



# Τα Μελλοντικά Αειφόρα Ενεργειακά Συστήματα

**Δρ. Ανδρέας Πουλλικκός**

*Ph.D, D.Tech*

[apoulikkas@cera.org.cy](mailto:apoulikkas@cera.org.cy)

# Contents

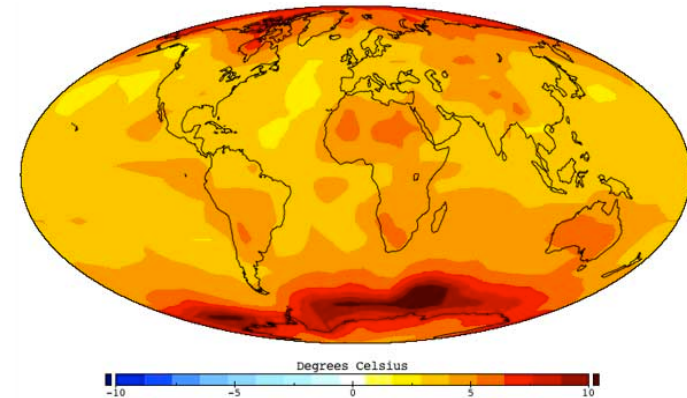


- **Long term strategies towards 2050**
- **Medium term strategies towards 2030**
- **Short term strategies towards 2020**

# Long term strategies Towards 2050

# Future energy systems

- **Climate change**



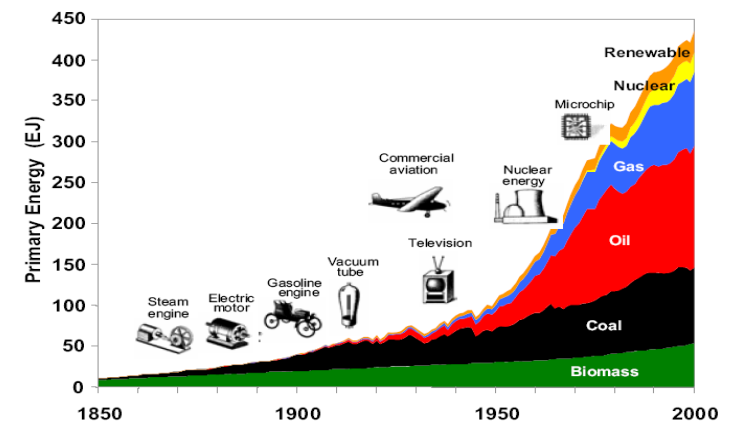
- **Third industrial revolution**

- **Future energy economics**



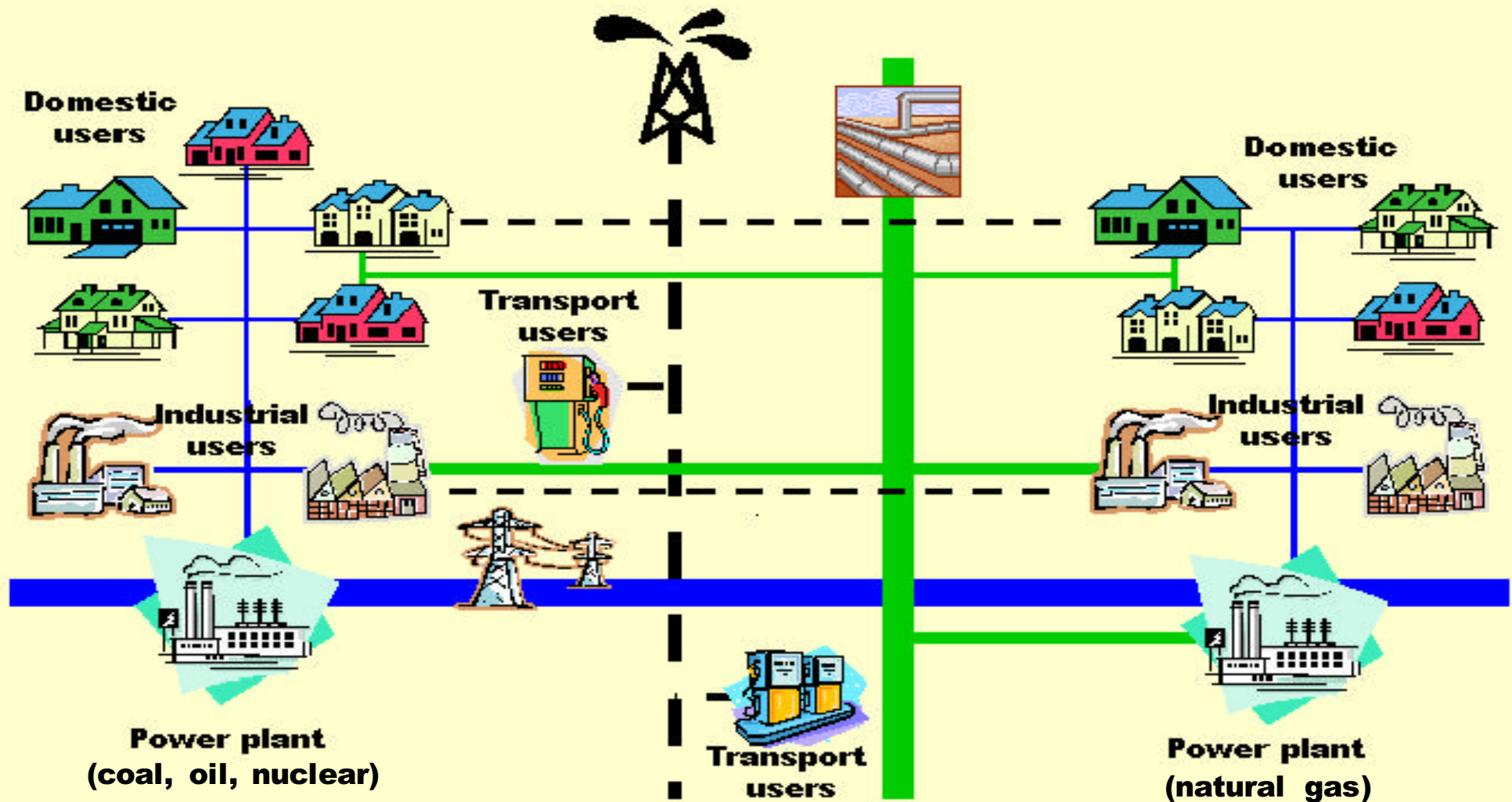
# EU energy objectives

- greenhouse gas reduction
- sustainable production and consumption
- security of supply



# Future energy systems

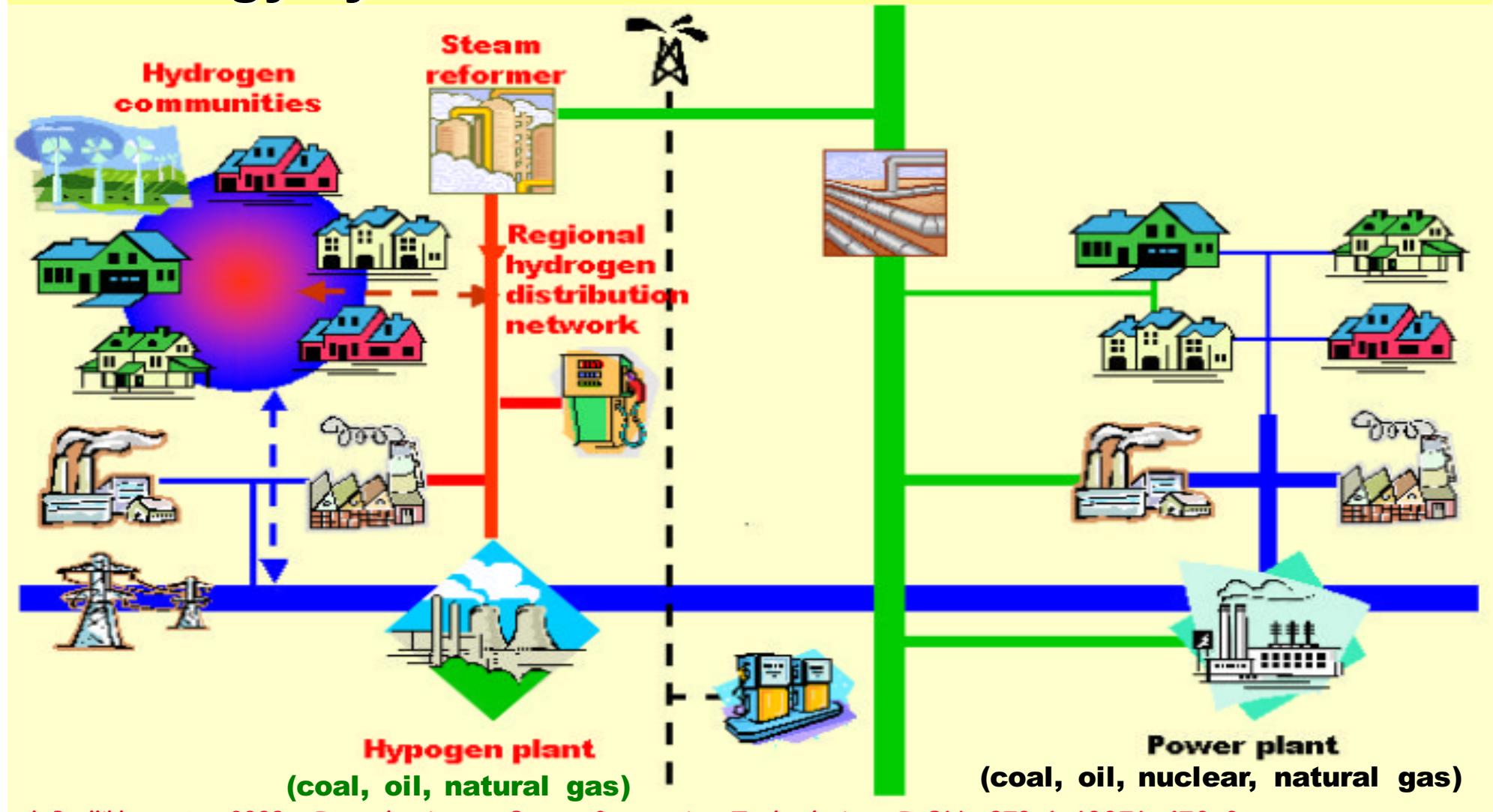
## EU energy system today\*



\* Poullikkas A., 2009, *Introduction to Power Generation Technologies*, ISBN: 978-1-60876-472-3

# Future energy systems

## EU energy system in 2020-30\*

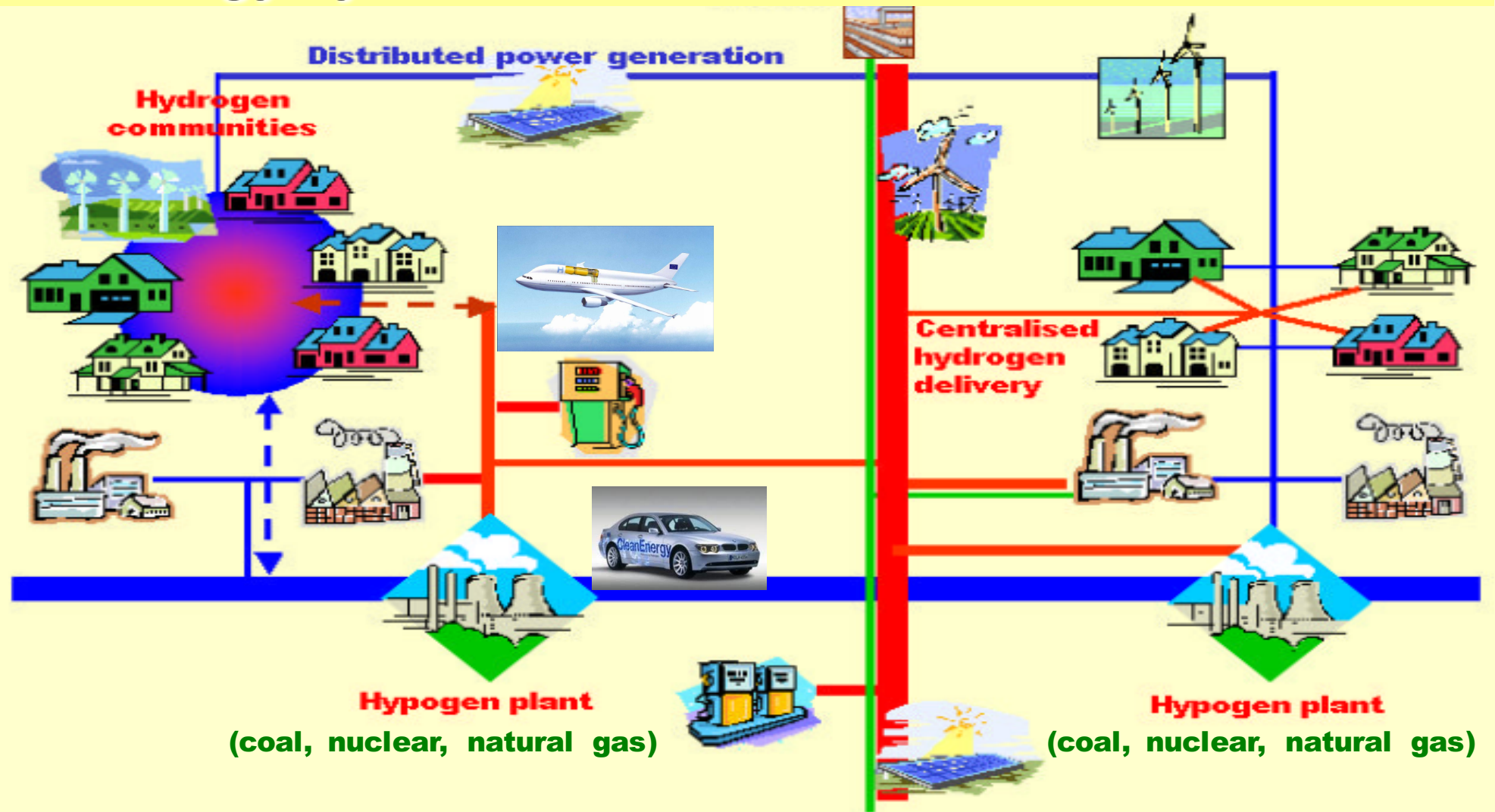


\* Poullikkas A., 2009, *Introduction to Power Generation Technologies*, ISBN: 978-1-60876-472-3



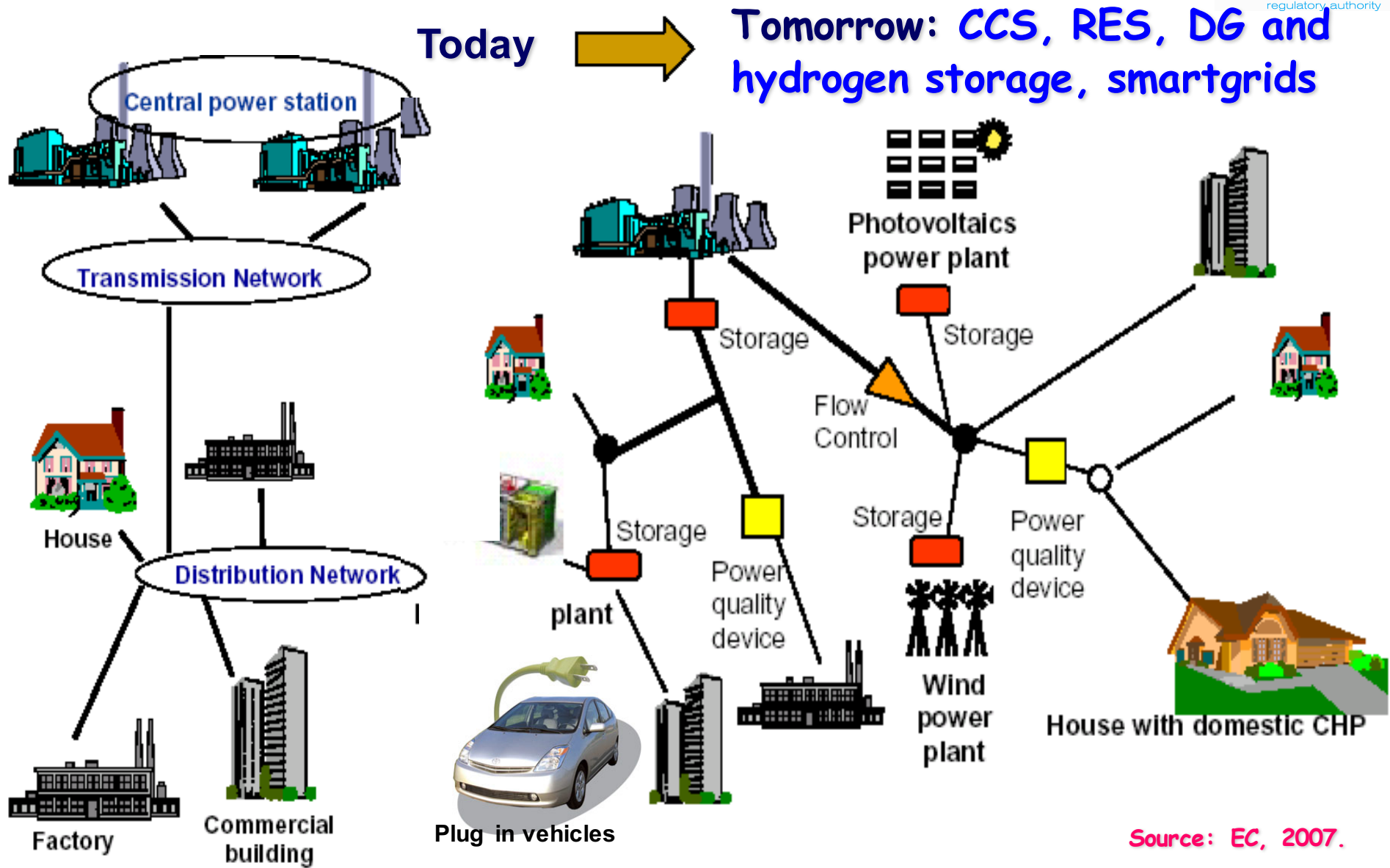
# Future energy systems

## EU energy system in 2040-50\*



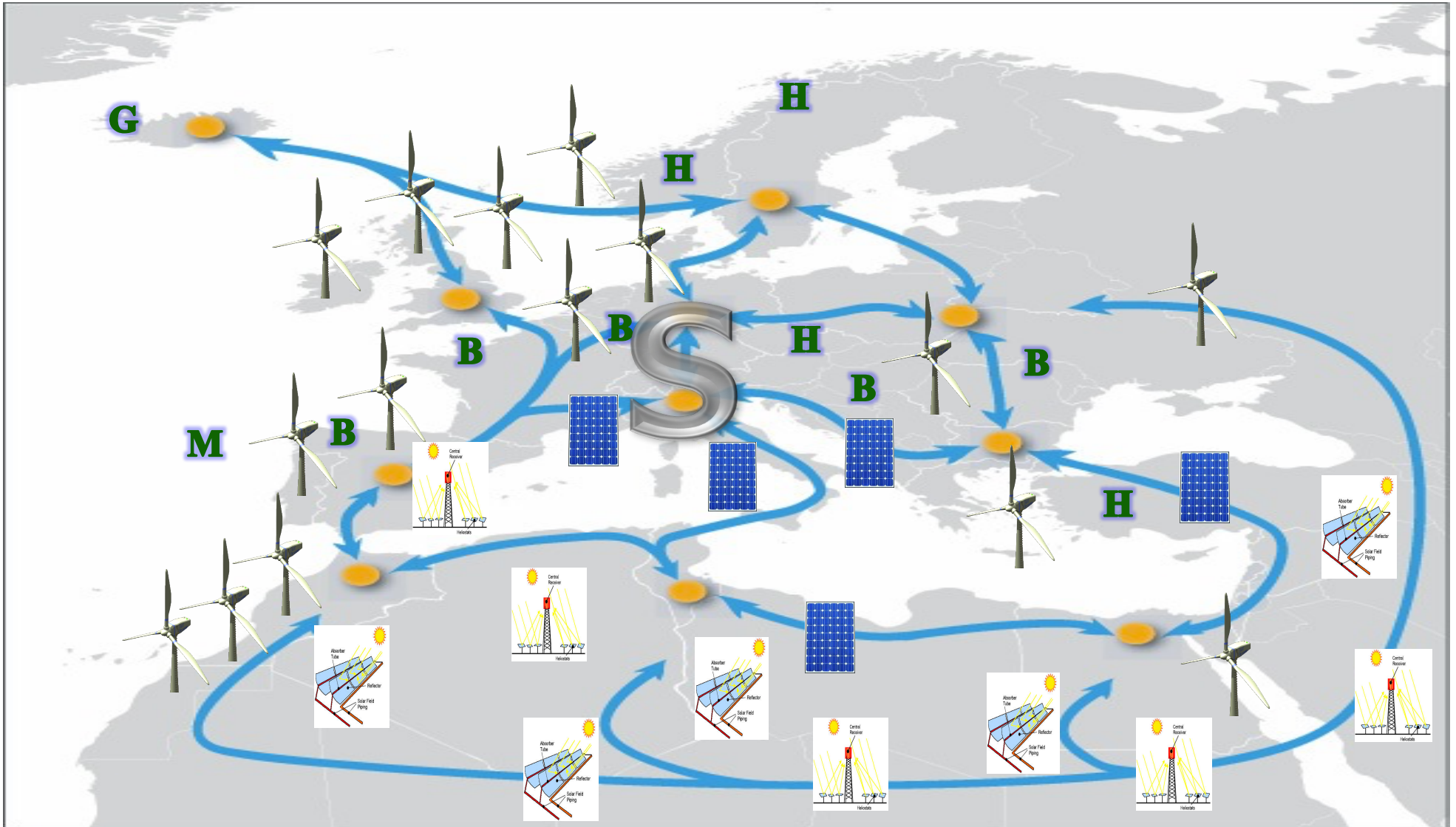
\* Poullikkas A., 2009, *Introduction to Power Generation Technologies*, ISBN: 978-1-60876-472-3

# Future PS



Source: EC, 2007.

# The Super Smart Grid after 2050 (may allow for 100% RES)

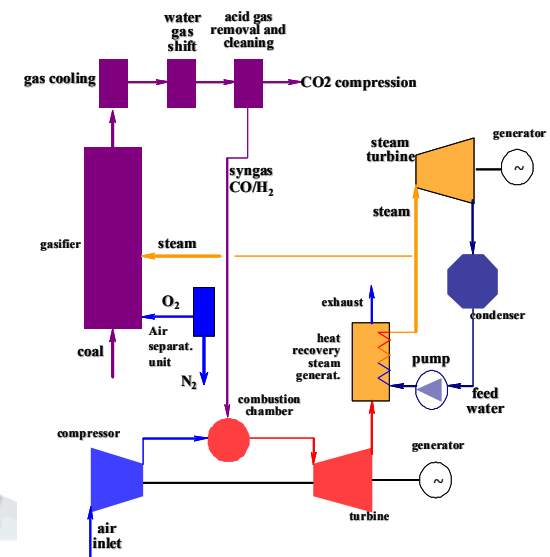


# Main ingredients of future sustainable electric systems

- Large scale integration of renewable energy sources
- Distributed generation
- Carbon capture and storage
- Smartgrids
- Electric vehicles
- Storage devices
- Hydrogen

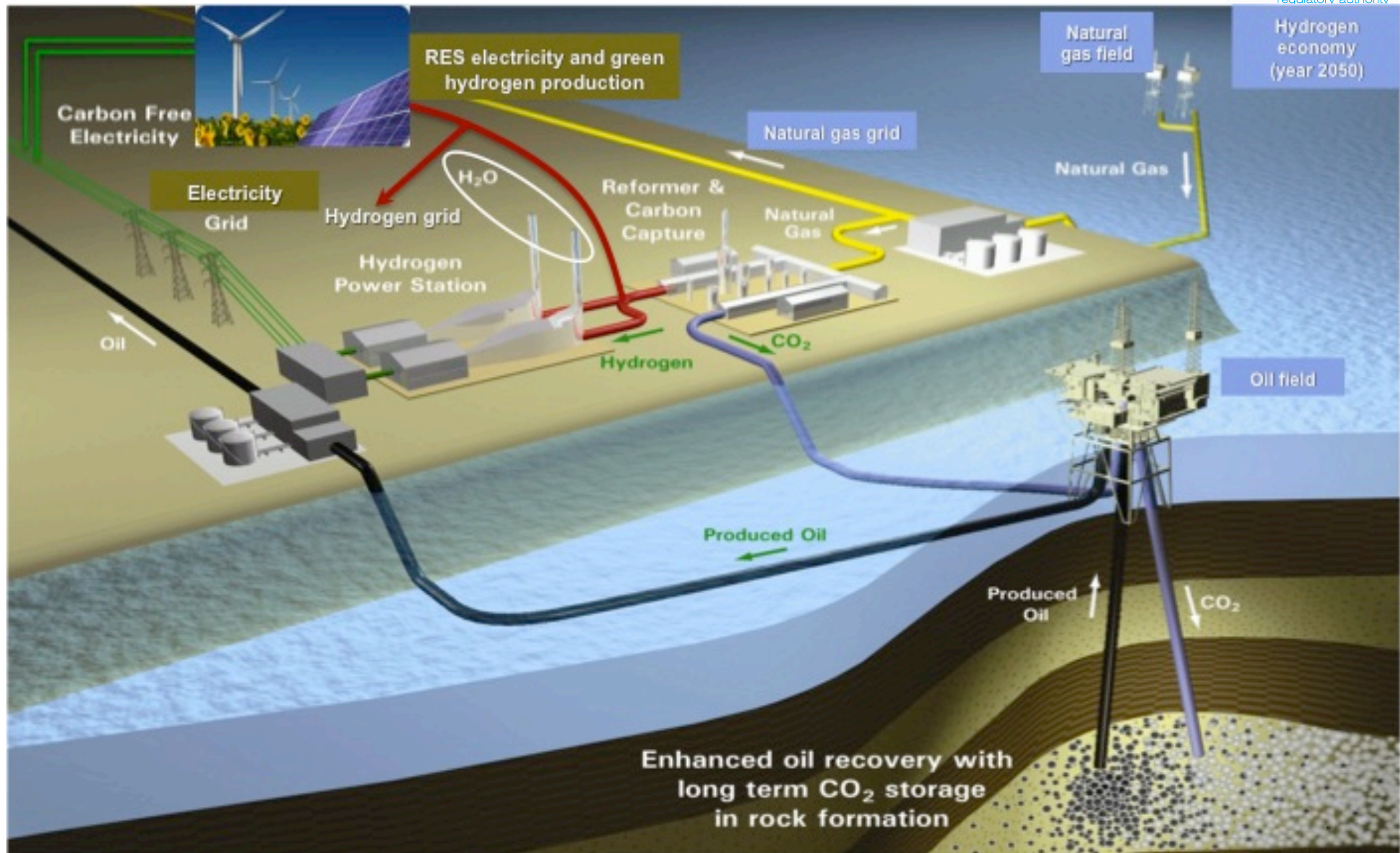


Development of new sustainable technologies and infrastructure





# Towards hydrogen economy in 2050





# Medium term strategies Towards 2030

# Towards Energy Union

« *I want to reform and reorganise Europe's energy policy in a new European Energy Union.* »

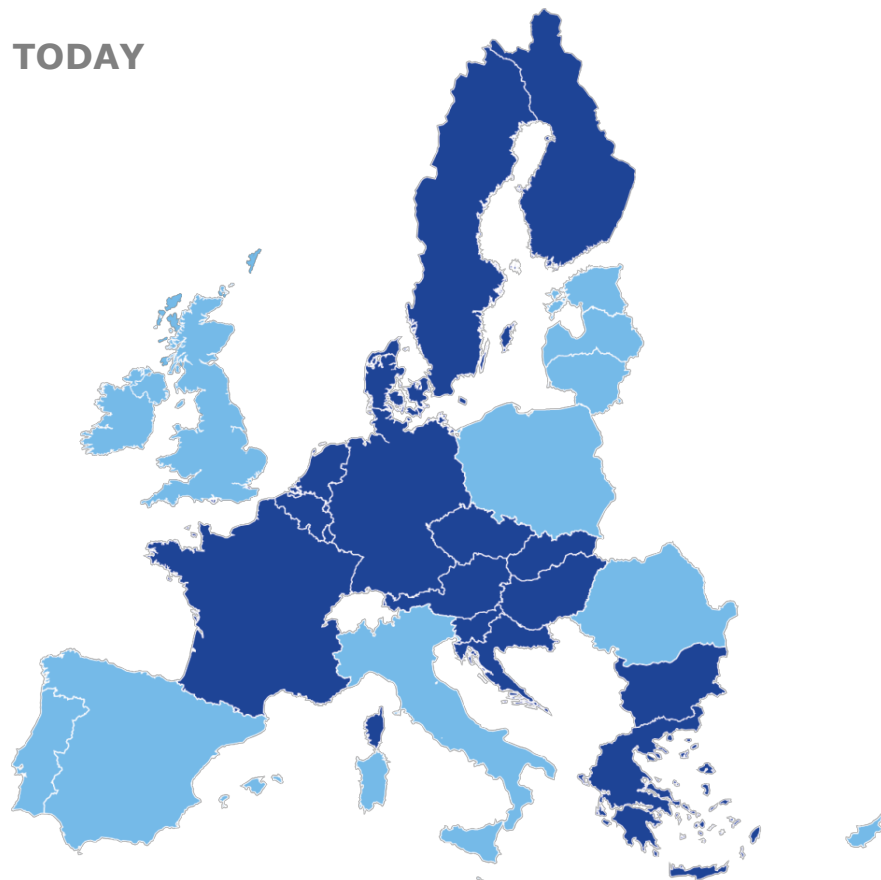
**Jean-Claude Juncker**

# Energy Union

- **a binding EU target of at least 40% less greenhouse gas emissions by 2030, compared to 1990**
- **a binding target of at least 27% of renewable energy use at EU level**
- **an energy efficiency increase of at least 27%**
- **the completion of the internal energy market by reaching an electricity interconnection target of 15%**
- **increase energy security (natural gas South Corridor)**

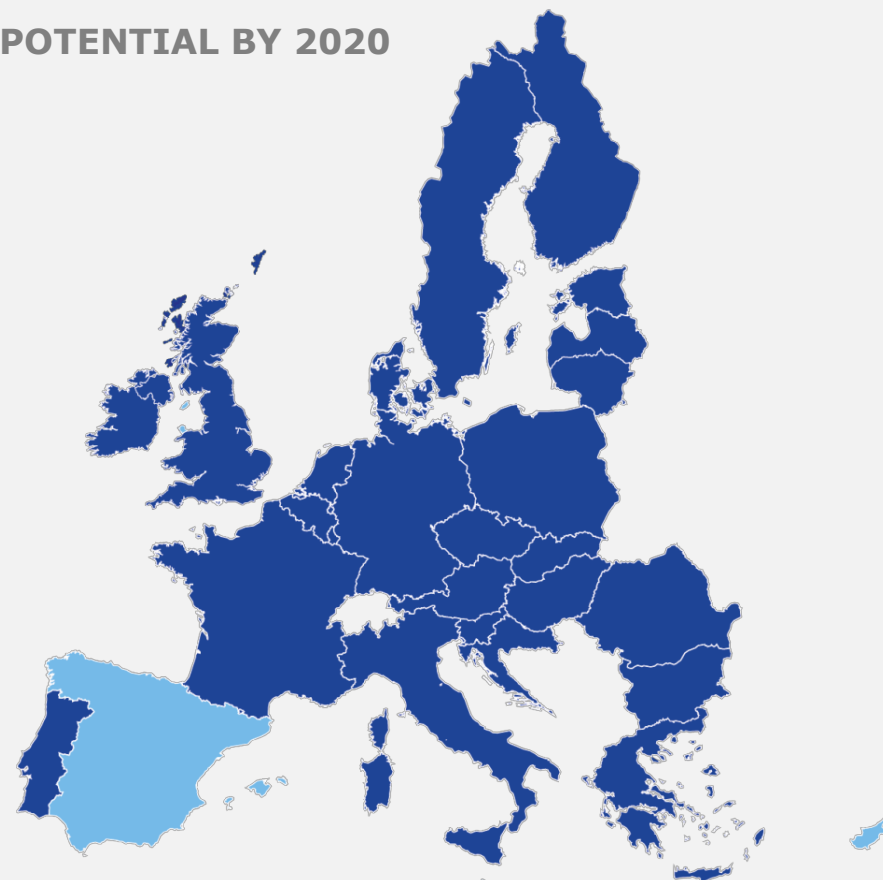
# Connecting electricity markets

TODAY



- Countries meeting the 10% **interconnection** target
- Countries not meeting the 10% **interconnection** target

POTENTIAL BY 2020



**Efforts need to be stepped up for those below the 10% target by 2020, mainly Spain and Cyprus, and in view of achieving the 15% target by 2030.**

# Importance for Cyprus



- **Great importance for Cyprus**
  - **Special attention is made to the more remote and isolated energy systems such as Cyprus**
  - **EU financing for electric interconnections with the rest of the internal energy market**
  - **implement critical projects of common interest in the gas sector, such as:**
    - **the Southern Gas Corridor**
    - **the promotion of a new gas hub in Southern Europe**
- **Action Plan**

# Short term strategies Towards 2020

# RES-E strategic plan 2010-20 main objective\*

- ... to assess the optimum (minimum) increase in the cost of electricity of the Cyprus generation system by the integration of the necessary RES-E technologies for Cyprus to achieve its national RES energy target ...

\* Poullikkas A., Kourtis G., Hadjipaschalis I., 2011, “A hybrid model for the optimum integration of renewable technologies in power generation systems”, *Energy Policy*

# RES technologies considered

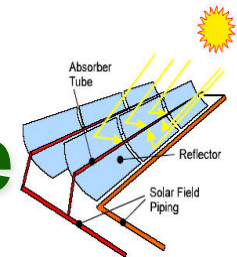
- Wind



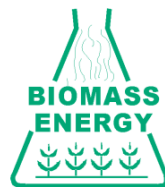
- PVs



- CSP with 6 hours thermal storage

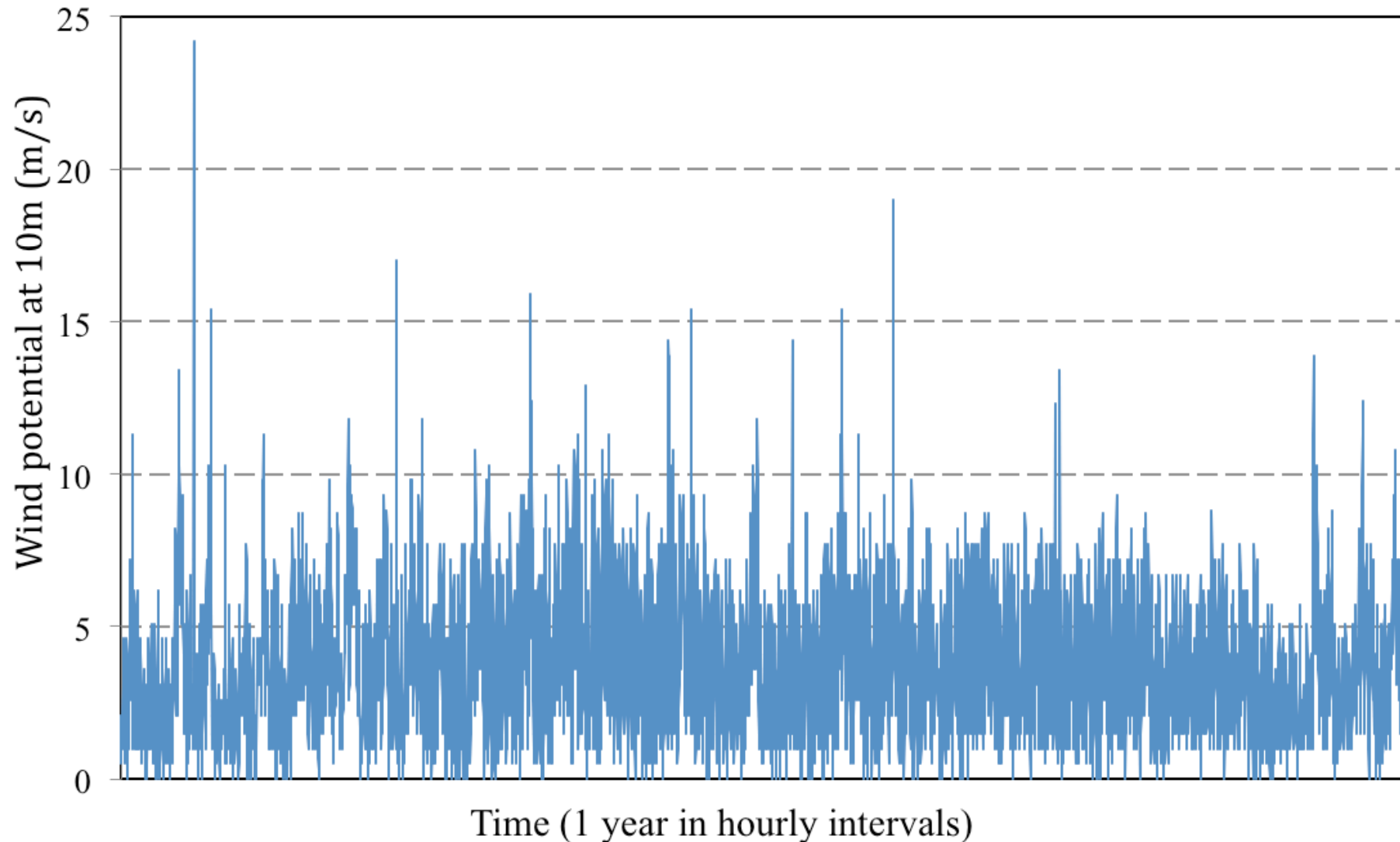


- Biomass

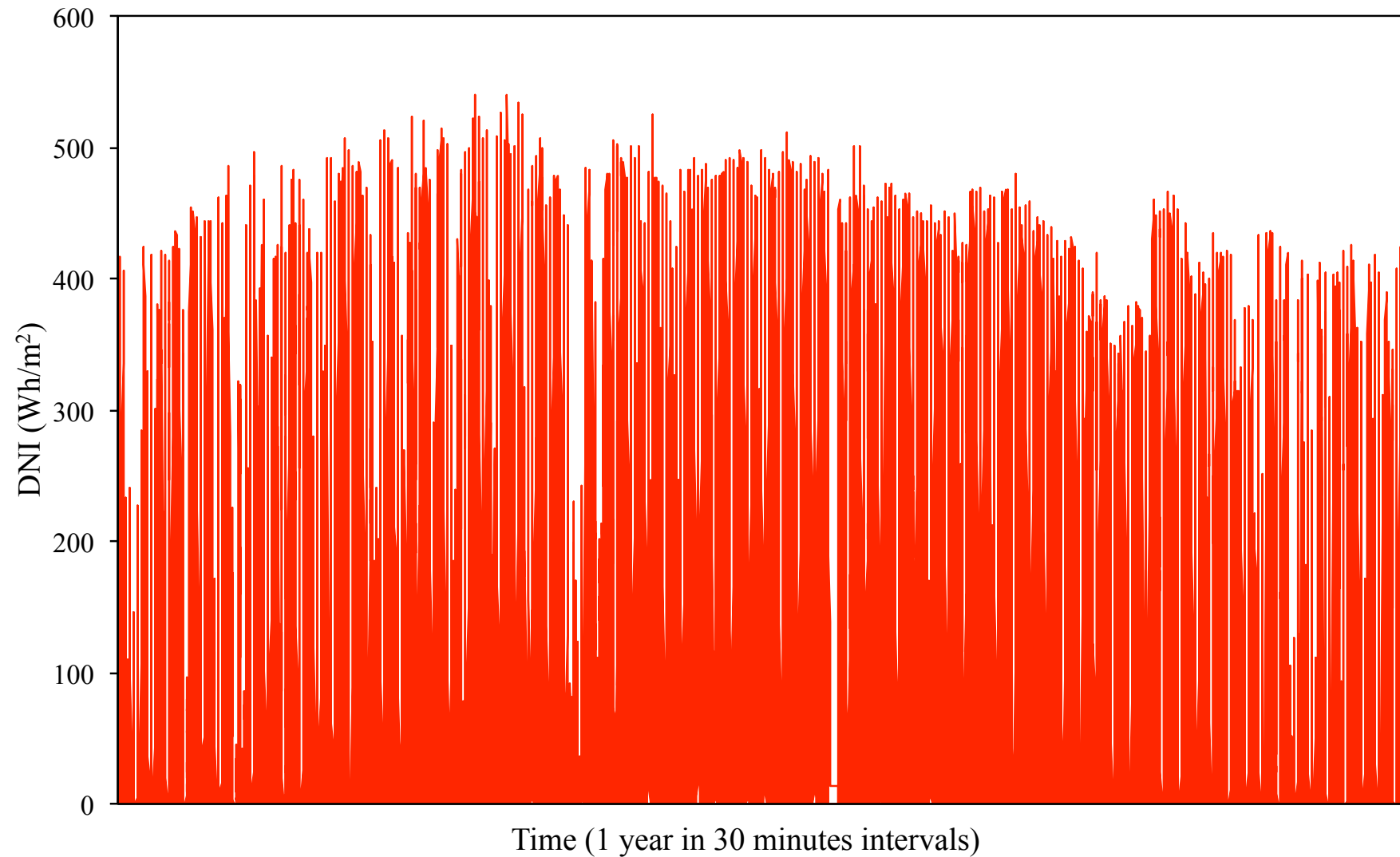




# Hourly annual wind potential



# 1/2 hour annual solar potential



# The problem

## The need

- **Large scale integration of RES**
  - e.g., **EU RES targets by 2020**

## Main objective

- **Assessment of the increase (or benefit) in the cost of electricity of a given power generation system at different RES-E penetration levels**

# Model capabilities

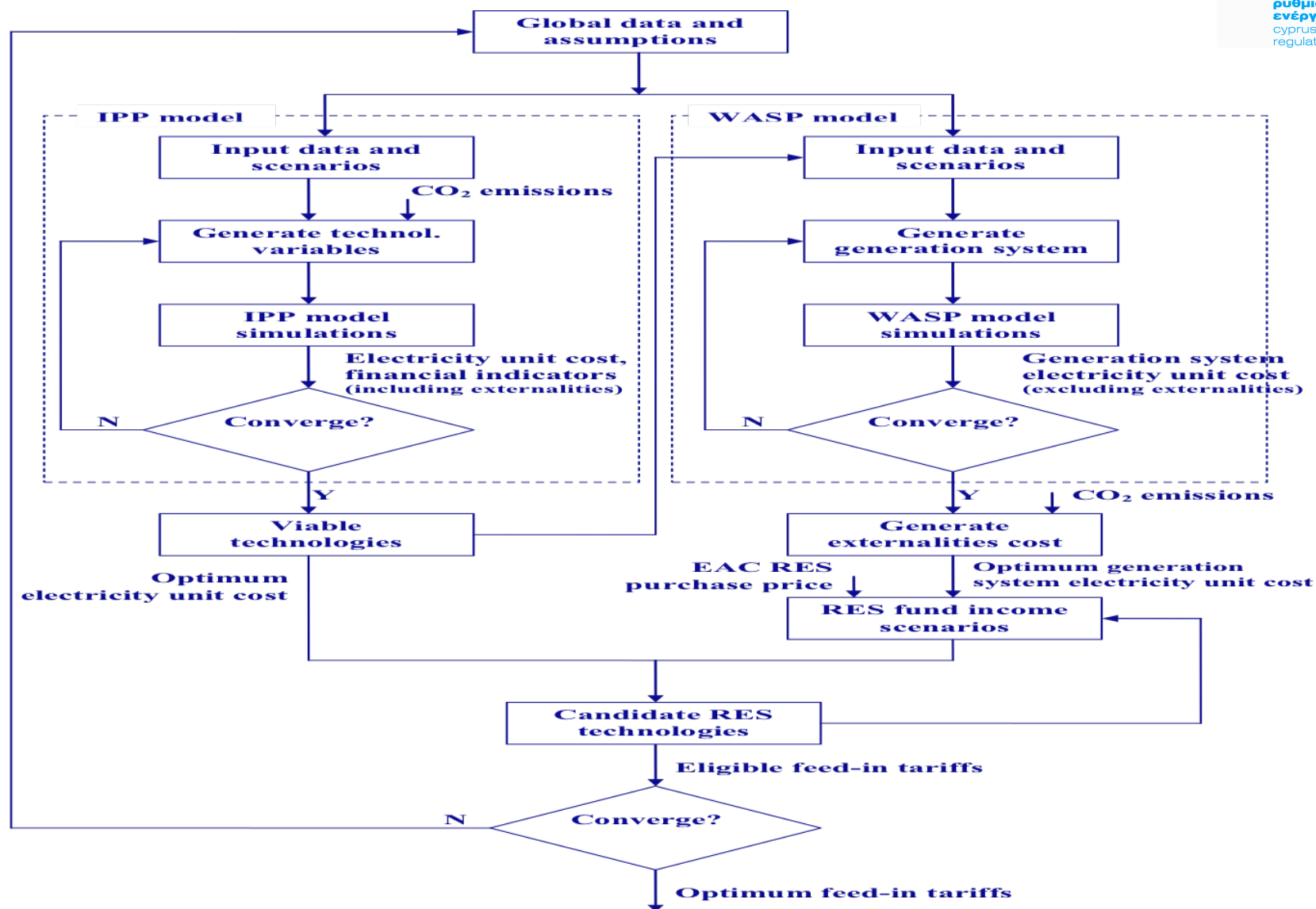
- **Use of unit commitment algorithms**
- **Energy mix**
- **Cost or benefit in the cost of electricity**
- **Price of feed in tariffs**
- **Green tax**

# Important factors considered

- **Fuel avoidance cost:** by increasing RES-E penetration fuel consumption reduced
- **CO<sub>2</sub> avoidance cost:** by increasing RES-E penetration CO<sub>2</sub> emissions reduced
- **Conventional power system operating cost:** by increasing RES-E penetration the conventional power system operating cost is increased due to the increased requirements of conventional reserve capacity

# Optimization model\*

Optimization model (hybrid model  
implementing IPP and WASP models)



\* Poullikkas A., Kourtis G., Hadjipaschalis I., 2011, "A hybrid model for the optimum integration of renewable technologies in power generation systems", *Energy Policy* and Poullikkas A., 2009, "A decouple optimization method for power technology selection in competitive markets", *Energy Sources*.

# Optimization model

## WASP IV (Wien Automatic System Planning)\*

- Find the optimal generation expansion policy for an electric utility system within user-specified constraints

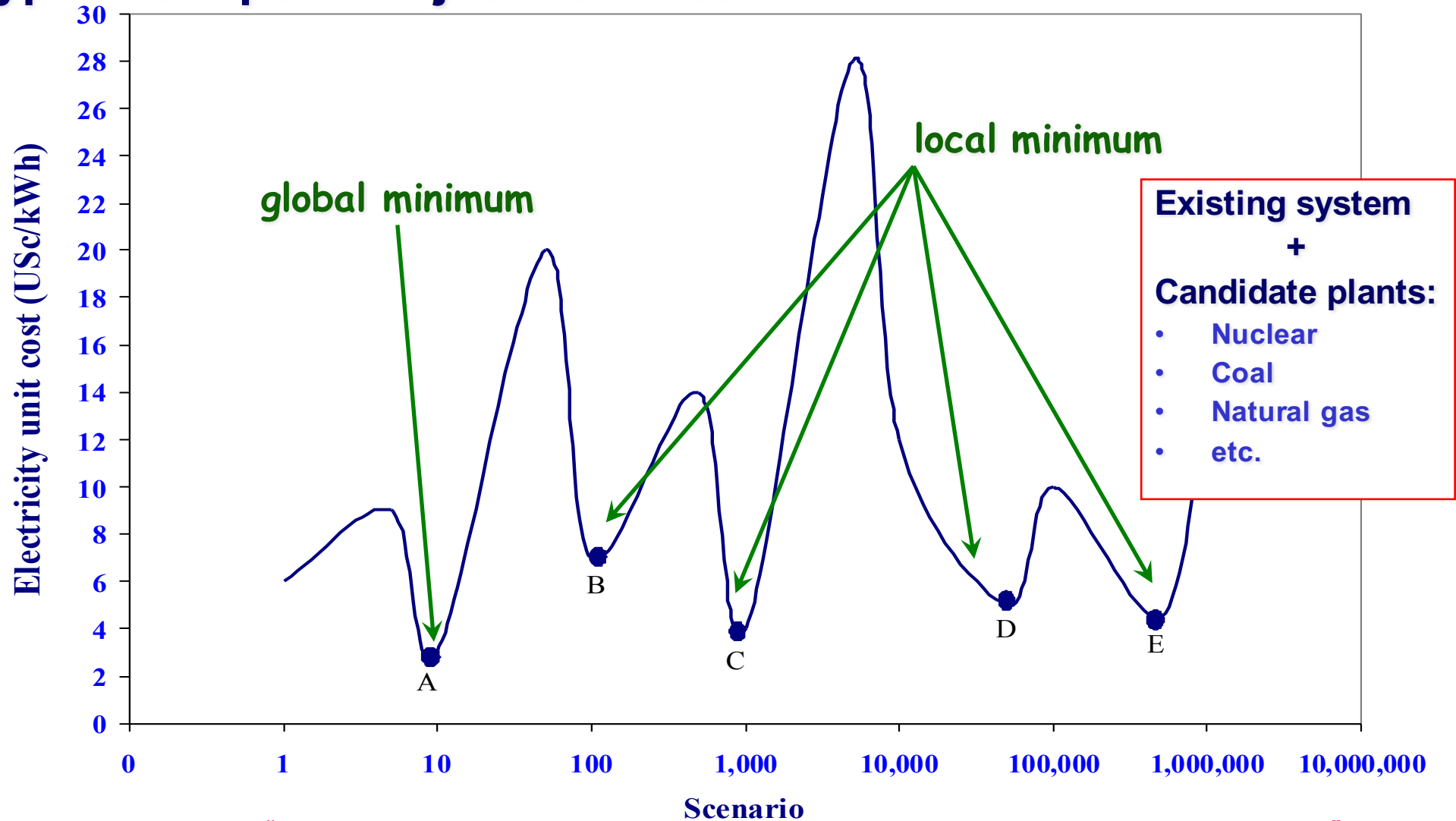
$$B_j = \sum_{t=1}^T [I_{jt} - S_{jt} + F_{jt} + M_{jt} + \Phi_{jt}]$$

- $B_j$  : Objective function attached to the expansion plan  $j$
  - $I$  : Capital investment costs
  - $S$  : Salvage value of investment costs
  - $F$  : Fuel Costs
  - $M$  : Non-fuel operation and maintenance costs
  - $\Phi$  : Cost of energy not served
  - $t$  : time in years (1, 2, ...,  $T$ )
  - $T$  : length of the study period
- Optimum solution:  $\min B_j$

\* Poullikkas A., Kellas A., "The use of sustainable combined cycle technologies in Cyprus: A case study for the use of LOTHECO cycle", Renewable and Sustainable Energy Reviews, 2004.

# Optimization model

## Typical shape of objective function\*



\* Poullikkas A., 2009, "A decouple optimization method for power technology selection in competitive markets", *Energy Sources*.



# Optimization model

## I.P.P. ALGORITHMV2.1 \*

(Software for power technology selection in competitive electricity markets)

**1. Technical, economic and environmental analysis**

**2. Evaluation of candidate power technologies:**

**Capital cost**

**Fuel consumption and cost**

**Operation and maintenance cost**

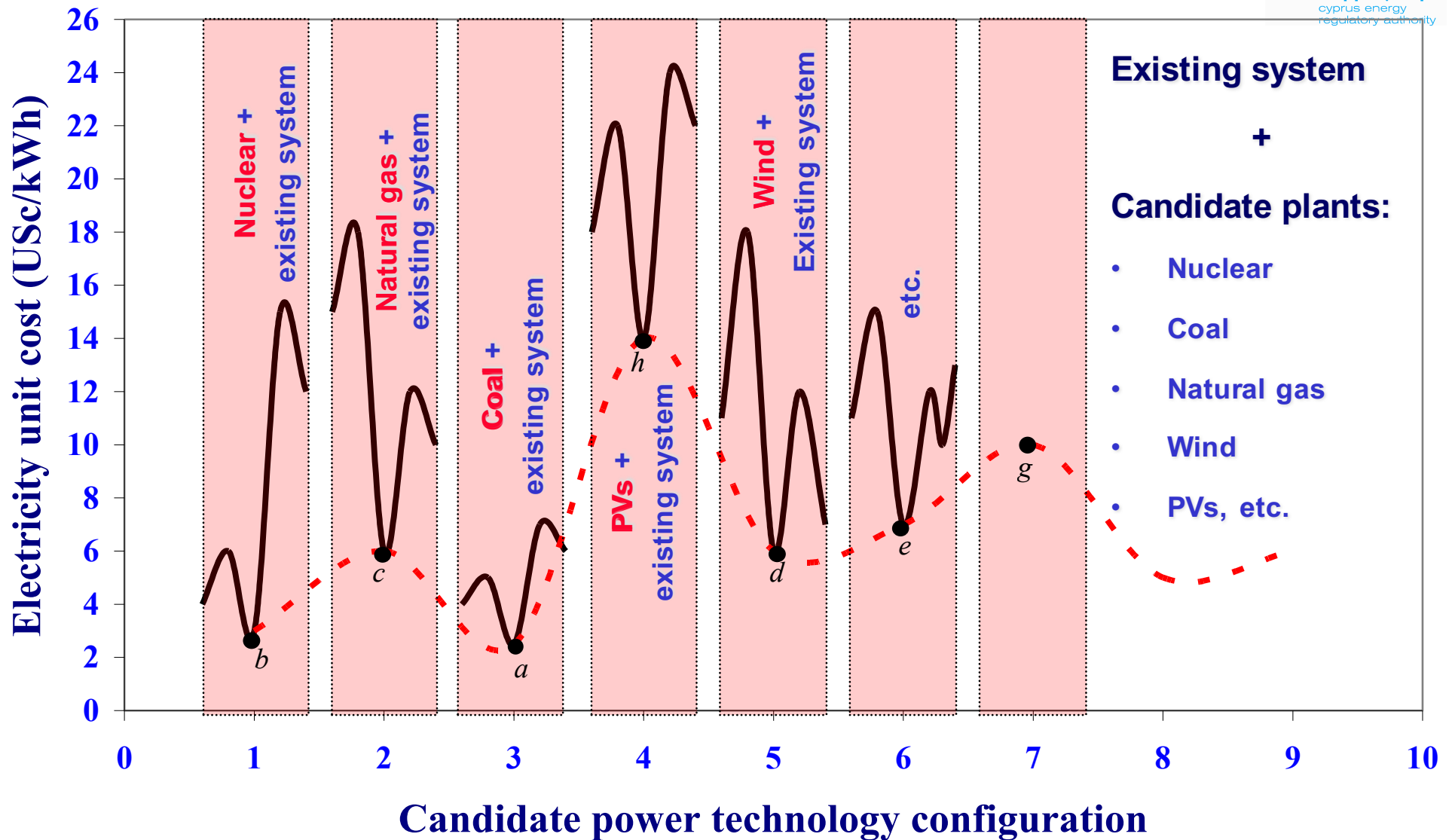
**RES potential**

**Life expectancy etc.**

**3. Least cost power generation configuration  
(decouple optimization technique)**

*\*Poullikkas A., IPP algorithm version 2.1, User manual, © 2000-2006.*

# Decouple optimization technique\*



\* Poullikkas A., 2009, "A decouple optimization method for power technology selection in competitive markets", *Energy Sources*.

# Decouple optimization technique\*

## Decoupled objective function\*

$$\min \left( \frac{\partial c}{\partial k} \right) = \min \left\{ \begin{array}{l} \sum_{j=0}^N \left[ \frac{\frac{\partial C_{Cj}}{\partial k} + \frac{\partial C_{Fj}}{\partial k} + \frac{\partial C_{OMFj}}{\partial k} + \frac{\partial C_{OMVj}}{\partial k}}{(1+i)^j} \right] \\ \sum_{j=0}^N \left[ \frac{\partial P_j}{\partial k} \right] \end{array} \right\}$$

Capital (\$) →  $\frac{\partial C_{Cj}}{\partial k}$   
 Fuel (\$) →  $\frac{\partial C_{Fj}}{\partial k}$   
 Fixed O&M (\$) →  $\frac{\partial C_{OMFj}}{\partial k}$   
 Variable O&M (\$) →  $\frac{\partial C_{OMVj}}{\partial k}$   
 Electricity unit cost (\$c/kWh) →  $\frac{\partial c}{\partial k}$   
 Energy (kWh) →  $\frac{\partial P_j}{\partial k}$

\* Poullikkas A., IPP algorithm version 2.1, User manual, © 2000-2006.

# Decouple optimization technique\*

## • Capital cost function\*

$$\frac{\partial C_{Cj}}{\partial k} = q_j (1+m)^j (1+r)^{j-1} \frac{\partial E}{\partial k} \frac{\partial C_{SCj}}{\partial k}$$

Annual capital cost (\$) is influenced by Capacity (MW), Specific capital cost (\$/kW), Loan interest (%), and Inflation (%).

## • Fuel cost function\*

$$\frac{\partial C_{Fj}}{\partial k} = Z_1 \frac{\partial}{\partial k} \left( \frac{E \times LF_j \times F_j}{\eta \times CV} \right)$$

Annual fuel cost (\$) is influenced by Capacity (MW), Loading factor (%), Specific fuel cost (\$/t), Efficiency (%), and Calorific value (kJ/kg).

## • Fixed O&M cost function\*

$$\frac{\partial C_{OMFj}}{\partial k} = Z_2 (1+r)^{j-1} \frac{\partial E}{\partial k} \frac{\partial O_{MF}}{\partial k}$$

Annual fixed O&M cost (\$) is influenced by Loading factor (%), Monthly specific fixed O&M cost (\$/kW), and Inflation (%).

## • Variable O&M cost function\*

$$\frac{\partial C_{OMVj}}{\partial k} = Z_3 (1+r)^{j-1} \frac{\partial E}{\partial k} \frac{\partial LF_j}{\partial k} \frac{\partial O_{MV}}{\partial k}$$

Annual variable O&M cost (\$) is influenced by Capacity (MW), Loading factor (%), Variable specific O&M cost (\$/kWh), and Inflation (%).

\* Poullikkas A., 2001, "A technology selection algorithm for independent power producers", *The Electricity Journal*.

# Decouple optimization technique\*

## Environmental indicator functions

- **SO<sub>2</sub>, NO<sub>x</sub> and dust environmental indicator function\***

$$\frac{\partial U_{w_j}}{\partial k} = \frac{\frac{\partial FI_j}{\partial k} \frac{\partial S_{w_j}}{\partial k} \frac{\partial G}{\partial k}}{1000}$$

Environmental indicator (g/kWh) points to  $\frac{\partial U_{w_j}}{\partial k}$

Emission limit value (Nm<sup>3</sup>/kg) points to  $\frac{\partial FI_j}{\partial k}$

Exhaust gases specific volume (Nm<sup>3</sup>/kg) points to  $\frac{\partial S_{w_j}}{\partial k}$

Fuel consumption indicator (kg/kWh) points to  $\frac{\partial FI_j}{\partial k}$

$$\frac{\partial FI_j}{\partial k} = \frac{\partial}{\partial k} \left( \frac{360}{\eta \times CV} \right)$$

- **CO<sub>2</sub> environmental indicator function\***

$$\frac{\partial U_{CO_2,j}}{\partial k} = \frac{440}{12} \frac{\partial FI_j}{\partial k} \frac{\partial X}{\partial k} \frac{\partial X_o}{\partial k}$$

Environmental indicator (g/kWh) points to  $\frac{\partial U_{CO_2,j}}{\partial k}$

Fuel carbon content (%) points to  $\frac{\partial FI_j}{\partial k}$

Oxidation factor (%) points to  $\frac{\partial X_o}{\partial k}$

Fuel consumption indicator (kg/kWh) points to  $\frac{\partial FI_j}{\partial k}$

$$\frac{\partial FI_j}{\partial k} = \frac{\partial}{\partial k} \left( \frac{360}{\eta \times CV} \right)$$

\* Poullikkas A., 2009, "A decouple optimization method for power technology selection in competitive markets", *Energy Sources*.

# Decouple optimization technique\*

## CCS cost functions

- CO<sub>2</sub> capture cost function\*
- CO<sub>2</sub> avoidance cost function\*

**CO<sub>2</sub> capture cost function\***

$$CCS_{capture} = \frac{\frac{\partial c}{\partial k} - \frac{\partial c}{\partial(k-1)}}{\frac{\partial \phi}{\partial k} \frac{\partial U_{CO_2}}{\partial k}}$$

Labels for  $CCS_{capture}$ :

- CO<sub>2</sub> capture cost (US\$/tonne CO<sub>2</sub>)
- Electricity unit cost of candidate technology with CCS (USc/kWh)
- Electricity unit cost of candidate technology without CCS (USc/kWh)
- CO<sub>2</sub> capture efficiency (%)
- CO<sub>2</sub> emissions of candidate technology with CCS (g/kWh)

**CO<sub>2</sub> avoidance cost function\***

$$CCS_{avoidance} = \frac{\frac{\partial c}{\partial k} - \frac{\partial c}{\partial(k-1)}}{\frac{\partial U_{CO_2}}{\partial(k-1)} - \left[ \frac{\partial U_{CO_2}}{\partial k} \left( 1 - \frac{\partial \phi}{\partial k} \right) \right]}$$

Labels for  $CCS_{avoidance}$ :

- CO<sub>2</sub> avoidance cost (US\$/tonne CO<sub>2</sub>)
- Electricity unit cost of candidate technology with CCS (USc/kWh)
- Electricity unit cost of candidate technology without CCS (USc/kWh)
- CO<sub>2</sub> emissions of candidate technology without CCS (g/kWh)
- CO<sub>2</sub> emissions of candidate technology with CCS (g/kWh)
- CO<sub>2</sub> capture efficiency (%)

\* Hadjipaschalis I., Christou C., Poullikkas A., 2007, "Assessment of future sustainable power technologies with carbon capture and storage", *International Journal of Emerging Electric Power Systems*.

# Decouple optimization technique\*

## Wind functions\*

$$\frac{\partial P}{\partial k} = \sum_{j=1}^N \left[ \frac{\partial c_p}{\partial k} \frac{\partial n_m}{\partial k} \frac{\partial n_e}{\partial k} \frac{P_w}{\partial k} \right]$$

Production (kWh) →  $\frac{\partial P}{\partial k}$

Coefficient of performance (%) →  $\frac{\partial c_p}{\partial k}$

Efficiency (%) →  $\frac{\partial n_m}{\partial k}$

Wind potential (kW) →  $\frac{\partial n_e}{\partial k}$

Efficiency (%) →  $\frac{P_w}{\partial k}$

Efficiency (%) →  $\frac{\partial n_m}{\partial k}$

## PV functions\*\*

$$\frac{\partial P}{\partial k} = \sum_{j=1}^N \left[ \frac{\partial I_j}{\partial k} \frac{\partial A}{\partial k} \frac{\partial n}{\partial k} \right]$$

Production (kWh) →  $\frac{\partial P}{\partial k}$

Solar potential (kWh/m<sup>2</sup>) →  $\frac{\partial I_j}{\partial k}$

Area (m<sup>2</sup>) →  $\frac{\partial A}{\partial k}$

Efficiency (%) →  $\frac{\partial n}{\partial k}$

## CSP functions\*\*\*

$$\frac{\partial P}{\partial k} = \sum_{j=1}^N \left[ \frac{\partial I_j}{\partial k} \frac{\partial A}{\partial k} \frac{\partial n_a}{\partial k} \frac{\partial n_s}{\partial k} \right]$$

Production (kWh) →  $\frac{\partial P}{\partial k}$

Solar potential (kWh/m<sup>2</sup>) →  $\frac{\partial I_j}{\partial k}$

Area (m<sup>2</sup>) →  $\frac{\partial A}{\partial k}$

Efficiency (%) →  $\frac{\partial n_a}{\partial k}$

Efficiency (%) →  $\frac{\partial n_s}{\partial k}$

\* Poullikkas A., 2007, "Implementation of distributed generation technologies in isolated power systems", *Renewable and Sustainable Energy Reviews*

\*\* Poullikkas A., 2009, "Parametric cost-benefit analysis for the installation of photovoltaic parks in the island of Cyprus", *Energy Policy*

\*\*\* Poullikkas A., 2009, "Economic analysis of power generation from parabolic trough solar thermal plants for the Mediterranean region – A case study for the island of Cyprus", *Renewable and Sustainable Energy Reviews*

# Decouple optimization technique\*

## Set of equations\*

$$\min c = \min \frac{\partial}{\partial k} \left[ \begin{array}{c} \left( \frac{A_1 + A_2 + A_3 + A_4}{A_5} \right)_1 \\ \left( \frac{A_1 + A_2 + A_3 + A_4}{A_5} \right)_2 \\ \left( \frac{A_1 + A_2 + A_3 + A_4}{A_5} \right)_3 \\ \left( \frac{A_1 + A_2 + A_3 + A_4}{A_5} \right)_4 \\ \dots \\ \left( \frac{A_1 + A_2 + A_3 + A_4}{A_5} \right)_k \end{array} \right]$$

← Candidate technology 1 + existing system

← Candidate technology 2 + existing system

← Candidate technology 3 + existing system

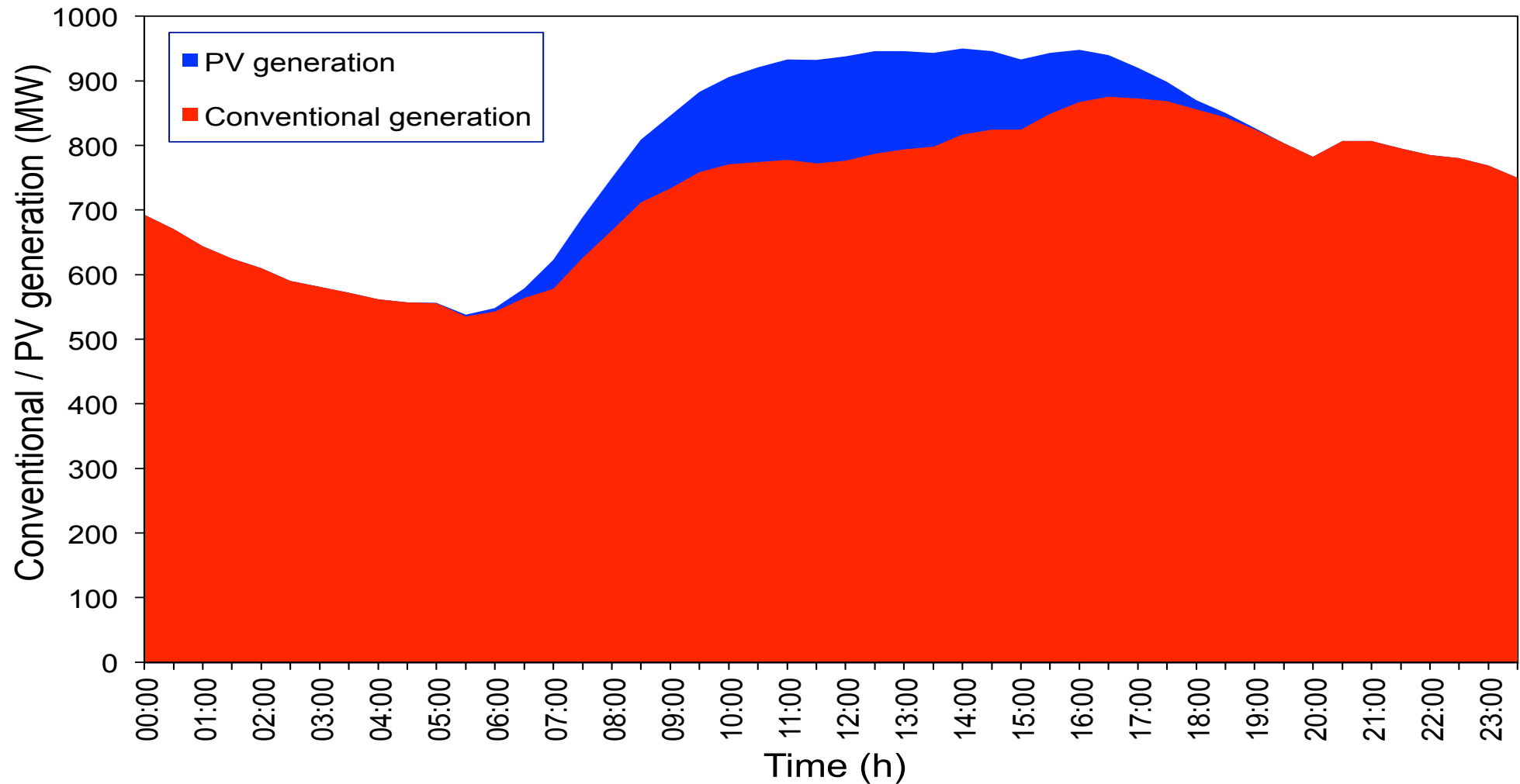
← Candidate technology 4 + existing system

← Candidate technology  $k$  + existing system

\* Poulikkas A., 2009, "A decouple optimization method for power technology selection in competitive markets", *Energy Sources*.

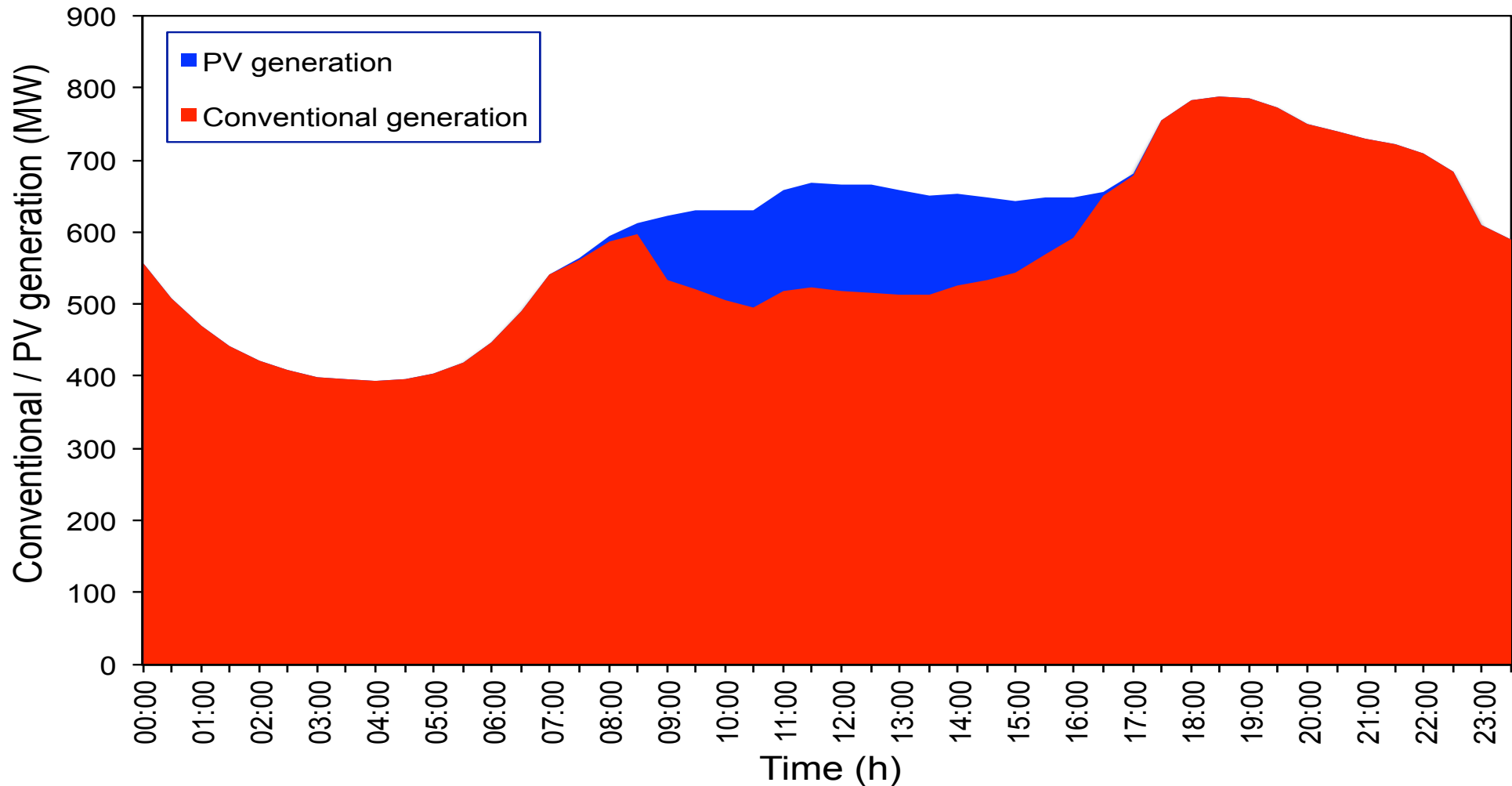


# Example of PV generation during Summer time\*



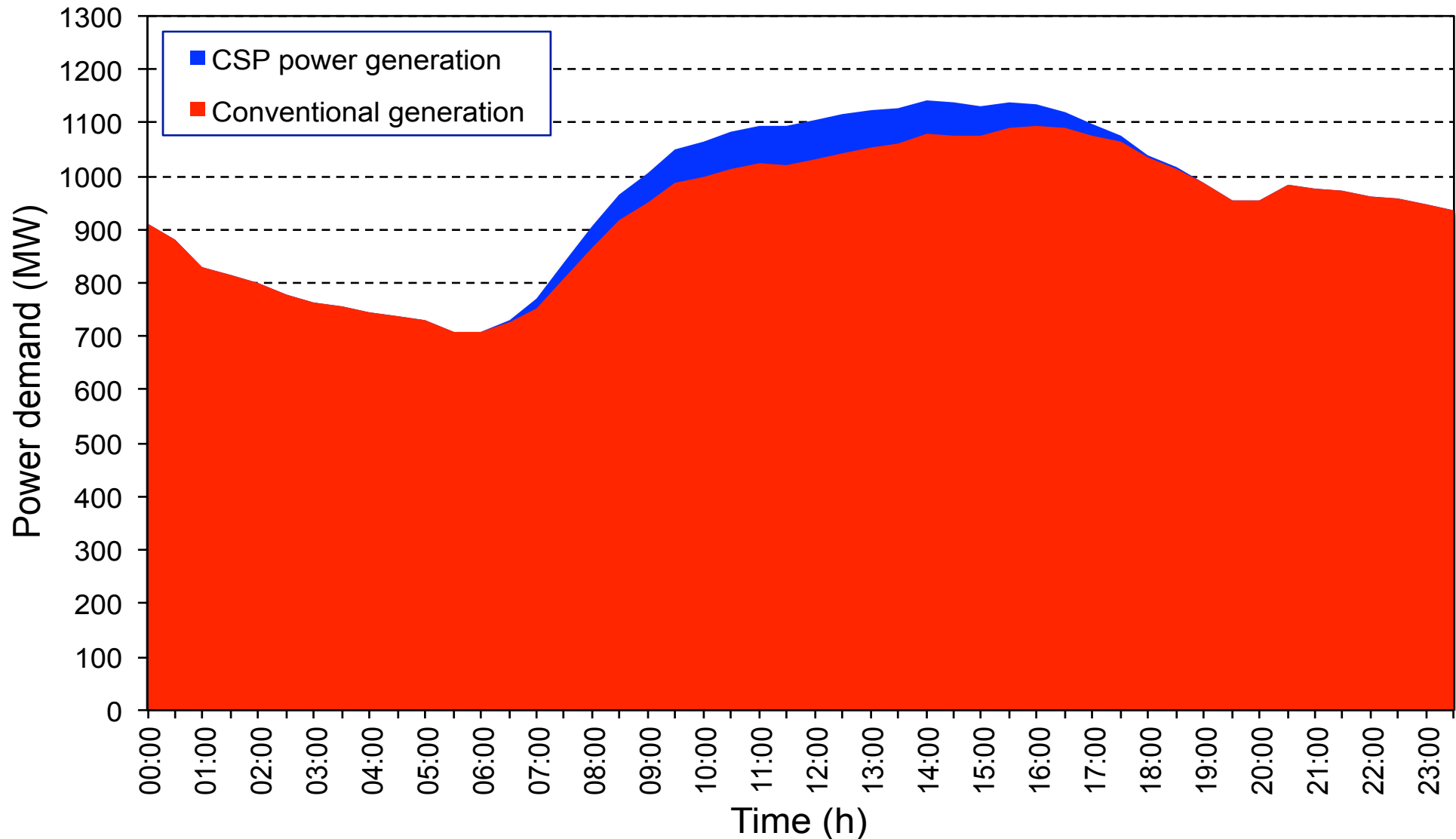
\* Poullikkas A., 2009, "Parametric cost-benefit analysis for the installation of photovoltaic parks in the island of Cyprus", *Energy Policy*

# Example of PV generation during Winter time\*

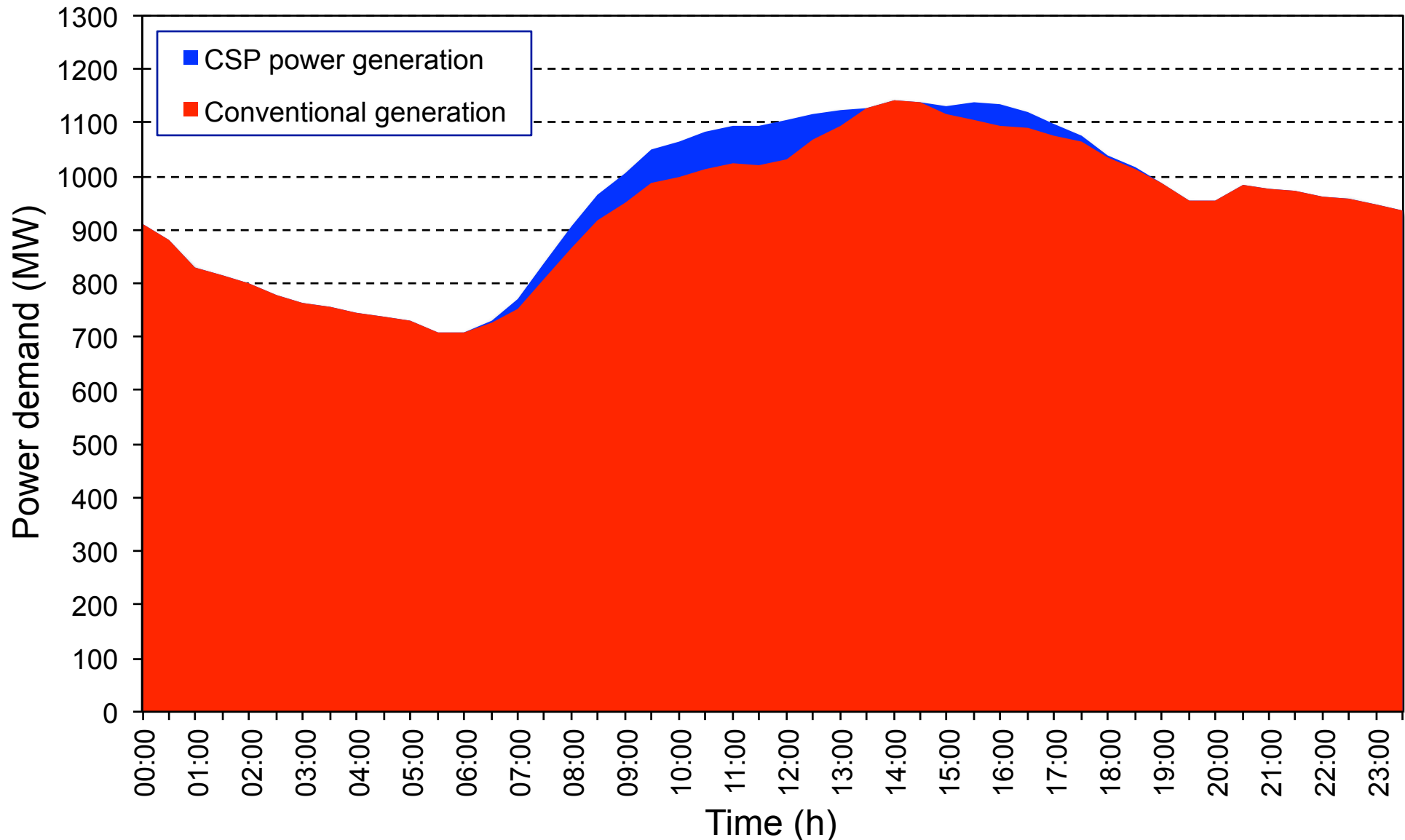


\* Poullikkas A., 2009, "Parametric cost-benefit analysis for the installation of photovoltaic parks in the island of Cyprus", *Energy Policy*

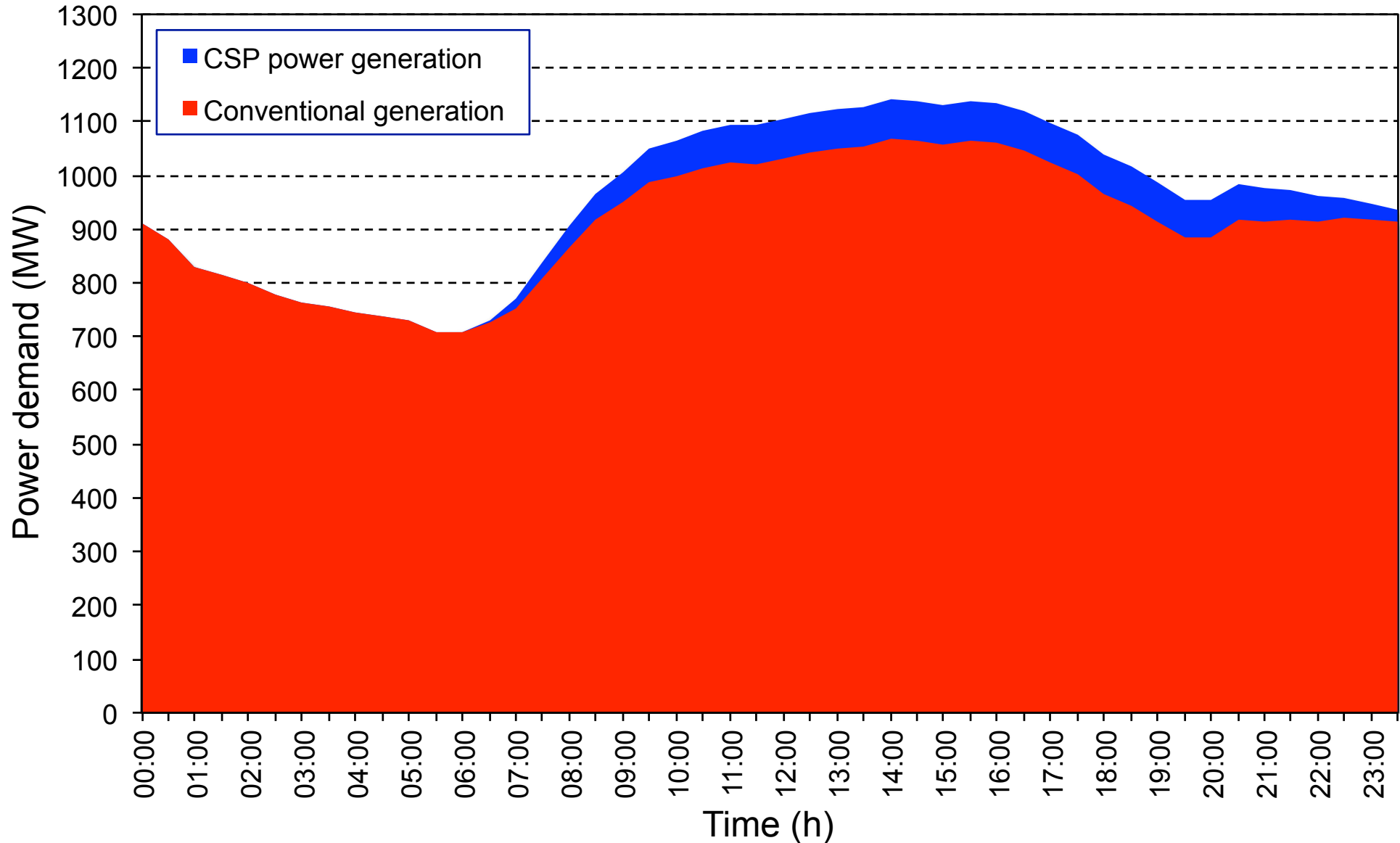
# Example of 75MW CSP generation during peak load (no storage, normal conditions)



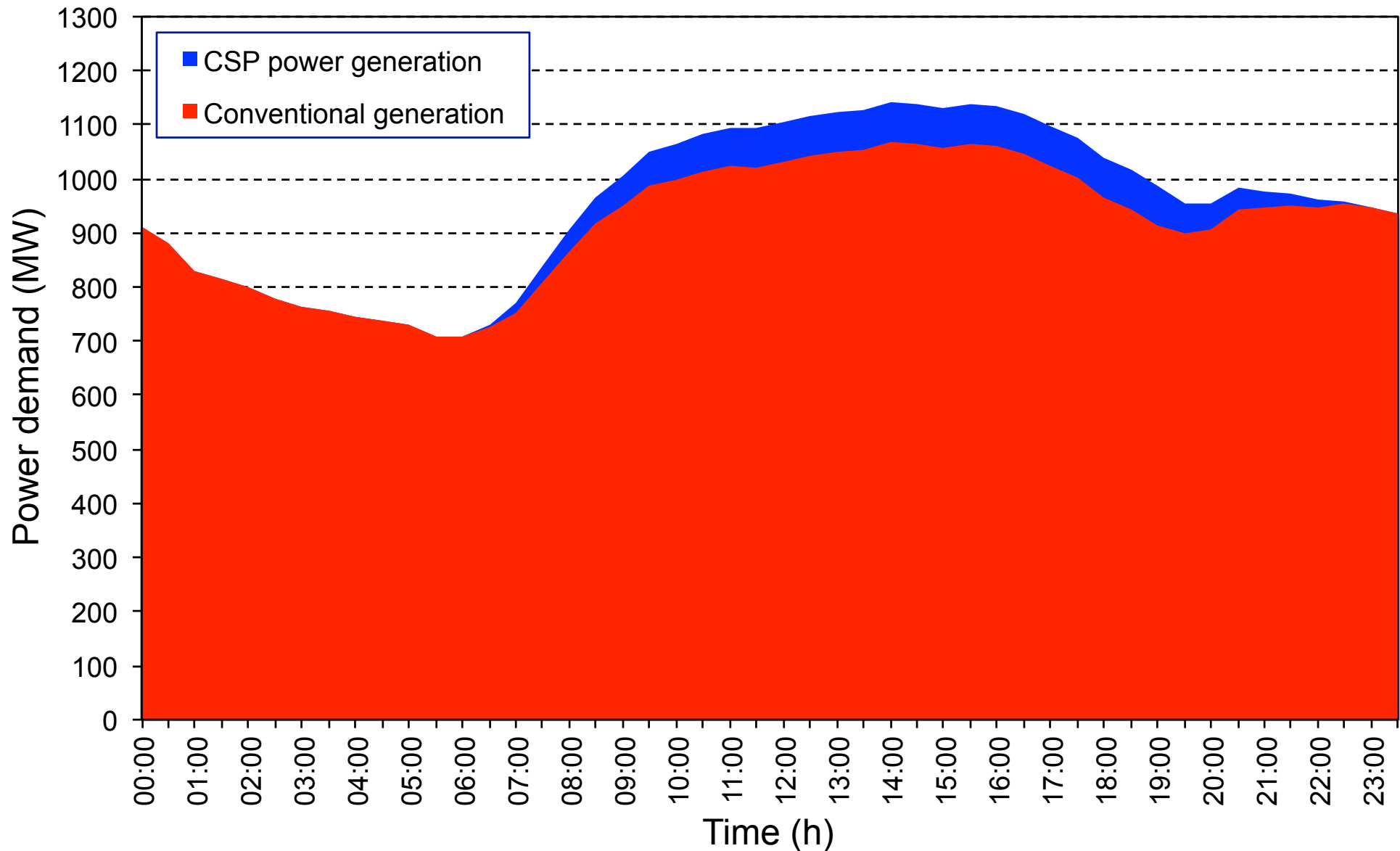
# Example of 75MW CSP generation during peak load (no storage, with clouds)



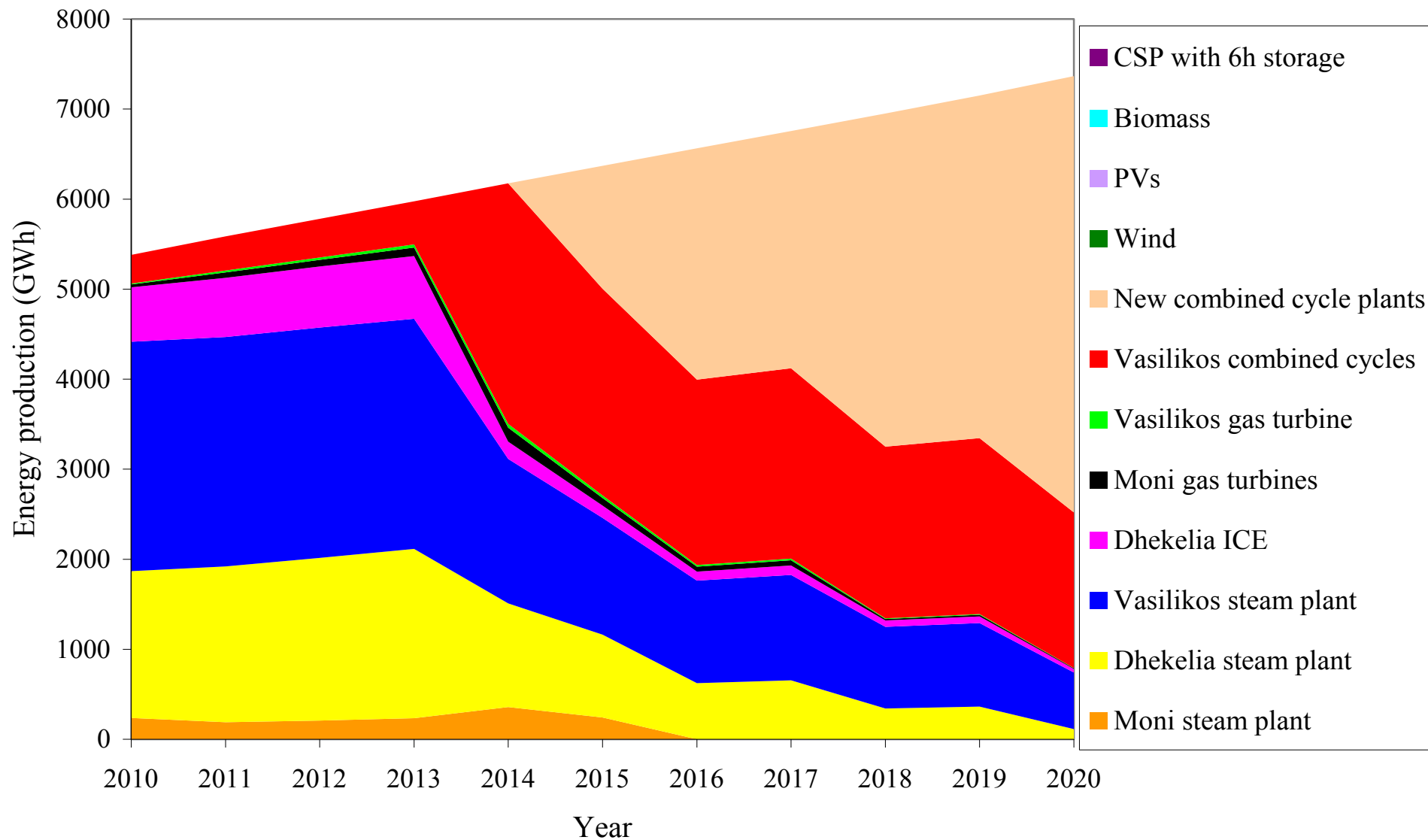
# Example of 75MW CSP generation during peak load (6h storage, normal conditions)



# Example of 75MW CSP generation during peak load (6h storage, with clouds)

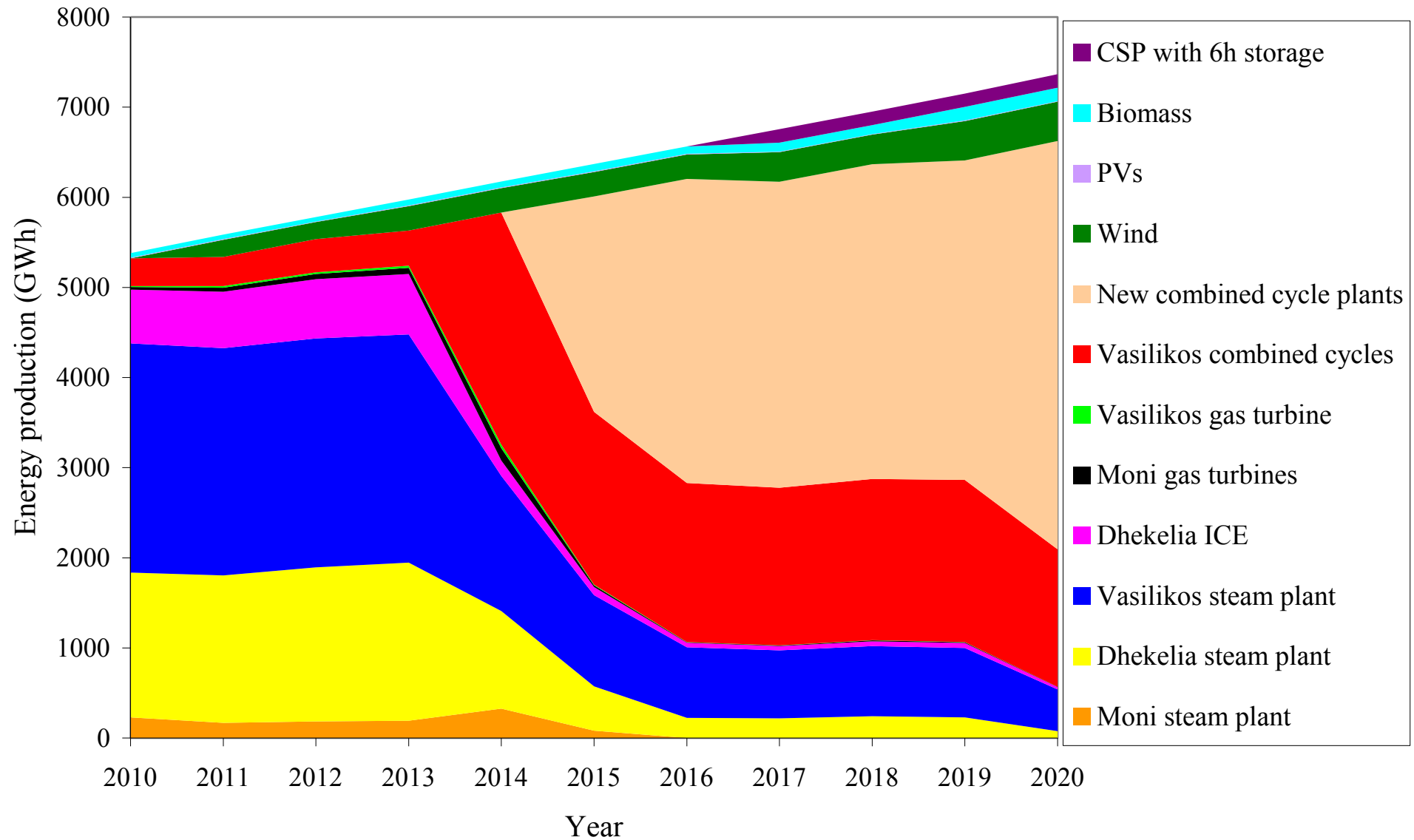


# Power generation system energy mix with BAU

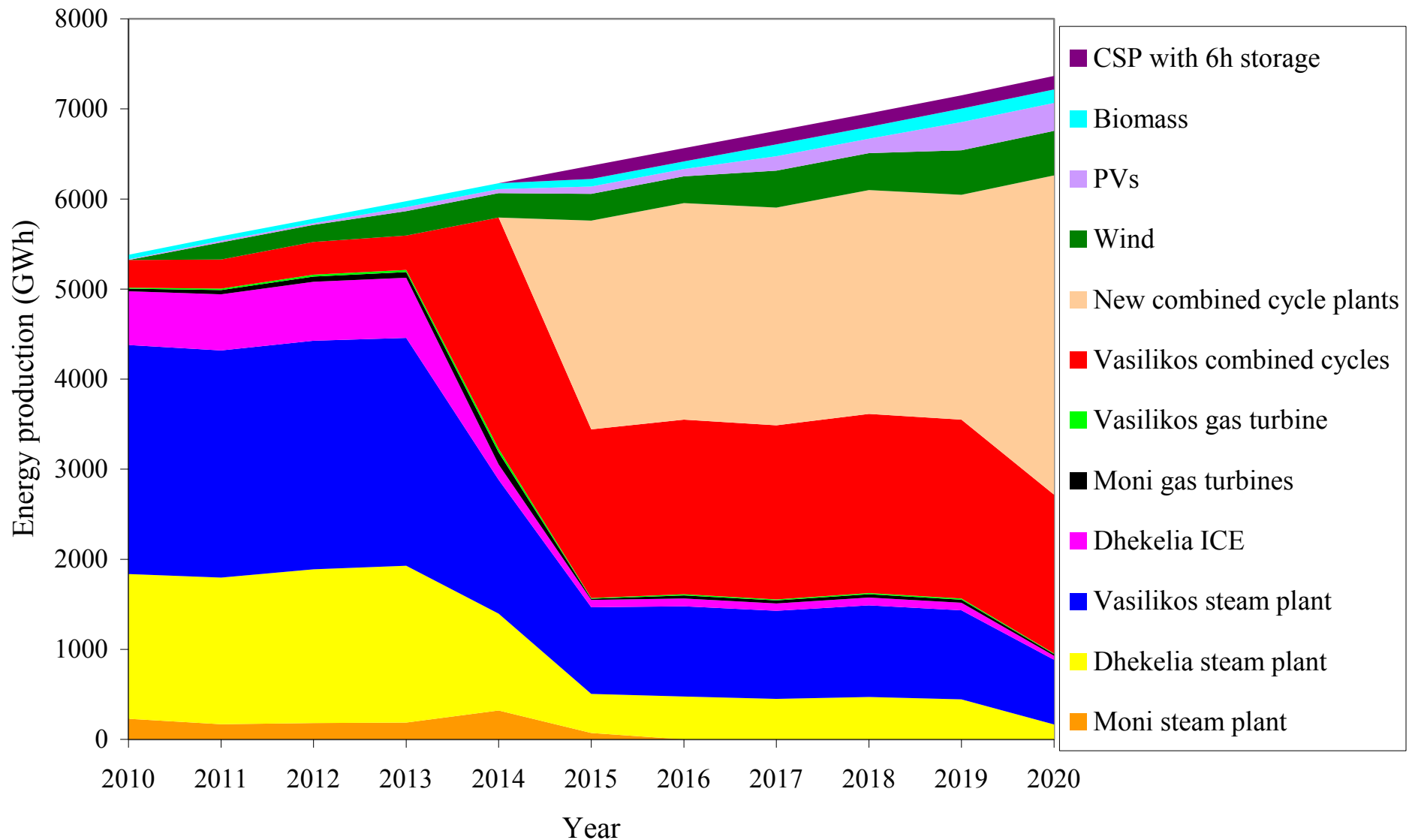




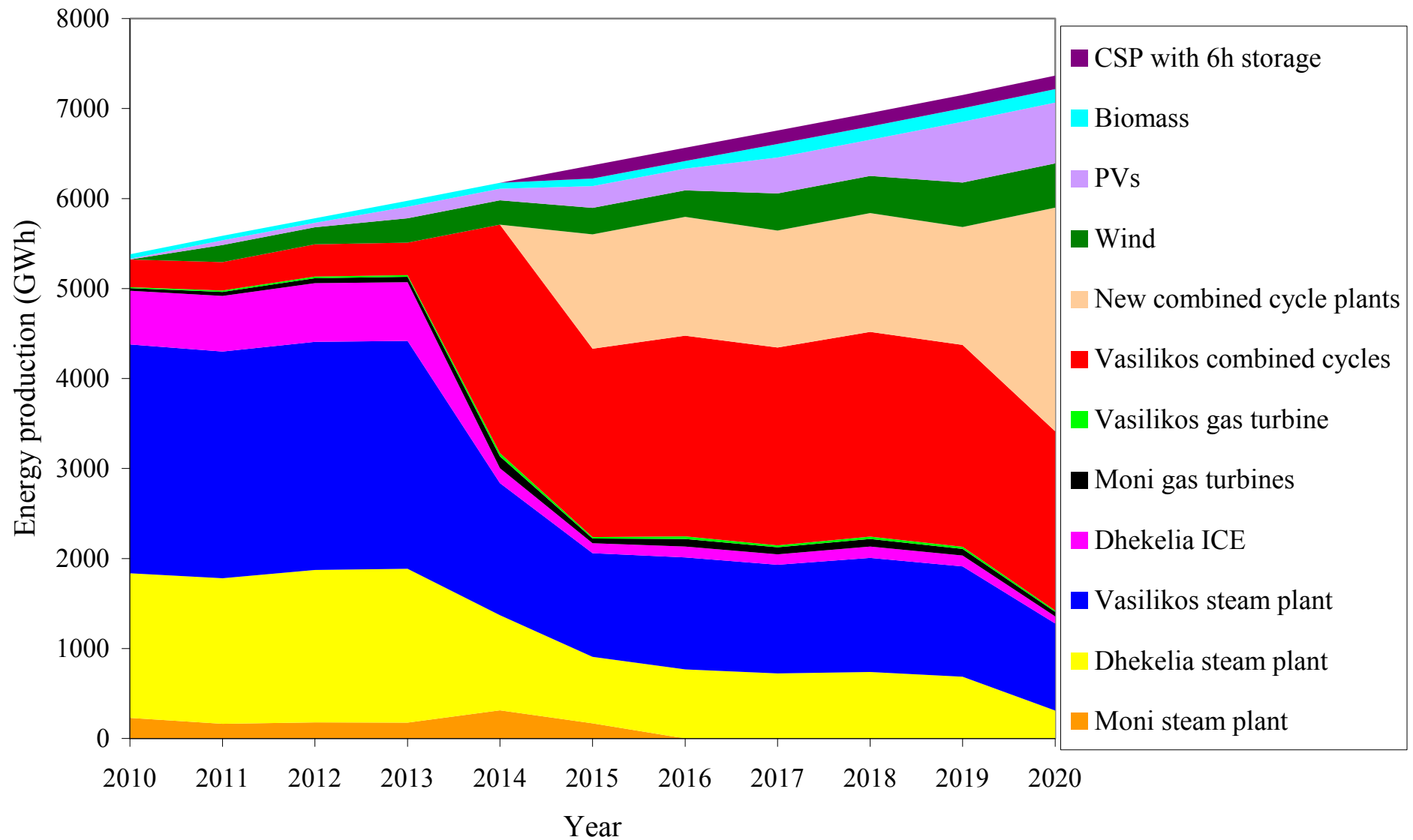
# Power generation system energy mix with 10% RES-E penetration



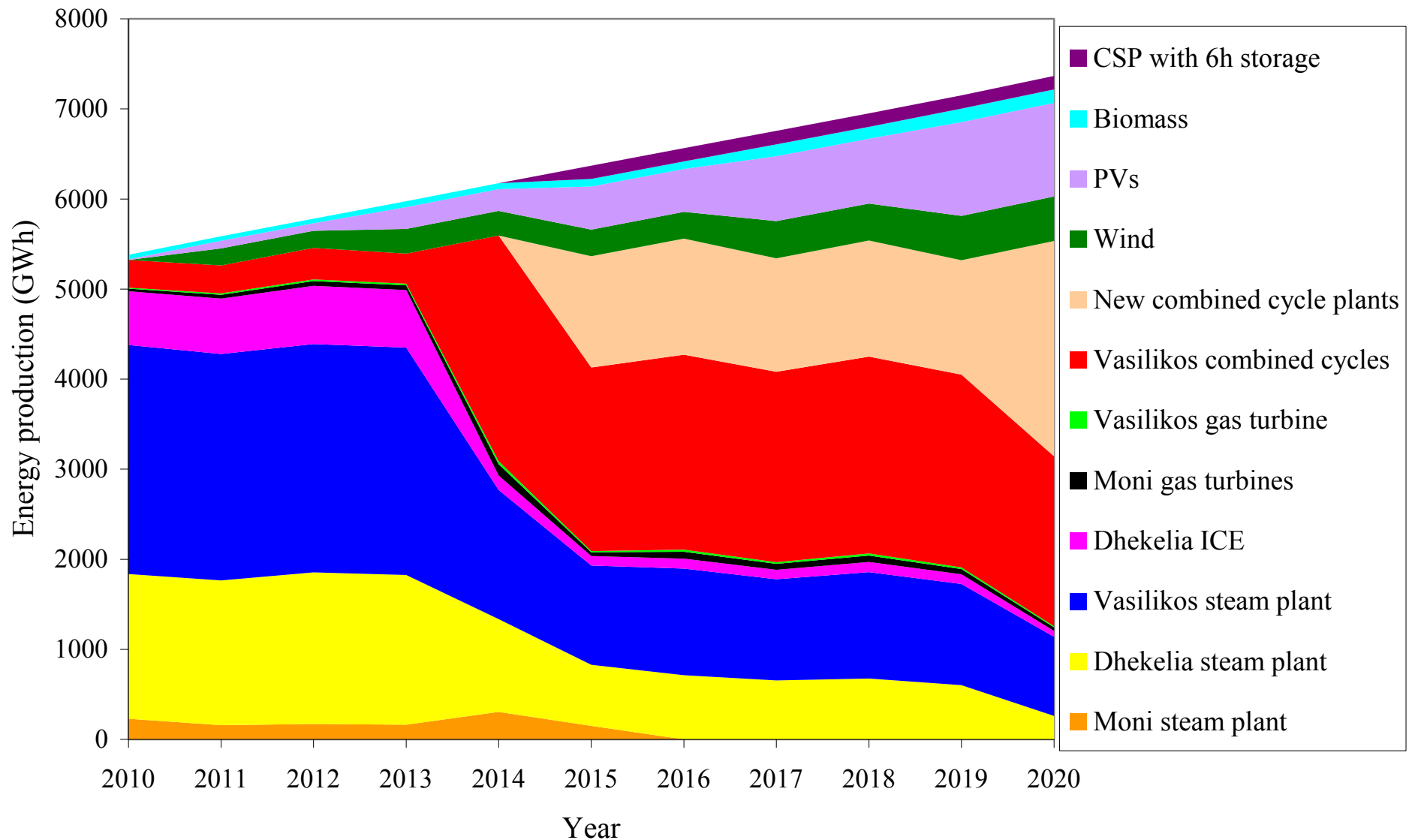
# Power generation system energy mix with 15% RES-E penetration



# Power generation system energy mix with 20% RES-E penetration



# Power generation system energy mix with 25% RES-E penetration



# RES-E strategic plan 2010-20



- **RES-E penetration at 16% by 2020**
- **Important measures**
  - **Shifting from FiT mechanism, which is independent of electricity market prices, to a more market based mechanism**
  - **Introduction of the net-metering scheme**
  - **Use of competitive auctioning processes for RES-E capacity**