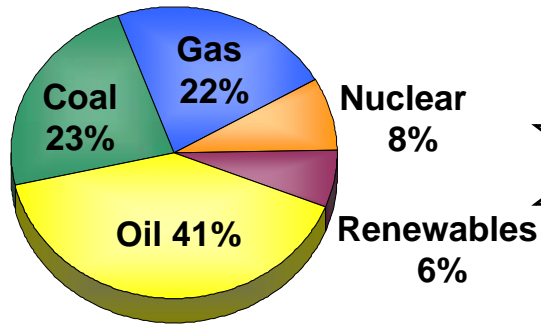
Office of Fossil Energy
U.S. Department of Energy



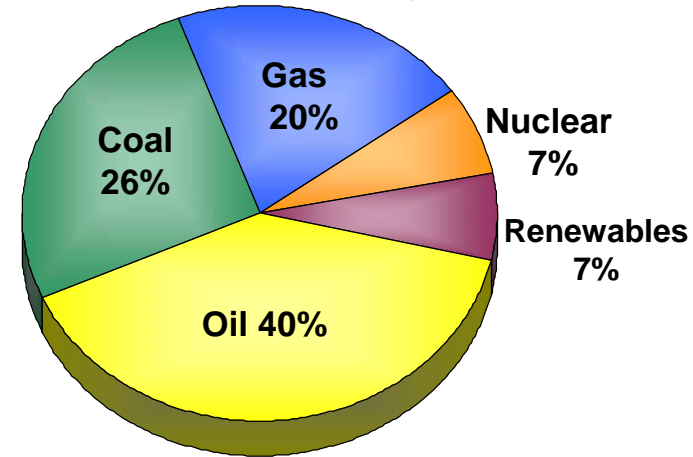
Energy Demand Today

Energy Demand 2030

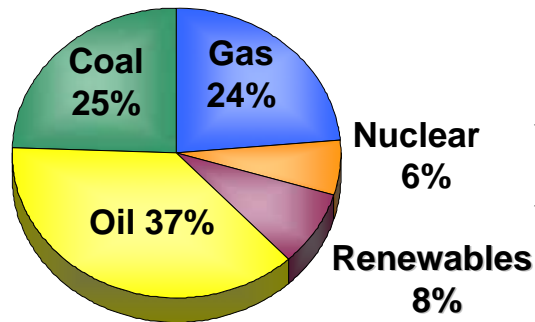
101 QBtu / Year
85% Fossil Energy



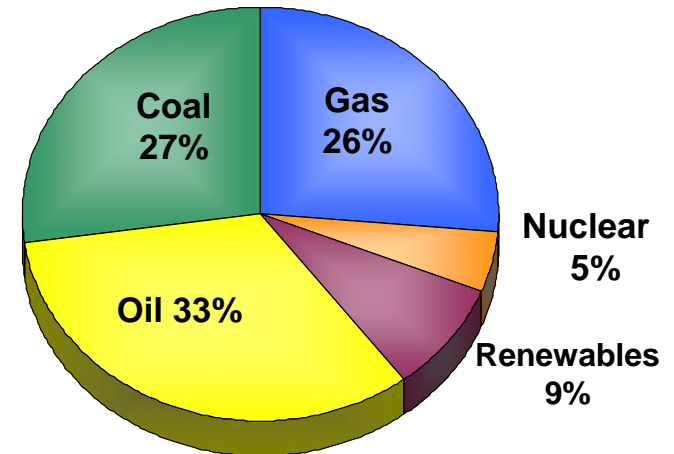
131 QBtu / Year
86% Fossil Energy



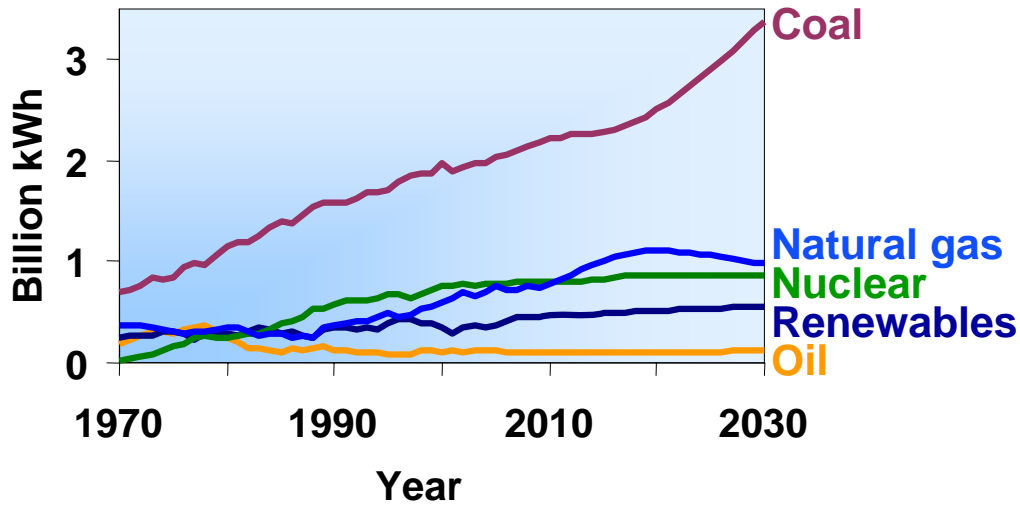
465 QBtu / Year
86% Fossil Energy



722 QBtu / Year
87% Fossil Energy



U.S. Coal Utilization Outlook



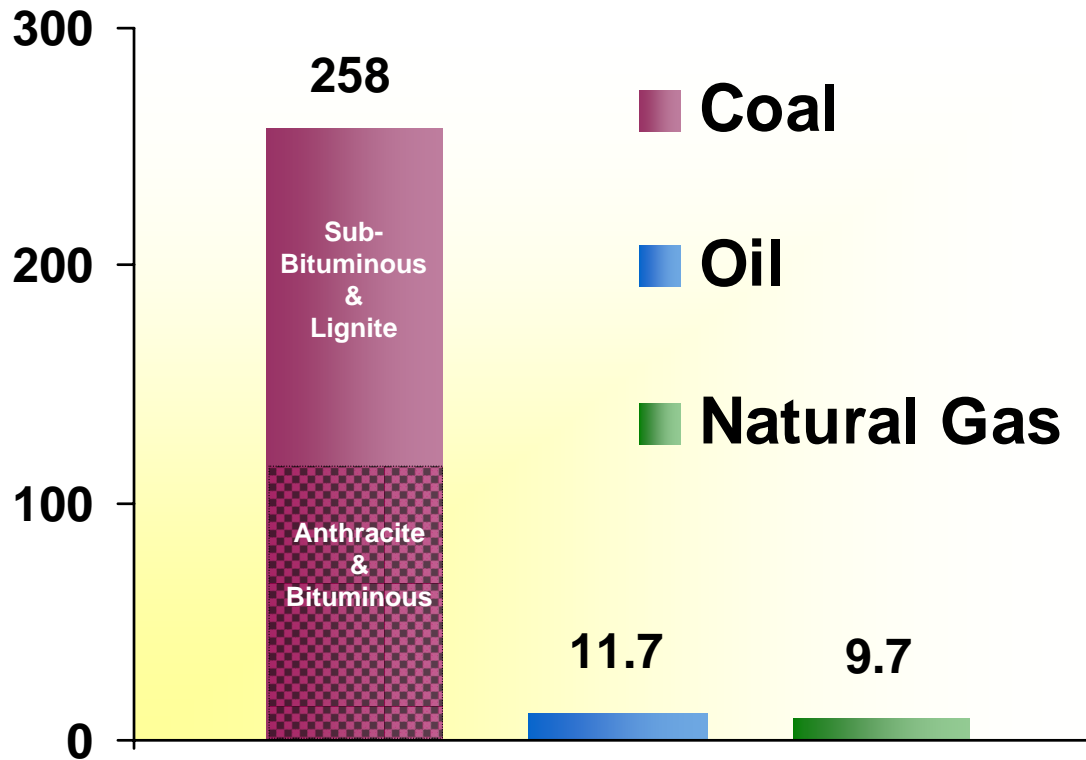
Coal dominates electricity generation



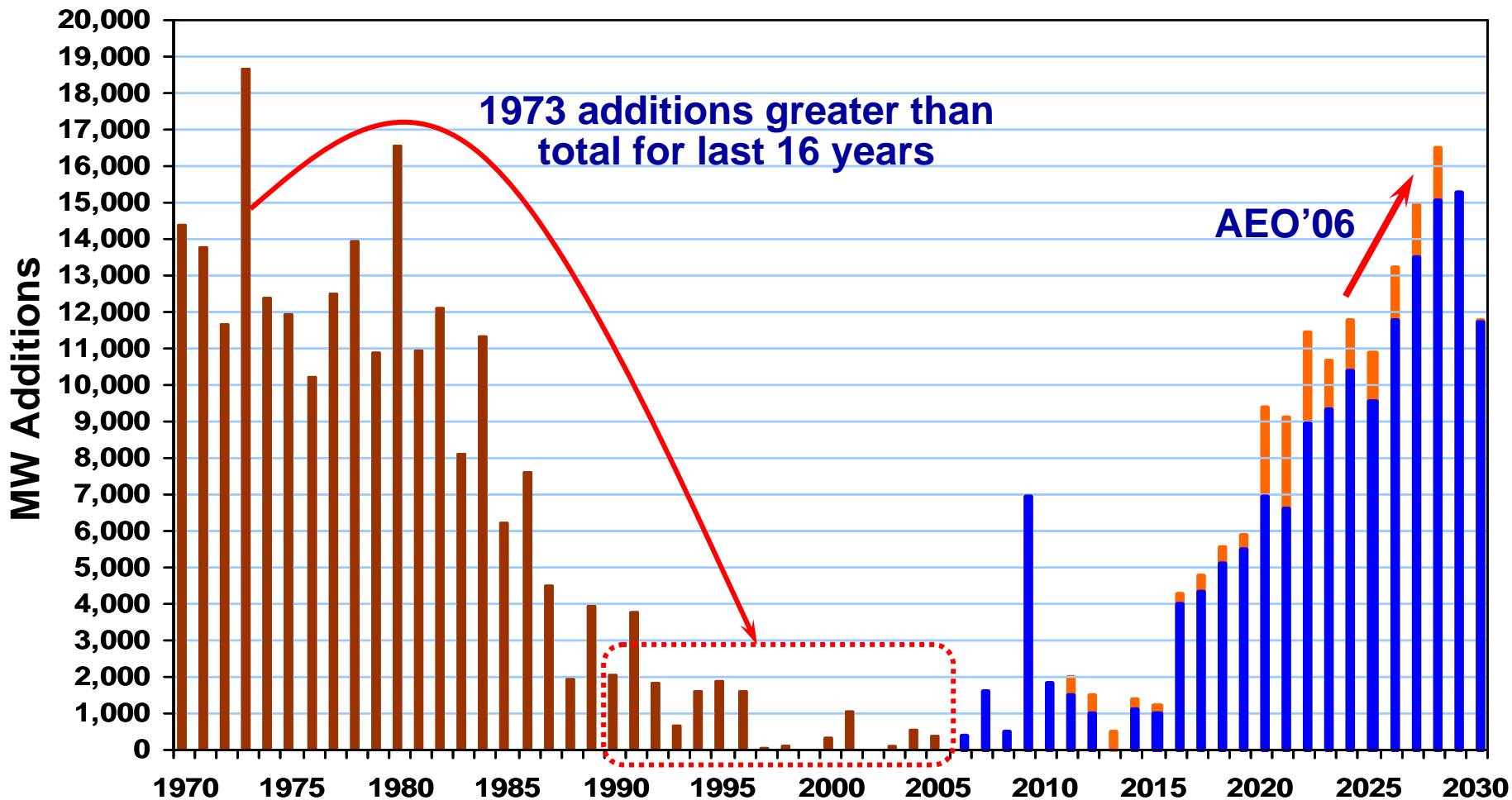
Upper figure: DOE EIA, AEO 2006, Figure 5
Lower figure: Energy & Electricity per DOE EIA, AER 2004
GDP per U.S. DOC, Bureau of Economic Analysis

250-Year Supply of Coal at Current Demand Levels

U.S. Fossil Fuel Reserves / Production Ratio



174 Added GW - Double the 87 GW in DOE's EIA Annual Energy Outlook 2005



*Coal Adds 154 GW New Capacity Plus 19 GW of CTL
(Reference case with 5 additional years to 2030)*



DOE Strategic Plan

- 1.1 Energy Diversity** – Increase our energy options and reduce dependence on oil, thereby reducing vulnerability to disruption and increasing the flexibility of the market to meet U.S. needs.
- 1.2 Environmental Impacts of Energy** – Improve the quality of the environment by reducing greenhouse gas emissions and environmental impacts to land, water, and air from energy production and use.
- 1.3 Energy Infrastructure** – Create a more flexible, more reliable, and higher capacity U.S. energy infrastructure.
- 1.4 Energy Productivity** – Cost-effectively improve the energy efficiency of the U.S. economy.



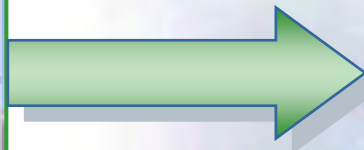
R&D Challenges for Coal Technology

- “Near-zero” emissions
- CO₂ management
- High efficiency
- Water use
- By-product utilization
- Flexible (feedstocks, products, siting)
- Cost competitive with other energy choices



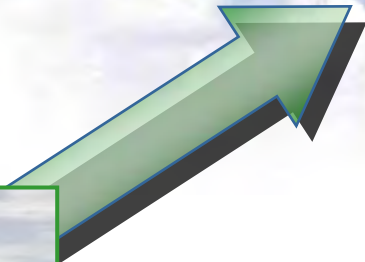
Office of Fossil Energy's Coal & Power Program

DEMONSTRATION PROGRAM
Clean Coal
Power Initiative

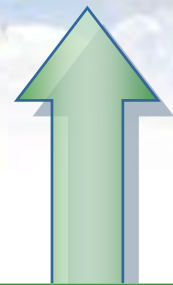


*Support
Presidential Initiatives:
Clear Skies
Climate Change
Energy Security*

FUTUREGEN
Integrated sequestration,
hydrogen, and power
research facility



CORE R&D PROGRAM



Pathway to Clean and Secure Electricity from Coal



Existing Plants



Clean Coal Successes



Near-Zero Emissions

Technology Research, Development & Demonstration



DOE's Office of Fossil Energy

Advanced Coal Power Systems Goals

- **2010:**

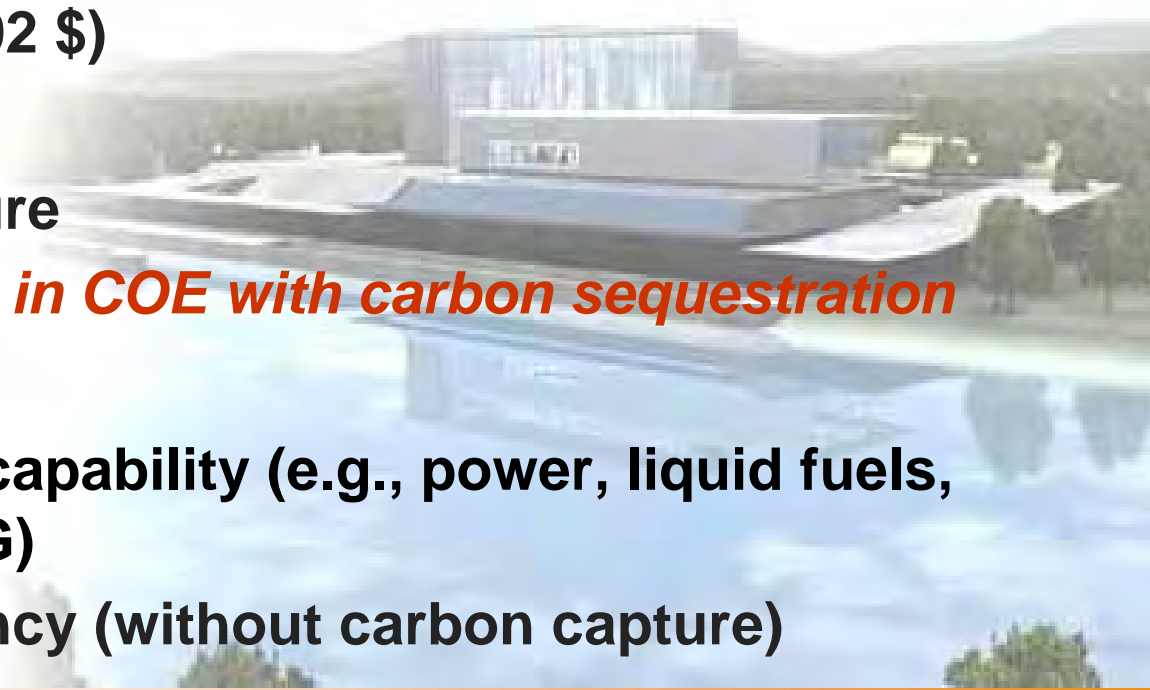
- 45-50% Efficiency (HHV)
- 99% SO₂ removal
- NO_x < 0.01 lb/MM Btu
- 90% Hg removal
- \$1,000/kW (2002 \$)

- **2012:**

- 90% CO₂ capture
- **<10% increase in COE with carbon sequestration**

- **2015**

- Multi-product capability (e.g., power, liquid fuels, hydrogen, SNG)
- 50-60% efficiency (without carbon capture)



Coal & Power Core R&D Program

- Innovations for Existing Plants
- Advanced Integrated Gasification Combined Cycle
- Hydrogen & Syngas
- Carbon Sequestration
- Fuel Cells
- Advanced Research
- Advanced Turbines

*Roadmap Developed
for Each Program
with Industry*



Coal & Power Program

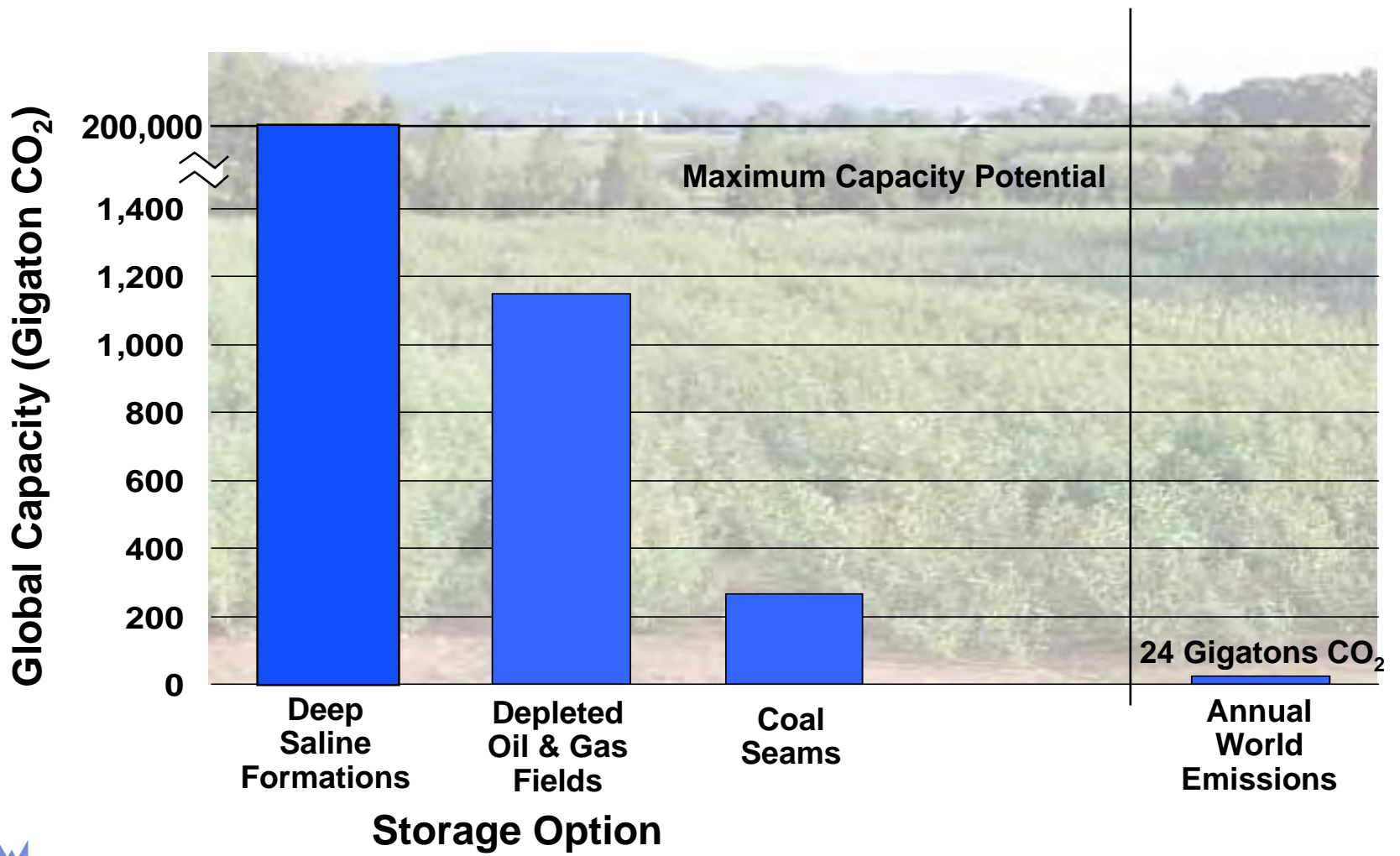
Addresses Both Near-Term and Long-Range Needs

- **Short-term:** keep existing fleet in service; prepare for transition to near-zero-emission future
 - SO₂, NO_x, Hg
 - Plant optimization and control
 - Reduced carbon intensity
- **Long-term:** add near-zero emission energy plants
 - IGCCs to market
 - Advanced materials
 - Ultra-high-efficiency hybrid systems
 - CO₂ capture and storage



Carbon Capture and Storage Opportunities

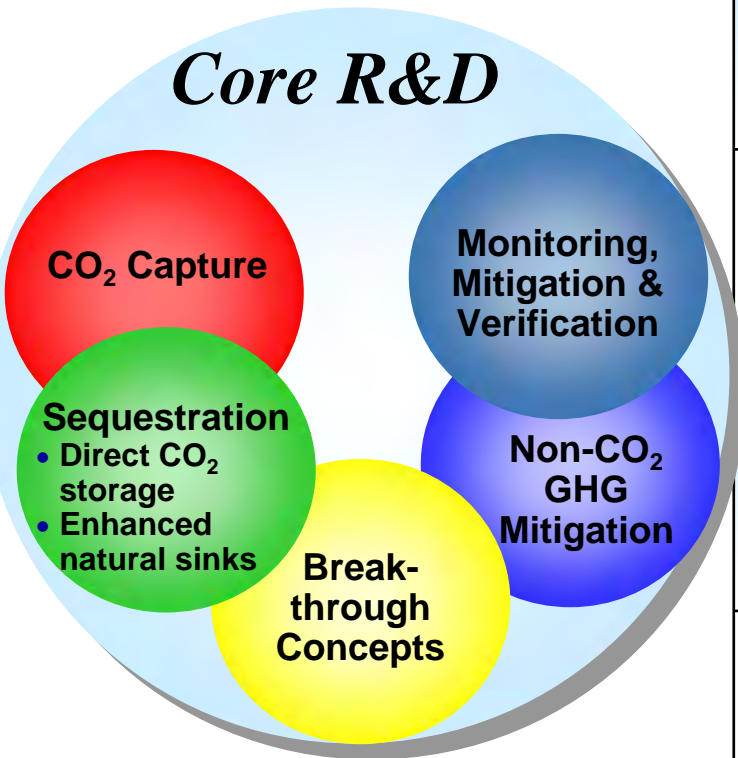
Thousands of Years of Potential Storage Capacity Worldwide



Storage Options from IEA Technical Review (TR4), March 23, 2004, DOE/EIA. World Emissions from International Energy Outlook 2003, Table A10

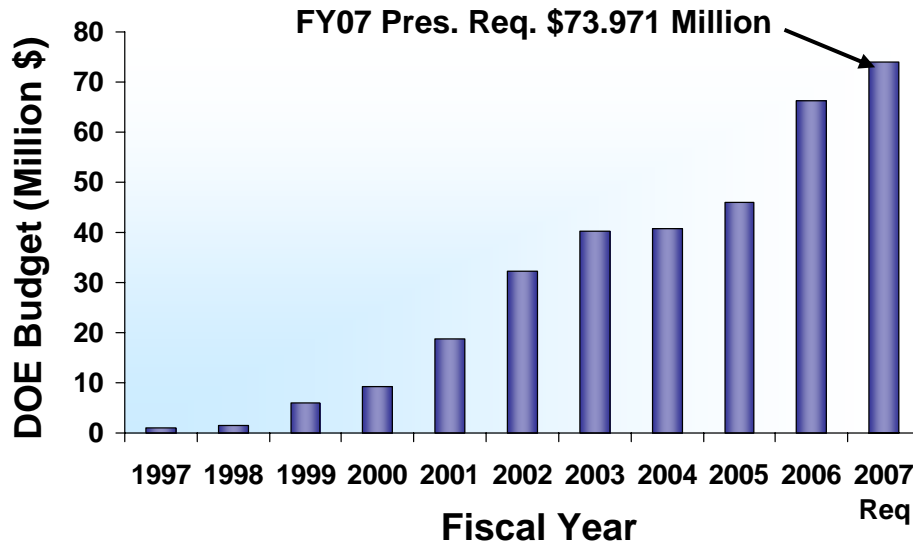
Carbon Sequestration Program

Technology R&D Pathways



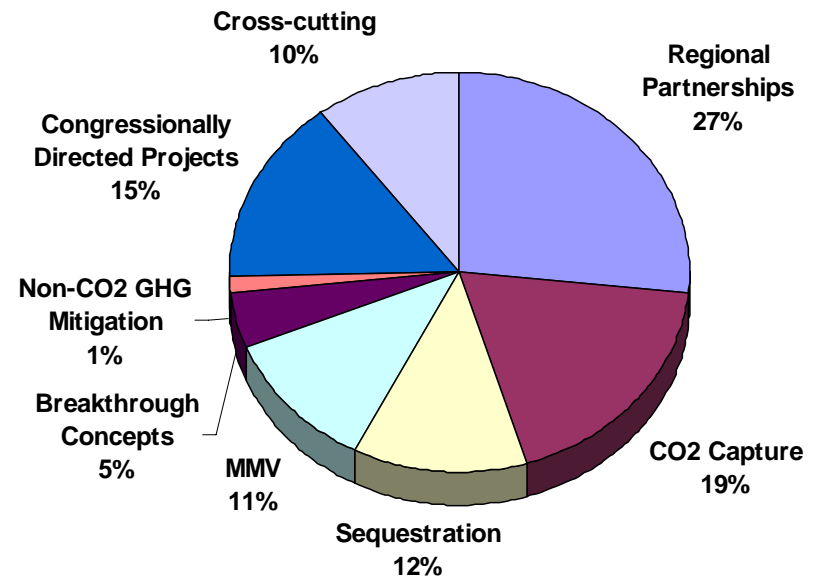
Capture	<ul style="list-style-type: none"> • Post-combustion Capture • Oxygen combustion • Pre-combustion capture • Chemical looping
Sequestration	<ul style="list-style-type: none"> • Depleting oil reservoirs • Unmineable coal seams • Saline formations • Enhanced terrestrial uptake
MM&V	<ul style="list-style-type: none"> • Advanced soil carbon measurement • Subsurface measurements • Remote sensing/above-ground MM&V • Fate and transport models
Breakthrough Concepts	<ul style="list-style-type: none"> • Advanced Capture • Bio-accelerated sequestration • Niches
Non-CO₂ GHG	<ul style="list-style-type: none"> • Landfill Methane Capture and Use • Mine Ventilation Methane Capture

DOE's FY2006 Sequestration Program



- **Diverse research portfolio**
~ 70 R&D Projects

FY2006 Budget



- **Strong industry support**
~ 39% cost share on projects
- **Federal Investment to Date**
~ \$260 Million



Sequestration Program Goals

Develop Technology Options for GHG Management

- **CCS R&D Goals**
 - Options for IGCC and PC-based electricity generating technologies
- **Sequestration/Storage R&D Goals**
 - Predict CO₂ storage capacity with +/- 30% accuracy
 - Develop best practice reservoir management strategies that maximize CO₂ trapping
- **Monitoring, Mitigation & Verification**
 - Ability to verify 95% of stored CO₂
 - CO₂ material balance to >99%

Cost Performance Goals

Year	COE Penalty IGCC Plants (% Increase)	COE Penalty PC Plants (% Increase)
2002	30	80
2012	10	20
2015	<10	10
2018*	0	0

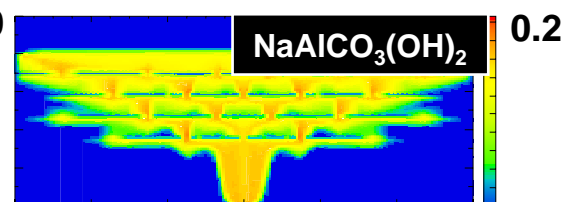
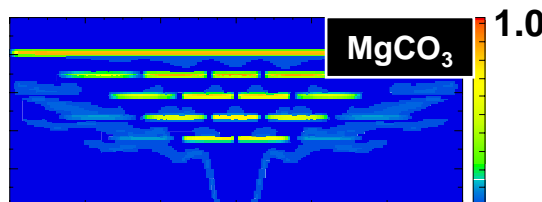
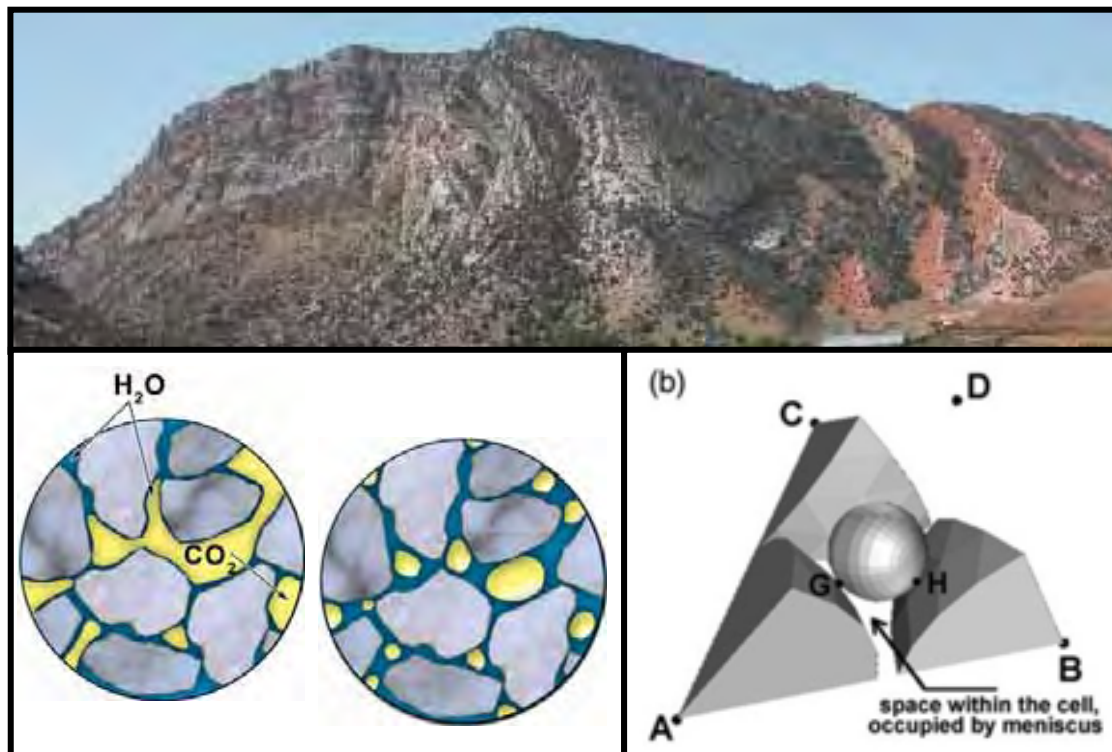
*Cost/Energy offset from sequestering CO₂ with criteria pollutants NOX, SOx, H₂S (gasification)



Carbon Storage – Science is Growing

Understanding of storage mechanisms is critical to viability as a long-term option

- Physical Trapping
- Residual Phase Trapping
- Solution/Mineral Trapping
- Gas Adsorption



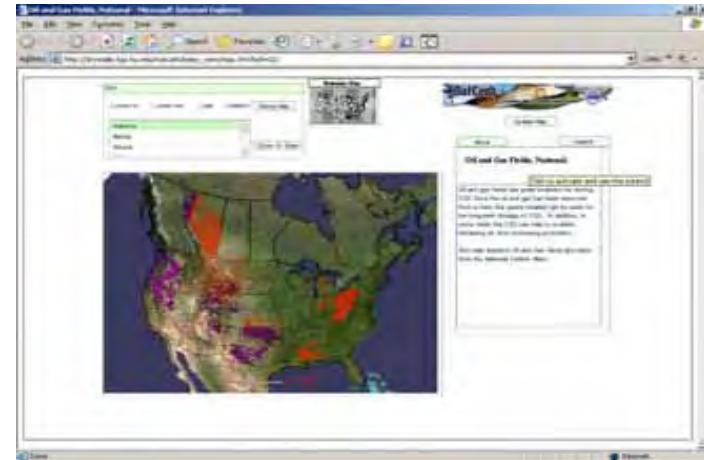
Sources: Friedmann, LLNL 2006

Carbon Sequestration Regional Partnerships

“Developing the Infrastructure for Wide-Scale Deployment”

Phase I (Characterization)

- 7 Partnerships (40 states)
- 24 months (2003-2005)



Phase II (Field Validation)

- 4 years (2005 - 2009)
- All seven Phase I partnerships continued
- \$100 million federal funds
- \$45-million cost share

Phase III (Deployment)

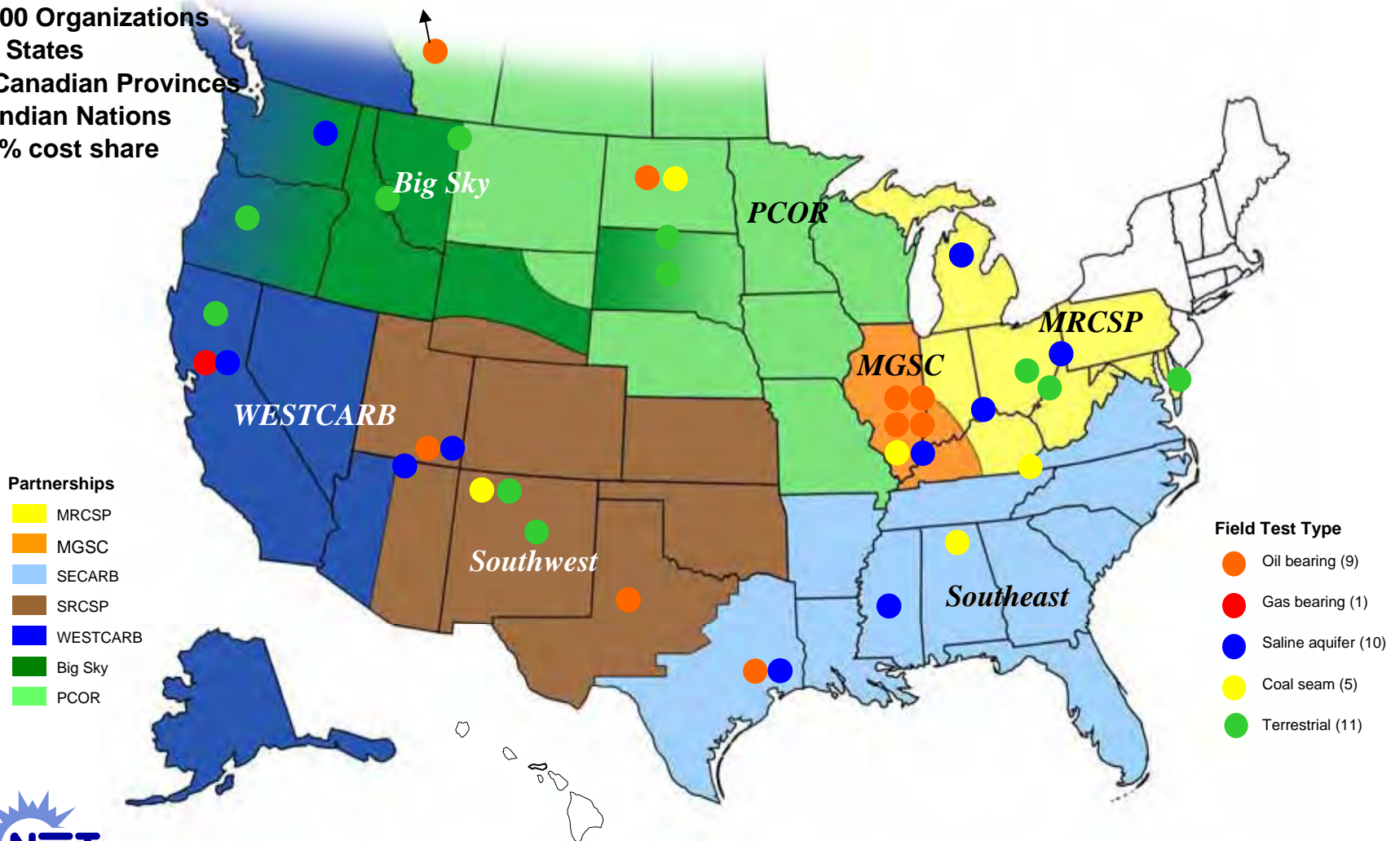
- 10 years (2008-2017)
- Several large-scale injection tests

Regional Carbon Sequestration Partnerships

Phase II Validation Tests - Injecting between 750 – 525,000 tons of CO₂

Representing:

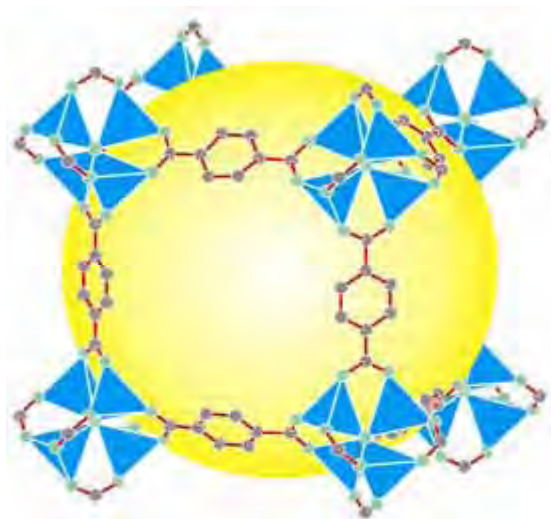
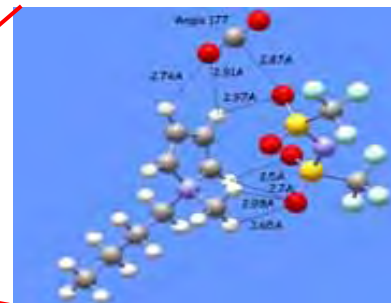
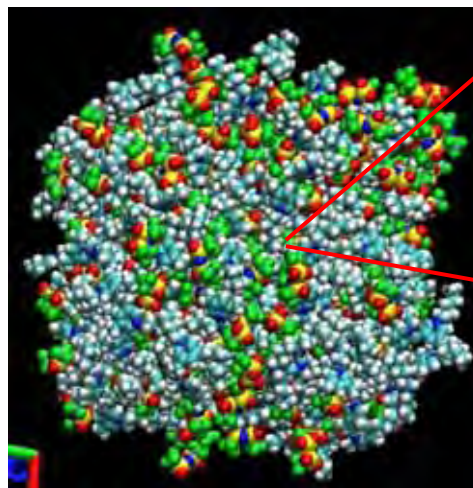
- >300 Organizations
- 40 States
- 4 Canadian Provinces
- 3 Indian Nations
- 34% cost share



Break-Through Capture Concepts

Ionic Liquids

- CO₂ is *highly soluble* in some ionic liquids
- Non-volatile liquid and high thermal stability
- Ability to capture SO₂ with one solvent



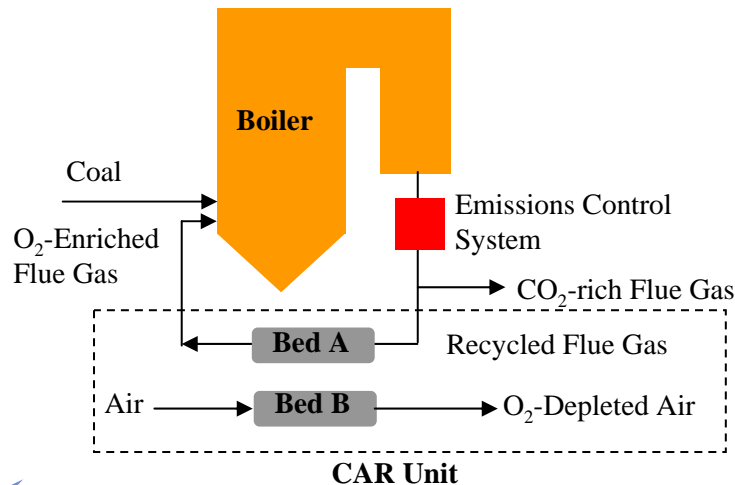
Metal Organic Frameworks

- Highly porous materials
- Thermally stable
- High loading capacities
- Low manufacturing costs

Break-Through Capture Concepts

Thermally Optimized Membranes

- Order of magnitude higher selectivity than current polymers
- Selective from room temp to 400°C
- Promising preliminary results



Ceramic Autothermal Recovery (CAR) Technology

- Oxy-fuel combustion option for power generation
- High-temperature, steady-state process
- Perovskites pellets, fixed bed
- Oxygen-enriched product stream, high O₂ recovery

Ongoing, Large-Scale CO₂ Sequestration Projects

Weyburn CO₂ EOR Project

- Pan Canadian Resources
- 200-mile CO₂ pipeline from Dakota Gasification Plant
- Enhanced Oil Recovery in Canada



Sleipner North Sea Project

- Statoil
- CO₂ sequestered - Utsira Formation
- Currently monitoring CO₂ migration
- Separates CO₂ from natural gas
- \$36-50/tonne CO₂ tax



DOE's Coal Demonstration Programs

Implemented Through Competition

**Industry / Government
Partnership**

Fleet of Tomorrow

CCPI

**Clean Coal Power
Initiative - 2002-2012**

PPII

**Power Plant Improvement
Initiative - 2001**

CCT

**Clean Coal Technology
Program - 1985-1993**

**Minimum
50% Non-
Federal Cost
Share**

Existing Power Plant Fleet

Repayment



IGCC Technology in Early Commercialization

U.S. Coal-Fueled Plants

- **Wabash River**
 - 1996 Powerplant of Year Award*
 - Achieved 95% availability
- **Tampa Electric**
 - 1997 Powerplant of Year Award*
 - First dispatch power generator

**Nation's first commercial-scale
IGCC plants, each achieving
> 95% sulfur removal
≥ 90% NO_x reduction**



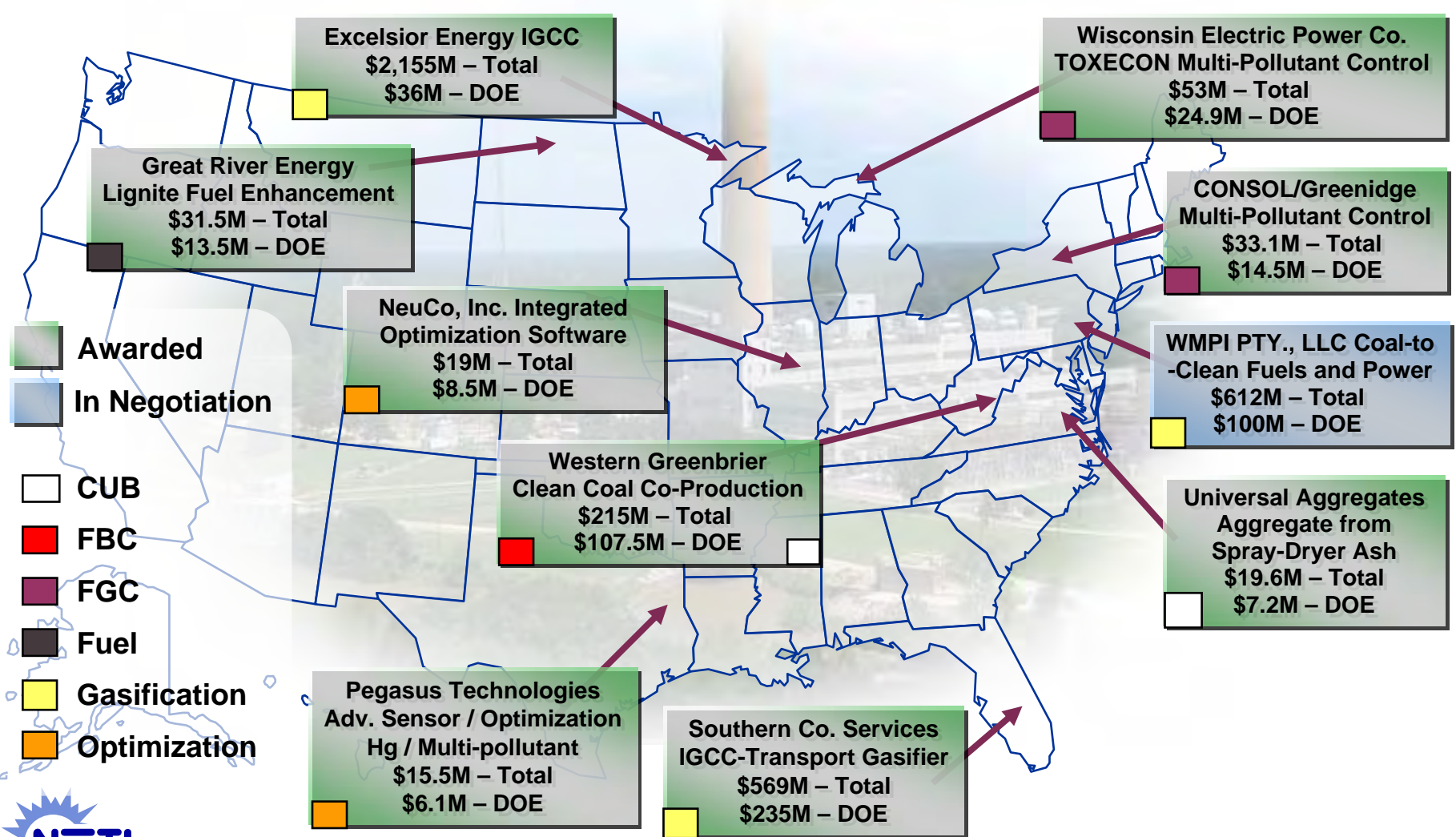
Clean Coal Power Initiative

- 10-year program
- 4 rounds of solicitations
- Drivers
 - Overall
 - Clear Skies Initiative
 - Reduced carbon intensity
 - Zero emissions technology target
 - Energy/economic security
 - Round 1 (Broad)
 - Advanced coal-based power generation
 - Efficiency, environmental & economic improvements
 - Round 2 (Prioritized)
 - Gasification
 - Hg control



CCPI Demonstration Projects

Technologies, Locations and Cost Share

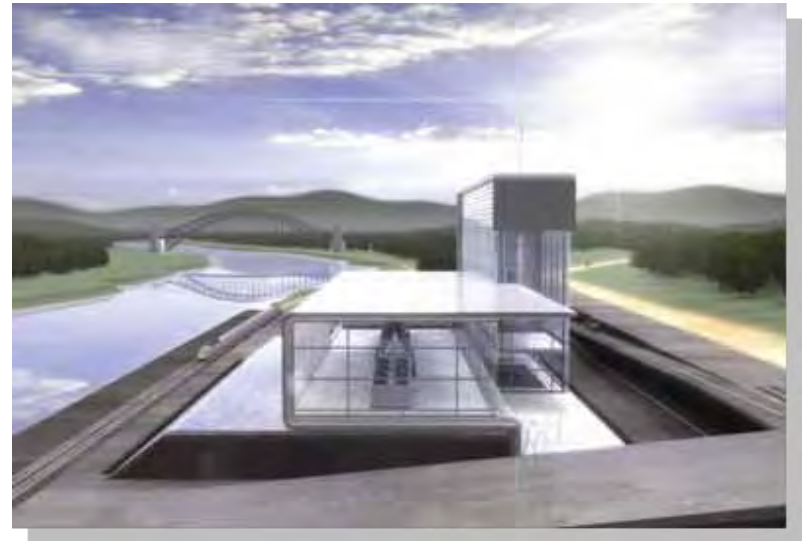


FutureGen: A Global Partnership Effort

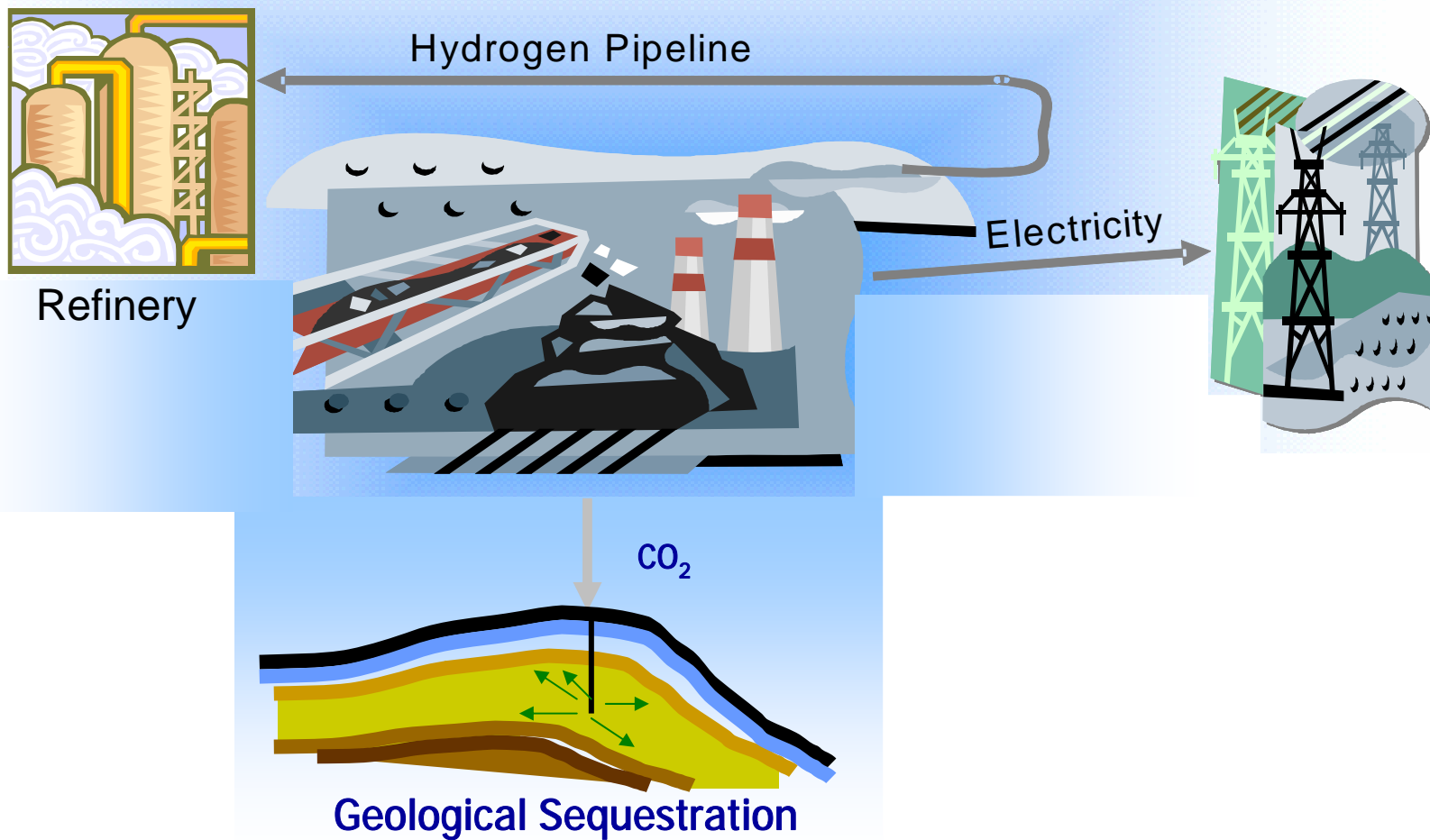
One-billion dollar, 10-year project to create world's first coal-based, zero-emission electricity and hydrogen plant

President Bush, 27 February 2003

- **Research platform to accelerate deployment of promising technologies**
- **Broad participation from mining and electricity sectors**
- **12 member industry-led consortium with international collaboration**



FutureGen Concept



FutureGen: Integrating Function for Fossil Energy R&D Program



Fuel Cells



FutureGen



Carbon Sequestration



Gasification with Cleanup Separation



H₂ Production



Optimized Turbines



System Integration

FutureGen Project

Supporting FutureGen is Major Goal of FE's R&D Programs

- **Industry-led project with government oversight & international participation**
 - Signed Cooperative Agreement with DOE on 2 Dec. 2005
 - Project structuring to Jan. 2007
 - Design to July 2009
 - Construction to July 2012
 - Operations to July 2016
 - Site monitoring to July 2018
- **International Participation:**
 - India and South Korea signed Protocols of Intent to join
 - China and Japan expressed strong interest in joining
- **Industry will choose project site & backbone technologies**
 - Down selected to 4 potential sites



U.S. Government Commitment to Clean Energy From Coal

FY 2006 Coal Program Funding

Program	Thousand \$
FutureGen	17,820
Clean Coal Power Initiative	49,500
Innovations for Existing Plants	25,146
Gasification	55,886
Turbines	17,820
Sequestration	66,330
Fuels	28,710
Fuel Cells	61,380
Advanced Research	52,622
TOTAL COAL	375,214

Historic and Continued U.S. Support

- More than \$20 billion over past 30 years
- FutureGen: \$1 billion through 2018
- Carbon Sequestration: \$450 million through 2016



Energy Policy Act of 2005 (EPAct) and Coal

Seven areas directly affect coal-related technologies:

Title IV, Subtitle A
**Clean Coal
Power Initiative**
\$1.8bn, 2006-2014

Title IV, Subtitle B
Clean Power Projects
Grants, Loans,
Loan Guarantees,
and Cost Sharing
\$ Indeterminate

Title IV, Subtitle C
Coal and Related
Programs
Clean Air Coal Program
\$3.0bn, 2007-2013

Title XIII Subtitle A
**Electricity Infrastructure
Credit for Investment in
Clean Coal Facilities**
\$1.65bn in tax credits

Accelerated amortization
for new air pollution
control equipment;
\$ Indeterminate

Title XIII Subtitle B:
Domestic Fossil Fuel Security
Production tax credits
for unconventional
fuels, incl. CTL
\$ Indeterminate

Title IX, Subtitle F
Fossil Energy
**Research
and Development**
\$1.137bn 2007-2009

Title XVII
**Incentives for
Innovative
Technologies**
Loan guarantees
for gasification projects
\$ Indeterminate



Progress Towards Advanced Technology Implementation

- **Congressional Tax Credit Authorization of \$1.65 Billion**
- **22 applications were received**
 - representing \$27.7 billion in proposed projects
 - requesting \$2.3 billion in tax credits
 - 18 IGCC and 4 adv. coal-based generation projects
- **First Round Awards of Approximately \$1 Billion**

First Round Recipients Include:

Duke Energy - Edwardsport IGCC Project,
Edwardsport, IN

Tampa Electric Company, Polk County, FL

Southern Company - Mississippi Power Company, Kemper County, MS

Duke Energy - Cliffside Modernization Projects, Cleveland and Rutherford County, NC

E.ON U.S., Louisville Gas and Electric and Kentucky Utilities Co., Bedford, KY

Carson Hydrogen Power, LLC - Carson Hydrogen Power Project, Carson, CA

TX Energy, LLC - Longview Gasification and Refueling Project, Longview, TX



A satellite-style image of the Earth, showing the Americas (North and South America) in shades of green and brown, surrounded by blue oceans and white clouds. The text is overlaid on the center of the image.

Support for technology development is one of Government's tools to ensure a sustainable, secure, and affordable energy future.

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The UK Energy Research Atlas: A Tool for Prioritising and Planning Energy R&D

**Risø International Energy Conference 2007
Energy Solutions for Sustainable Development**

22-24 May 2007

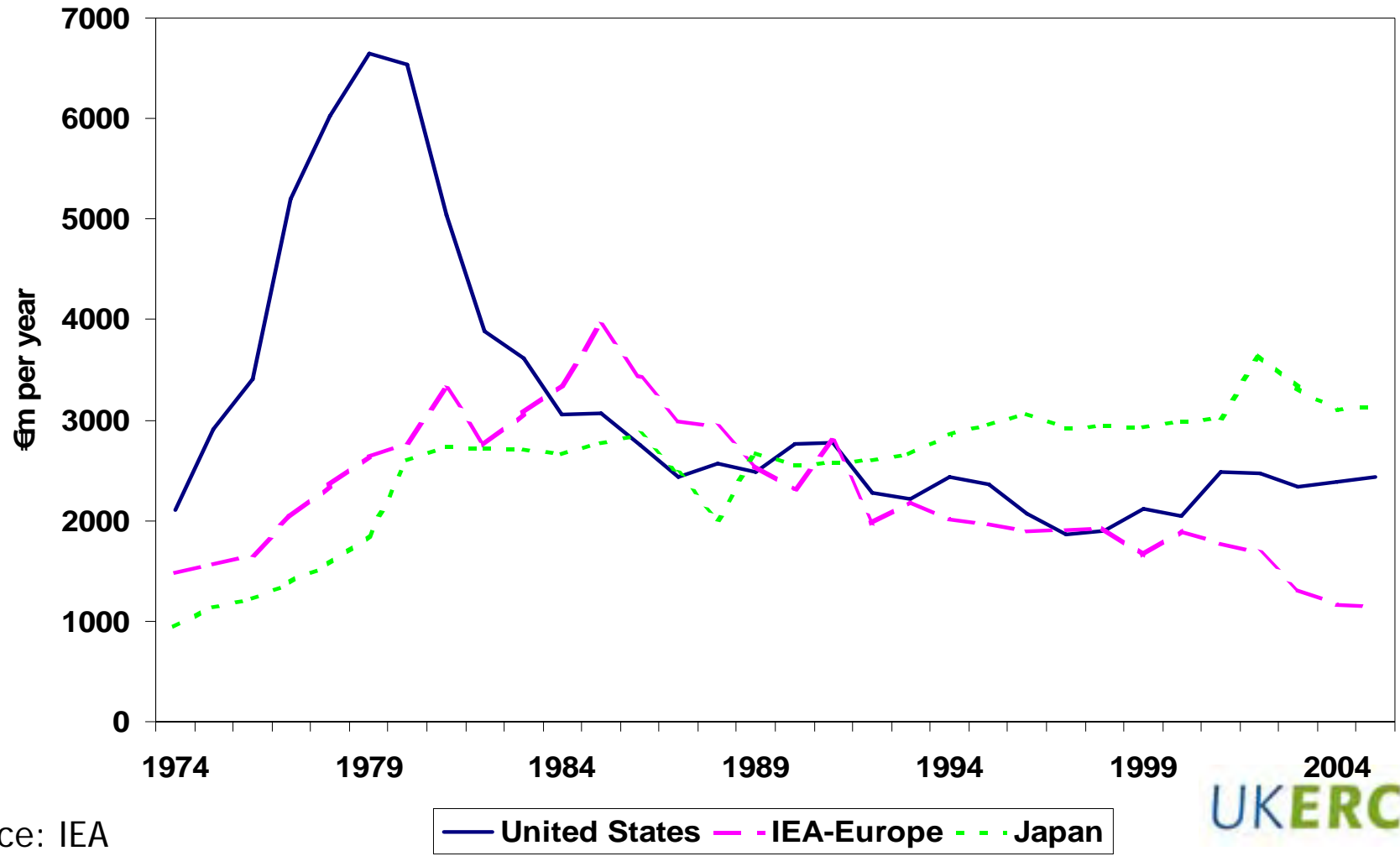
Jim Skea, Research Director

UKERC

UK Energy Research Atlas

- **Why?**
- **What?**
- **Who and how?**
- **What next?**

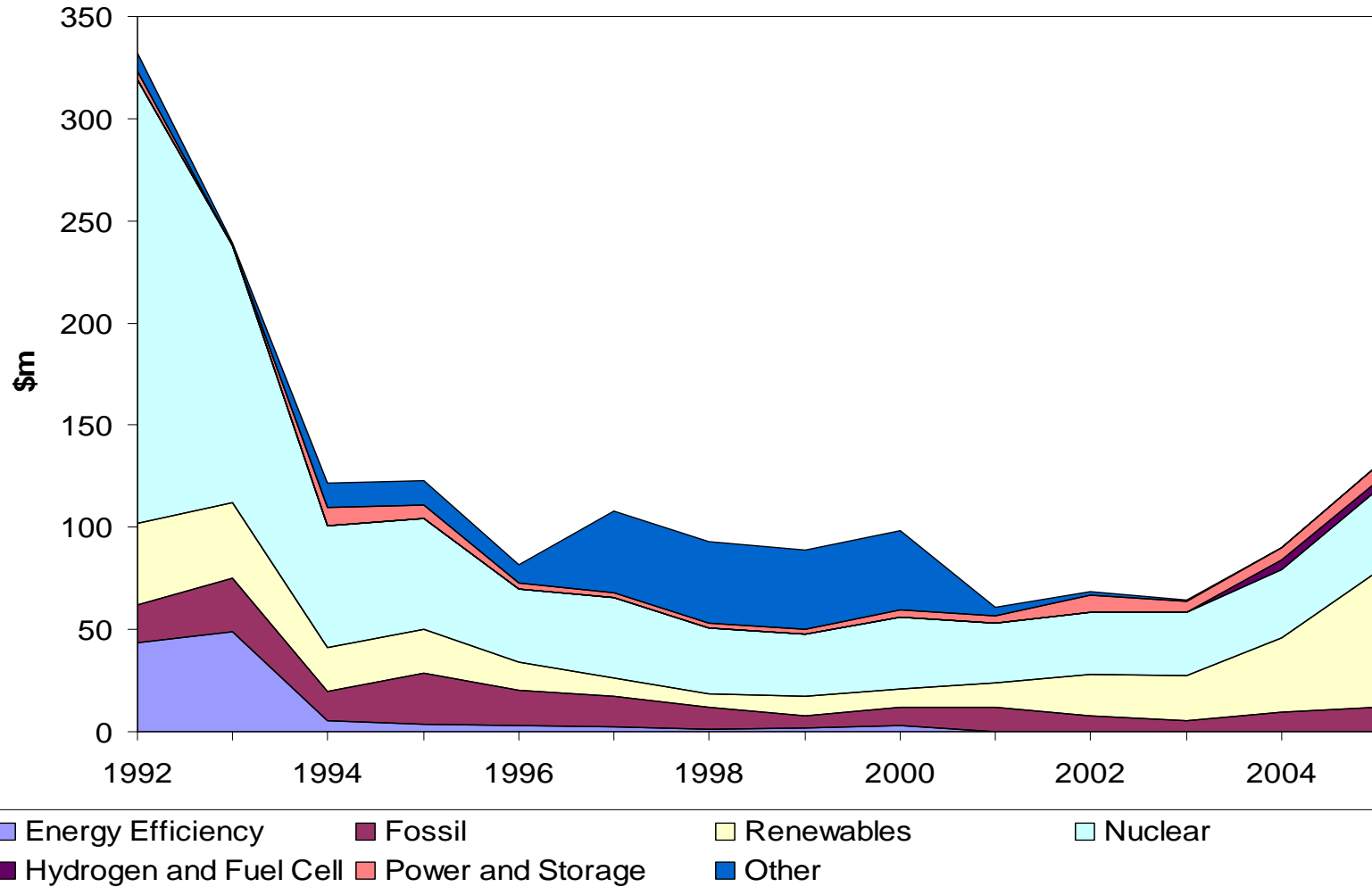
ENERGY RD&D IN THE IEA



Source: IEA



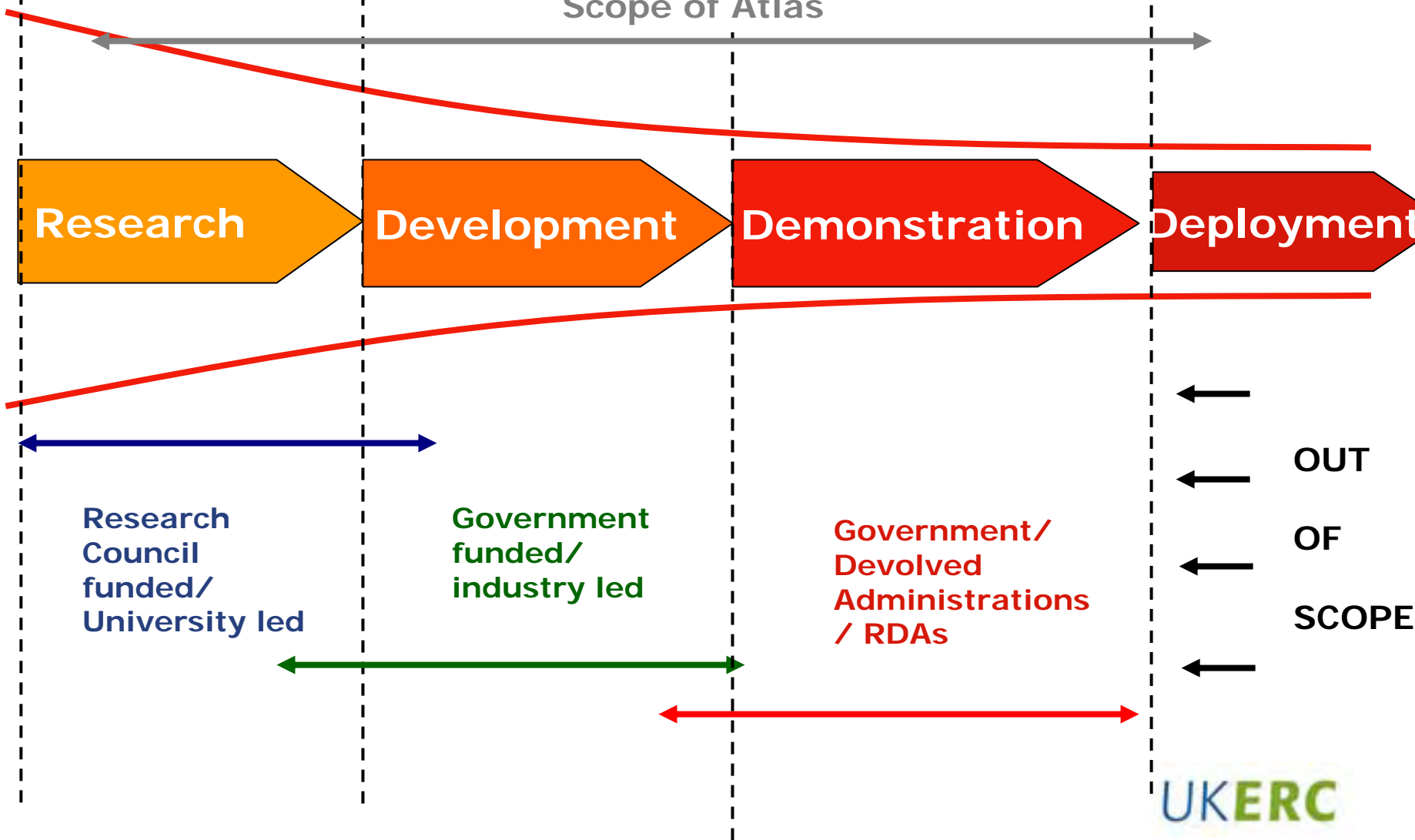
UK ENERGY R&D SINCE 1992



Source: IEA

Scope

Scope of Atlas



Research

Development

Demonstration

Deployment

Research Council funded/ University led

Government funded/ industry led

Government/ Devolved Administrations / RDAs

OUT OF SCOPE

UKERC

ENERGY R&D IN THE UK

- Over-arching
 - Energy Research Partnership, little resource. Thinks about the “big picture”
- University-led
 - Research Councils Energy Programme (£70m pa), including UK Energy Research Centre (£3m pa)
- Applied R&D
 - Department of Trade and Industry Technology Programme
 - Various specific clean energy schemes
 - Energy Technologies Institute, not yet up and running (up to £100m pa, on target for £60m pa)
- Demonstration/Deployment
 - Environmental Transformation Fund, not yet up and running, resources unclear

Why?

- Evidence base
- Finding research partners/providers
- Locating your own position
- Links along innovation chain
- UK and EU/international links

The first tool to show the live status of energy R&D in the UK

What?

“an authoritative and comprehensive account of capabilities and unsolved research problems across the energy domain”

Research Landscape

characterising energy-related research activities and capabilities in the UK

Research Register

an online, searchable database of energy-related awards and projects

Research Roadmaps

identifying the sequence of research problems to be overcome before new technologies can be commercially viable

IEA R&D Nomenclature

- **Energy demand**
- **Fossil fuels: oil, gas and coal**
- **Renewable energy sources**
- **Nuclear fission and fusion**
- **Hydrogen and fuel cells**
- **Other power and storage**
- **Other cross-cutting technologies and research**

Accessing the Landscapes



Structure

- Overview
- Capabilities Assessment
- Basic and Applied Strategic Research
- Applied Research
- Development and Demonstration Funding
- Research Facilities and other Assets
- Networks
- UK Participation in EU Activities
- International Initiatives

Area	Sector	Status	Principal Authors
ENERGY EFFICIENCY	Industry	Yellow	
	Residential and Commercial	Yellow	
	<u>Transport</u>	Green	Dr Jillian Anable, Robert Gordon University
OIL, GAS and COAL	Oil and Gas	Grey	
	Coal	Red	
	CO2 Capture and Storage	Yellow	
RENEWABLE ENERGY SOURCES	<u>Solar Energy</u>	Green	Prof David Infield, University of Loughborough
	Wind Energy	Red	
	<u>Ocean Energy</u>	Green	Dr Markus Mueller, University of Edinburgh
	<u>Bio-Energy</u>	Green	Prof Gail Taylor, University of Southampton
	Geothermal Energy	Grey	
	Hydropower	Grey	
	Other Renewables	Grey	
NUCLEAR and FUSION	<u>Nuclear Fission</u>	Green	Dr Paul Hovarth, Dalton Institute, University of Manchester
	<u>Nuclear Fusion</u>	Green	Dr David Ward, UKAEA
FUEL CELLS	<u>Hydrogen</u>	Green	Dr Geoff Dutton, CCLRC
	<u>Fuel Cells</u>	Green	Prof Nigel Brandon, Imperial College London
ELECTRICITY STORAGE	Electric power conversion	Grey	
	<u>Electricity transmission and distribution</u>	Green	Dr Joseph Mutale, University of Manchester
	Energy storage	Grey	
SYSTEMS INTEGRATING RESEARCH	<u>Energy system analysis</u>	Green	Dr Neil Strachan, Policy Studies Institute
	Environmental, social and economic impacts	Grey	

Research Funders and Providers

Bioenergy_Section3.pdf (application/pdf Object) - Mozilla Firefox

File Edit View Go Bookmarks Tools Help

http://ukerc.rl.ac.uk/Landscapes/Bioenergy_Section3.pdf

Save a Copy Select 72% Search Web Y! Adobe

Table 3.2: Key Research Providers

Name	Description	Sub-topics covered	No of staff	Field
Forest Research, Forestry Commission, Edinburgh and Alice Holt, Surrey	Research on modelling yield in SRC bioenergy trees, biofuel as a source of renewable energy and GHG balance of bioenergy cropping systems.	<ul style="list-style-type: none"> • SRC Yield Models in development • Woodfuel as a resource • Member of TSEC-BIOSYS • Climate change programme to predict the effects of future climates on woodfuel resource in the UK. Environmental sustainability. • Policy development and advice to central Government. 	4 Principal Investigators	Agriculture
School of Biological Sciences, University of Aberdeen	School of Biological Sciences is actively engaged in research on the GHG mitigation potential of bioenergy crop systems	<ul style="list-style-type: none"> • GHG mitigation and carbon balance of bioenergy crop systems. • Member of TSEC-BIOSYS Environmental sustainability 	2 Faculty	Biological Sciences
Sustainable Environment Research Centre, University of Glamorgan	Two research units - the Wastewater Treatment Research Unit and the Hydrogen Research Unit. The aims are to produce high quality scientific research in the field of sustainable environment in particularly acting as an umbrella body for the Wastewater Treatment Research Unit and the newly approved Hydrogen Research Unit; to advance knowledge and provide trained scientists and engineers to meet the needs of industry; to enhance the standing of the University of Glamorgan both nationally and internationally.	<ul style="list-style-type: none"> • Expertise in dark fermentation reactions for hydrogen production • Member of TSEC-BIOSYS consortium • Member of SUPERGEN Fuel cells consortium • Member of the SUPERGEN Sustainable hydrogen economy consortium • Expert in biohydrogen production including anaerobic and aerobic digestion. 	7 Faculty	Biological Sciences
Institute of Grassland and	Focus is on breeding and	<ul style="list-style-type: none"> • Coordinator of DEFRA crop 	3 Principal Researchers	Biological Sciences

Searching the Register

UK ENERGY RESEARCH CENTRE

UKERC

Research Register : **Public Access**

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Reference Number GR/S26965/01

Title UK Sustainable Hydrogen Energy Consortium

Status Started

Energy Categories HYDROGEN and FUEL CELLS(Hydrogen, Hydrogen production) 10%;
HYDROGEN and FUEL CELLS(Hydrogen, Hydrogen storage) 70%;
HYDROGEN and FUEL CELLS(Hydrogen, Hydrogen transport and distribution) 5%;
HYDROGEN and FUEL CELLS(Hydrogen, Other infrastructure and systems R&D) 5%;
HYDROGEN and FUEL CELLS(Hydrogen, Hydrogen end uses (incl. combustion; excl. fuel cells)) 10%;

Research Types Basic and strategic applied research 100%

Science and Technology Fields PHYSICAL SCIENCES AND MATHEMATICS (Chemistry) 60%;
PHYSICAL SCIENCES AND MATHEMATICS (Metallurgy and Materials) 20%;
SOCIAL SCIENCES 20%;

UKERC Cross Cutting Characterisation Not Cross-cutting 90%;
Sociological economical and environmental impact of energy 10%;

Principal Investigator **Dr T Mays**
T.J.Mays@bath.ac.uk
Chemical Engineering
University of Bath

Award Type 3

Funding Source EPSRC

Start Date 01 April 2003

End Date 31 March 2007

Duration 48 months

Total Grant Value £3,481,041

Industrial Sectors Environment; Power

Region South West

Programme Infrastructure and Environment

Investigators **Principal Investigator**
Other Investigator

[Dr T Mays](#), Chemical Engineering, University of Bath (99.981%)

[Dr R Dingsdale](#), Sch of Applied Sciences, University of Glamorgan (0.001%)

[Professor P Edwards](#), Oxford Chemistry, University of Oxford (0.001%)

[Dr J Gameson](#), School of Chemistry, University of Birmingham (0.001%)

[Professor DM Grant](#), Sch of Mech, Materials, Manuf Eng & Mgt, University of Nottingham

Technology Roadmap Characterisation

Bibliographic

- weblink, geographical focus, abstract

Outputs

Architecture

- timescales, trends and drivers, enablers, performance targets, rd&d mapping, critical assessment of capabilities

Process

- methods, stakeholder engagement, scale, re-visiting

Actions identified

- types, timescales, priorities, dependencies, responsibilities

Who Contributed and How?

UKERC researchers

Rutherford Appleton Labs

Partners:

- UKAEA
- Dalton Institute
- Energy Helpline, UK National Contact Point
- British Coal Utilisation Research Association

Atlas Advisory Group

- UKERC plus Carbon Trust, DTI, Environmental Research Funders Forum, E.ON UK, EPSRC, Office of Science and Innovation

How It's Been Used

- background information for presentations on the UK energy research
- information on local activities for regional development authorities etc
- evidence supporting criteria for the work programme of the new Energy Technologies Institute
- patterns of research activity for the International Science Panel on Renewable Energy
- identifying partners for establishing consortia for EU Framework Programme bids.

What Next?

The Research Atlas will never be finished....

Immediate Tasks

- Peer review/community feedback
- Fill in missing Landscape/roadmap sectors
- Synthesise existing roadmap information
- Content management system/database development

Longer Term

- 6 monthly review cycle
- Enhance international dimension
- Private sector
- Address sectors not covered so far
- New UK-relevant roadmaps where the need exists



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European and global perspectives for CCS

Martine Uyterlinde, Heleen Groenenberg

Risø International Energy Conference, May 22 2007



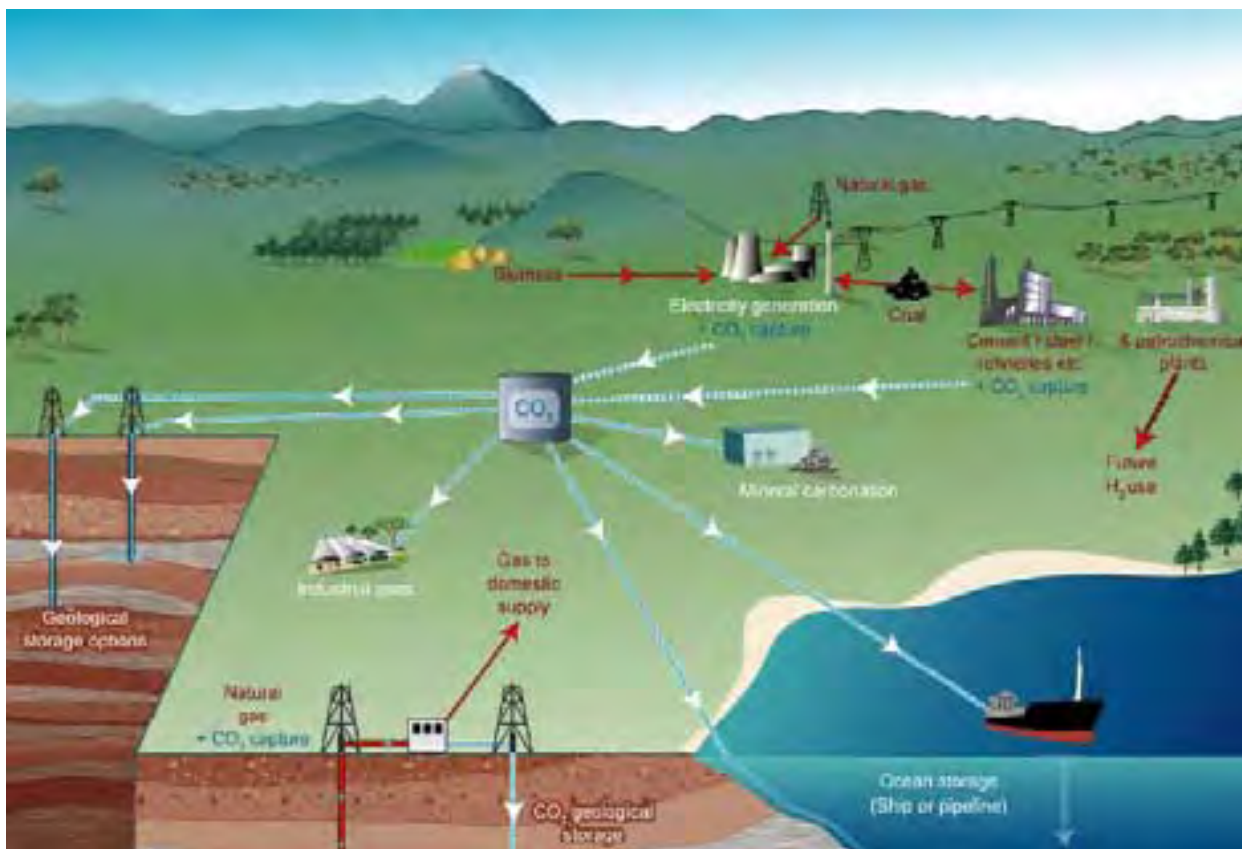
Models and partners

- MARKAL ECN, Netherlands
- PRIMES/PROMETHEUS ICCS/NTUA, Greece
- MESSAGE IIASA, Austria
- POLES IPTS, Spain
- GMM PSI, Switzerland
- PACE ZEW, Germany
- TIMES-EE, NEWAGE-W IER, Germany
- NEMESIS ERASME, France
- ETP IEA, France
- NEMS DOE/EIA, US
- DNE21+ RITE, Japan
- AIM NIES, Japan
- MAPLE Natural Resources Canada

CASCADE-MINTS

	<i>Top down</i>		<i>Bottom up</i>	
	Macro-economic	Computable General Equilibrium	Energy System Optimisation	Integrated Energy System simulation
Global, US, Canada		AIM* NEWAGE-W PACE*	DNE21+ ETP GMM MESSAGE PROMETHEUS (stochastic)	POLES NEMS MAPLE*
Europe	NEMESIS*		MARKAL Europe TIMES-EE	PRIMES*

CO₂ capture and storage



IPCC 2005

CCS in models

- Post combustion (pulverized coal, NGCC)
- Pre combustion (IGCC, biomass gasification)
- No oxyfuel
- Some: H₂, cement, cokes, ammonia
- Wide variety of storage options **or**
 - 1 generic technology with infinite capacity

CCS in models (ctd.)

Varying assumptions on:

- Investment costs
- O&M costs
- Energy penalty
- Capture efficiency
- Learning rate

No assumptions on:

- Public acceptance
- Risks and safety regulations

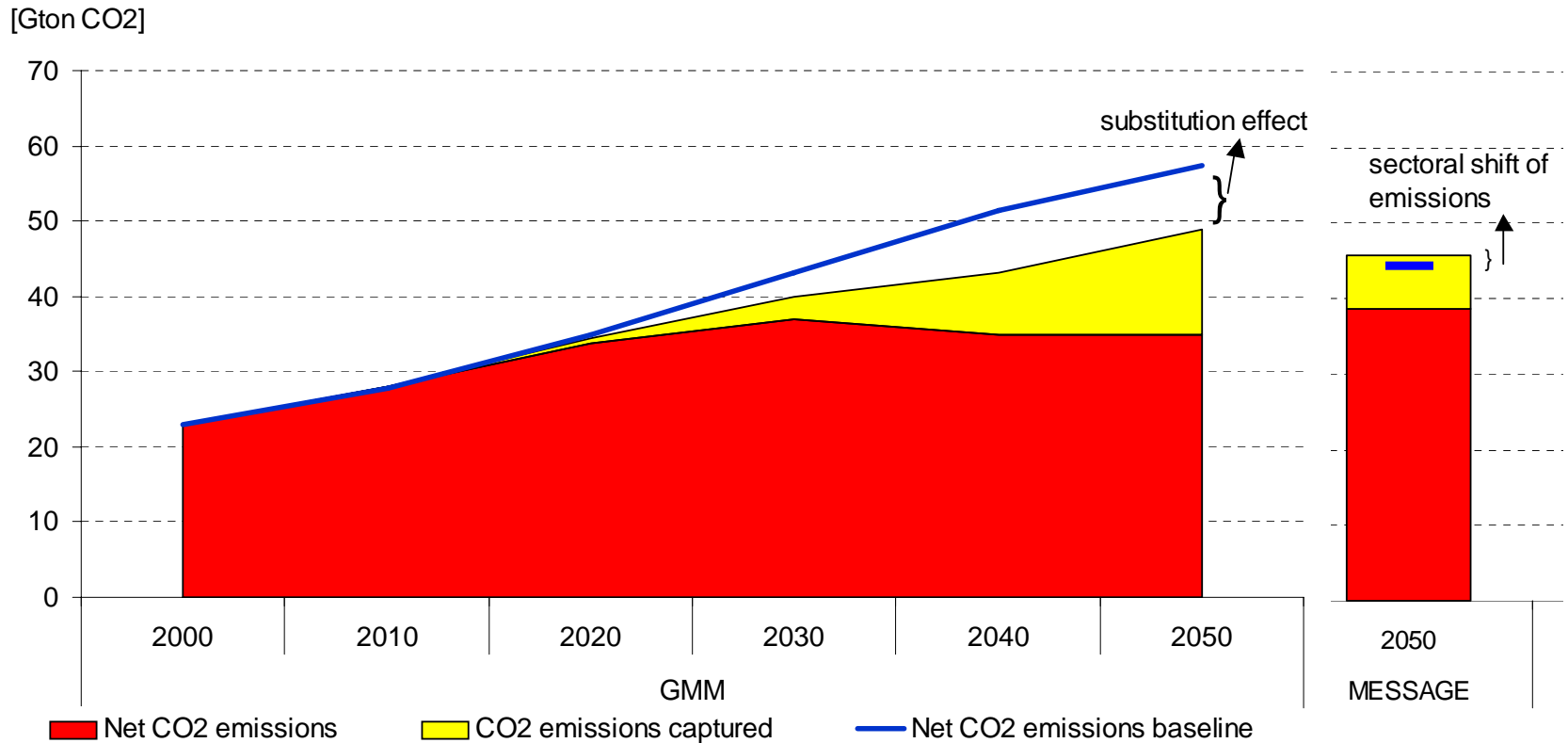
Two policy approaches

- **CCS standards:**
 - CO₂ capture obligation all new plants >2015
 - not for peaking plants (<10 MW or utilisation < 20%)
 - not for small CHP
- **CO₂ emission cap:**
 - emission level same as CCS standards
 - emissions trading only

CO₂ emission cap

- Emission level same as CCS standards
- Flexibility in technologies used
- Lower costs
- Lower penetration CCS
- More renewables and nuclear
- Shift to natural gas

CCS standards case



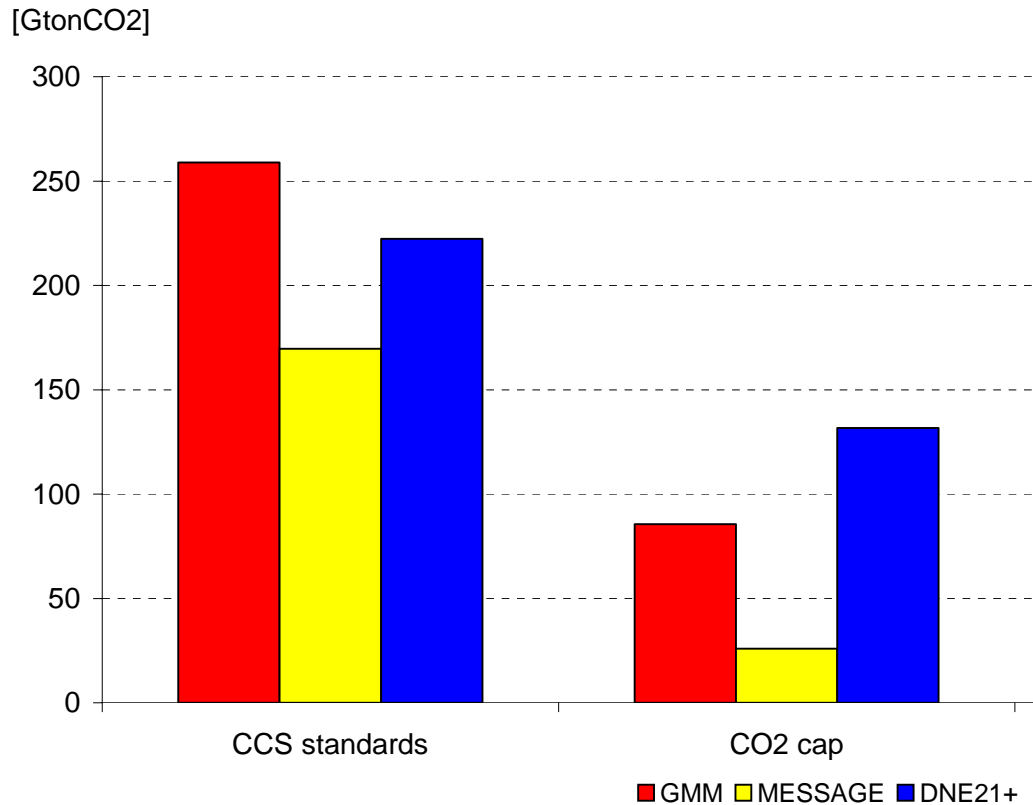
CCS standards (ctd.)

- 16-30% of global CO₂ captured in 2050 (7-19 GtCO₂)
- 21-23% of total CO₂ captured in Europe
- Variation due to differences in:
 - projections primary energy mix
 - assumptions technology learning
 - future costs capture and renewables
 - potentials renewables, constraints nuclear

CCS standards (ctd.)

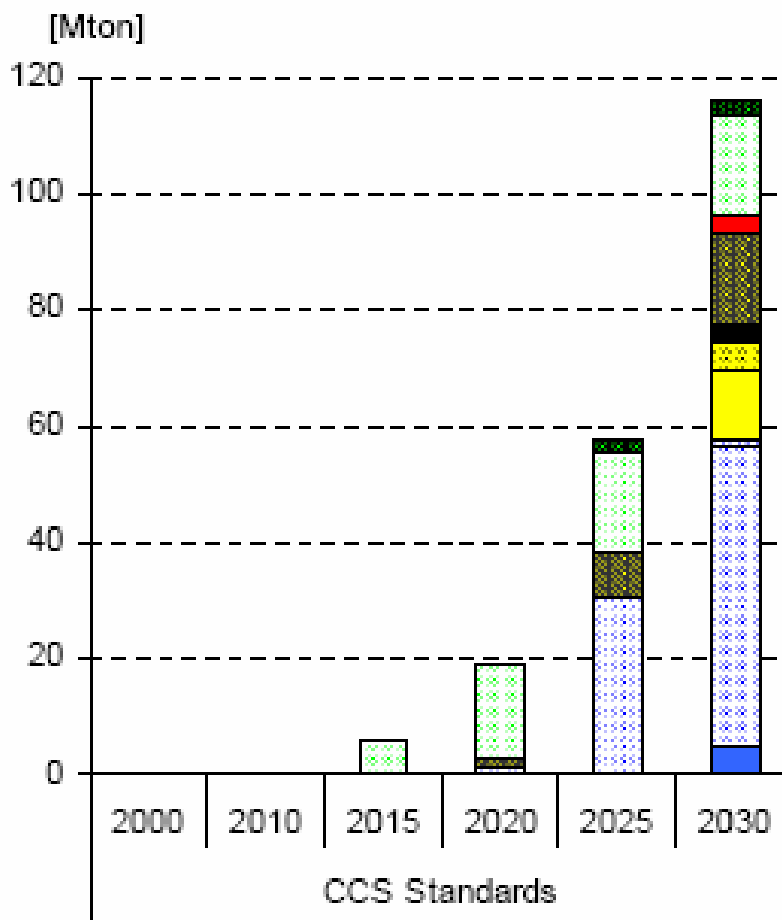
- Large capacities w/o CCS remain in system
- Peak gas capacity and renewables gain most
- Substitution effect: nuclear and renewables more competitive (> energy penalty)
- CCS may lead to leakage of emissions to other sectors (MESSAGE), e.g. biomass in power or more H₂ from fossil fuels
- Coal-based CCS dominates, esp IGCC
- Biomass gasification negative emissions but high capital costs

CO₂ storage capacity



- IPCC 1995: 675-900 GtCO₂ in depleted hydrocarbon fields

CO₂ storage capacity (ctd.)



-  Slovenia
-  Hungary
-  Poland
-  Slovakia
-  Czech Republic
-  Sweden
-  Spain
-  Portugal
-  Netherlands
-  Italy
-  Greece
-  Germany
-  Denmark
-  Belgium

TIMES EE

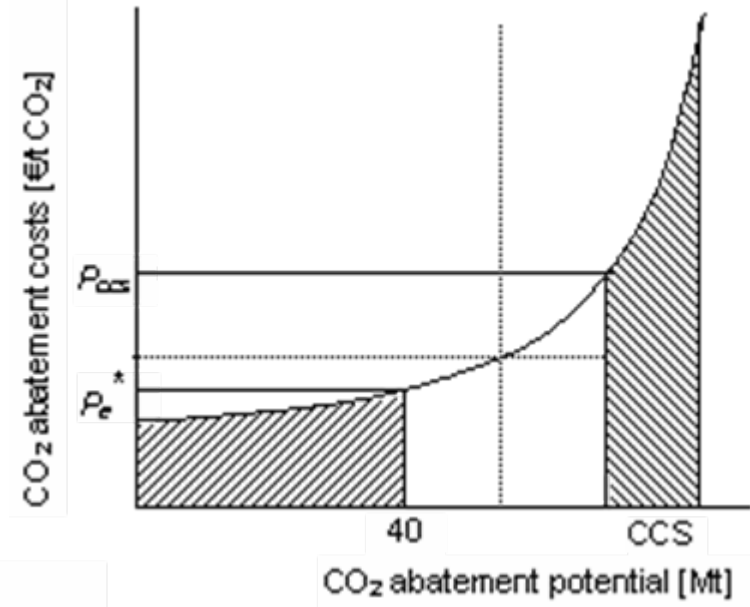
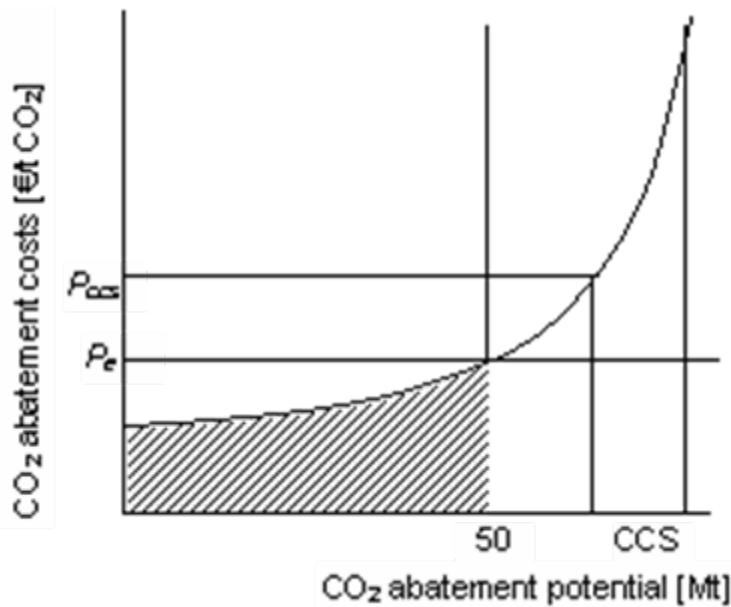
EU Emissions Trading Scheme

- Cost-effective instrument, however:
- Preference for low-cost abatement options
- Innovation market failure
- Need for complementary policies

Complementary incentives for CCS

- CCS obligation
- Low-carbon portfolio standard + tradable certificates
- Public financial support
 - Investment support
 - Feed-in subsidies
 - CO₂ price guarantee

Interaction complementary incentives ↔ ETS (ctd)



Any additional instrument will reduce demand for EUAs and lower CO₂ market price *unless* cap is lowered accordingly

Interaction complementary incentives ↔ ETS (ctd)

- MS incentives small scope; less market impact
- *Any* additional instrument will reduce demand for EUAs and lower CO₂ market price *unless* cap is lowered accordingly

→ *Lower cap in MS*

→ *New entrants: no or limited allowances*

Interactions complementary incentives for CCS

Renewable energy:

Diversion of resources + attention

→ *% renewables contingent on CCS implemented*

Innovation:

Cost reduction discouraged

→ *Obligation*

Electricity market:

Technical reasons for placing CCS as baseload option,
however O&M cost lead to higher electricity price

Security of energy supply:

CCS only contributes if gas prices spur a shift to coal, and
CO₂ prices are high enough for CCS

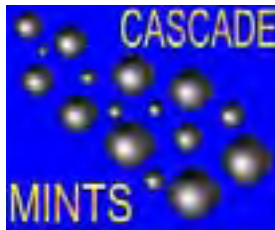
Conclusions

- Up to 30% of global CO₂ captured and stored in 2050
- Up to 22% in Europe (slower growth power sector)
- Penetration renewables and nuclear accelerated if CCS is mandatory
- ETS cost-effective incentive for CO₂ reduction, however market failures and low prices may hinder CCS deployment
- Interaction of complementary incentives with ETS requires cap adjustment

Thank you

<http://www.ecn.nl/en/ps/research-programme/energy-scenarios/cascade-mints/>

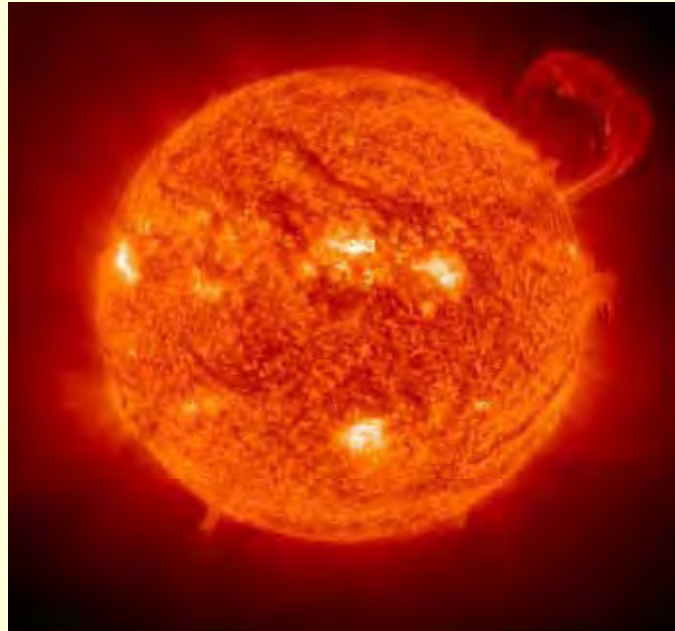
The CASCADE MINTS project is funded by the EU under the Scientific Support to Policies priority of the Sixth RTD Framework Programme



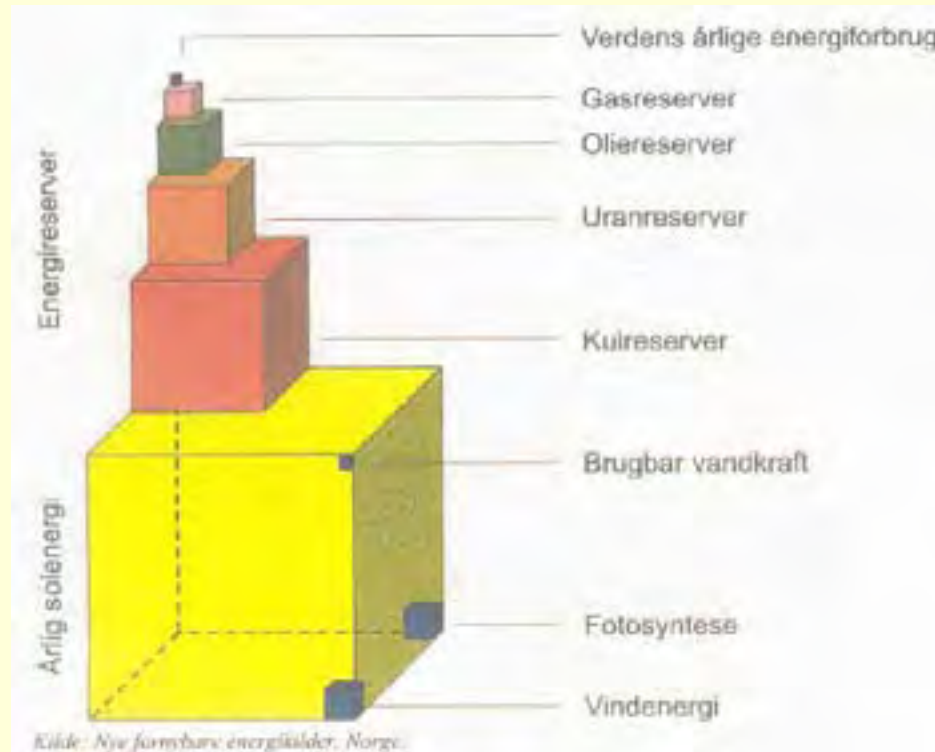
Martine Uyterlinde: uyterlinde@ecn.nl
Heleen Groenenberg: groenenberg@ecn.nl

Solar Energy Status and Perspectives

By Peter Ahm, Director, PA Energy A/S

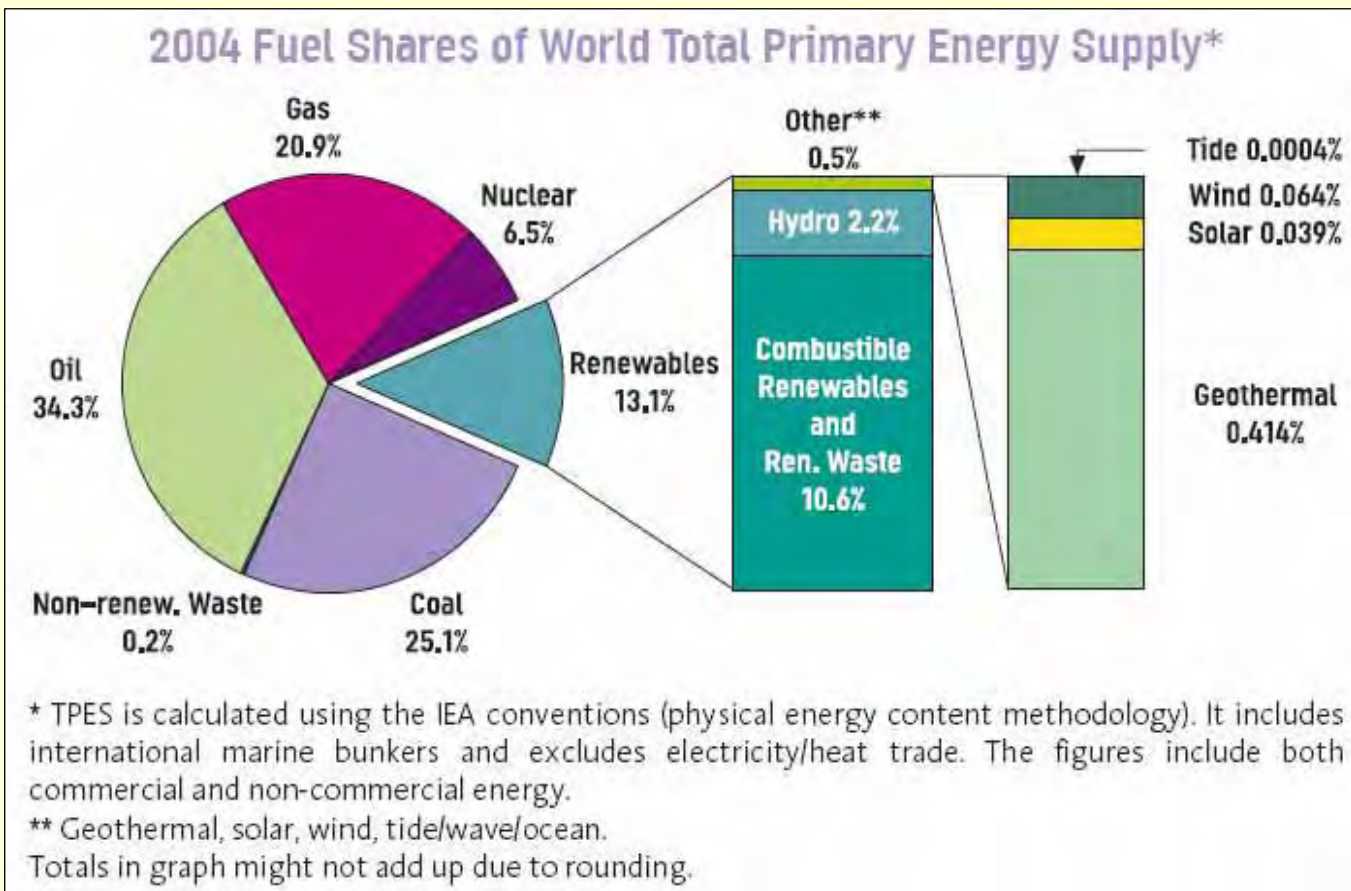


The Potential for Solar Energy



One hour's sunshine ~ the global annual energy supply

Solar Energy in the World Energy Supply



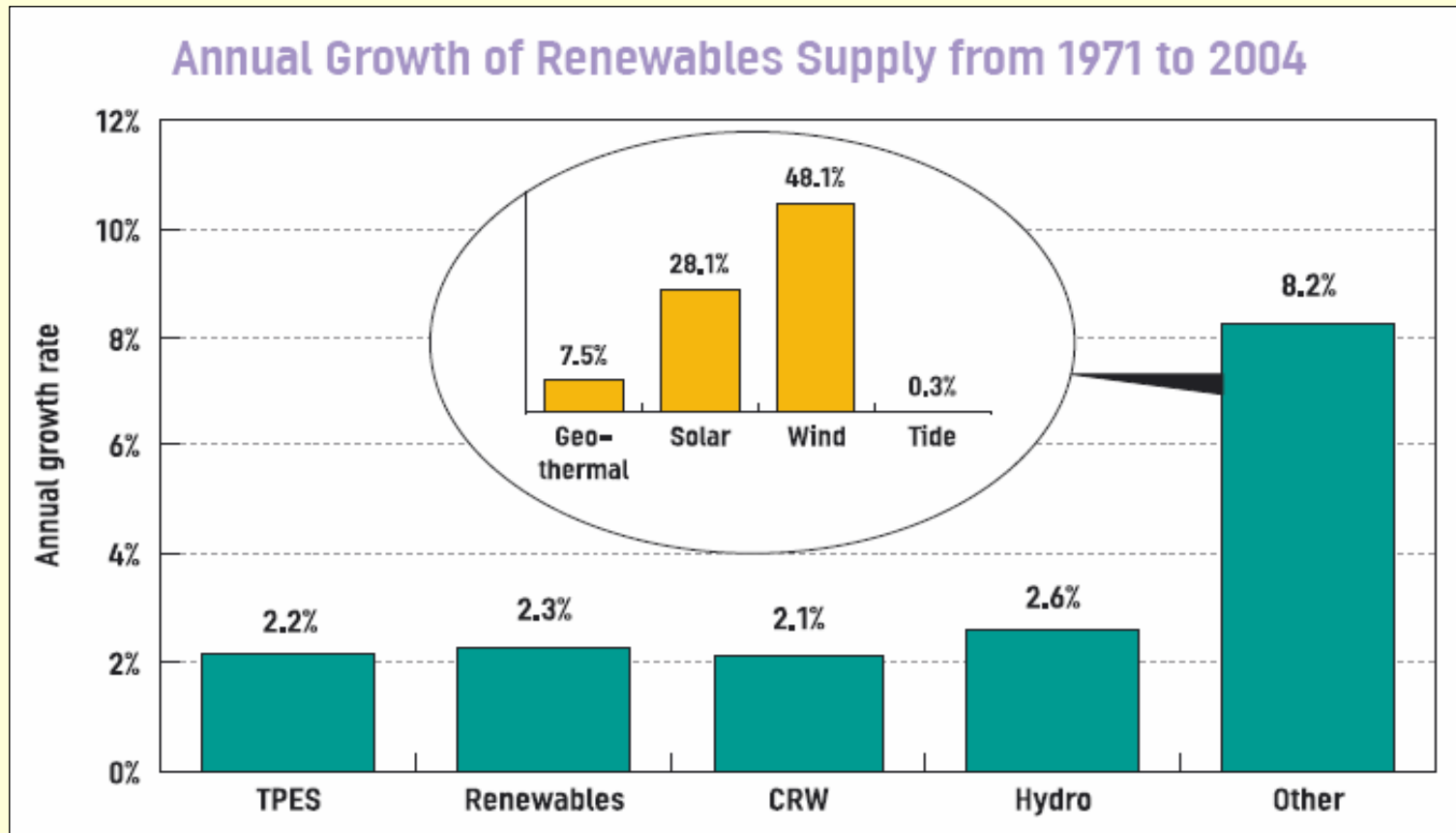
Source: IEA

RE Characteristics

	World electricity production 2003 (TWh)	Electricity generation costs 2003 (€ cents/kWh)	World estimated technical annual generation potential (heat & electricity) ($\times 10^3$ TWh)
Hydroelectricity	3 000	2-8	14
Bio-energy	175	5-6	77 - 124
Wind energy	75	4-12	178
Geothermal power	50	2-10	1400
Marine energy	0.5	[8-15]*	No number available
Solar thermal energy	0.8	12-18	} 440
PV	2,5	25-65	
Total	3300		>2100
	<i>Total electricity consumption: 15 000</i>		<i>Current global energy consumption: 110</i>

* estimated costs as no commercial plant is yet in production

RE Growth Rates



Solar Energy Technologies

- Photovoltaics (PV) - electricity
- Solar Hot Water System (SHW)
- Concentrated Solar Thermal (CST) - electricity



Presentation: Focus on PV

1. Status of technology
 - a) Technology development
 - b) Market development

2. Drivers & trends in development

3. Challenges, or problems, facing progress

1. Generation PV's

- Based on mono- og poly-crystalline Si
- In 2006 ~ 90% of the market, poly-X alone > 50 %
- Expected in 2015 to cover > 50 % of the market
- Efficiency: 15-20%
- The PV sector "work horse"



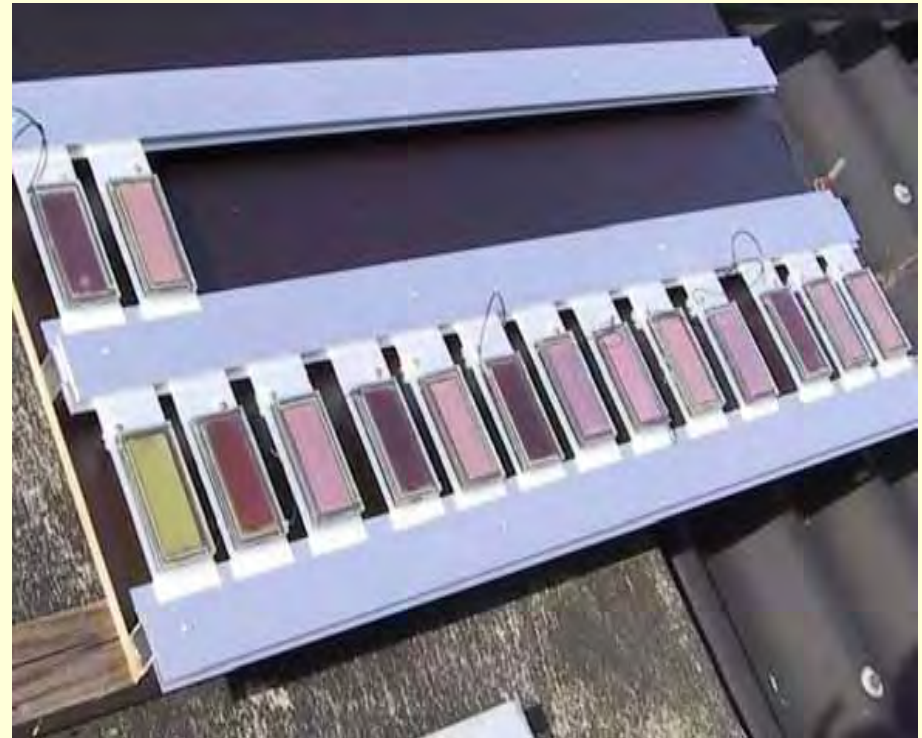
2. Generation PVs

- Thinfilm types
 - Si, CdT, CIS etc.
- Promising technology
 - Potentially cheap
 - Little materials
 - Mass production
- Problem
 - Manufacturing
 - Stability
- Efficiency: 7- 15 %
- Time horizon: + 2010



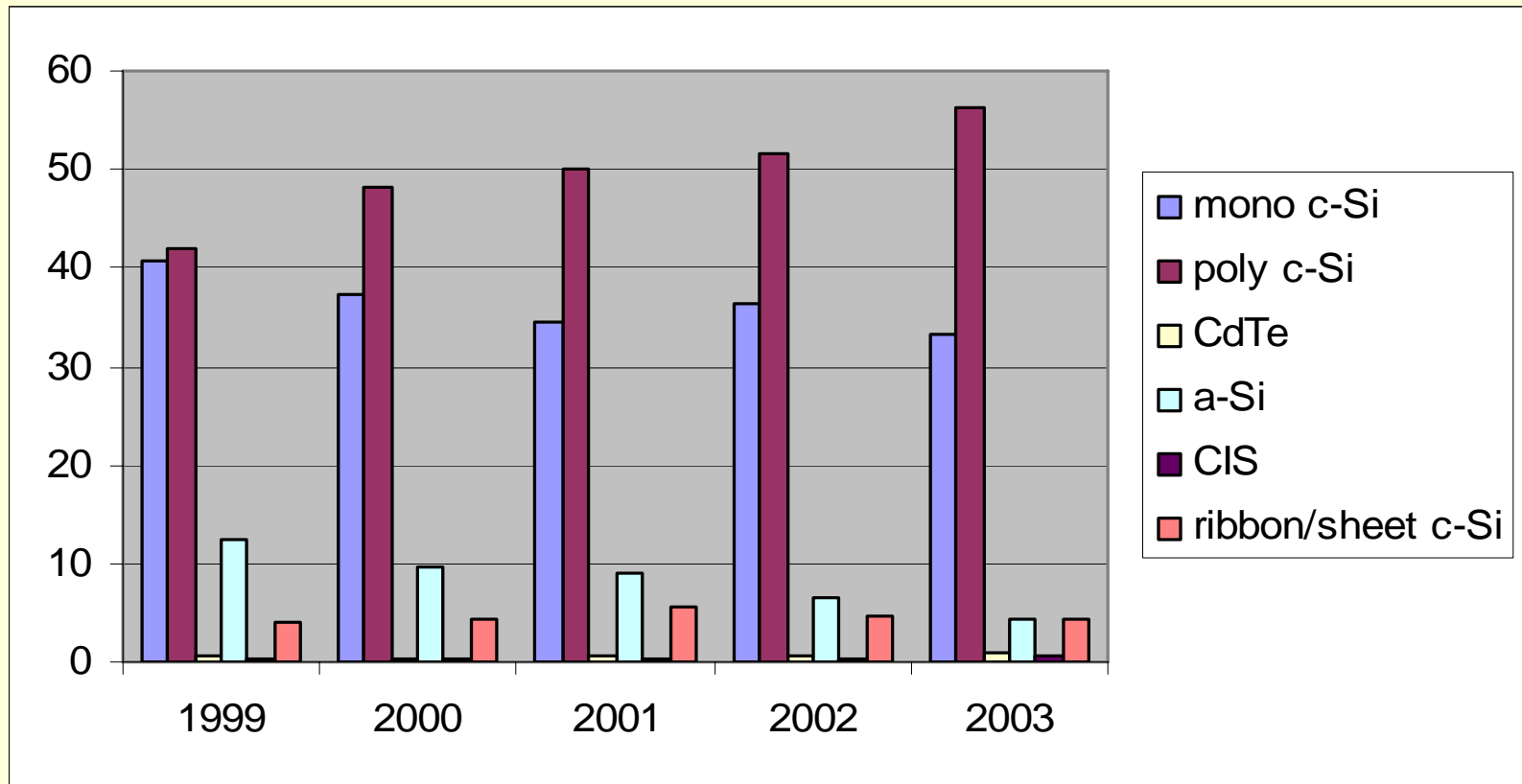
3. Generation PVs

- High-efficiency thinfilms
 - stacked types: 30-60 % efficiency
 - PEC types
 - Polymer based types
- Time horizon: more than 15 years for commercial products (PEC on the market)



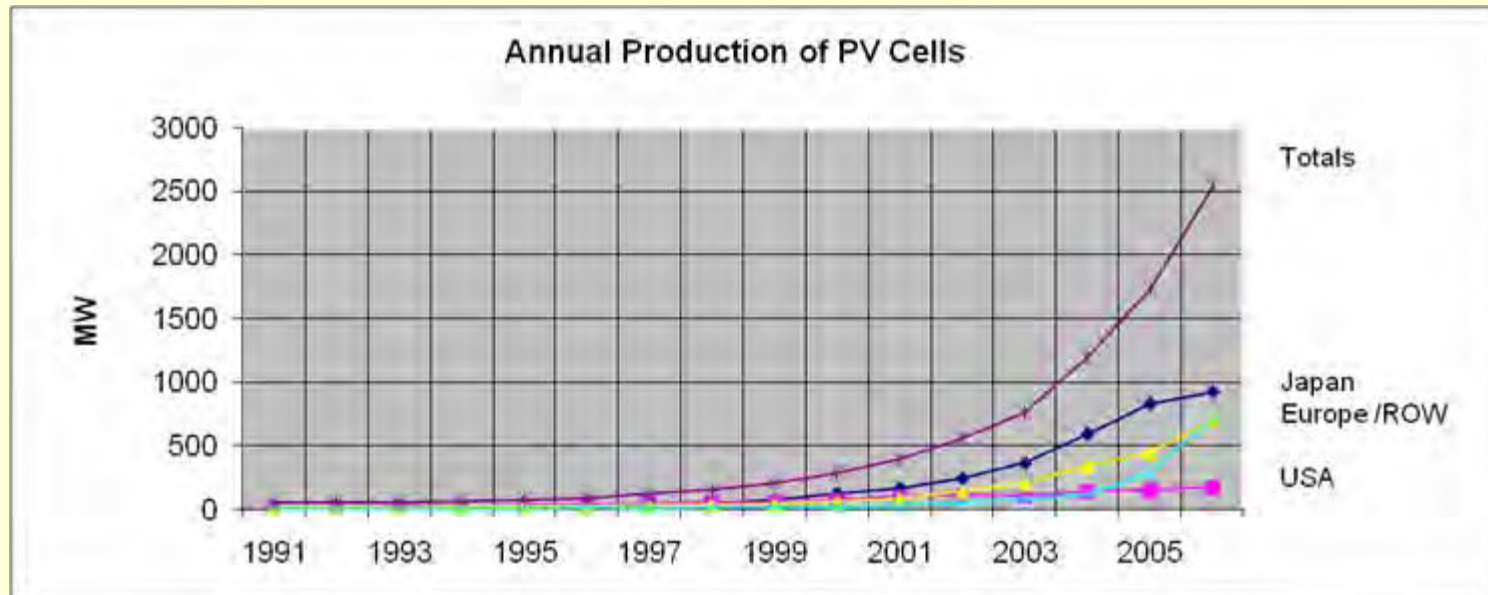
PV Technology Trends

Trends in market share per main PV technology



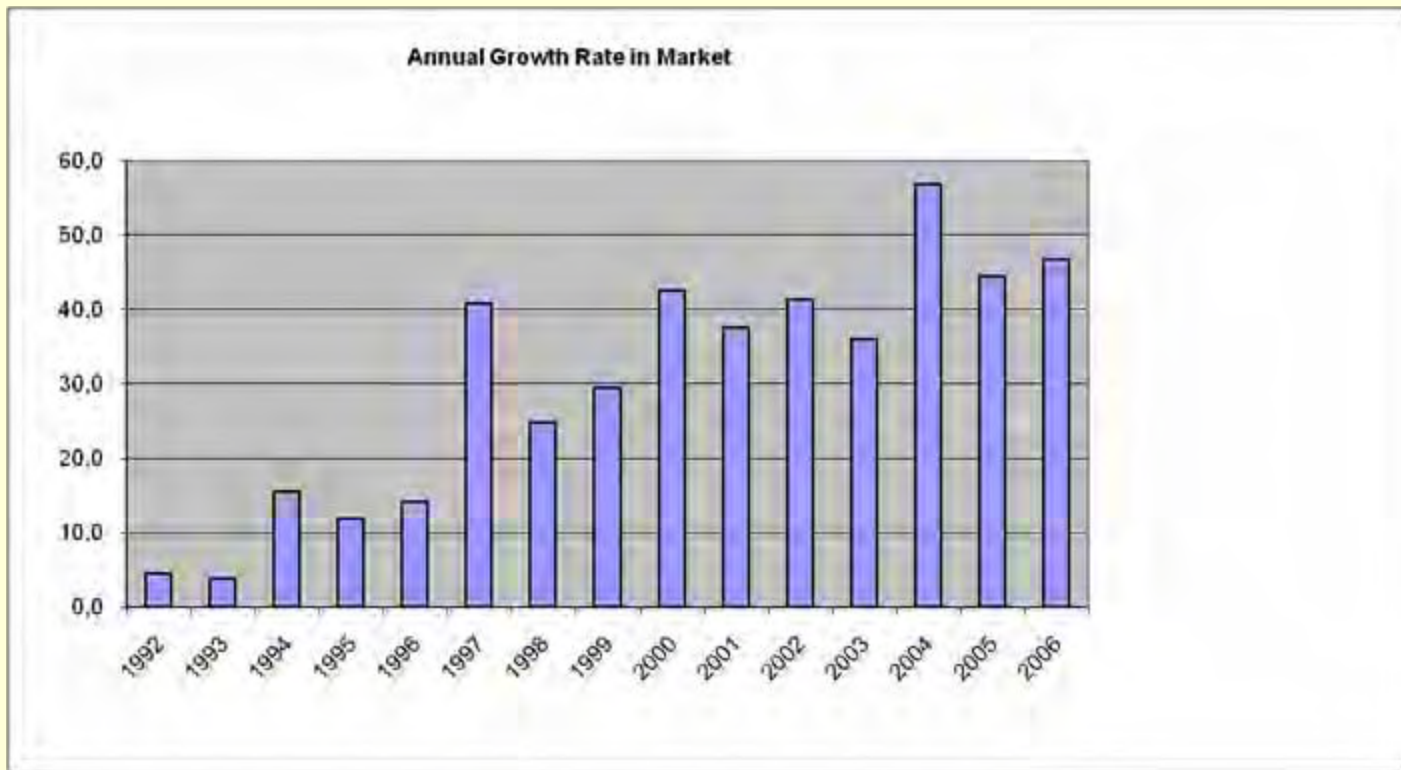
Market Development 1

- Annual growth rate since 2000 around 40 %
- Market value (global): >15 billion € (as wind energy)
- Cell production in 2006: 2,5 GW
- Expected module production in 2010: ~ 6-8 GW)



Market Development 2

Annual growth rates in %



Job Creation in Energy

Table 3. Direct jobs in energy production.

Sector	Jobs. year /MTOE (fuel production)	Jobs - year / Terawatt-hour (fuel production + power generation)
Petroleum^a	396	260
Offshore oil^a	450	265
Natural gas^a	428	250
Coal^a	925	370
Nuclear^b	100	75
Wood energy^c		733 – 1067
Hydro^d		250
Minihydro^e		120
Wind		918 ^(e) – 2,400 ^(f)
Photovoltaics		29,580 ^(g) – 107,000 ^(e)
Bioenergy (from sugarcane)^h		3,711-5,392

Sources: (a) Grassi [1996]; (b) Electric Power International [1995] *apud* Grassi [1996]¹; (c) Grassi [1996]²; (d) Carvalho and Szwarcz [2001]; (e) Perez [2001]; (f) IEA [2002b]³; (g) REPP [2001]⁴, IEA [2002b]⁵; (h) UNICA [2003]⁶.

¹ 500 people was the staff level for operation of a 1350 MW nuclear power plant in the U.S., producing 9.45 TWh/yr (or 2.138 Mtoe/yr) at efficiency of 38%

² electric generation based on herbaceous crops (5.5 direct jobs/ MWe) and on forestry crops (8 direct jobs/ MWe), utilization 7,500 h/yr

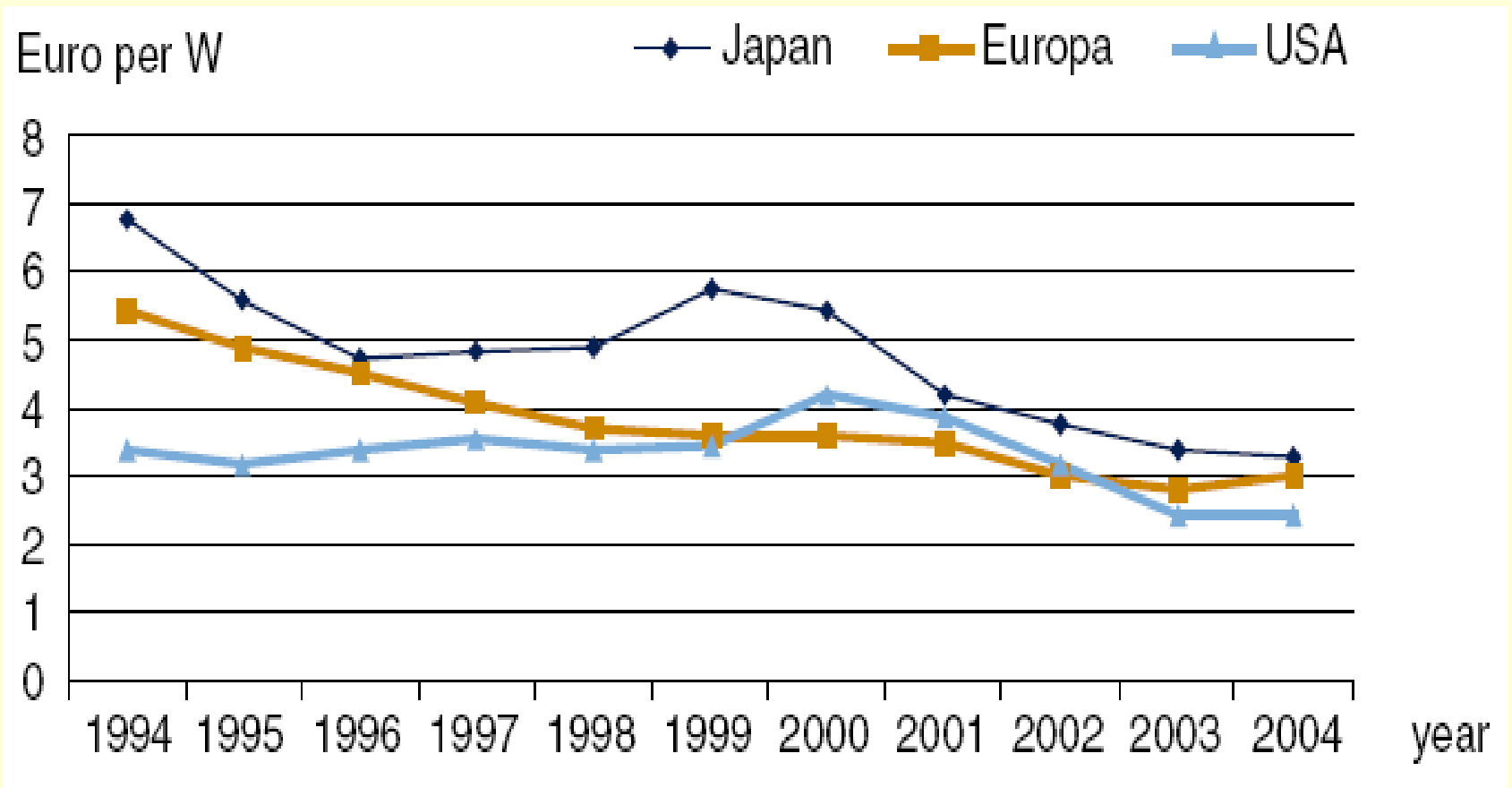
³ world installed capacity for wind 17,300 MW, utilization 2,000 h/yr and 4.8 jobs/MW

⁴ including 12 different activities to construct, transport, install and service 1 MW of PV (not included economies of scale between 2 kW and 1 MW), world installed PV capacity is 800 MW

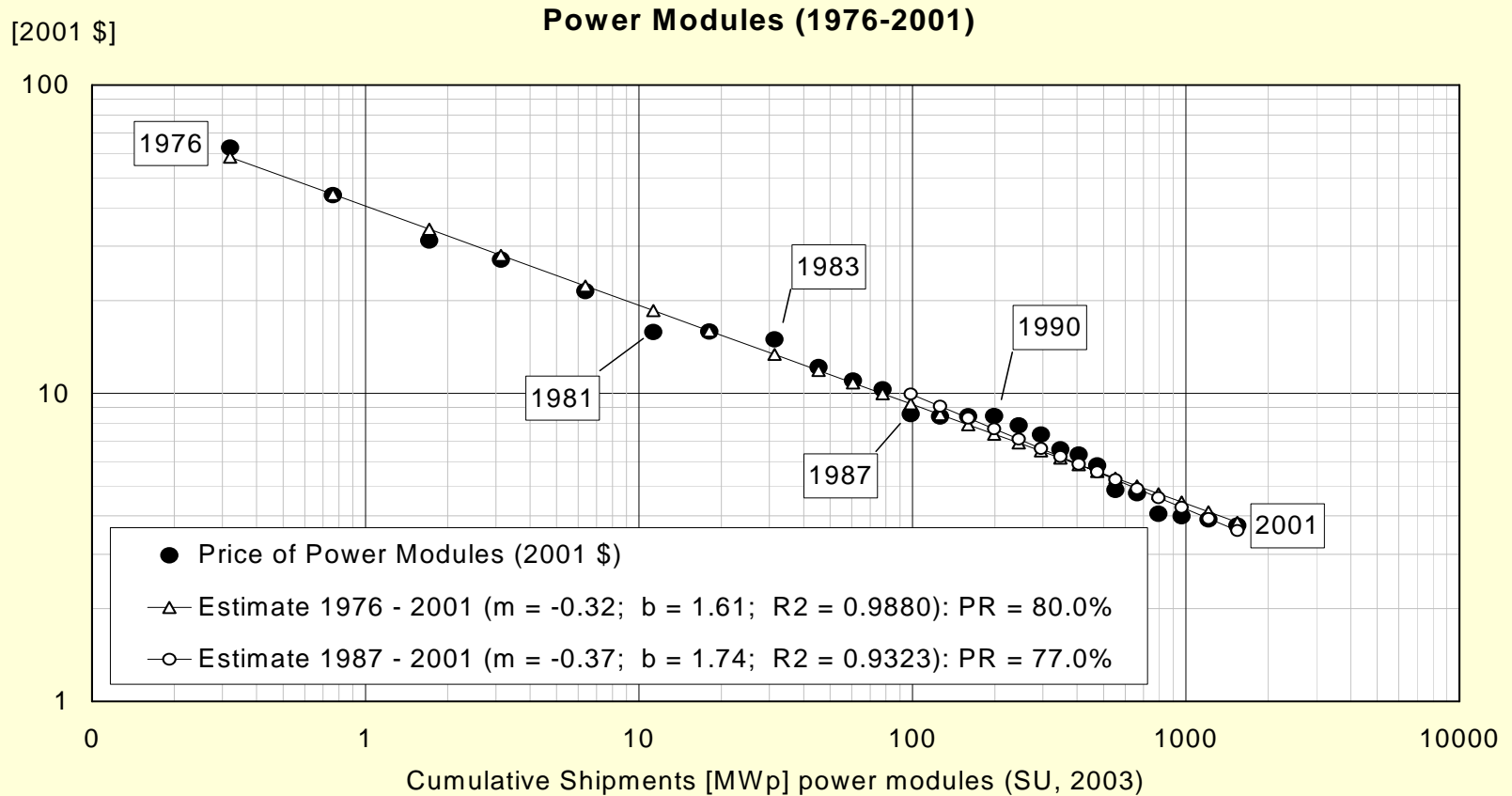
⁵ utilization of 1,200 h/yr; 35.5 jobs/MW (included 15 different activities to manufacture, transport, install and service 1 MW of wind power)

⁶ ethanol industry provides 33 direct jobs/ million liter in Brazil, where ethanol production in the 1992-2001 period ranged between 10.6-15.4 billion liters/yr (LHV of ethanol 6,500 kcal/kg and density 0.8kg/l); energy production comprised 7 Mtoe of ethanol fuel, plus 9.6 TWh/yr of cogeneration (installed capacity 2,000 MW, utilization of 4,800 hours/yr)

Trends in PV module prices

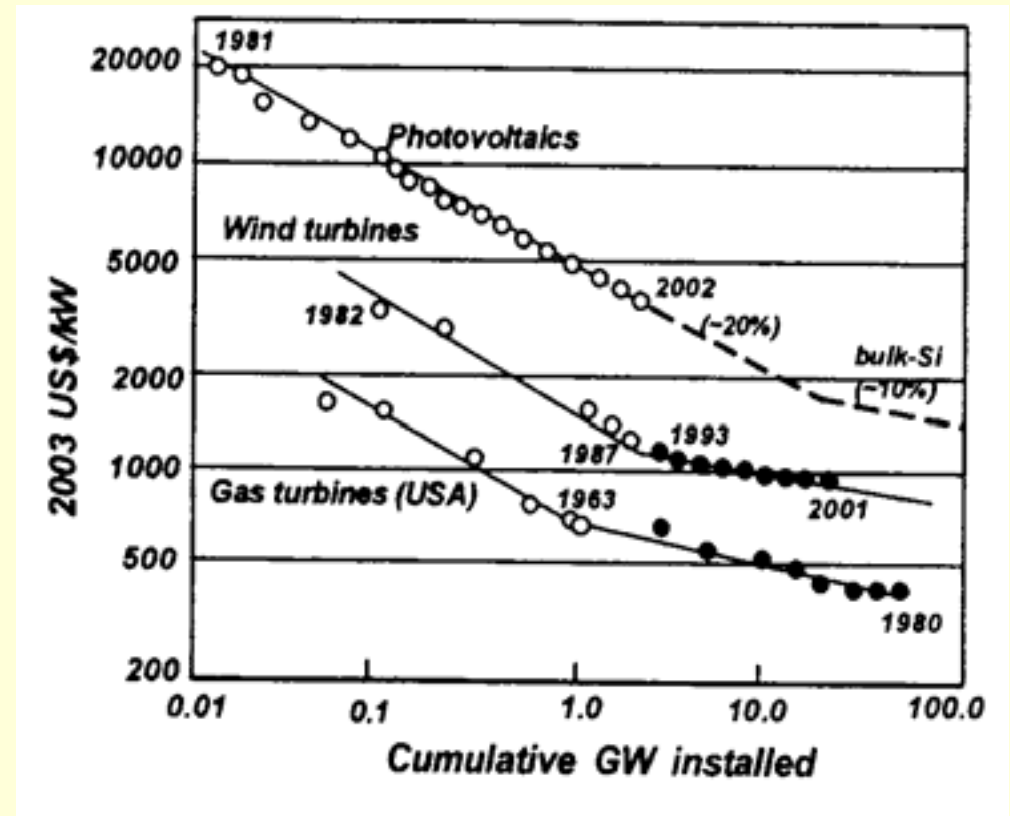


PV Learning Curve



Learning Curves – Energy Technologies

- PV is special: technology generations known



When will PV be competitive?

- IEA (Wene 2000) productionen of PV modules shall be increased by a factor 100 before competitiveness with fossil fuels (from 300 MW/y to 30 GW/y)
- With an annual average growth rate of 30 % this is achieved in 15 years (2015)

Competitiveness of market sectors

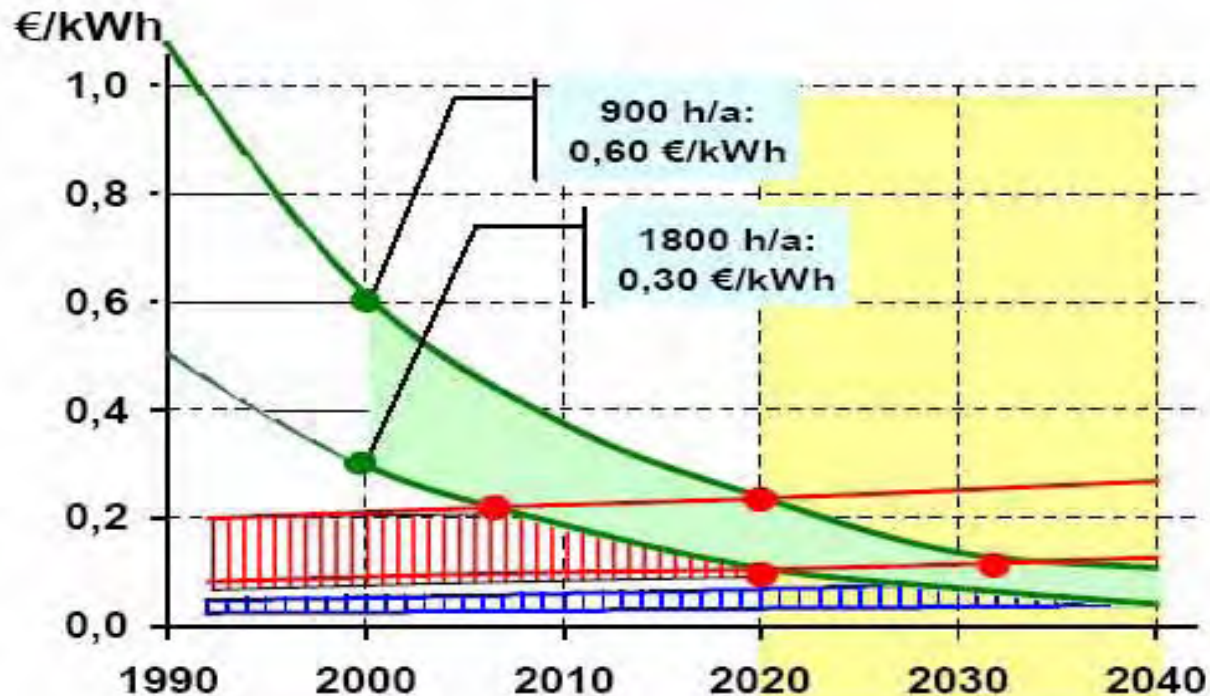


Market Segments

Competitiveness of PV Solar Electricity

- proven in the three segments:
 - industrial off-grid
 - consumer
 - rural electrification
- coming soon in grid-connected systems
 - First, in local replacement of peak tariff electricity in liberalized southern OECD countries (... 2010 ... 2015)
 - Second, the same in more northern OECD countries (... 2020 ... 2025)

Competitiveness vs. grid power



Photovoltaic Utility Peak Cost Bulk Cost

Source: EPIA towards an Effective Industrial Policy for PV.ppt/05.06.2004/Rapp @RWE Schott

Technology Evolution

- Is there a necessity for 2nd and 3rd generation technologies to replace c-Si wafer technology for module production cost below 1 €/W ?
- **No**, but utilize new features of thin film and new concept cells to serve additional customer needs!

Technology evolution

1) No 1€/W limit for c-Si modules

Module full production cost [€/W]	MUSIC-FM APAS-RENA (1997)	update (2002)
c-Si ribbon (e.g. EFG)	0,7	0,6
multicryst./Cz-wafer	0,9 / 1,1	0,8 / 1,0
thin-film (e.g. a-Si, CIS)	0,7	...

Technology evolution

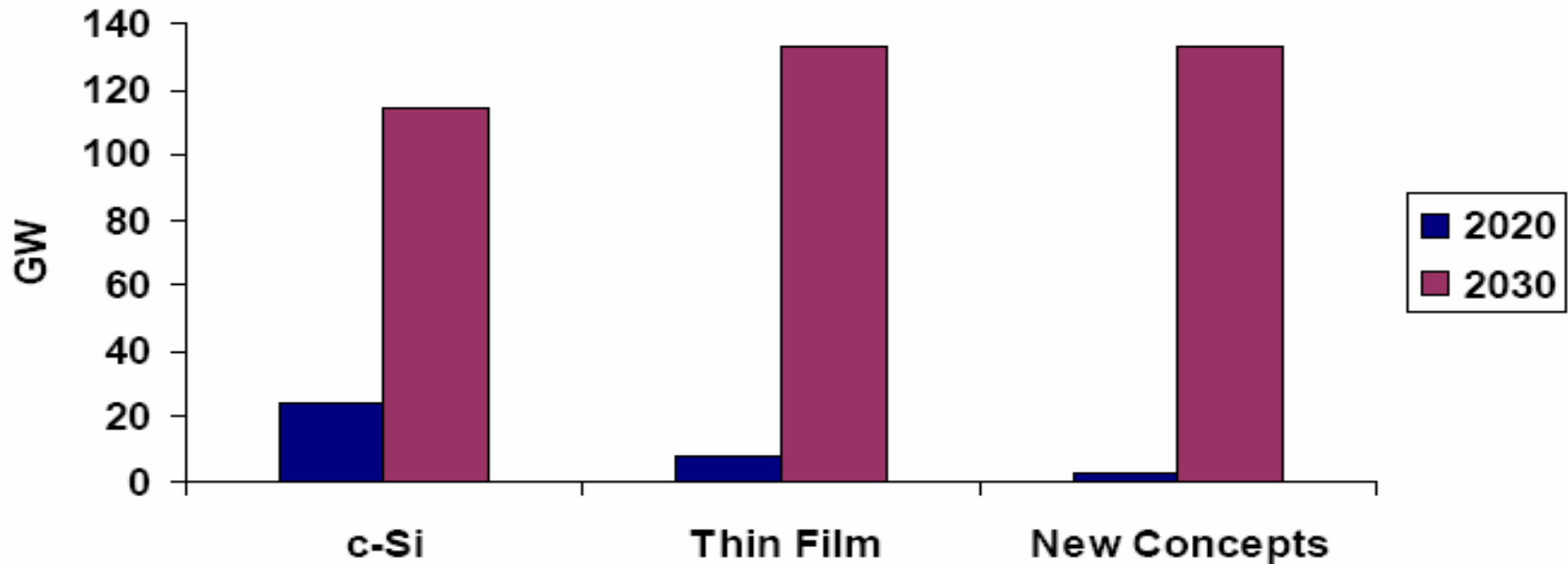
EPIA Roadmap - c-Si technology

	2000	2010	2020
feedstock	25	20	15 €/kg
wafer	300	200	100 μm
cell	14-17	17-20	19-22 %
module	long term stable, low cost/m ² technology		

In the long run integrated manufacturing of thin wafers (100 μm or less) and subsequent cell and laminate making is probably the most effective route.

PV Technology forecast

Figure 5: Possible Production by Technologies in 2020 and 2030



Source: Strategies Unlimited

Visions for PV 1

Table 2. Key cost and investment assumptions of renewables. Source: IEA, 2006

	Learning rate (%)	Investment cost (\$/kW)			Production cost (\$/MWh)		
		2005	2030	2050	2005	2030	2050
Biomass	5	1000–2500	950–1900	900–1800	31–103	30–96	29–94
Geothermal	5	1700–5700	1500–5000	1400–4900	33–97	30–87	29–84
Large hydro	5	1500–5500	1500–5500	1500–5300	34–117	34–115	33–113
Small hydro	5	2500	2200	2000	56	52	49
Solar PV	18	3750–3850	1400–1500	1000–1100	178–542	70–325	< 60–290
Solar thermal	5	2000–2300	1700–1900	1600–1800	105–230	87–190	< 60–175
Tidal	5	2900	2200	2100	122	94	90
Wind onshore	5	900–1100	800–900	750–900	42–221	36–208	35–205
Wind offshore	5	1500–2500	1500–1900	1400–1800	66–217	62–184	60–180

Note: Using a 10% discount rate. The actual global range is wider as discount rates, investment cost and fuel prices vary. Wind and solar include grid connection cost. Learning rate implies percentage cost reduction for each doubling of installed capacity.

Visions for PV 2

- Japan 2030:
 - 52-82 GW installed
 - 5-10 Yen/kWh
- USA 2030:
 - 25 GW installed (10 % of electricity)
 - 150.000 new jobs
- EU 2010:
 - 3 GW installed (1 % of el.) – expect. > 6 GW

Visions for PV 3

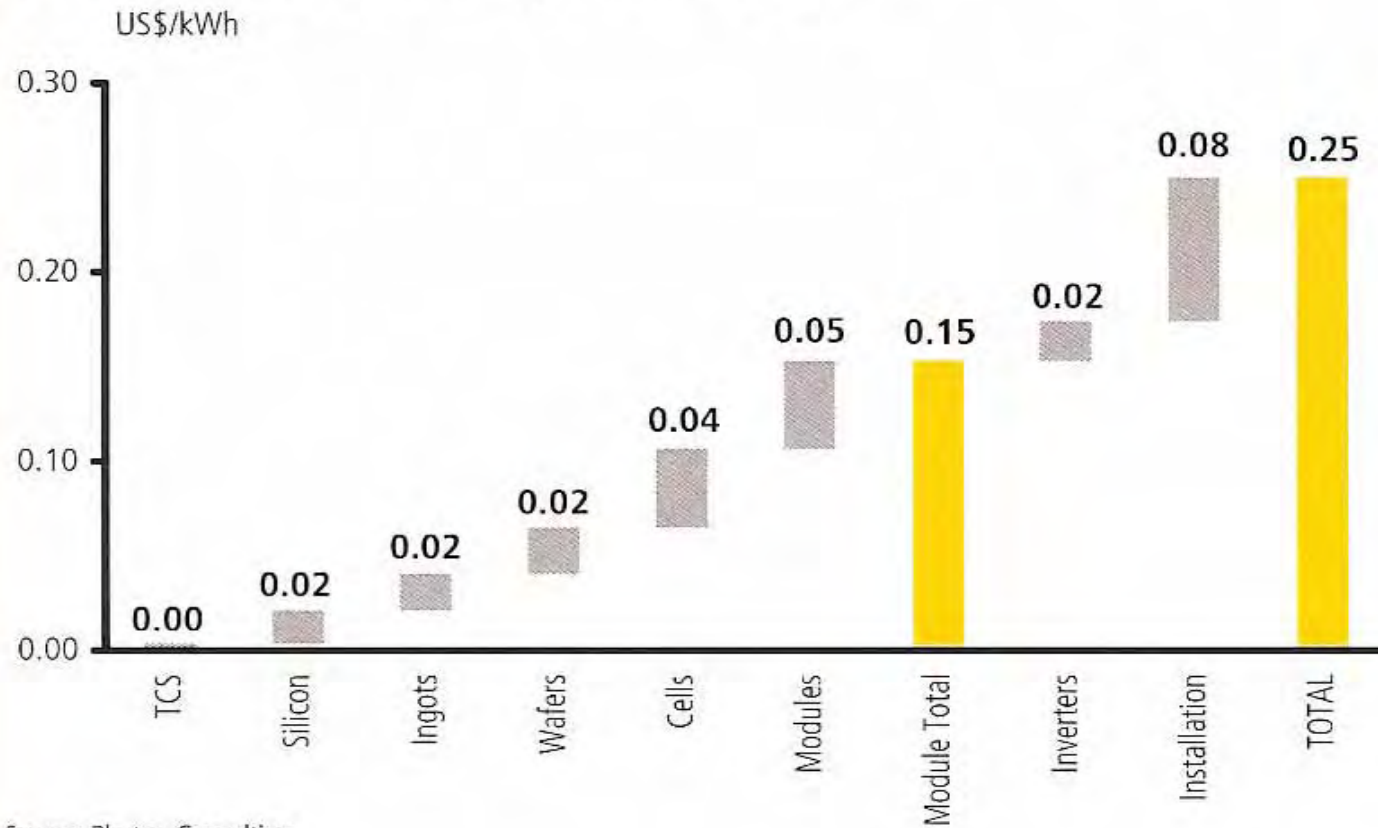
→ Extract from the roadmap developed by representatives of industry and research at the 9th Götterfal talks

	As at 2005	Target 2010	Target 2020
Economy			
Capacity produced in Germany (MWp/a)	350	1,000	12,000
Jobs in Germany	20,000	50,000	200,000
System price (grid-connected, euro/W)	4.5 – 5.5	3.6	1.5
Photovoltaic electricity costs in Germany (Cent/kWh)	45 (+/-5)	30	10
Module life (years)	20 – 25	35	35
Inverter (euro/Wp)	0.4	0.2	0.15
Wafer technology			
Silicon requirement (t/MW)			
• Foils	8	6	5
• Block-casting	12	10	5
Wafer thickness (µm)	250 – 300	150 – 180	100
Cell efficiency in production			
Wafer technology			
• Monocrystalline	16.5	20	20
• Polycrystalline	14 – 14.5	17 – 18	20
Thin film silicon	9	12	15
CIS compound semiconductor	10	14	17

Cost & Prices

Price 2006: 0,5 US\$/kWh (OECD aver.)

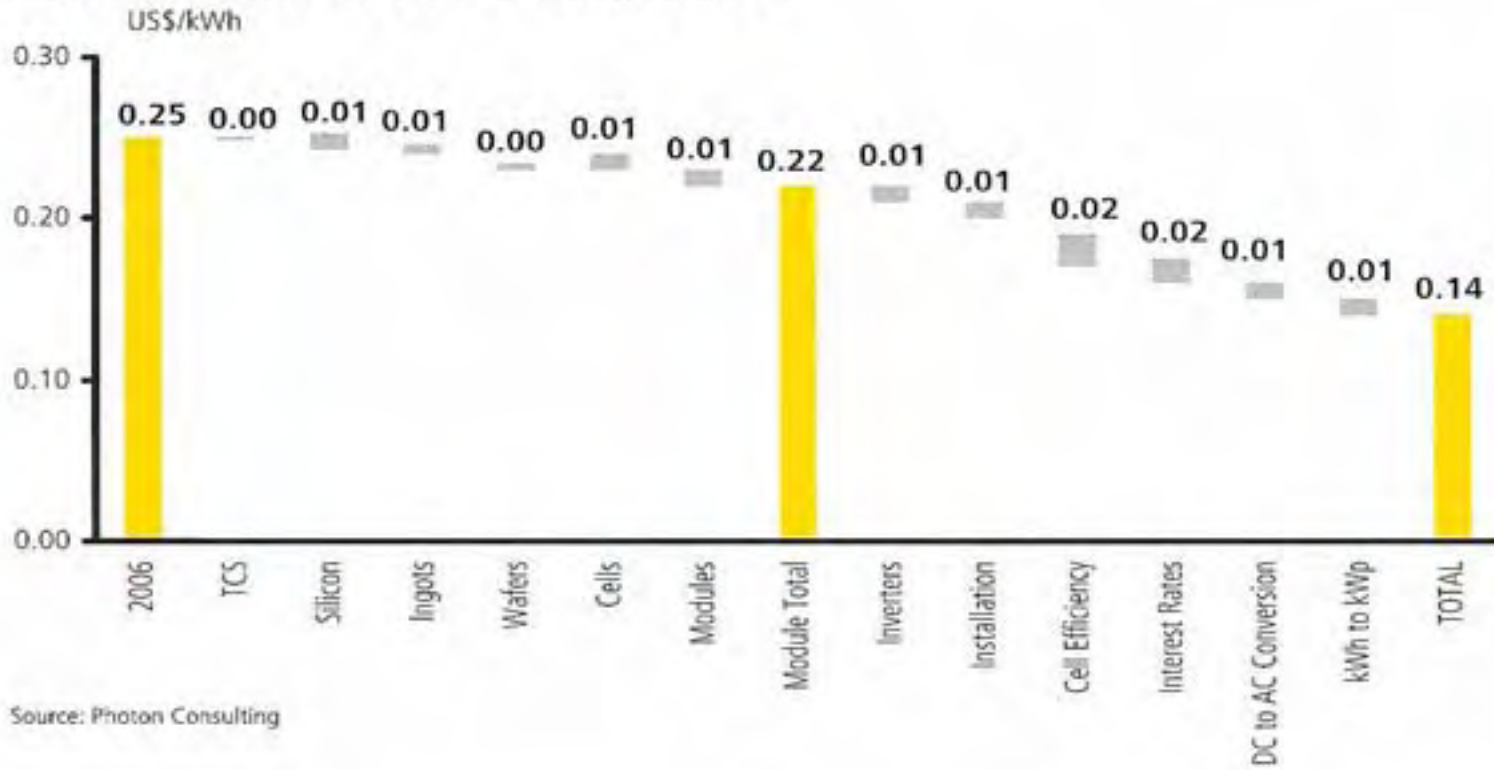
Levelized cost of solar power - 2006



Source: Photon Consulting

Cost Reduction Drivers

Cost reduction drivers through 2010



Technical Potential Solar

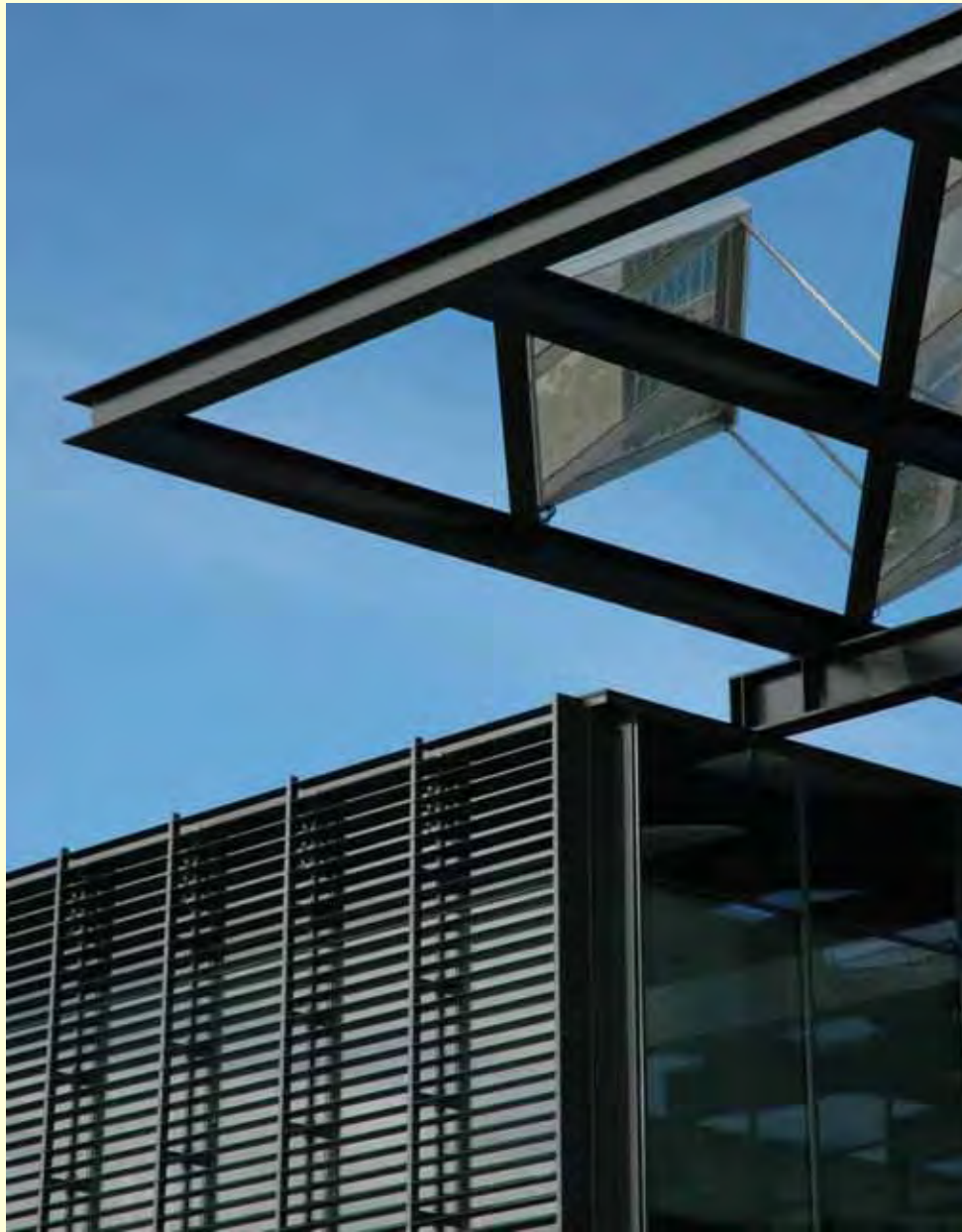
Electricity: 323 km² (@ 360 TJ per km²)

Energy: 2260 km²



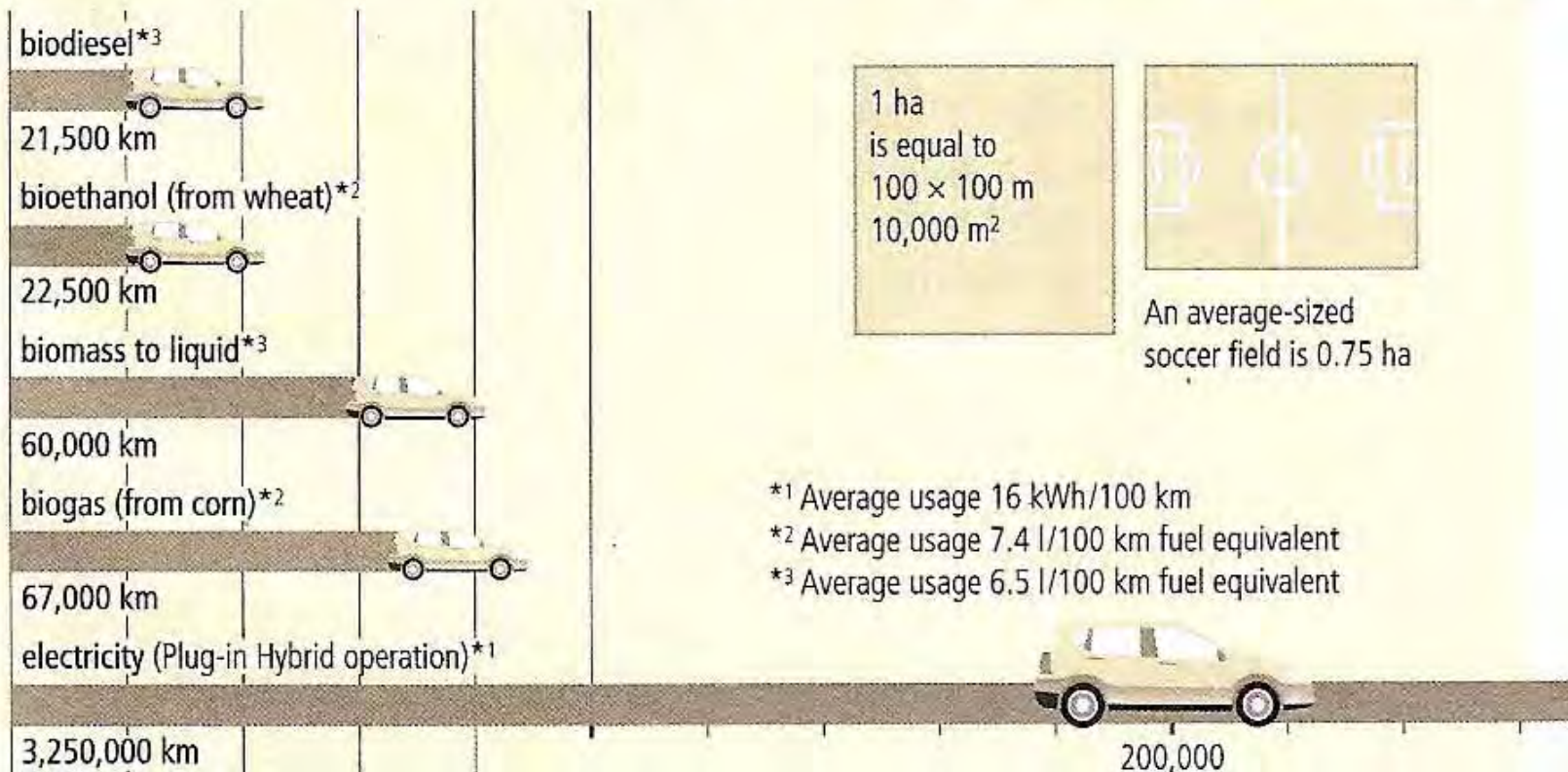






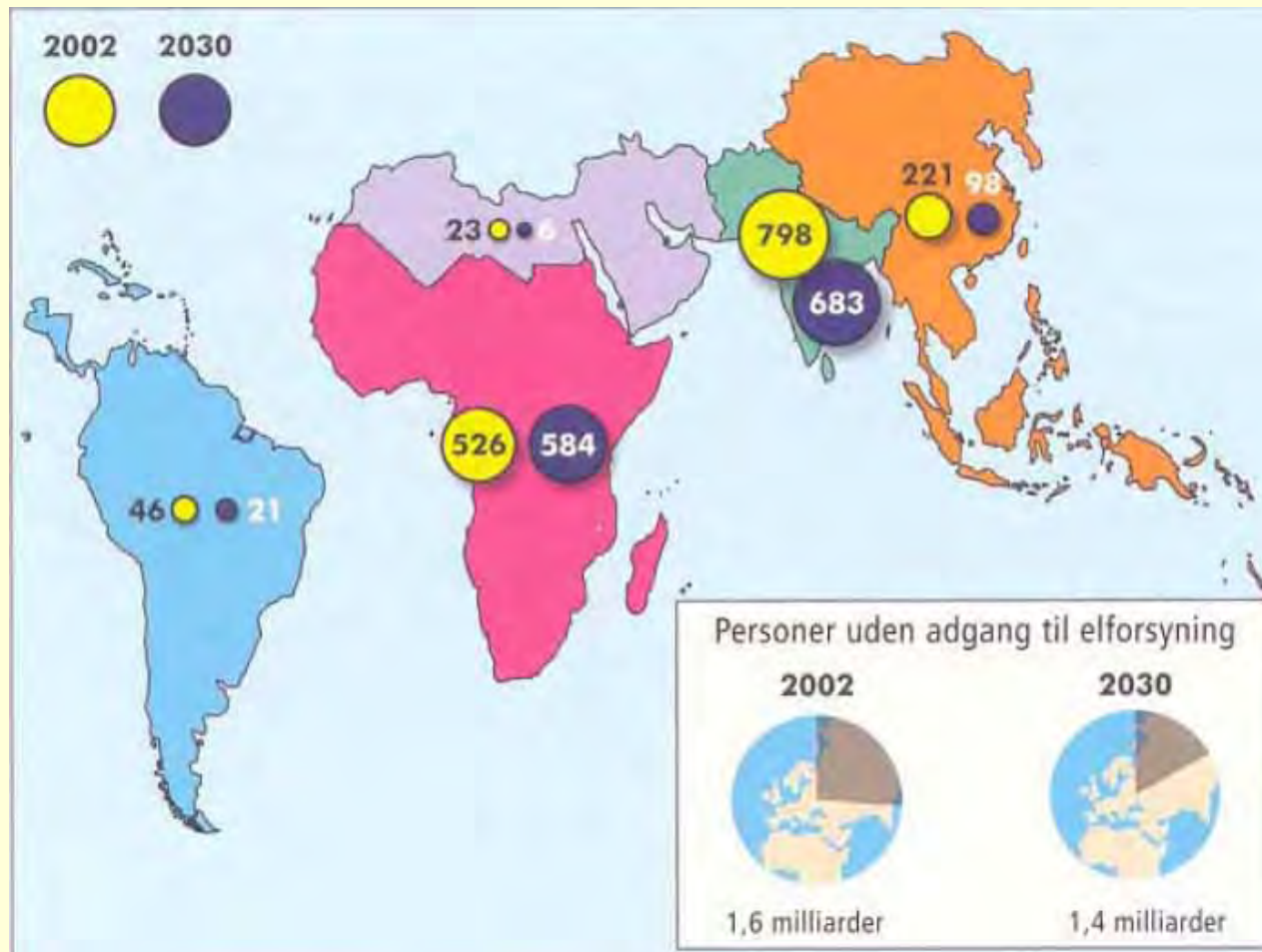
PV's in Transport ?

Distance reached with 1 ha of energy crop / PV ground-mounted system



Source: Photon

World Wide Access to Electricity



Developing Countries – “the dark locations”



Energy and Development – a new understanding

- Access to energy and electricity does not create development but is a prerequisite for development. Energy is not only an individual sector, but:
- Energy and electricity is a precondition for efficiency in public sectors such as: health, education, water & sanitation, good governance/ democracy
- Energy and electricity is a precondition for progress in poverty alleviation, equality, justice etc.
- Energy is a precondition in reaching the Millennium Development Goals

WBG Photovoltaic Projects

Serving >1,43 million HH + Facilities ~7.5 million persons
~64 MWp 31 Countries Total Value: ~\$776 million

Argentina 30,000
Bolivia 60,000
Ecuador 2,200
Honduras
Dominican Rep.
Mexico 1,000
Mexico 36,000
Nicaragua 6,000

Includes projects
completed, under
implementation and
preparation

Burkina Faso 8,000
Cape Verde 4,500
Ethiopia 6,300
Kenya
Madagascar 15,000
Mali 10,000
Morocco
Mozambique 9,800
Senegal 10,000
Swaziland 2,000
Uganda 90,000
Tanzania 140,000

Bangladesh 198,000
Cambodia 10,000
China 400,000
India 45,000+
Indonesia 8,500
Laos 4,000
Mongolia 50,000
Pacific Islands 21,000
Philippines 135,000
PNG 2,500
Sri Lanka 105,000
Vietnam









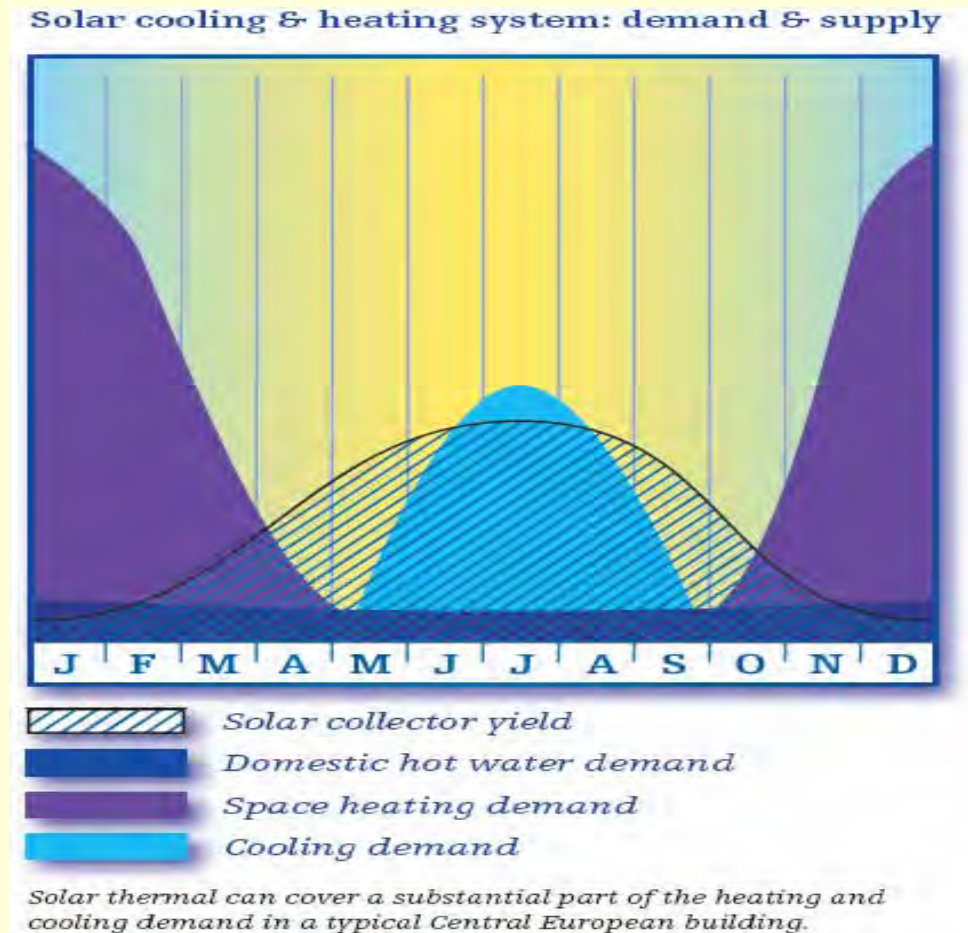
Challenges for Solar Energy

- In the industrialized world:
 - To ensure ongoing market support until sustainable business level is reached
 - Ongoing R&D effort (not stop/go)
 - Up-scale production to GW scale, volume a major cost reduction driver
- In the developing world:
 - Develop financial structures and sustainable supply chains
 - Increase donor-support for rural electrification

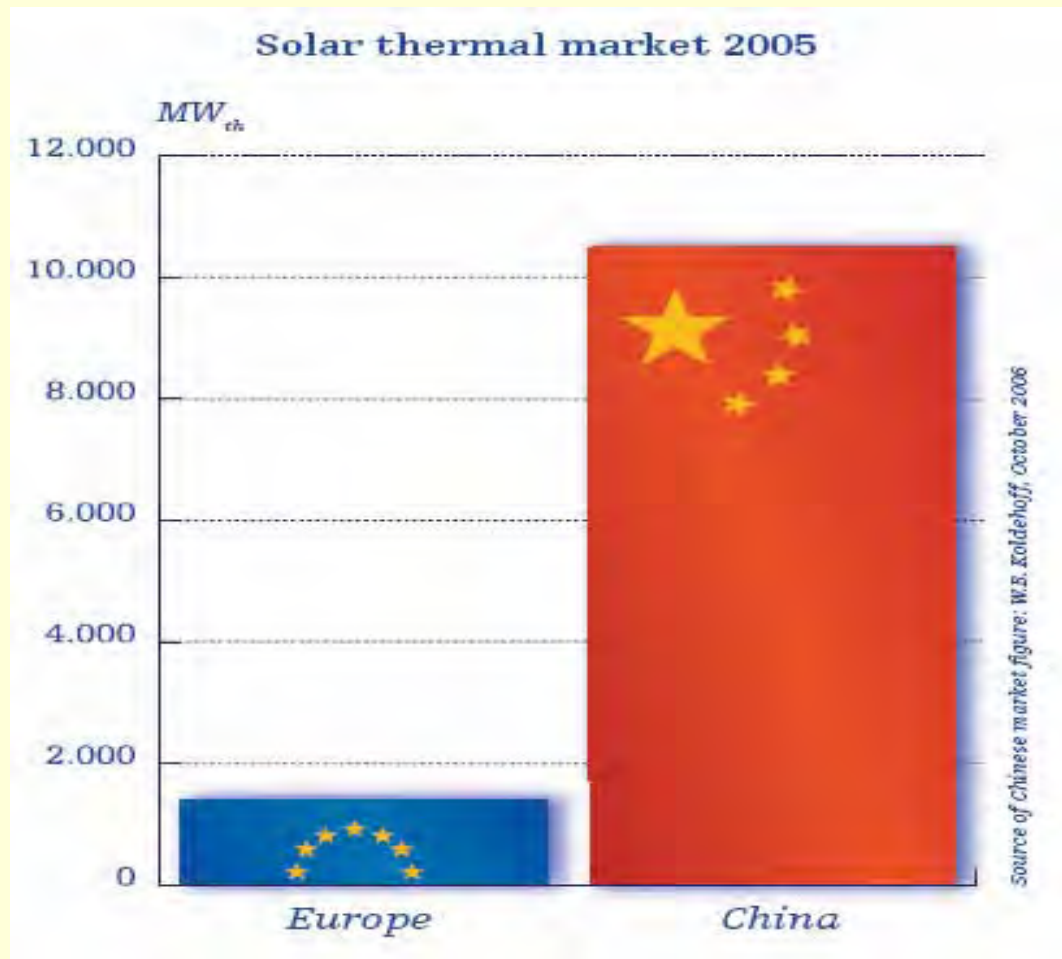
Solar Hot Water systems (SHW)



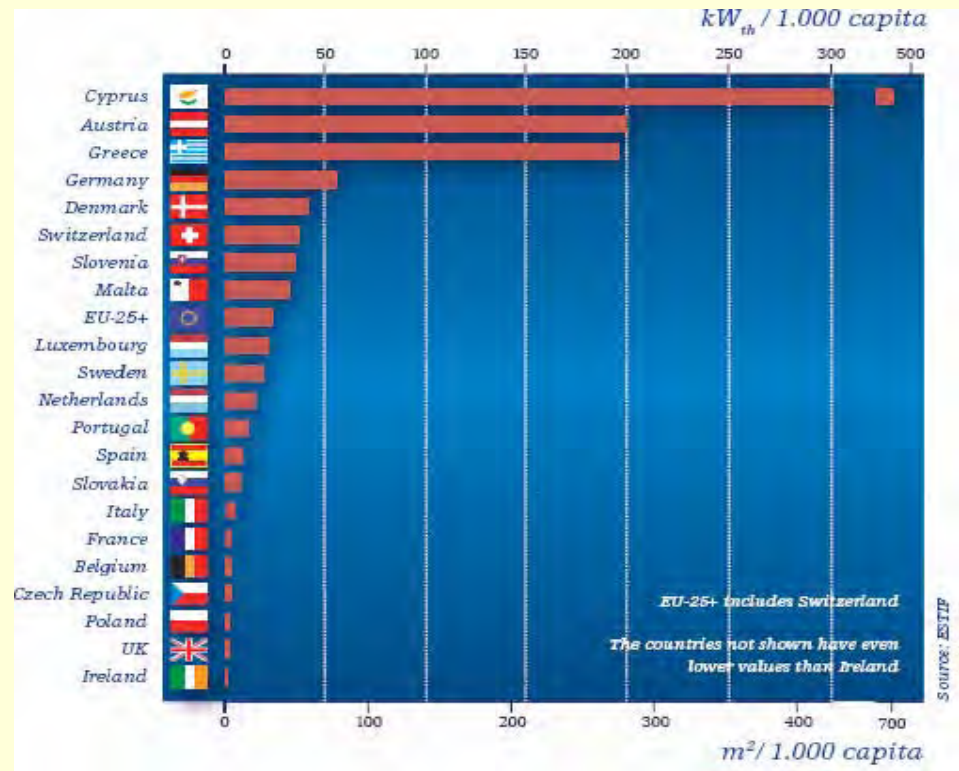
Solar Heating Applications



SHW Market



SHW installed capacity in EU



Trends & Policies

