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Integrated Systems Analysis for Energy

Analysis and Comparison of model couplings for the identification of realisable-optimal energy systems

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SW

https://www.enargus.de/detail/?id=2001065

Motivation

Energy System Modelling

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Optimisation models

- Wide-spread model type
- Deliver cost-optimal systems
- **But:** Assume perfect competition

Agent-based simulations

- Rare type of model
- Can capture market imperfections
- **But:** Do not search for optima

➔ Couple both model types: find optimal systems considering market imperfections

Methodology

E2M2: European Electricity Market Model

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Input	Model	Output

▪ Demand
▪ Renewable feed-in potentials
▪ Available technologies
▪ Techno-economic parameters
  ▪ Fuel prices
  ▪ Efficiencies
▪ Regulatory framework
	Optimisation
	$\min c = c_{inv} + c_{fix} + c_{var}$
	Constraints
	▪ Supply - demand balance
	▪ Upper / lower bounds
	▪ Energy balance
	▪ CO_2 Cap
	▪ Renewable Share
		▪ System cost
		▪ Investments
		▪ Dispatch
		▪ Electricity prices
		▪ CO_2-Prices
		▪ CO_2-Emissions

Methodology

AMIRIS: **A**gent-based **M**arket model for the **I**nvestigation of **R**enewable and **I**ntegrated energy **S**ystems

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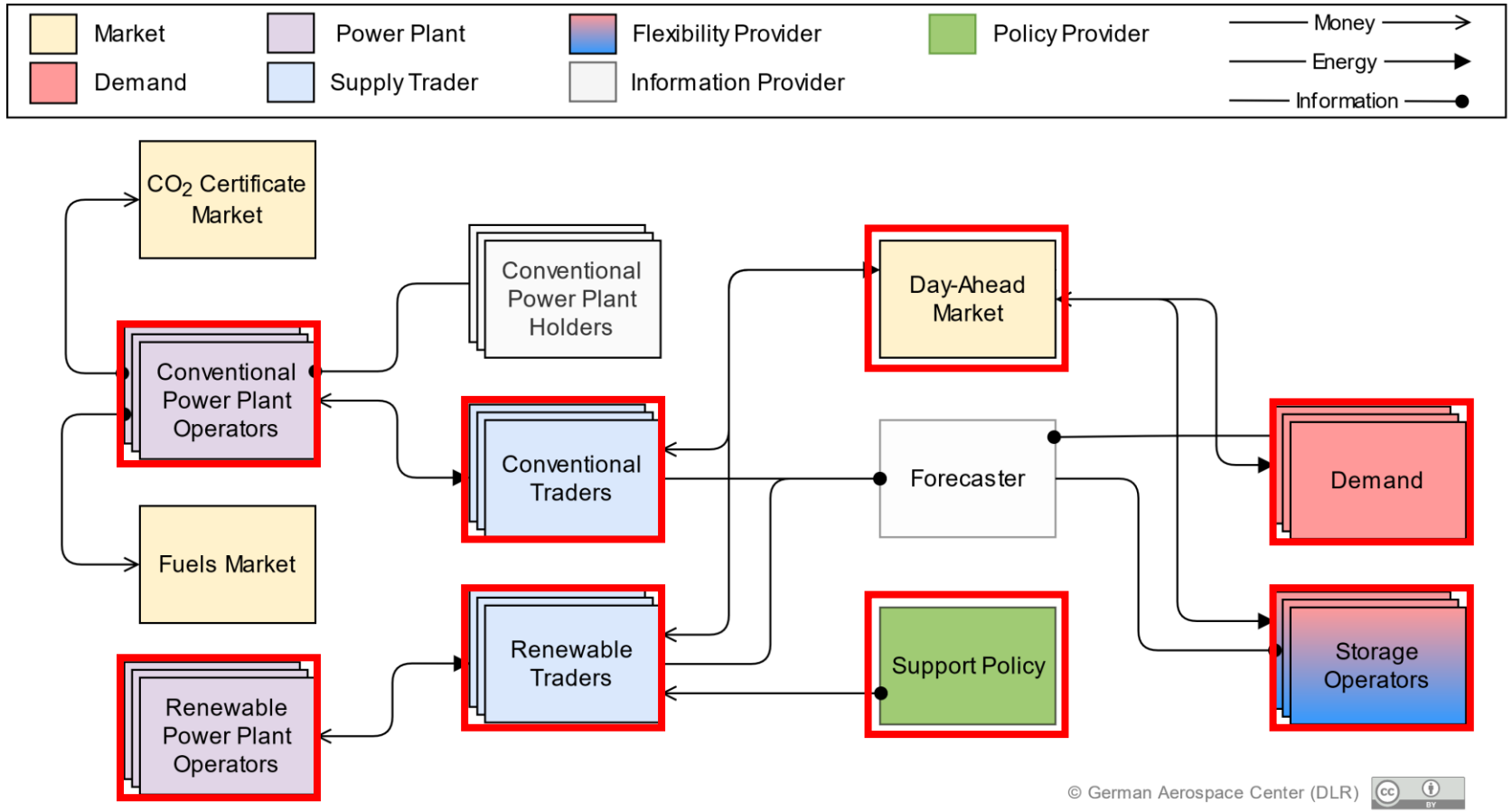
Agents

- Day-Ahead market
- Demand & Supply Traders
- Renewable & conventional power plants
- Flexibility option: storage
- Support Policies

Market Imperfections

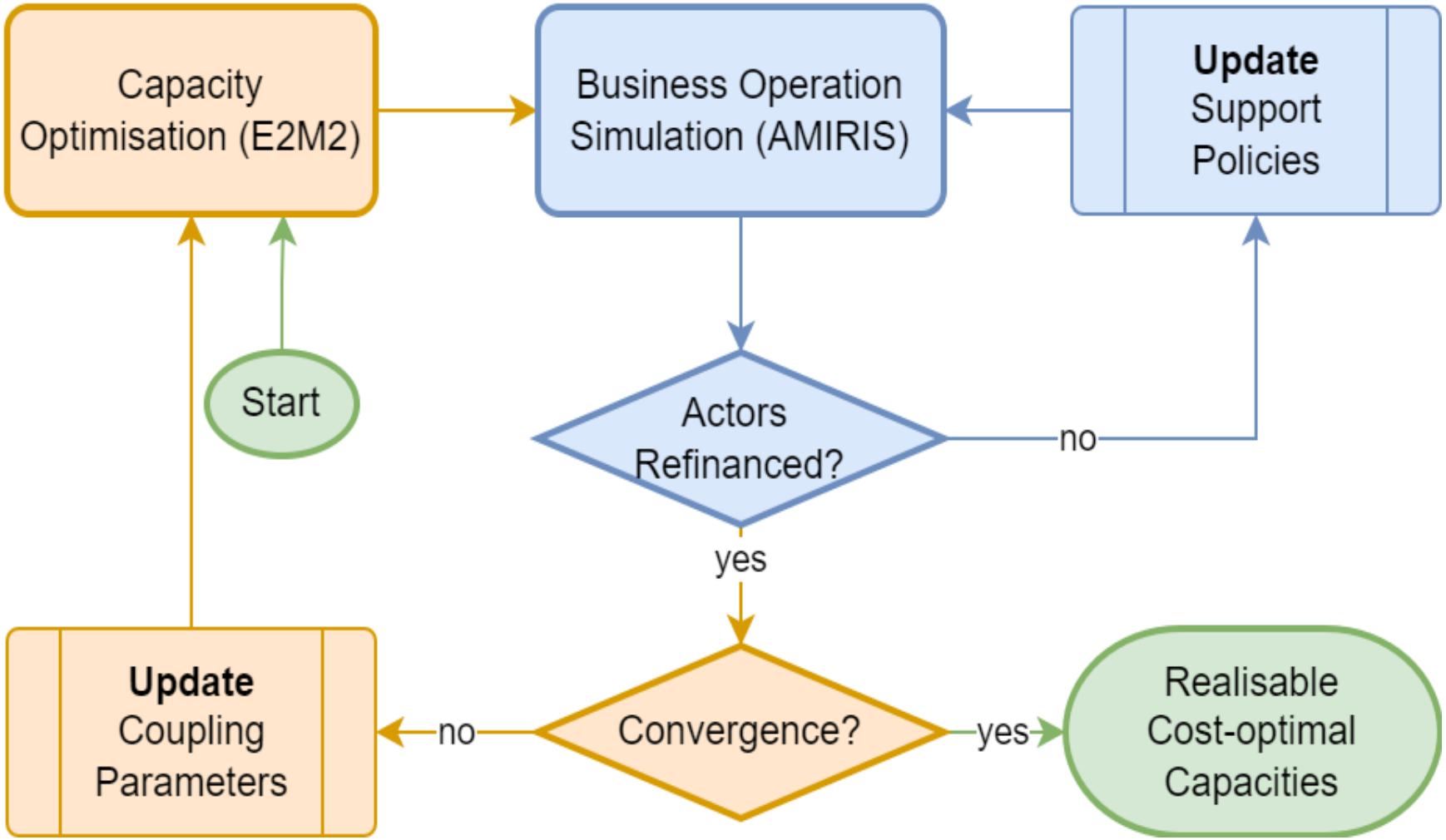
- Imperfect foresight
- Market power
- Strategic bidding



open source available at https://gitlab.com/dlr-ve/esy/amiris/amiris

Methodology

Model Coupling



Methodology

Model Coupling: Automation

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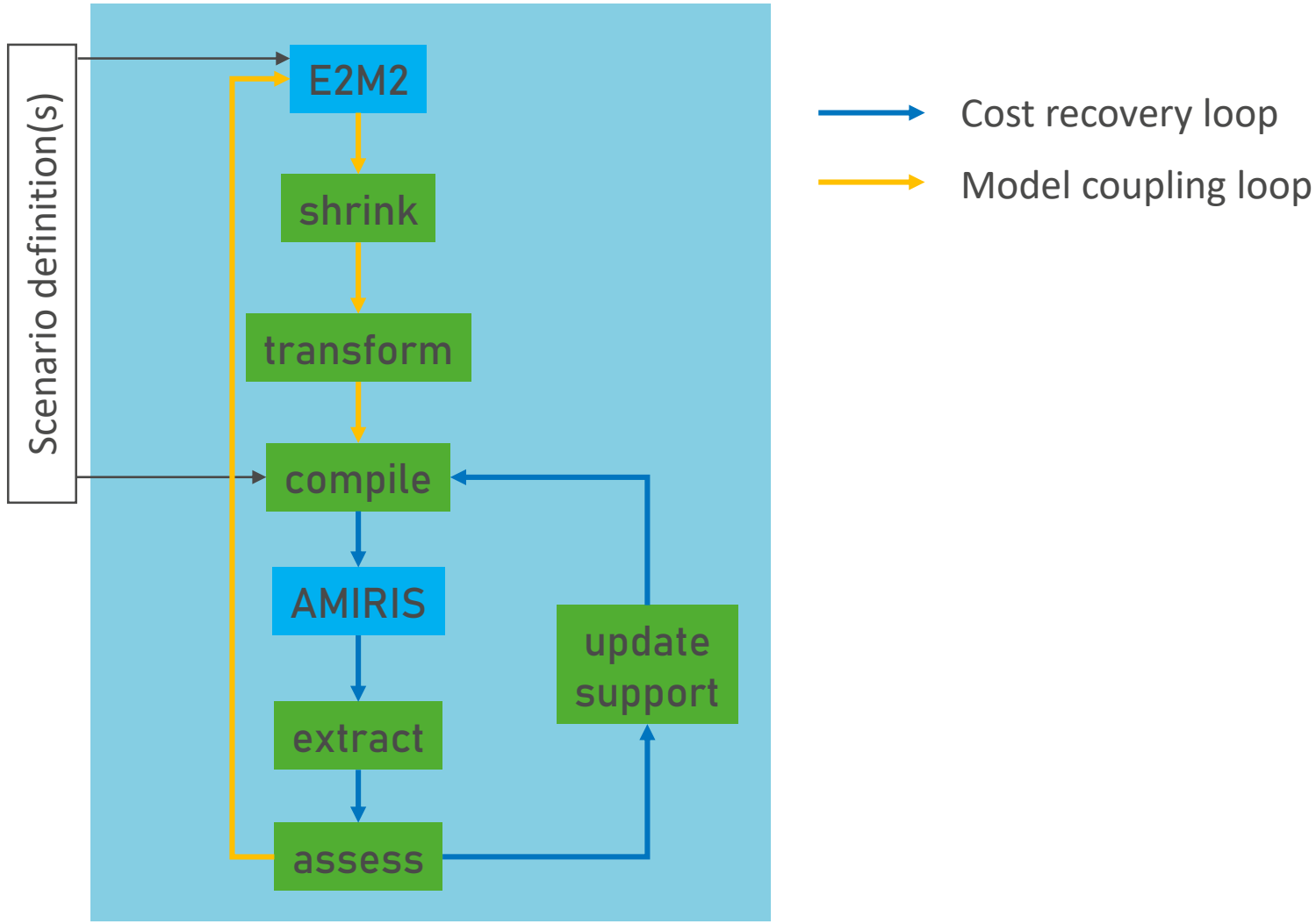
Workflow: Python

- Reduce & transform data: ioProc[1]
- Assess results: pandas
- Fully automated

[1] ioProc: https://pypi.org/project/ioproc/



Methodology

Cost Recovery: Policy Instruments

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Fixed Market Premium

- Monthly payment
- Based on actual generation of agent
- Constant premium, known *ex ante*

→ Impacts bids

Fixed Market Premium
PV
Wind onshore
Wind offshore

Capacity Premium

- Annual payment
- Based on installed capacity of agent
- Constant premium

→ No impact on bids

Capacity Premium
Lignite
Gas Combined Cycle
Gas Turbine
Backup Gas Turbine
Storage: Pumped Hydro

Methodology

Cost Recovery: Policy Instrument Adaption

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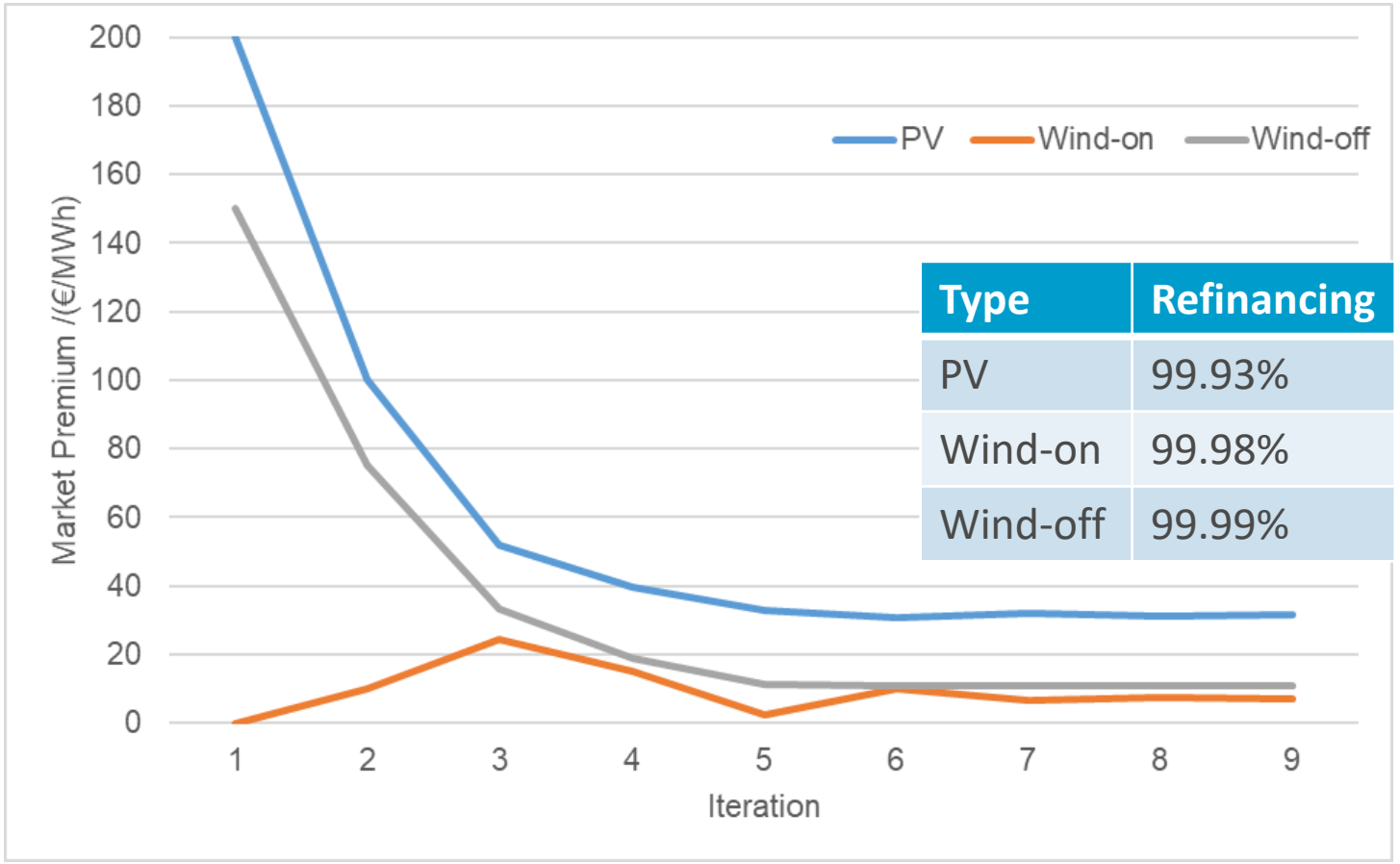
Feedback Effect

- Market premia affect bidding
- Bids affect prices
- Prices affect refinancing
- Refinancing affects premia

Iterative approach

1. Guess market premia
2. Run AMIRIS dispatch
3. Evaluate refinancing (revenues / costs)
4. Re-estimate premia
5. Stop if *Cost == Revenues ± 1‰*



Type	Refinancing
PV	99.93%
Wind-on	99.98%
Wind-off	99.99%

Data

Scenario: Simplified Testbed

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Technologies

- Lignite, Hard-Coal & Natural Gas
- PV, Wind Onshore & Wind Offshore
- Storage

Constraints

- Greenfield approach
- No renewable share constraint
- 1 Stage: Invest + Dispatch

First iteration only

- CO_2 cap

Other iterations

- CO_2 price

Model Harmonization

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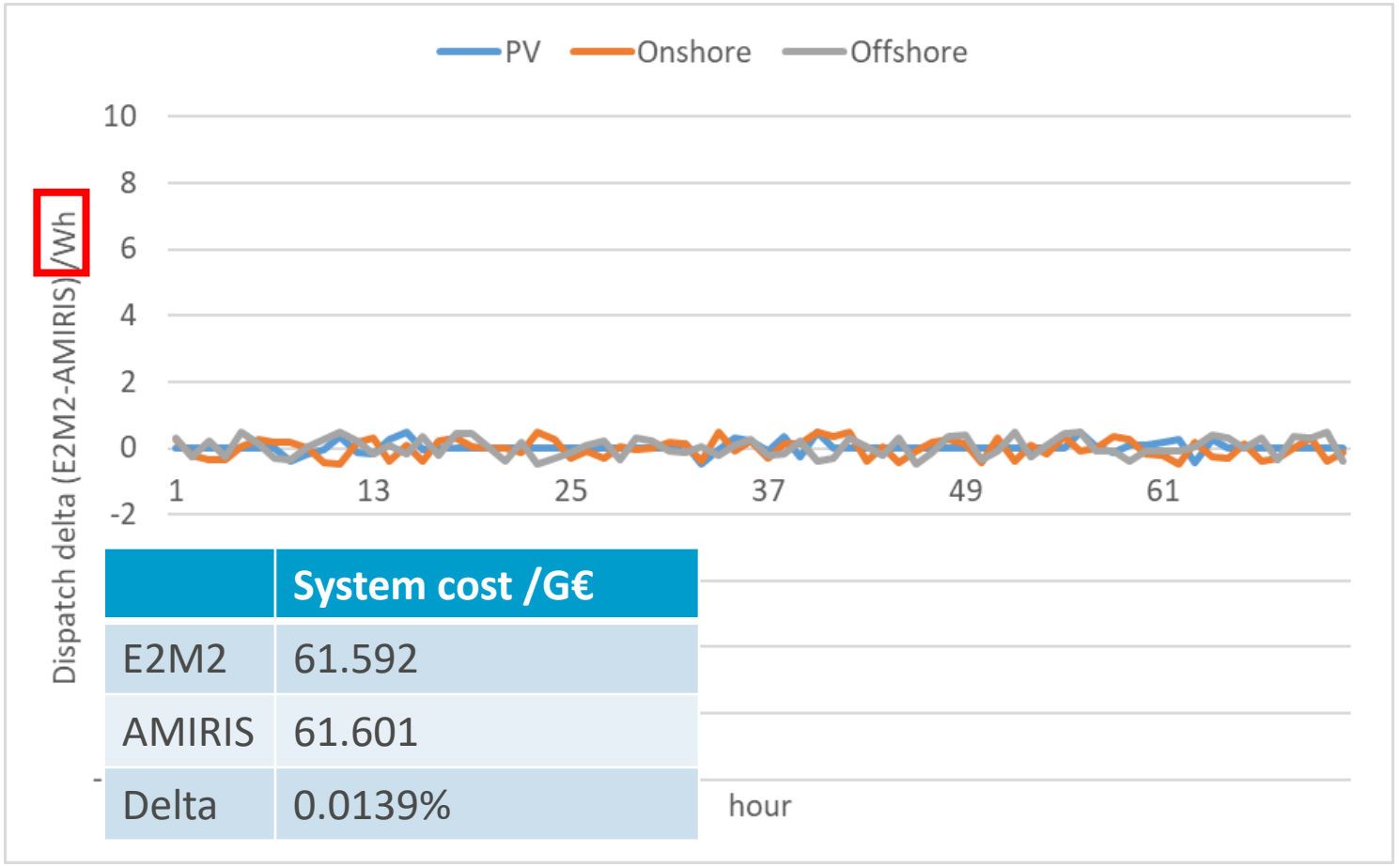
Setup

- *No storage*
- Conventionals: capacity premia
- Renewables: fixed market premium

E2M2 & AMIRIS: Perfect Match

- Dispatch
- System cost



	System cost /G€
E2M2	61.592
AMIRIS	61.601
Delta	0.0139%

Results

Adding Storage

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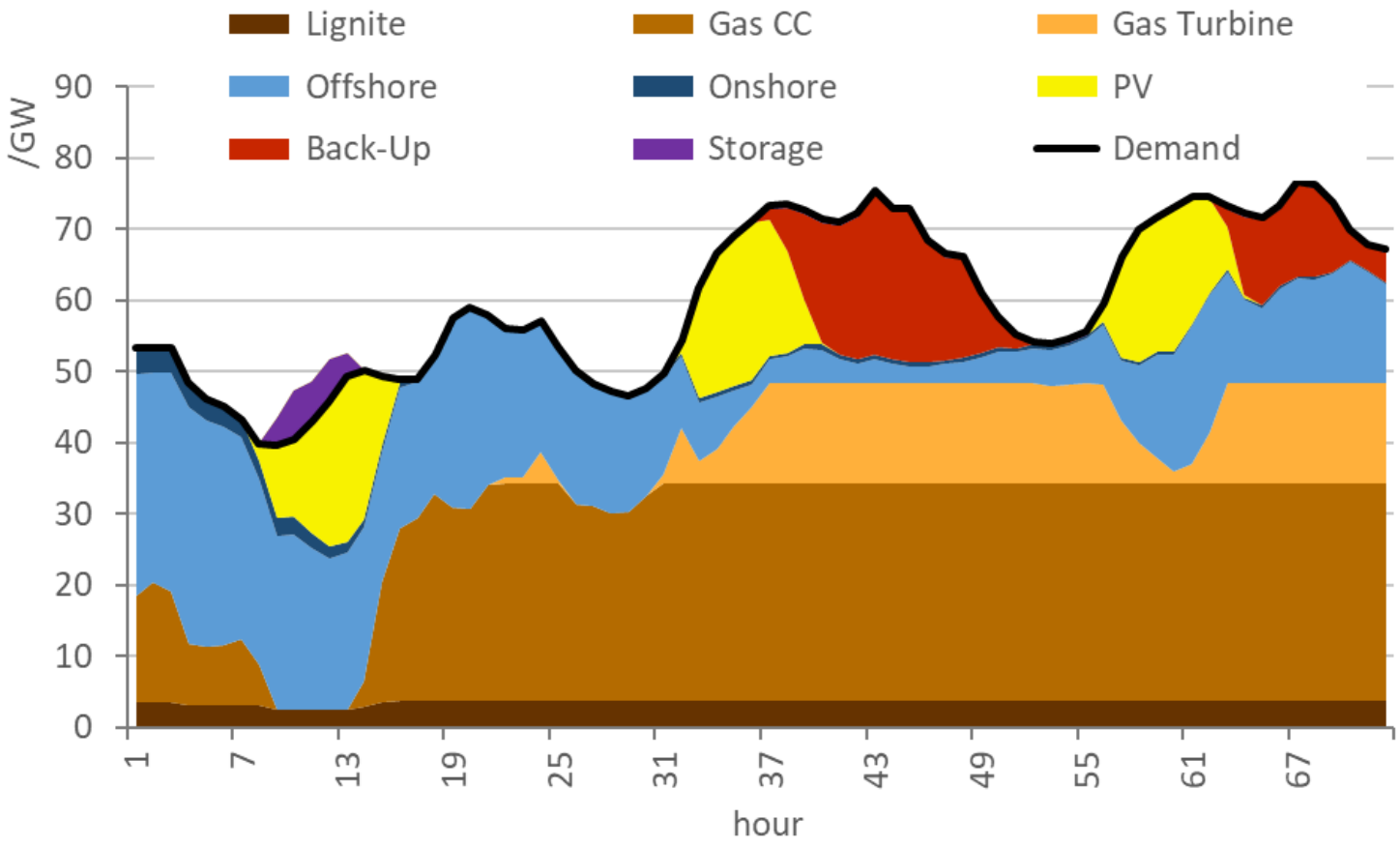
Setup

Storage in AMIRIS: not optimal

→ missing capacity (backup usage)

Model Coupling

- E2M2: add extra conventional plants
- Compensate missing capacity



Results

1st Coupling Mechanism: Missing Capacity

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Setup

Storage in AMIRIS: not optimal

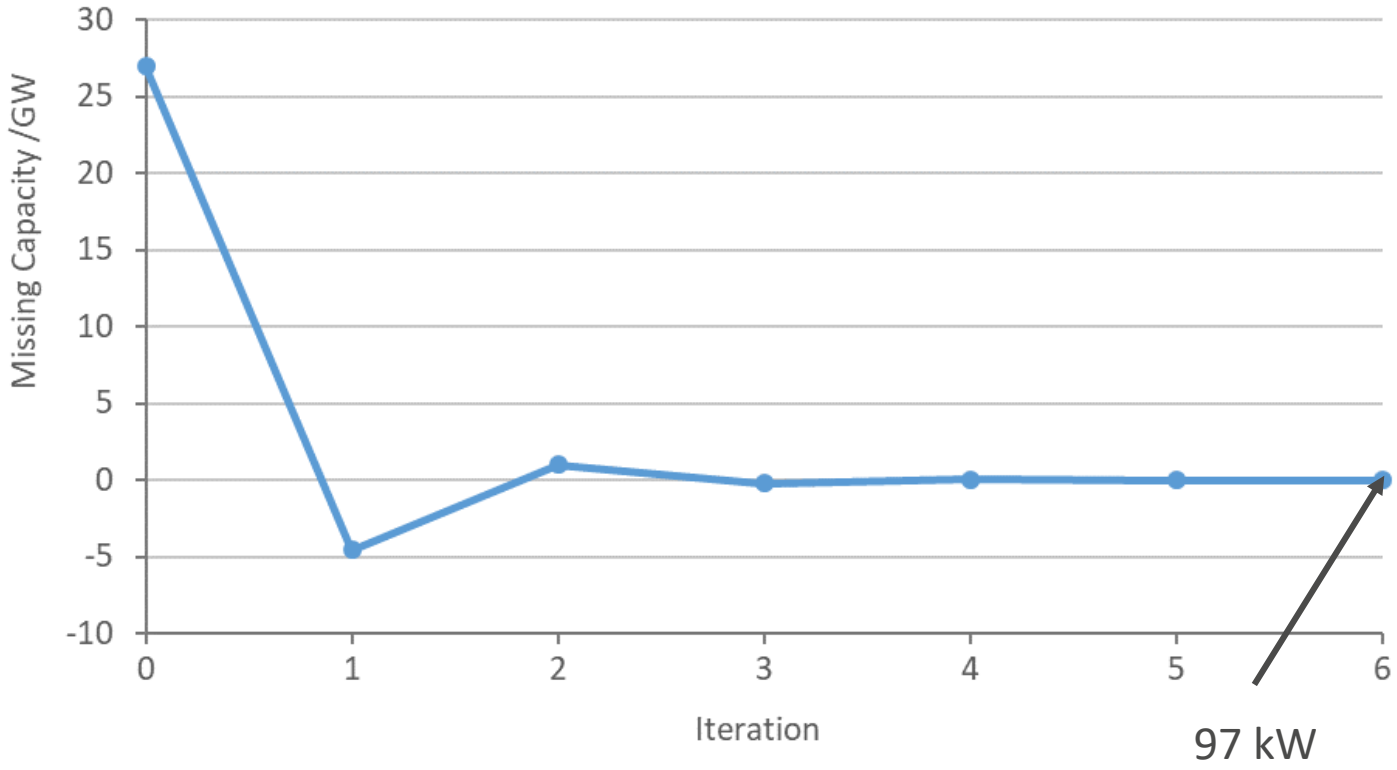
→ missing capacity (backup usage)

Model Coupling

- E2M2: add extra conventional plants
- Compensate missing capacity

Result

Convergence: E2M2 compensates!



Results

1st Coupling Mechanism: Missing Capacity

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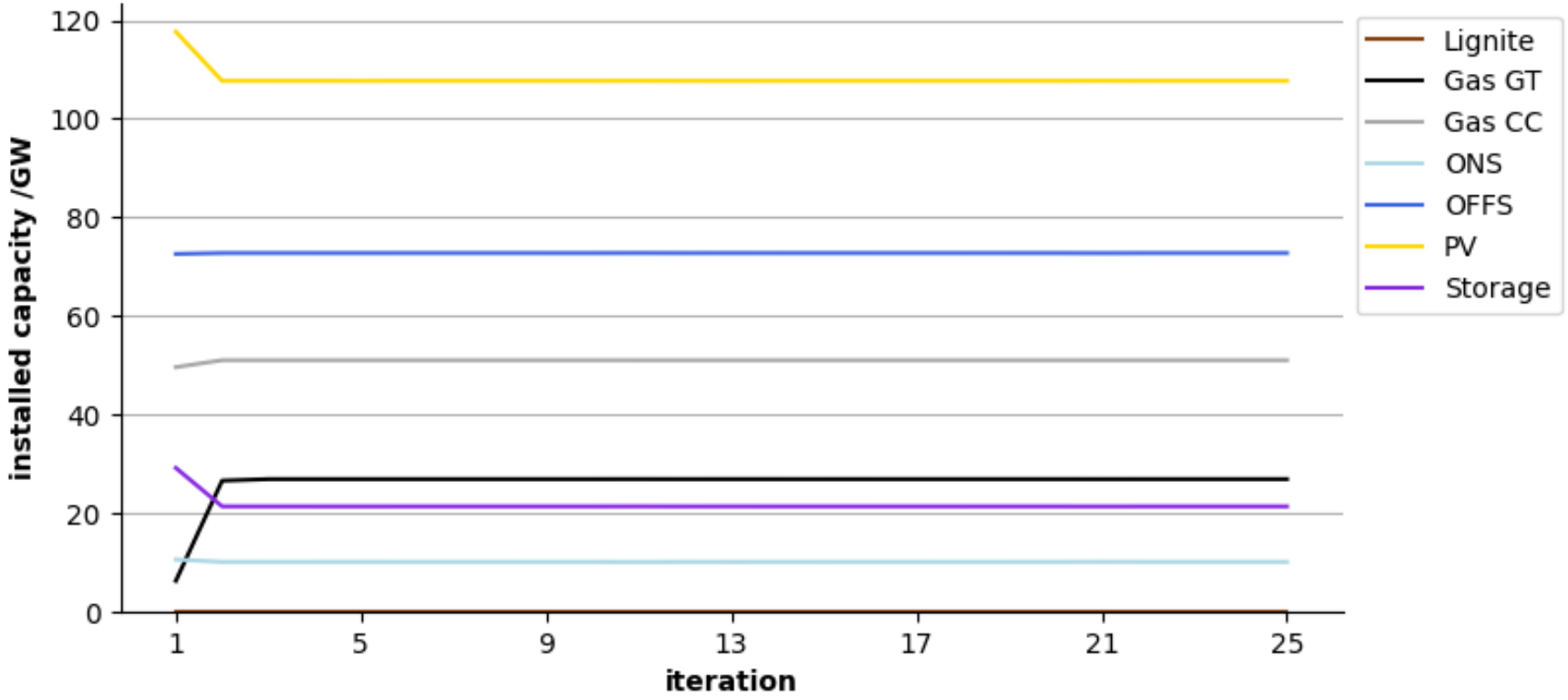
Impact on capacities

→ Less PV

→ More gas turbines



Issue: Renewable contribution to firm capacity not well reflected

Results

1st Coupling Mechanism: Missing Capacity

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Impact on capacities

→ Less PV

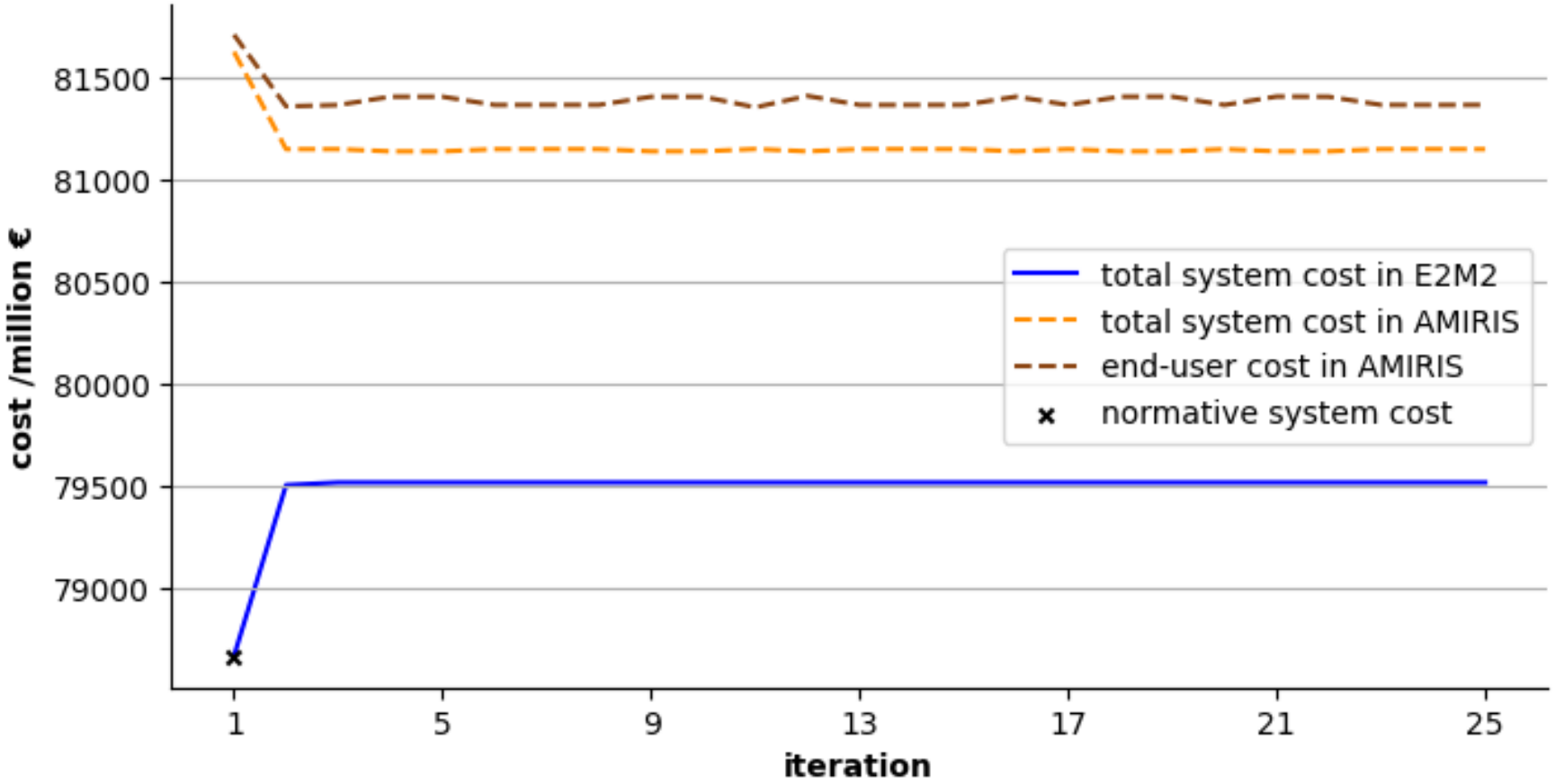
→ More gas turbines

Impact on cost

→ More system cost in E2M2

→ Lower cost in AMIRIS

→ But: No convergence



Issue: Renewable contribution to firm capacity not well reflected

Results

2nd Coupling Mechanism: Storage Dispatch

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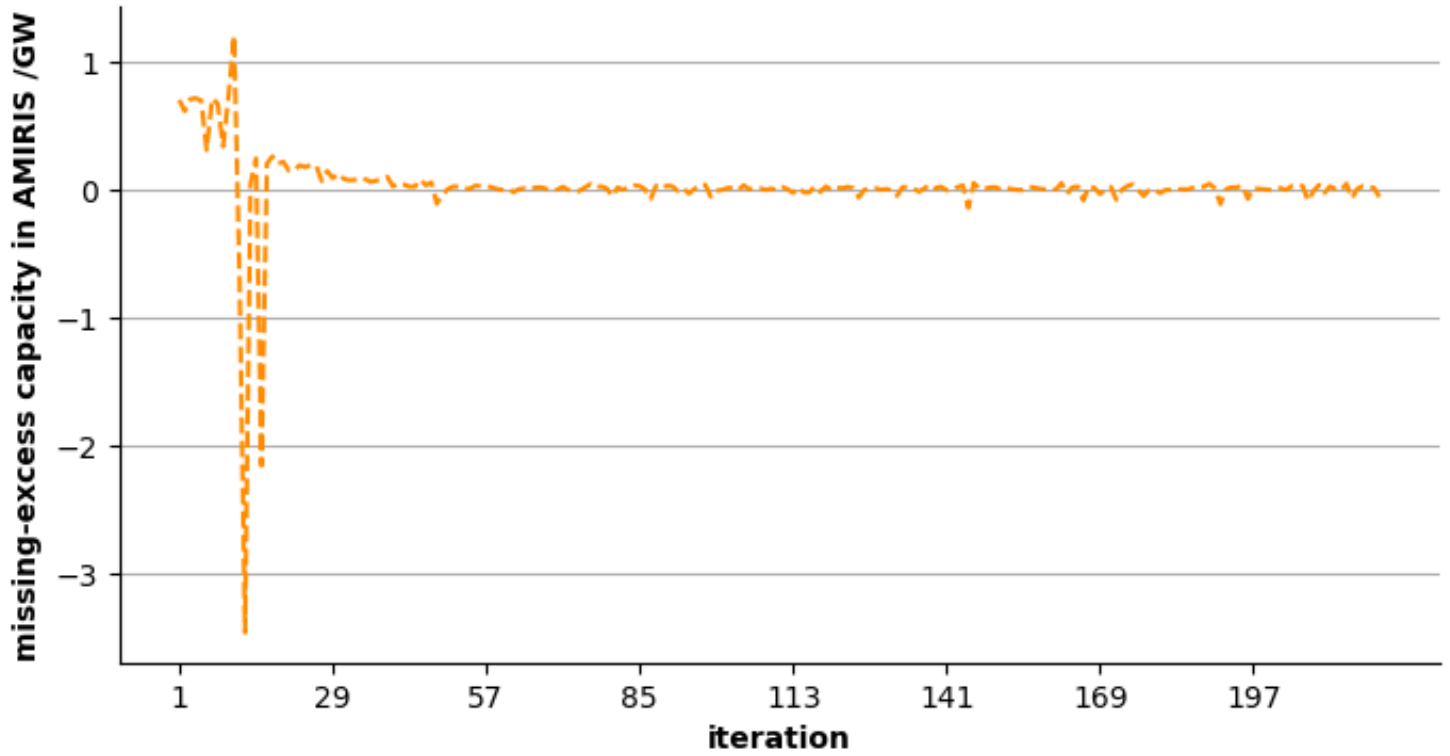
Missing Capacity

- Converging after ≈ 60 iterations



Results

2nd Coupling Mechanism: Storage Dispatch

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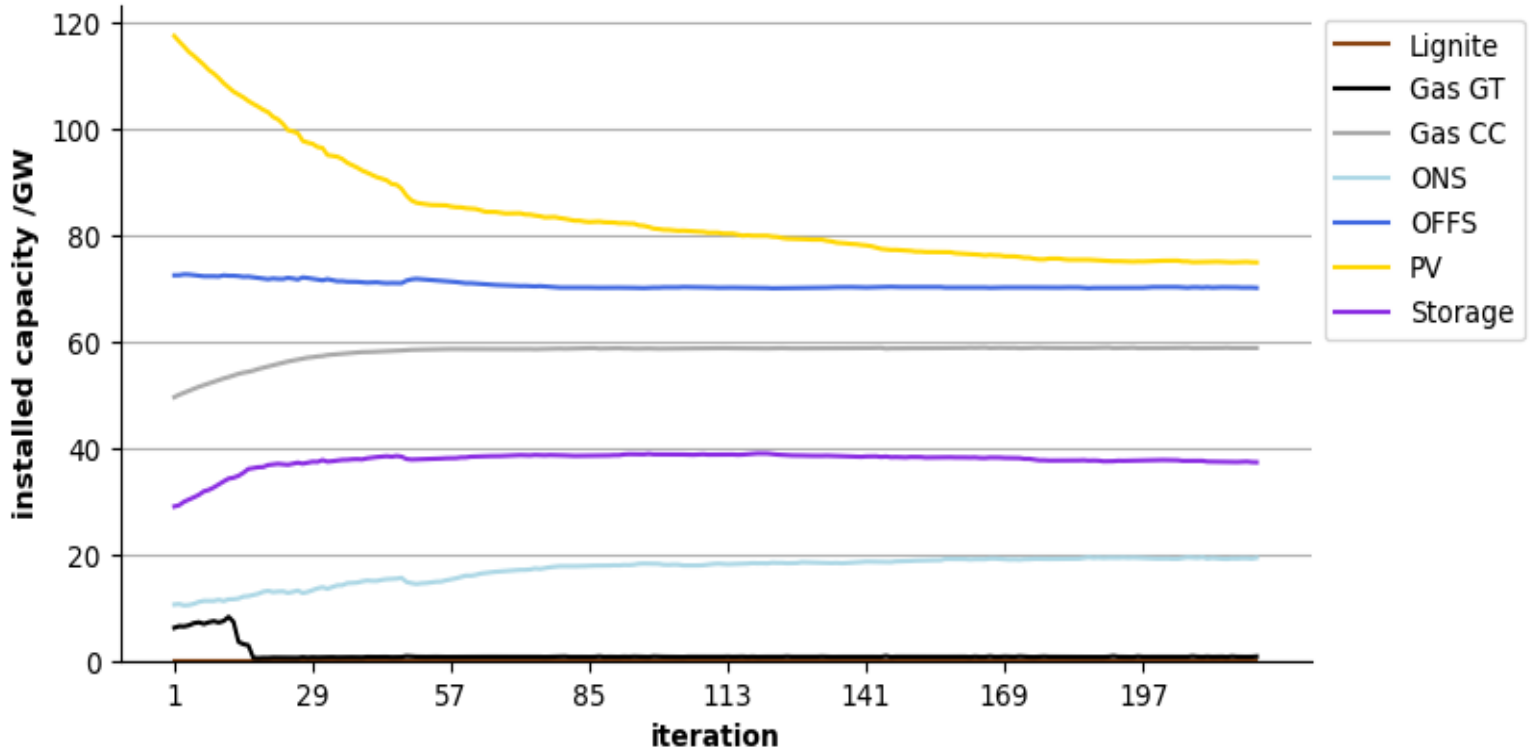
Missing Capacity

- Converging after ≈ 60 iterations

Capacities

- Converging after ≈ 220 iterations
- Reduce PV & Gas GT
- increase Storage, Wind onshore & Gas CC



Results

2nd Coupling Mechanism: Storage Dispatch

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Missing Capacity

- Converging after ≈ 60 iterations

Capacities

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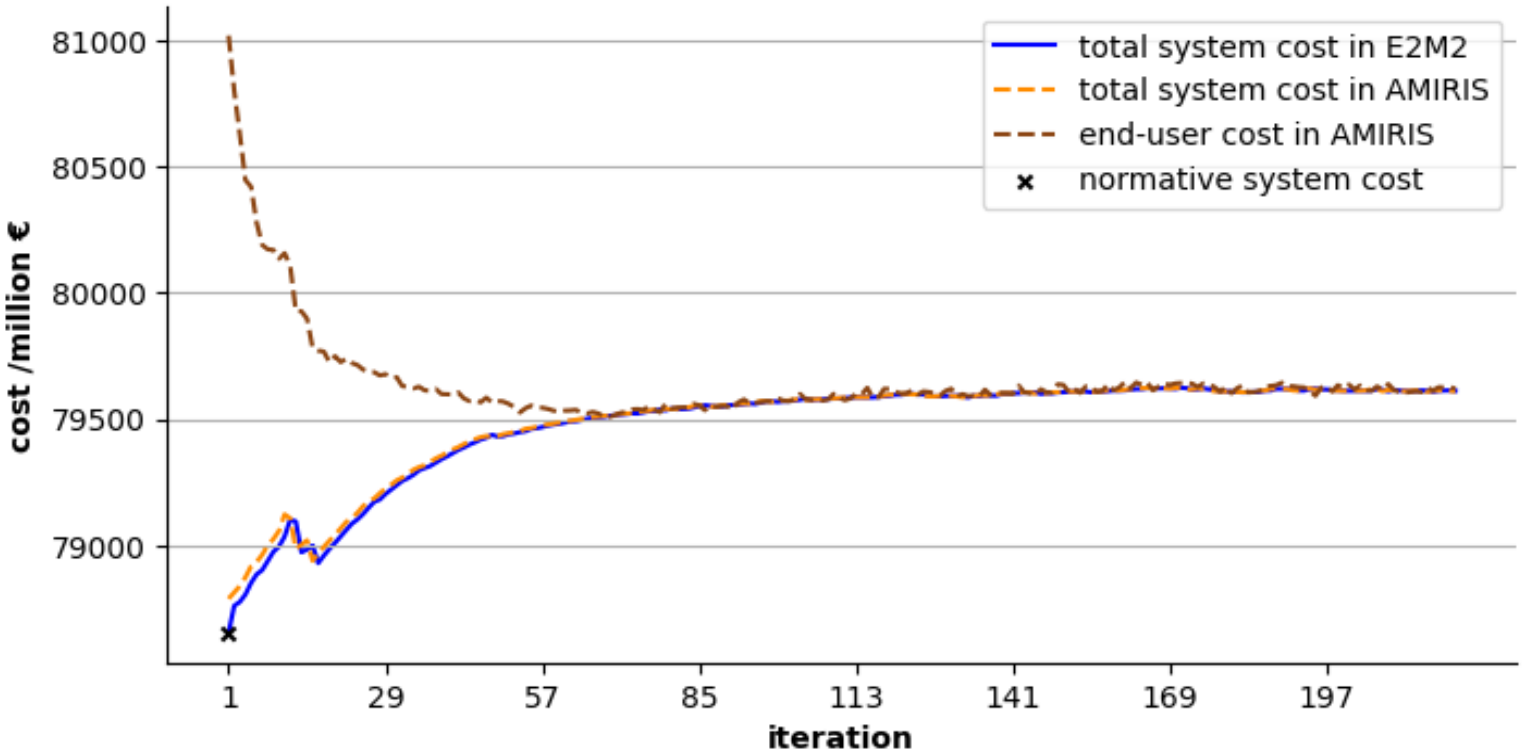
System cost

- E2M2 match after AMIRIS ≈ 40 iterations
- End user cost: match after ≈ 70 iterations
- But: model results not stable



Analysis

Cost Recovery

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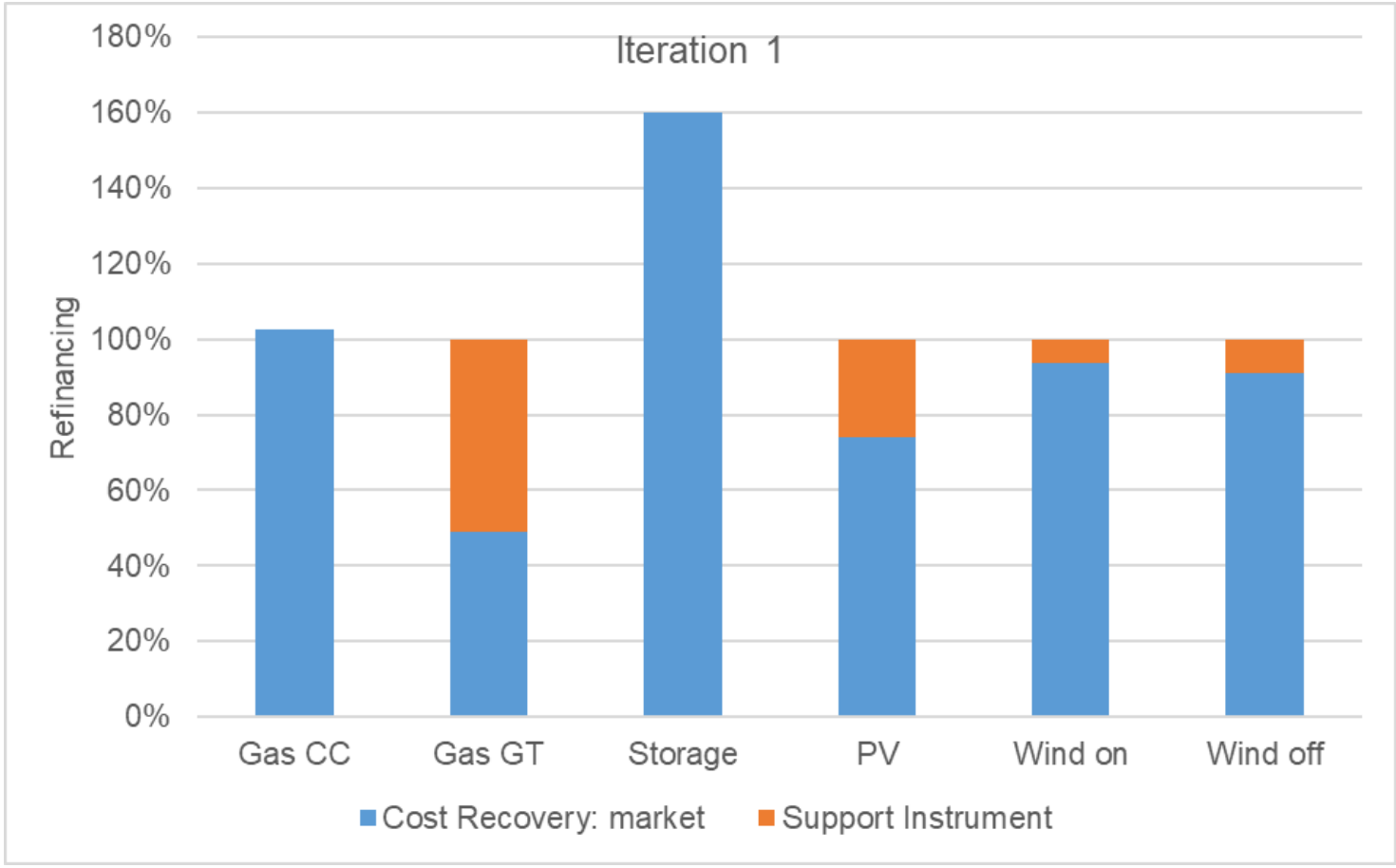
Iteration 1

- Storage utilising market power
- RES & Gas turbines missing money



Analysis

Cost Recovery

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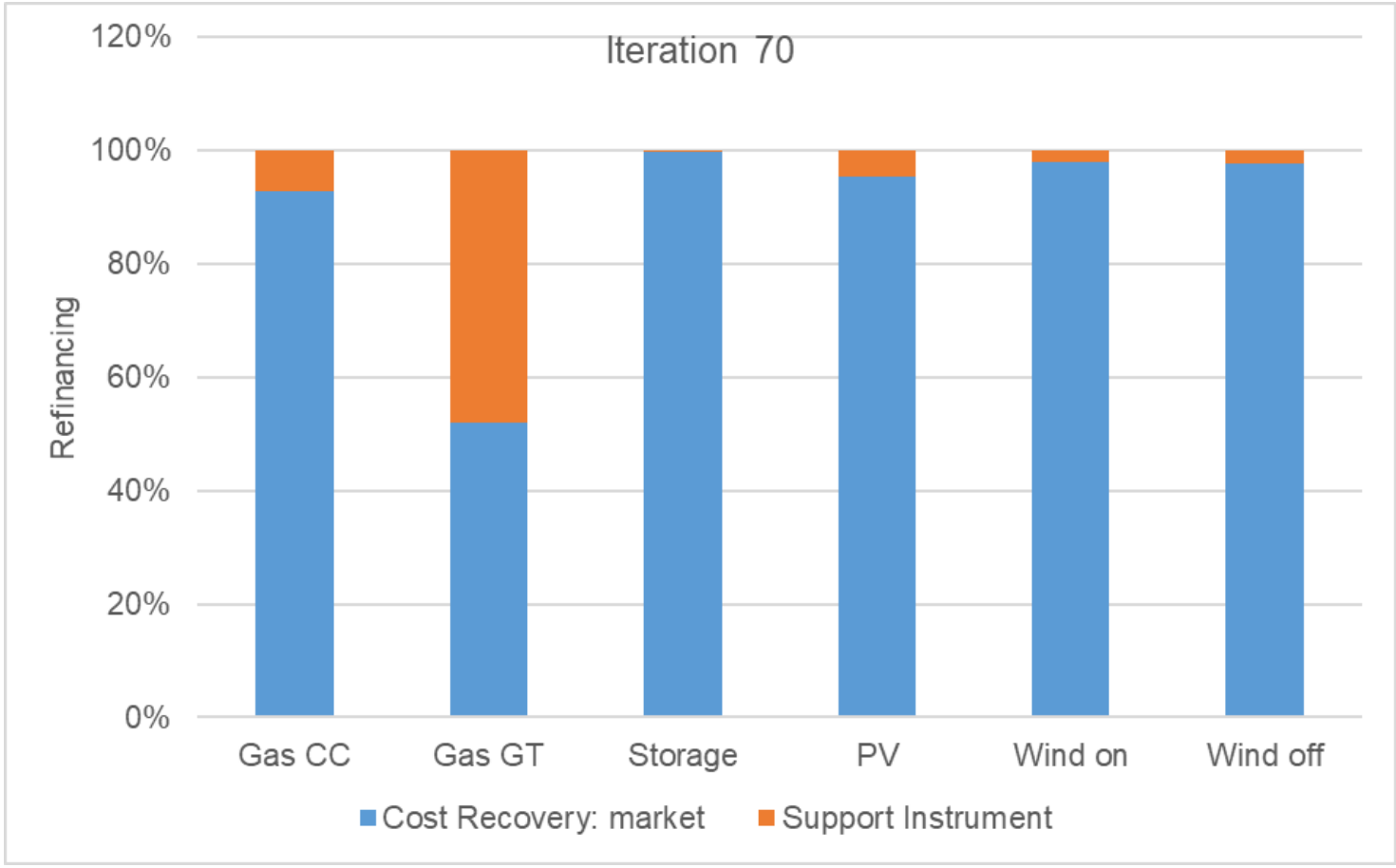
Iteration 1

- Storage utilising market power
- RES & Gas turbines missing money

Iteration 70

- Storage profits cut
- RES need little support
- Gas turbines: < 1 GW



Analysis

Cost Recovery

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Iteration 1

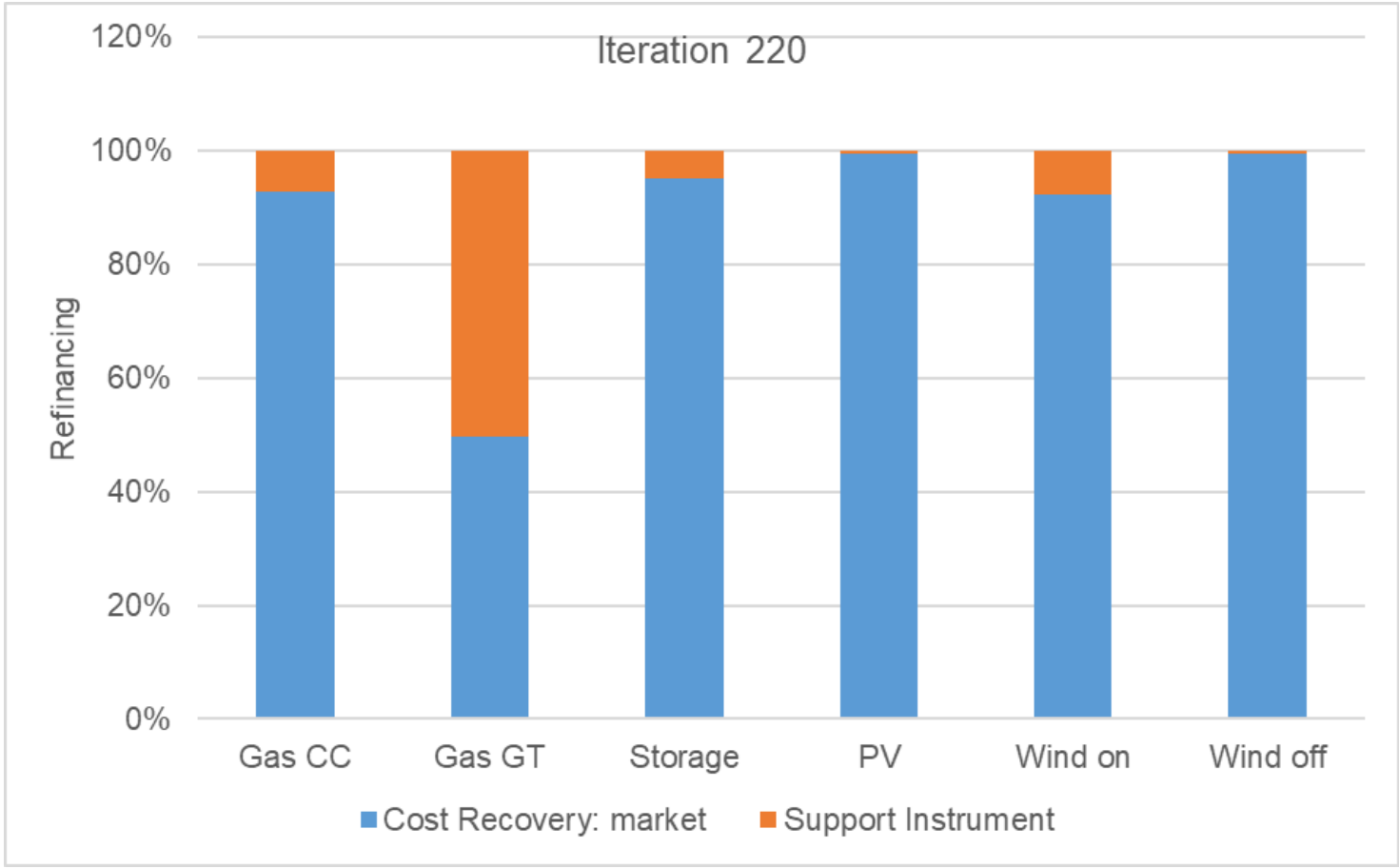
- Storage utilising market power
- RES & Gas turbines missing money

Iteration 70

- Storage profits cut
- RES need little support
- Gas turbines: < 1 GW

Iteration 220

- Storage missing money
- Gas CC & Wind onshore need support



Conclusions

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Method

- Harmonised simulation & optimization models
- Fully automated model coupling
- Fully automated support scheme adaptation

Results

- Optimisation model power plants don’t recover cost in AMIRIS without additional support
- Convergence of two different coupling methods
- Convergence for different test bed scenarios

Outlook

- Deeper understanding of storage dispatch coupling mechanism
- Assess brown-field scenario path

Imprint

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Topic	Analysis and Comparison of model couplings for the identification of realisable-optimal energy systems
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Images	German Aerospace Center & University of Stuttgart (CC BY-NC-ND 3.0)