Integrated solutions for electrification: three approaches from three countries

April 28, 2021 15h00 – 16h00



Leonardo ENERGY Webinar Channel j.mp/leonardotube

5<sup>th</sup> Webinar of the Electrification Academy



#### "Decarbonisation is a team effort."



Christian van Maarschalkerweerd, Danish Energy Association



Laura Glover, Delta-EE



Stefan Liesner, 2G Energy

The path to a climate-neutral Europe in 2050 will be paved with a variety of solutions. Diverse conditions in European countries require holistic planning approaches tailored to local needs to progress towards a net-zero power system. In the fifth webinar of the Electrification Academy, three speakers share integrated approaches from their respective countries. These strategies seek synergies between solutions to meet the common challenge of integrating growing shares of variable renewable energy sources, boosting power system flexibility and lowering carbon emissions.



## Integrated solutions for electrification: RE-integration and the role of district heating in Denmark

Fifth webinar of the Electrification Academy

Christian van Maarschalkerweerd - Dansk Energi



### Green transition and reduction targets drives fundamental change of Danish energy system





## **Balancing the green electricity system**



West Denmark (DK1)

- Significant increase in electricity consumption
- Significant reduction of thermal capacity. Phase out of coal and gas, and reduced biomass usage
- Interconnectors are needed to maintain balance between supply and demand
- Flexible and price sensitive demand is also needed



# May 2020 – An example of production and demand



## **District heating in Denmark**

- 64% of Danish households are heated with district heating, and many areas with individual gas boilers are now being converted to district heating or heat pumps
- Historically the heat has primarily been produced on combined heat and power plants
- Now the production is converted to heat pumps and heat-only-boilers (electric and/or biomass)
- District heating companies are going from production to consumption of electricity
- Heat storage has always been an integrated part of the system to enable optimal operation of CHP plants day/night
- The economic value of heat storage is increasing -> investments in new storage capacity



## **Storage in DH systems and buildings**



Traditional storage day/night



Large scale/seasonal storage



Adaptive (no configuration)

O Predictive

Thermal capacity in buildings



### The role of aggregators increases with increased complexity



Larger players can handle complexity and a variety of products, while smaller district heating companies can benefit from cooperation with an aggregator.

In both cases there are significant economic benefits from participating in markets for anxillary services.



## **Regulatory framework**

- Electricity tax for heating purposes reduced to EU minimum charge (both for individual households and DH companies)
- Subsidy for converting from gasboiler to heat pump or district heating
- District heating projects need to demonstrate that they are cheaper than individual heat pumps in order to be approved by municipality
- Price signals from electricity side spot price, anxillary service and special regulation
- Distribution/transmission tarifs and connection charges reflecting true costs. Distribution tarifs differentiated in time and reduced connection charges, if load can be reduced
- Today there are many small consumer owned or municipal DH companies. Is consolidation and more commercial ownership of production units needed to harvest full flexibility potential?









## national**gridESO**



## 4D HEAT USING DOMESTIC HEAT TO ADDRESS WIND CONSTRAINTS

28th April 2021

CONTACT: laura.glover@delta-ee.com

### 4D Heat



Maximum volume of wind energy (MWh) that could avoid being constrained by controlling electric residential heating



#### **Key considerations**

- Need to do this without costing the ESO, DSO or end-consumer more
- Only considering off-gas grid electric heating in Scotland

#### Method:

- Technical and techno-economic modelling
  + qualitative research
- Use storage heaters, hot water tanks and heat pumps

#### **Outputs:**

- How much of a difference can we make
- CBA
- Route to market

Dynamic time of use tariffs

**Direct financial** 

**Smart Controls** 

2020

incentives

**Scenarios** 

Smart controls, explicit wind incentivisation, dynamic tariffs









2030



#### **CBA** overview



#### **CBA** components



#### Main findings – modelling for 2030 scenarios



#### Reduction in wind curtailment (bars) and 10-year NPV (diamonds) in 2030 in response to different mechanisms investigated



#### Breakdown of system wide benefits per annum for combined scenario, 2030



16

**DELTA-EE** 

*passiv*systems

#### Smart controls are the key mechanisms to access all values



Smart controls



Time of Use tariffs











2030 wind curtailment = 3x greater than all off-gas grid electric heating demand

Improved customer comfort ensured

everoze

Conclusions

**2020**: 17%

Smart electric heating can deliver value and reduce wind curtailment

### Putting the theory into practice

#### EnergyCloud Ireland



Ireland faces similar renewable curtailment issues to the UK, with over €50 million of renewable energy wasted in 2019 alone. A consortium from across the sector aim to change this.



- EnergyCloud aims to capture some of this surplus renewable energy and redistribute it to citizens on the island of Ireland who are living in fuel poverty.
- Houses included in the scheme will be fitted with a small heating control device that will activate the immersion to come on and use the free power to heat water.
- An initial trial of 50 homes has just kicked off.

#### **Further information**







## Hydrogen CHP - The Enabler

Stefan Liesner, Head of Public Affairs and Public Relations, 2G Energy AG

2G. Cogeneration.

28.04.2021



### Sectoral Coupling.







#### **Mixture with Port Injection**



Port Injection: Mixture just before the combustion chamber



2G. Cogeneration.



### **Combination of Hydrogen / Natural Gas Operation**

Gas injection for hydrogen operation

Regular gas mixer



Switch between hydrogen / natural gas (biogas) operation enables covering peak demand

### Today Natural Gas - Tomorrow Hydrogen.





Natural Gas



Hydrogen

### **References.**

**TOTAL Hydrogen Service Station / Berlin (Germany)** agenitor 306 H<sub>2</sub> with 2G hydrogen technology

**Stadtwerke Haßfurt / Haßfurt (Germany)** agenitor 406 H<sub>2</sub> with 2G hydrogen technology

**Siemens (Dubai)** agenitor 412 H<sub>2</sub> with 2G hydrogen technology

**APEX / Rostock (Germany)** agenitor 404c H<sub>2</sub> with 2G hydrogen technology

**Climate Neutral Quarter Esslingen (Germany)** agenitor 406 H<sub>2</sub> with 2G hydrogen technology

**Oakney Airport (UK)** agenitor 404c with H<sub>2</sub> with 2G hydrogen technology







28.04.2021

2G. Cogeneration.



### **Case Study: City of Esslingen (Germany)**



### 2G Hydrogen Portfolio.



Туре	Output		Efficiency Rate		
	Electrical	Thermal	Electrical	Thermal	Total
agenitor 404c H <sub>2</sub>	115 kW	129 kW	37.7 %	42.3 %	80.0 %
agenitor 406 H <sub>2</sub>	170 kW	183 kW	39.0 %	41.9 %	80.9 %
agenitor 408 H <sub>2</sub>	240 kW	250 kW	40.2 %	41.9 %	82.1 %
agenitor 412 H <sub>2</sub>	360 kW	371 kW	40.5 %	41.7 %	82.2 %

#### Summary – CHP systems are....

- ...part of the renewable energy storage solution in order to re-electrify the wind and solar energy stored in the gas system in a highly efficient manner
- 2. ...<u>the natural partner technology for PV</u> <u>systems</u> due to the complementary mode of operation
- 3. ...<u>system-relevant</u> and can cover the residual load highly efficient as required



### Questions?







Questions in the Q&A pod

Address your question to one or more speakers Be concise & precise

Vote questions up