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# Comprehensive Modelling and Analysis of a Future German Energy System with a Dominant Supply from Renewable Energies

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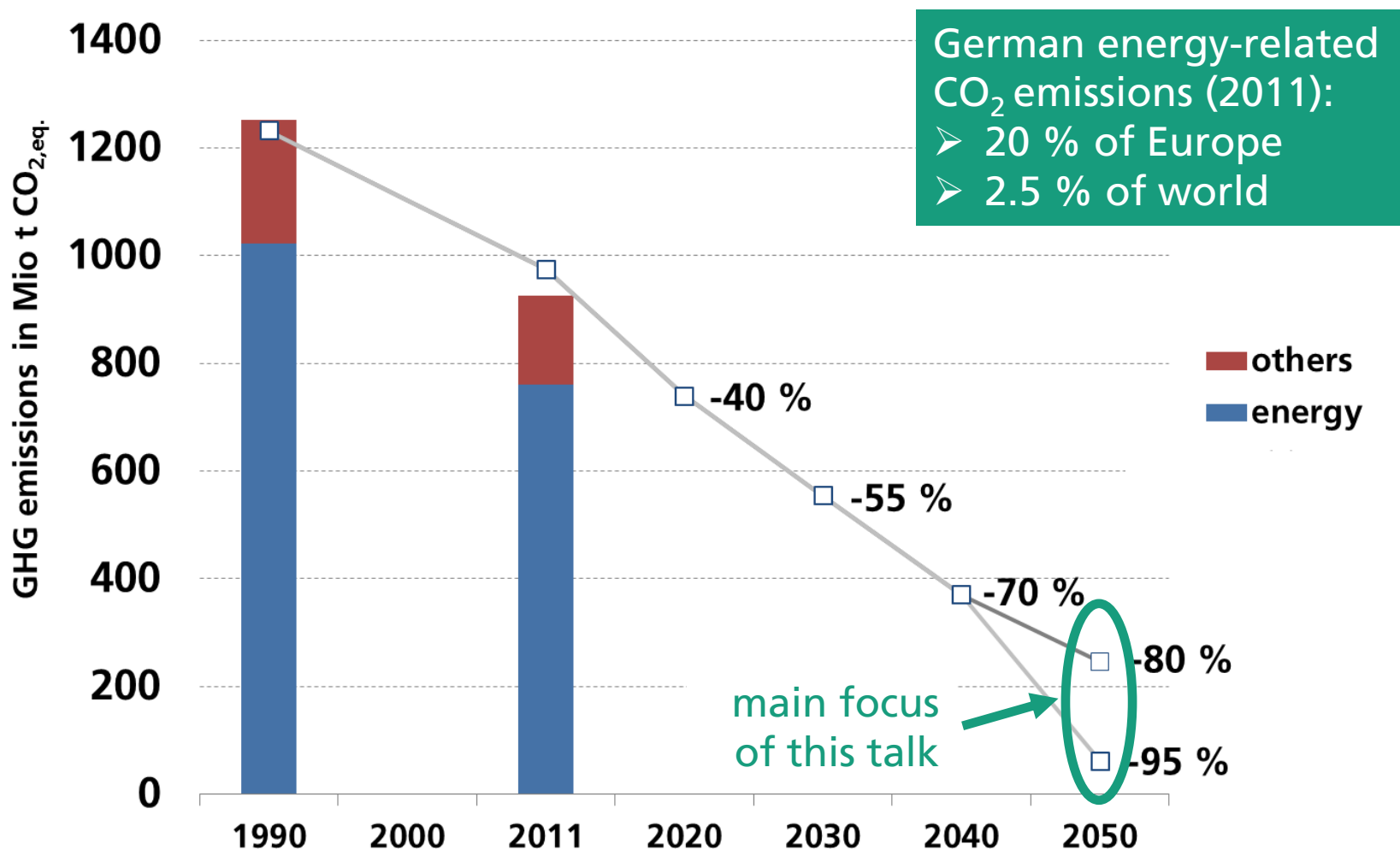
# Outline

- Targets of the German climate protection policy
- Analysis of a possible German energy system in 2050
  - Methodology
  - Results
    - Sensitivity analysis
    - Analysis of a selected system
    - Needed investments
- Conclusions & outlook

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# German greenhouse gas emissions – history and targets



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# Motivation

## Inter-sectorial overall energy system analysis

### Guiding questions

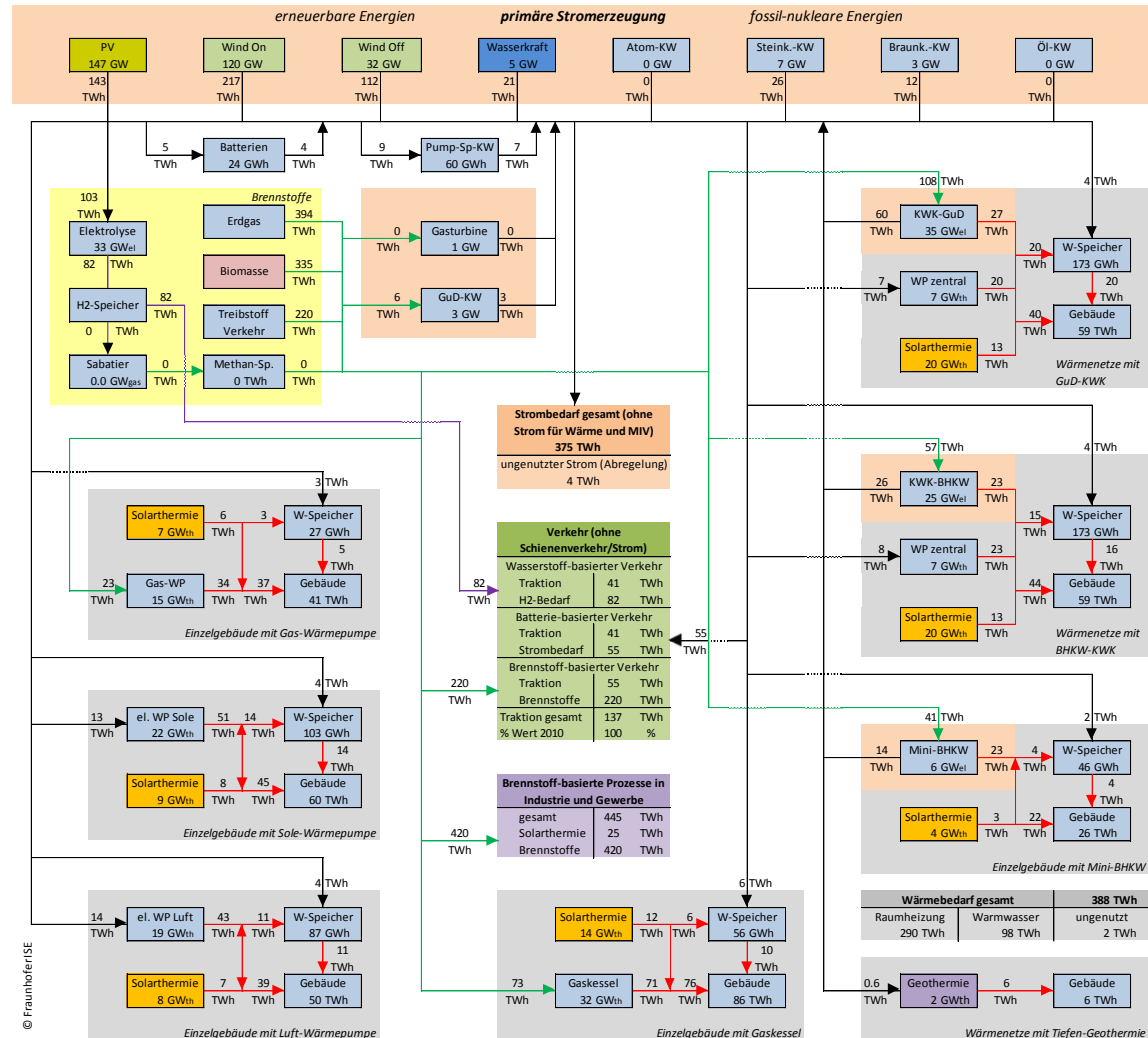
- Is it possible to achieve Germany's CO<sub>2</sub> emission reduction targets by using large shares of renewable energies?
- If yes: what is the „best“ composition of such energy system?
- And what is its cost?
- ➔ Long term perspective on macro-economic level

### Approach

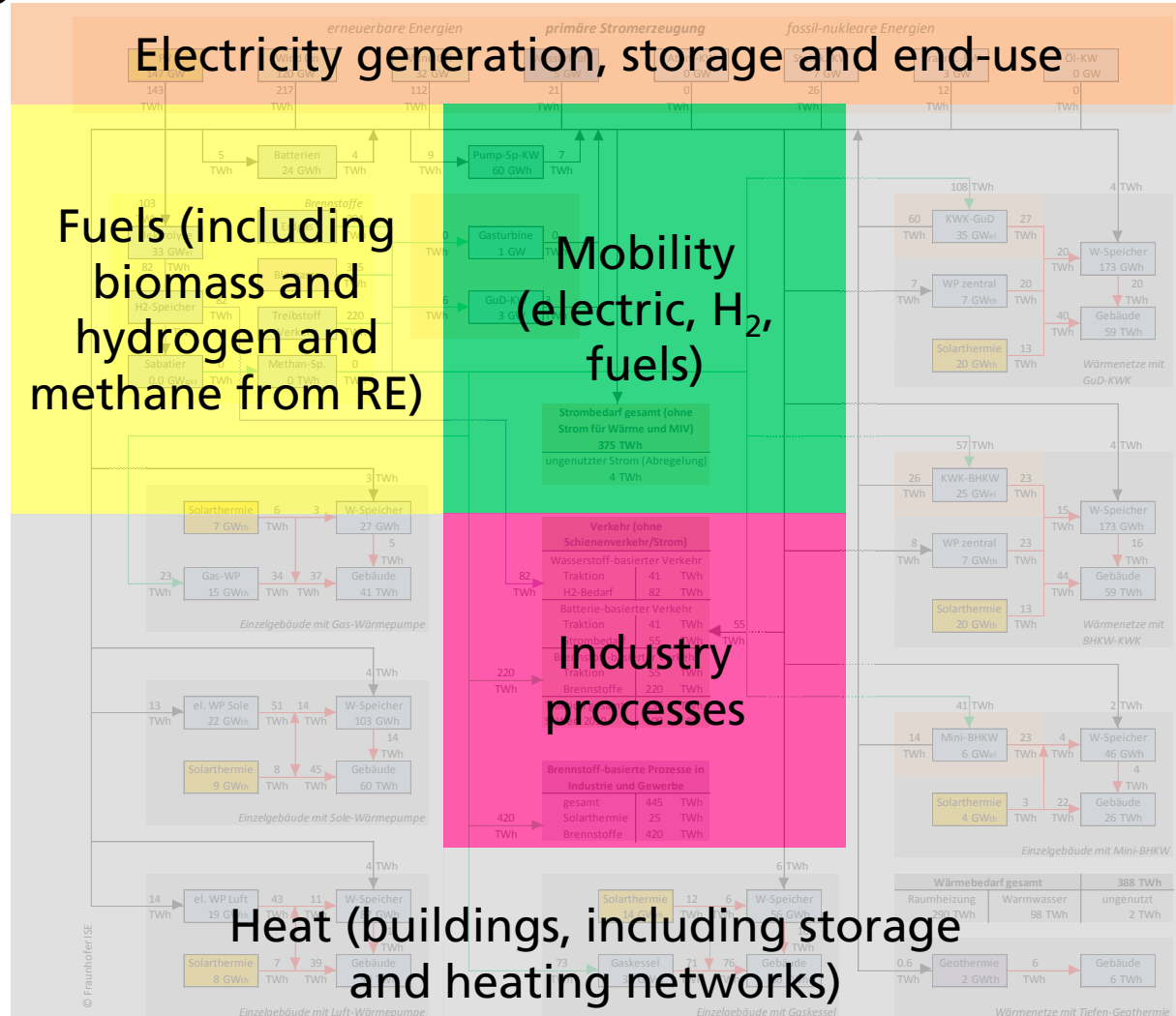
- Model of overall energy system based on hourly energy balance
- Generic optimizer ➔ optimum composition and sizing of all components
- Goal function: minimum of total annual cost (re-investment, maintenance, operation, financing)

# Optimization of the German future energy system based on hourly modeling

## REMod-D Renewable Energy Model – Deutschland



# Optimization of the German future energy system based on hourly modeling



**REMod-D**  
Renewable  
Energy Model –  
Deutschland



# Optimization approach

## Assumptions

CO<sub>2</sub> emissions → available amount of fossil energy sources

Basic electricity demand

Process energy in industry

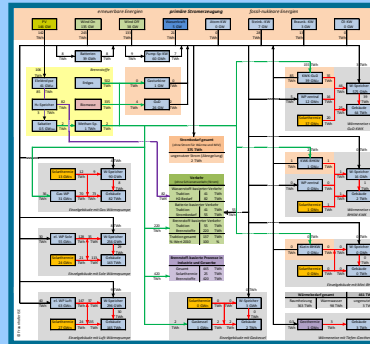
Total energy demand for mobility; composition of technologies for vehicles

Available biomass

Installed capacity of conventional power plants

## Optimizer

minimize total annual cost



## Results

Installed capacity of energy converters

Size of storages

Range of building energy retrofit

Heating technology mix (including district heating networks)

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# Sensitivity analysis

## Variation of

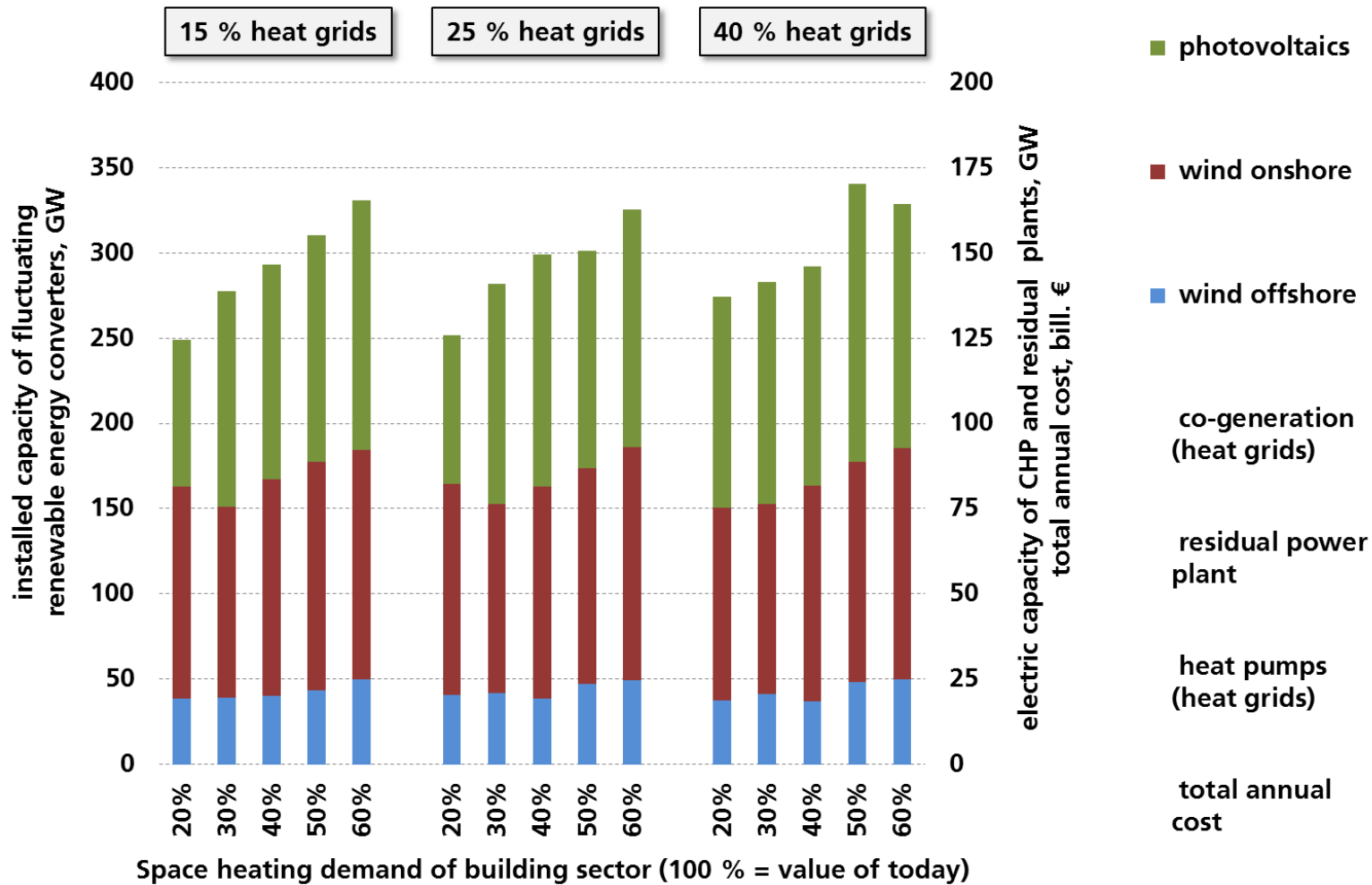
- Space heating demand of building sector (building energy retrofit)
- Fraction of heat demand in building sector covered by district heating systems

## Studying the impact of these parameters on

- Installed capacity of fluctuating renewable energies (PV, wind onshore, wind offshore)
- Overall cost
- Capacity of CHP plants, centralized heat pumps and residual power plants
- Composition of heating technologies in single buildings

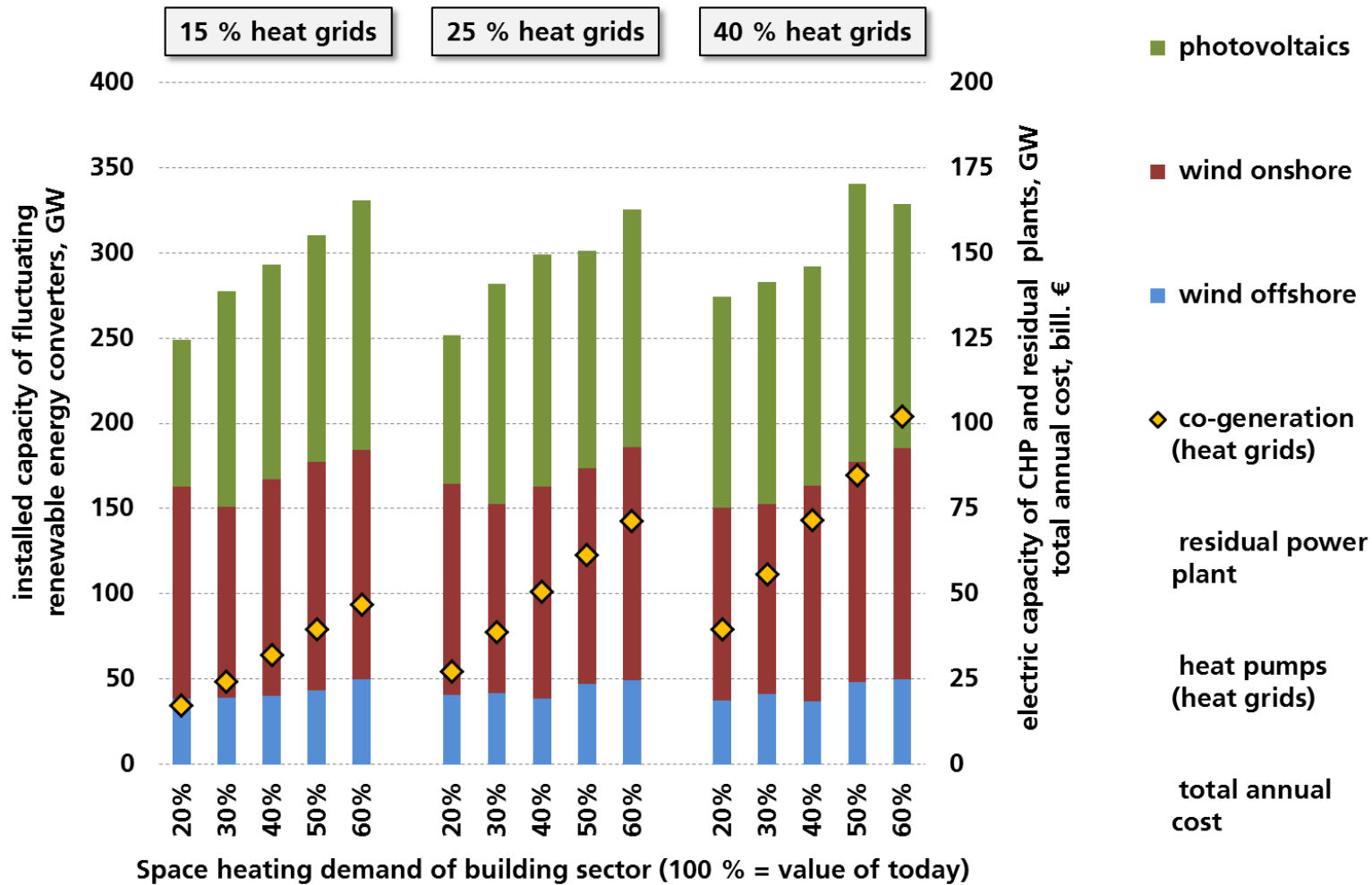
# Fluctuating renewable energy sources

## Installed capacity in GW



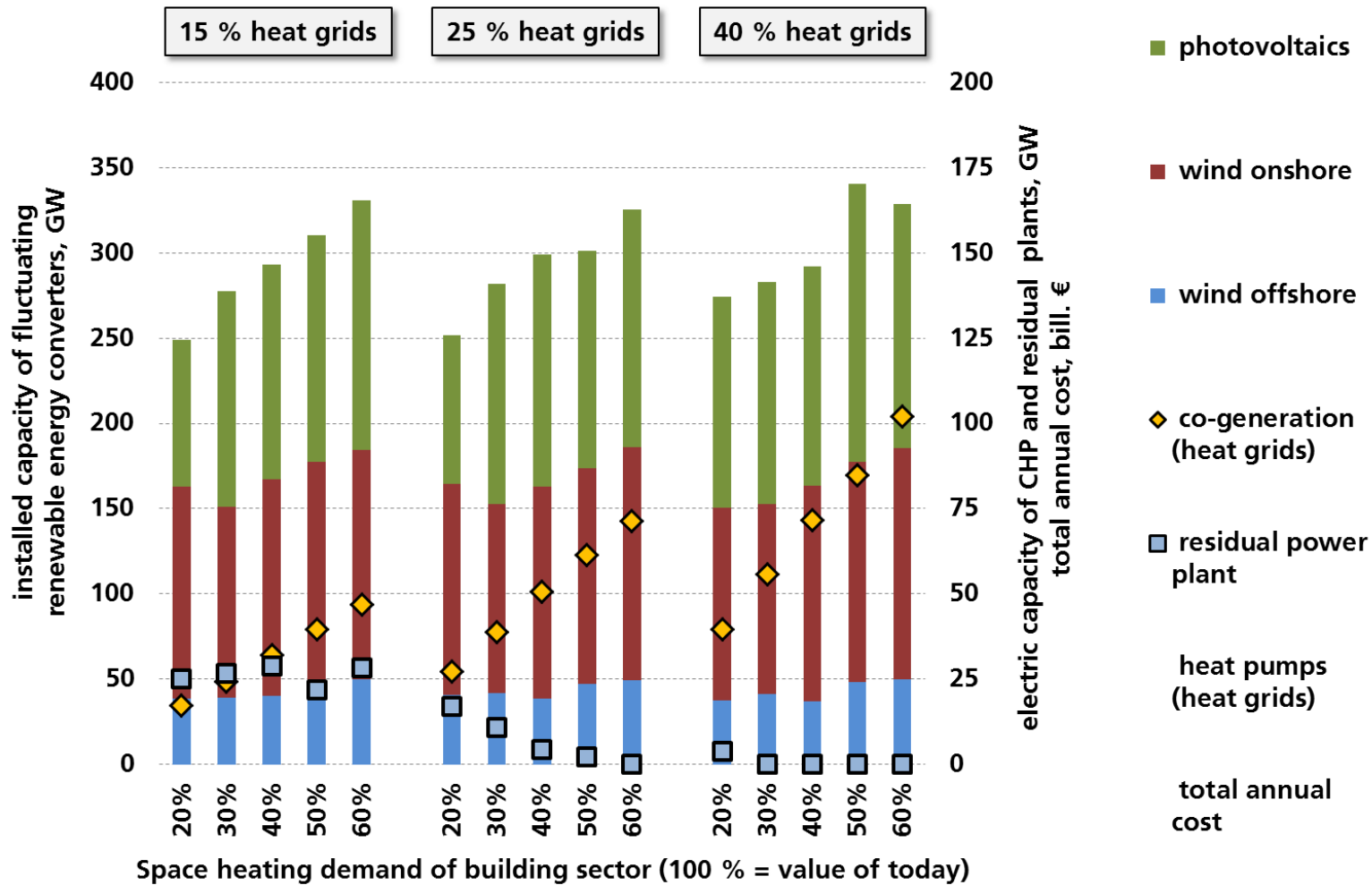
# Medium and large scale CHP systems (district heating)

## Installed capacity in $\text{GW}_{\text{el}}$



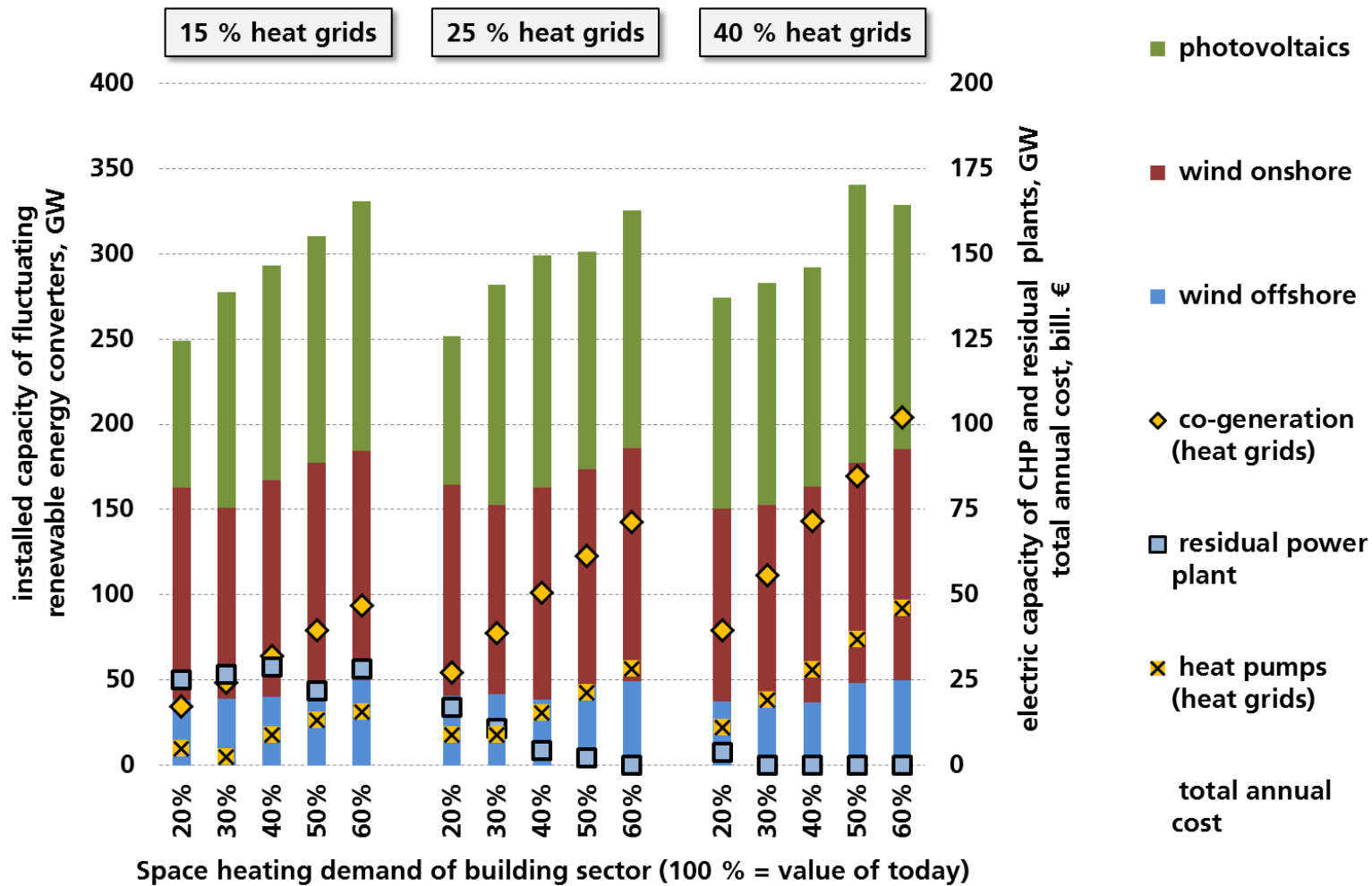
# Backup power plants

## Installed capacity in GW<sub>el</sub>



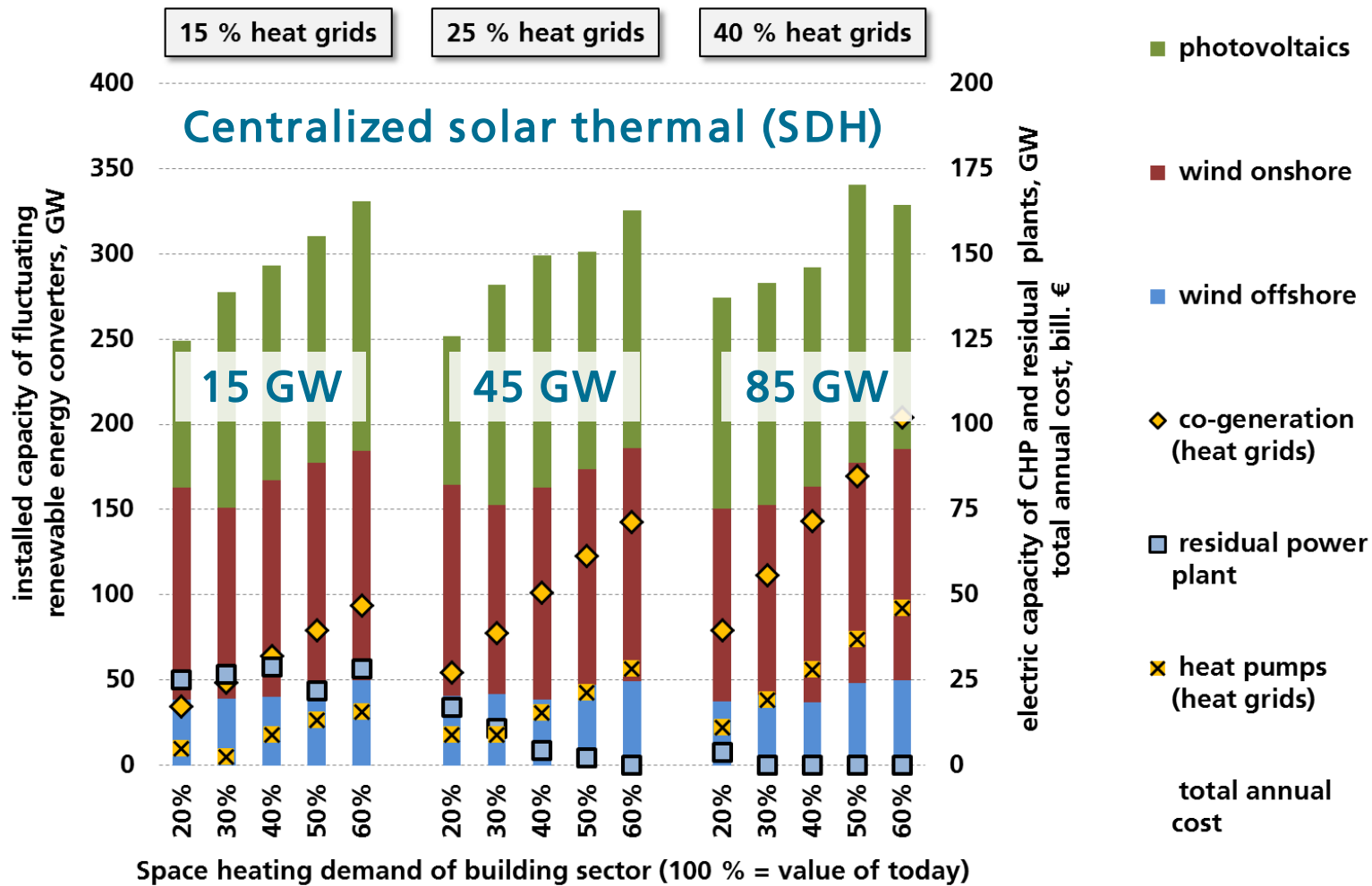
# Centralized heat pumps (district heating)

## Installed capacity in GW<sub>th</sub>



# Centralized solar thermal (SDH)

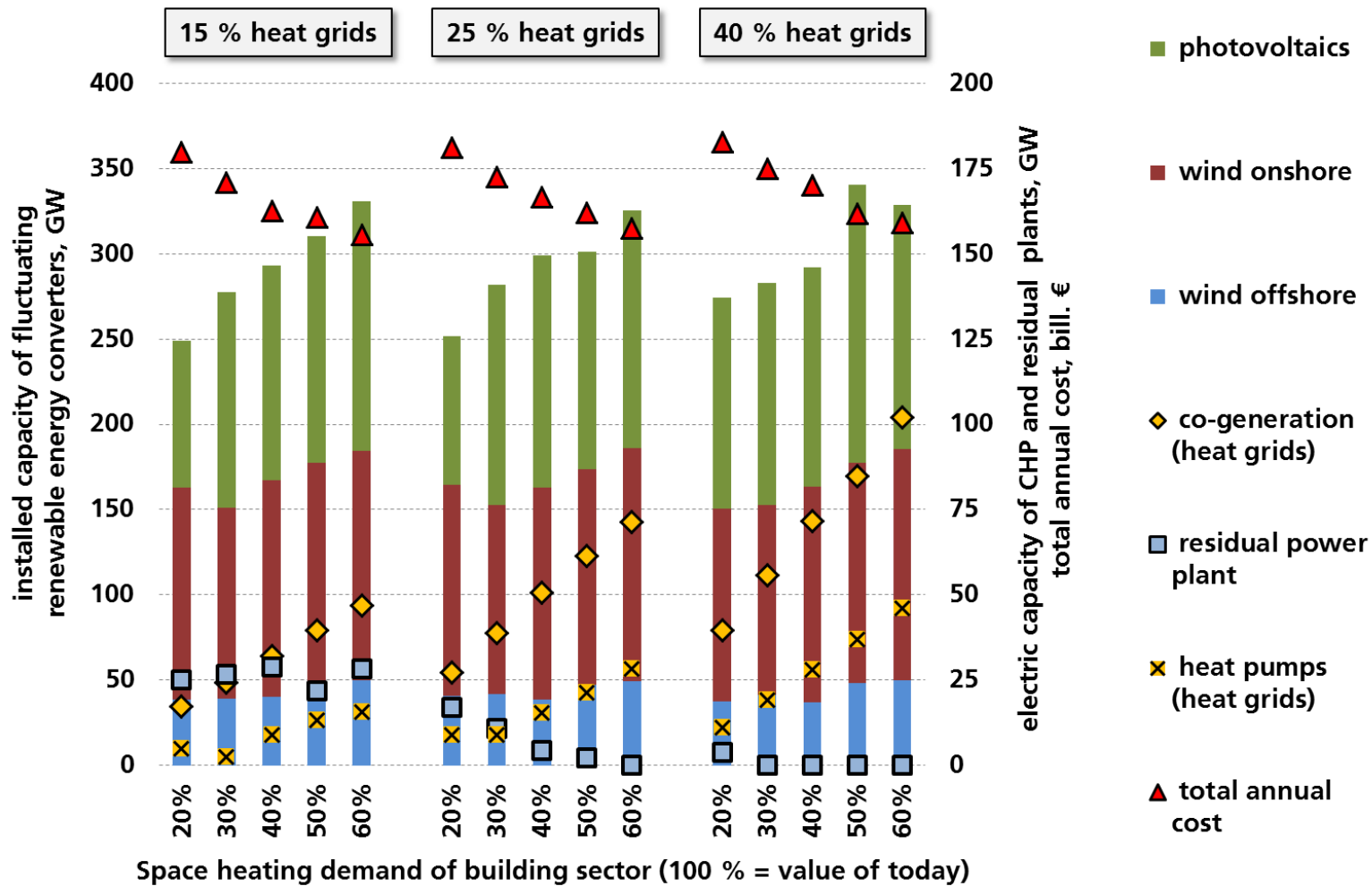
## Installed capacity in GW<sub>th</sub>



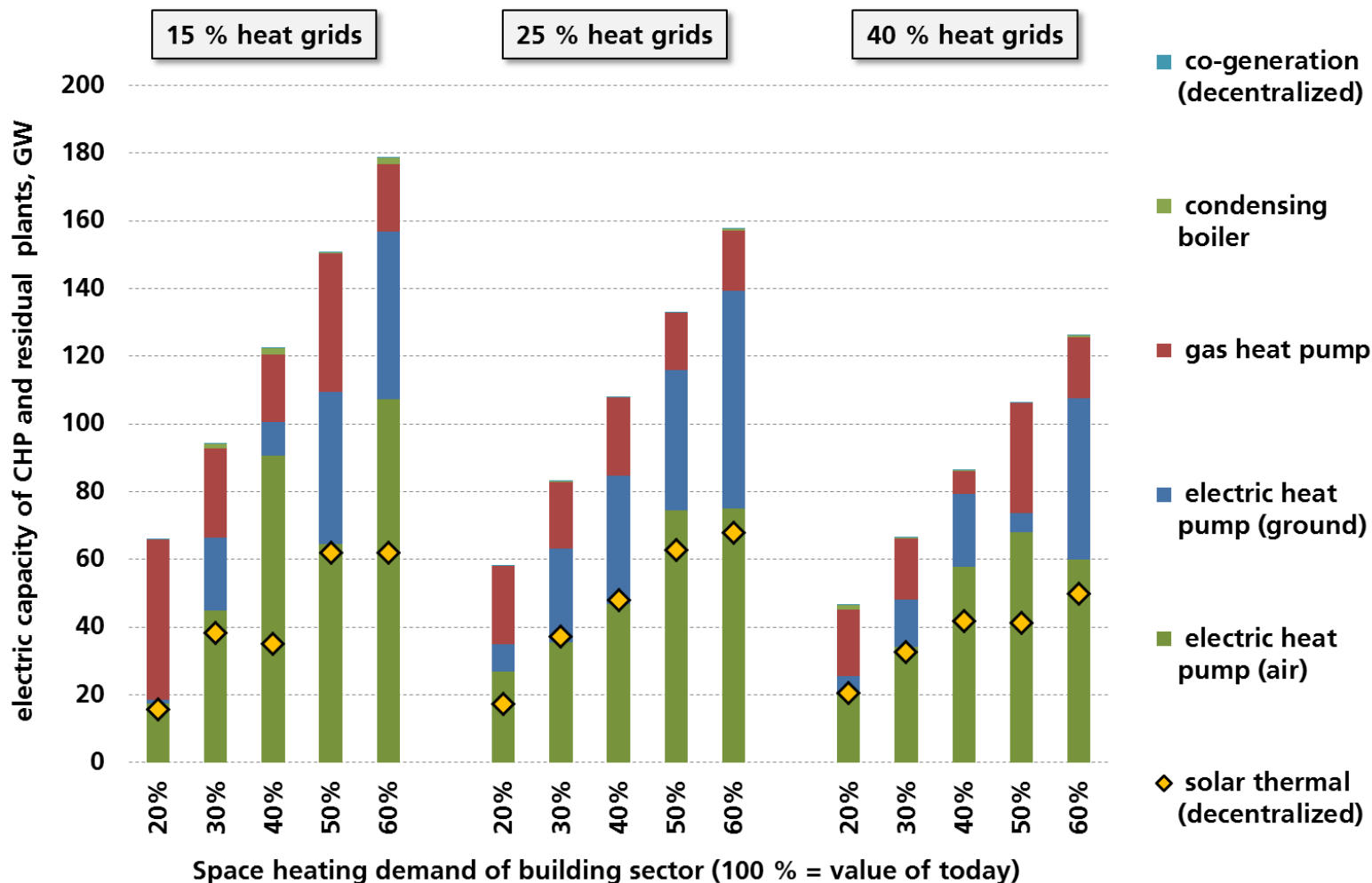


# Total annual cost

## Bill. €



# Composition of decentralized heating systems



# Major findings of sensitivity analysis

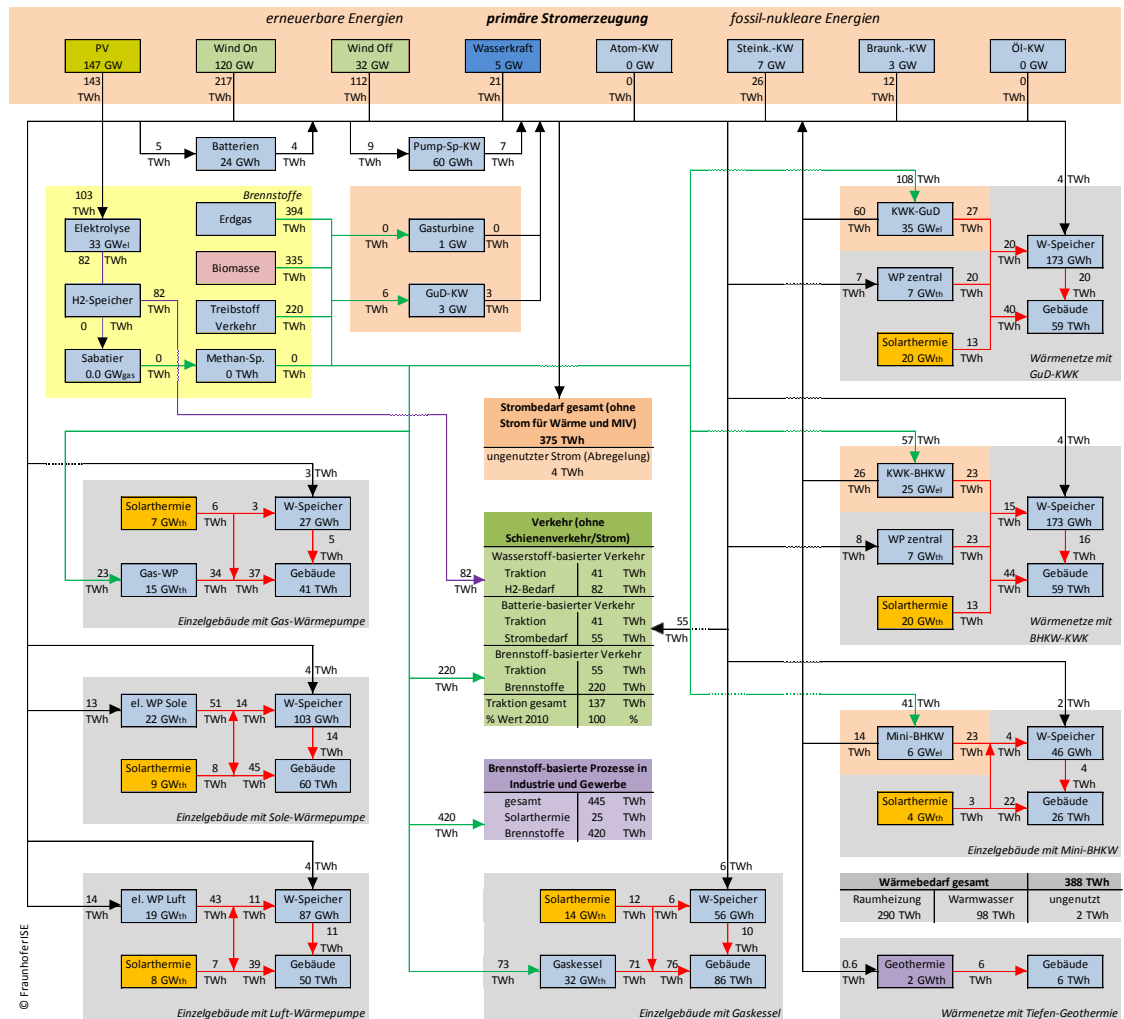
- Deep building energy retrofit not cost competitive, although a higher space heating demand leads to higher needed capacity of fluctuating renewable energy sources (wind, PV)
- The fraction of heat covered by district heating has no significant impact on total annual cost
- Installed capacity for solar district heating (SDH) depends on expansion level of district heating
- Medium and large scale CHP is able to cover residual electricity generation in case that district heating networks are moderately increased
- Heat pumps (gas, electric) become the main technologies for heat supply in buildings which are not connected to district heating networks

# Outline

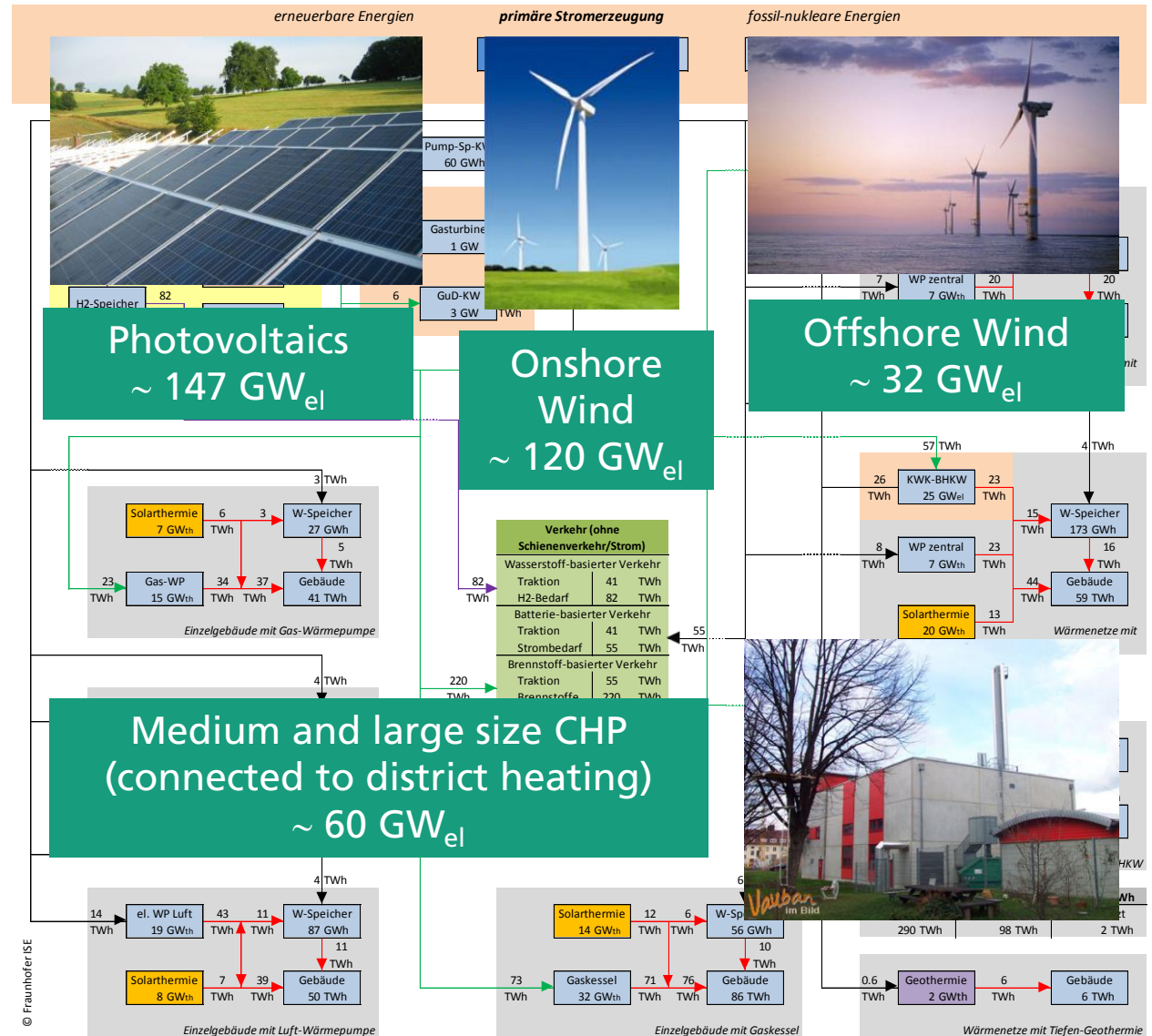
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# Analysis of a selected system

- Cost optimized system for a reduction of energy-related CO<sub>2</sub> emissions by 81 % (compared to Kyoto reference)
- Moderate expansion of district heating networks



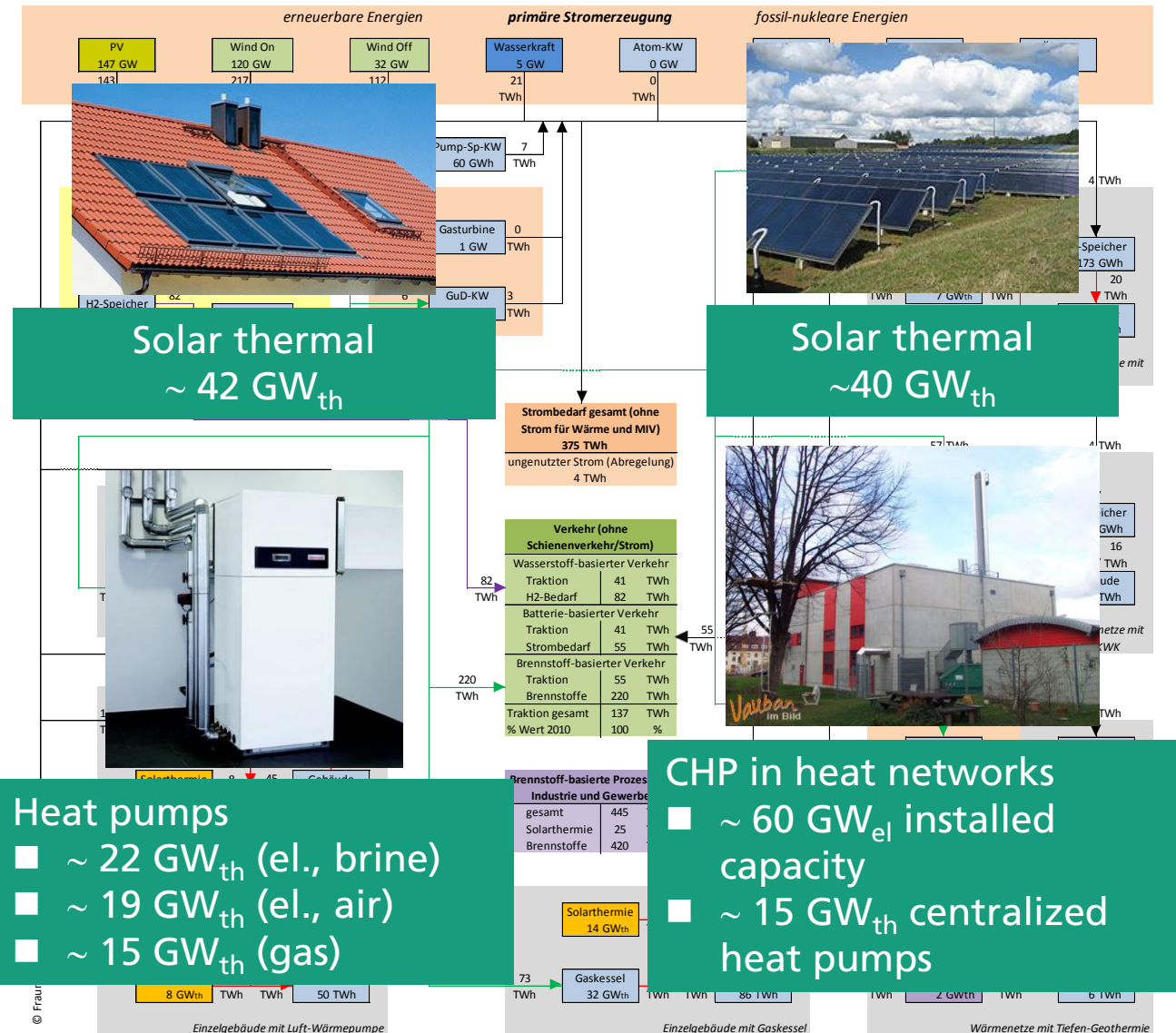
# Electricity generation



# Heat

## decentralized

## centralized



# Storage



## Battery storage (3 kWh)

Number	Appr.8 Mio	Units
Total capacity	24	GWh
Equ. full cycles	167	-

## Electrolysers

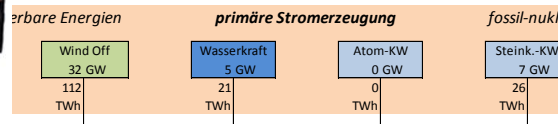
Total capacity	33	GW <sub>el</sub>
Full load hours	2485	h
Only needed for mobility (not for electricity and heat sector)		



## Decentralized heat storage (800 Liter)

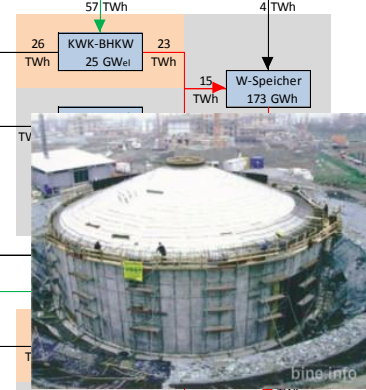
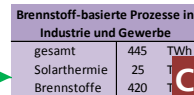
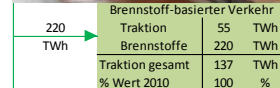
Number	Appr.7 Mio	Units
Total capacity	319	GWh
Equ. full cycles	138	-

Einzelgebäude mit Luft-Wärmepumpe



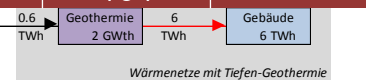
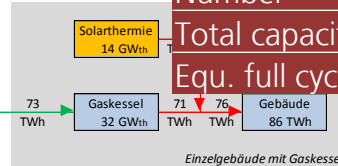
## Pumped storage power plants

Number	42	Units
Total capacity	60	GWh
Equ. full cycles	117	-



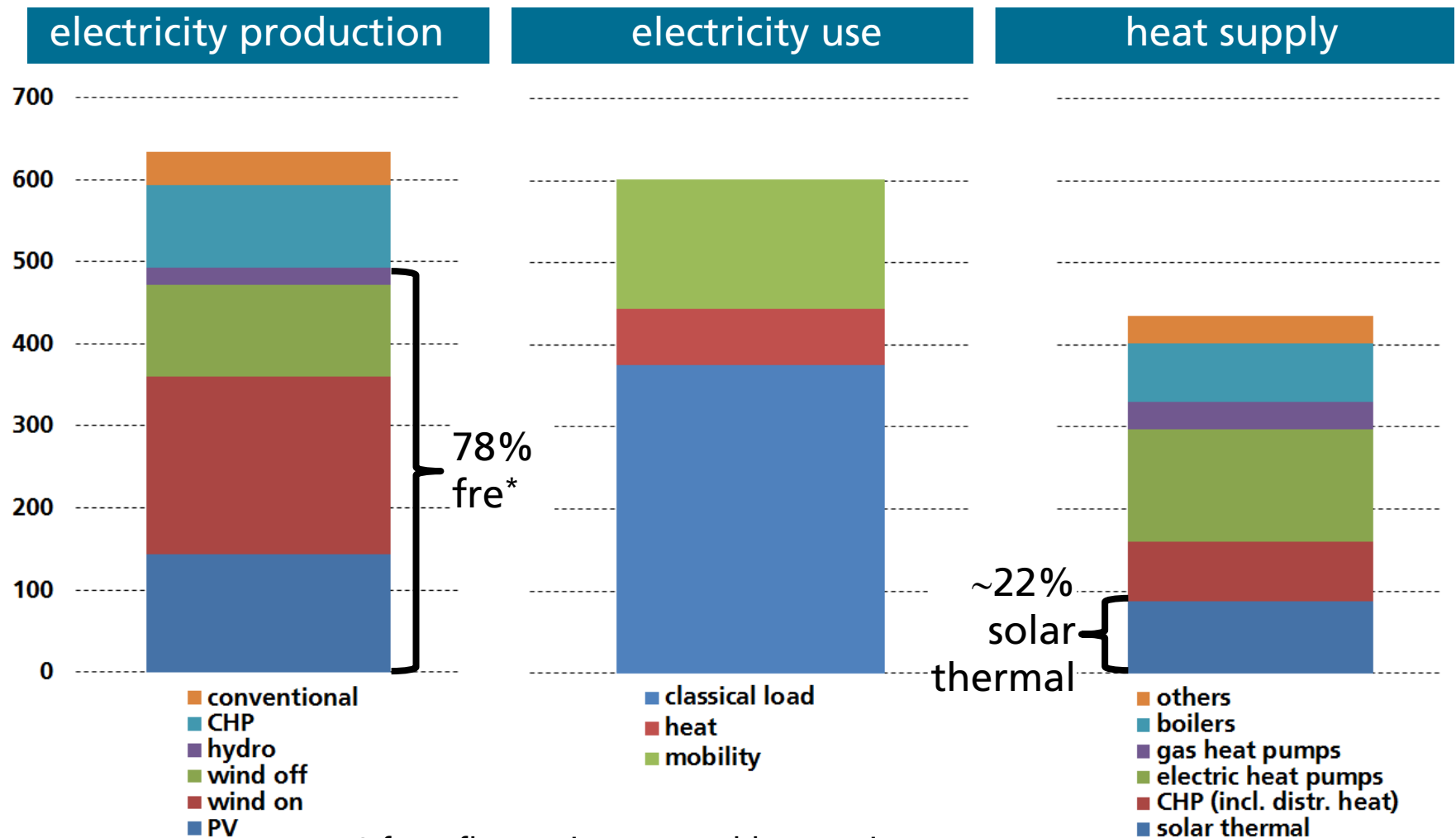
## Centralized heat storage (50.000 m³)

Number	Appr.150	Units
Total capacity	346	GWh
Equ. full cycles	104	-





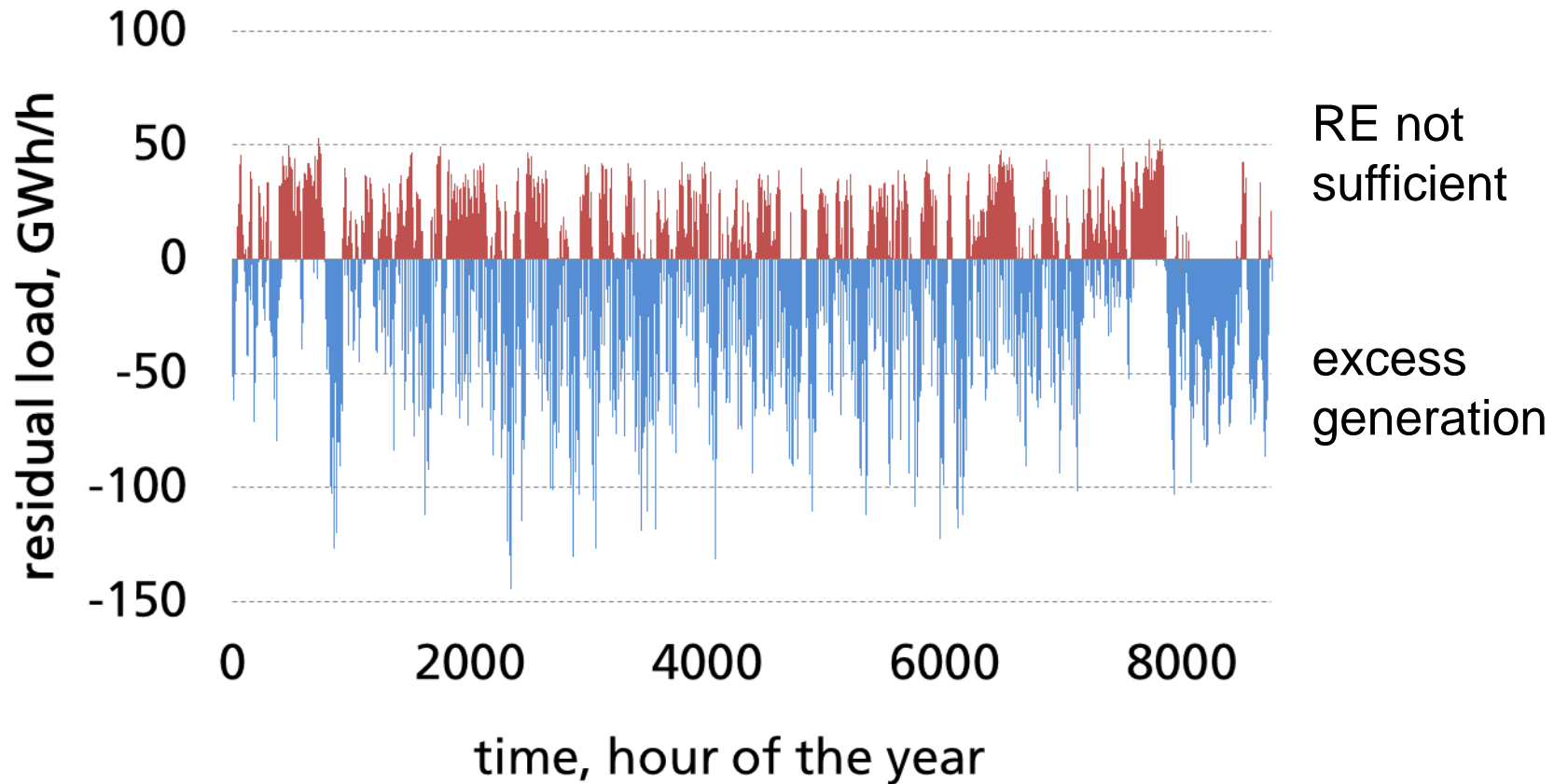
# Annual energy balance (TWh)



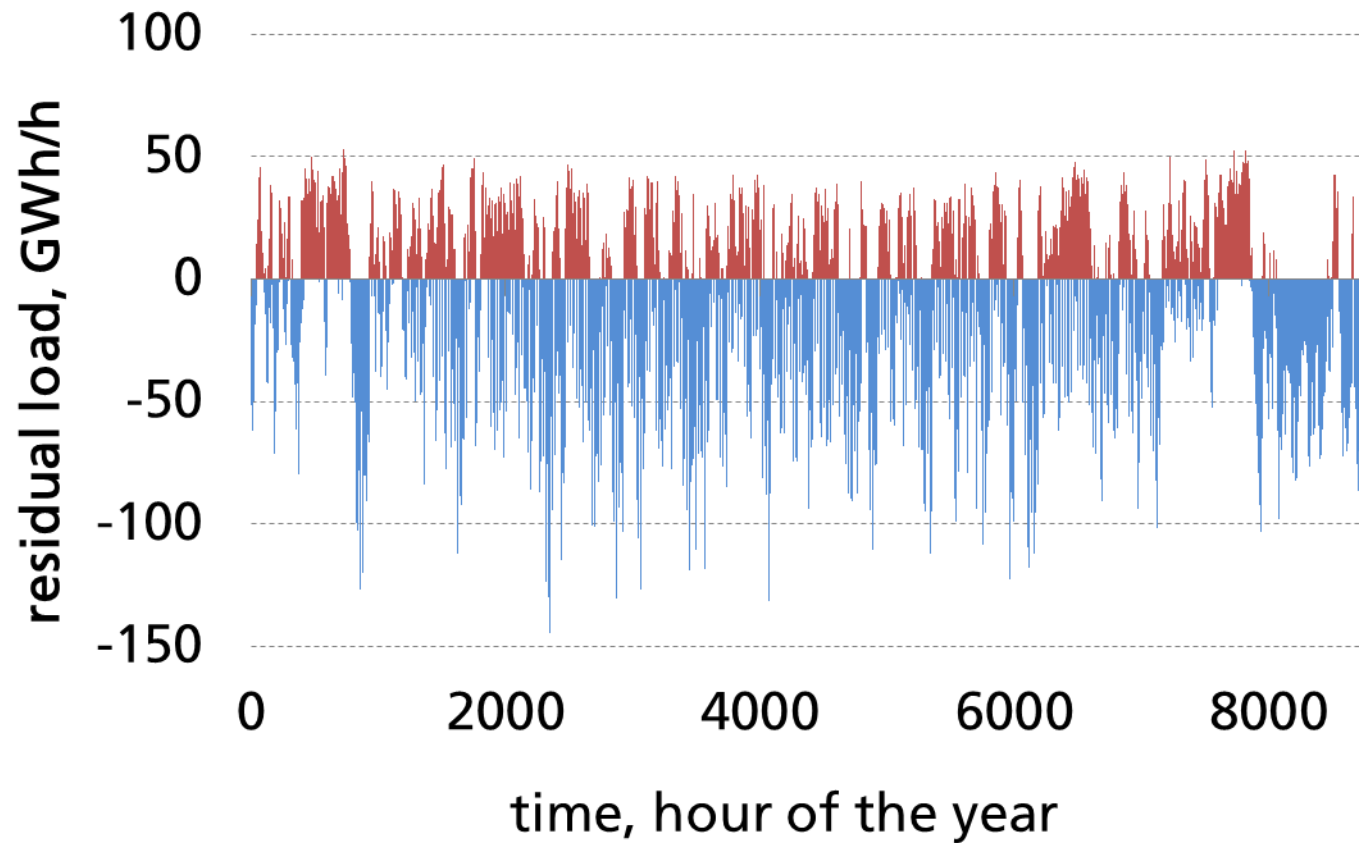
\* fre = fluctuating renewable energies

# Residual load 2050

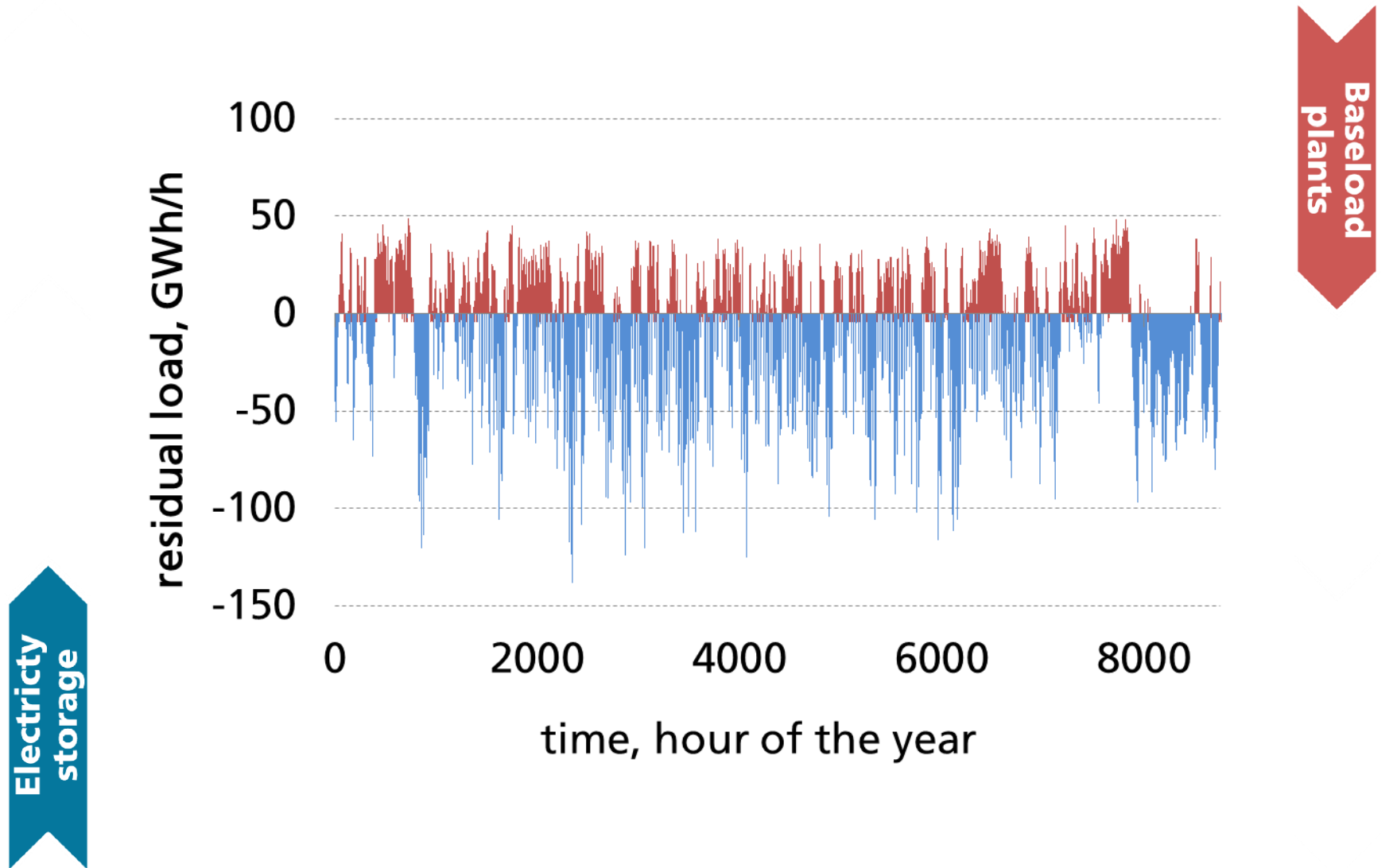
Base load minus production from fluctuating RE



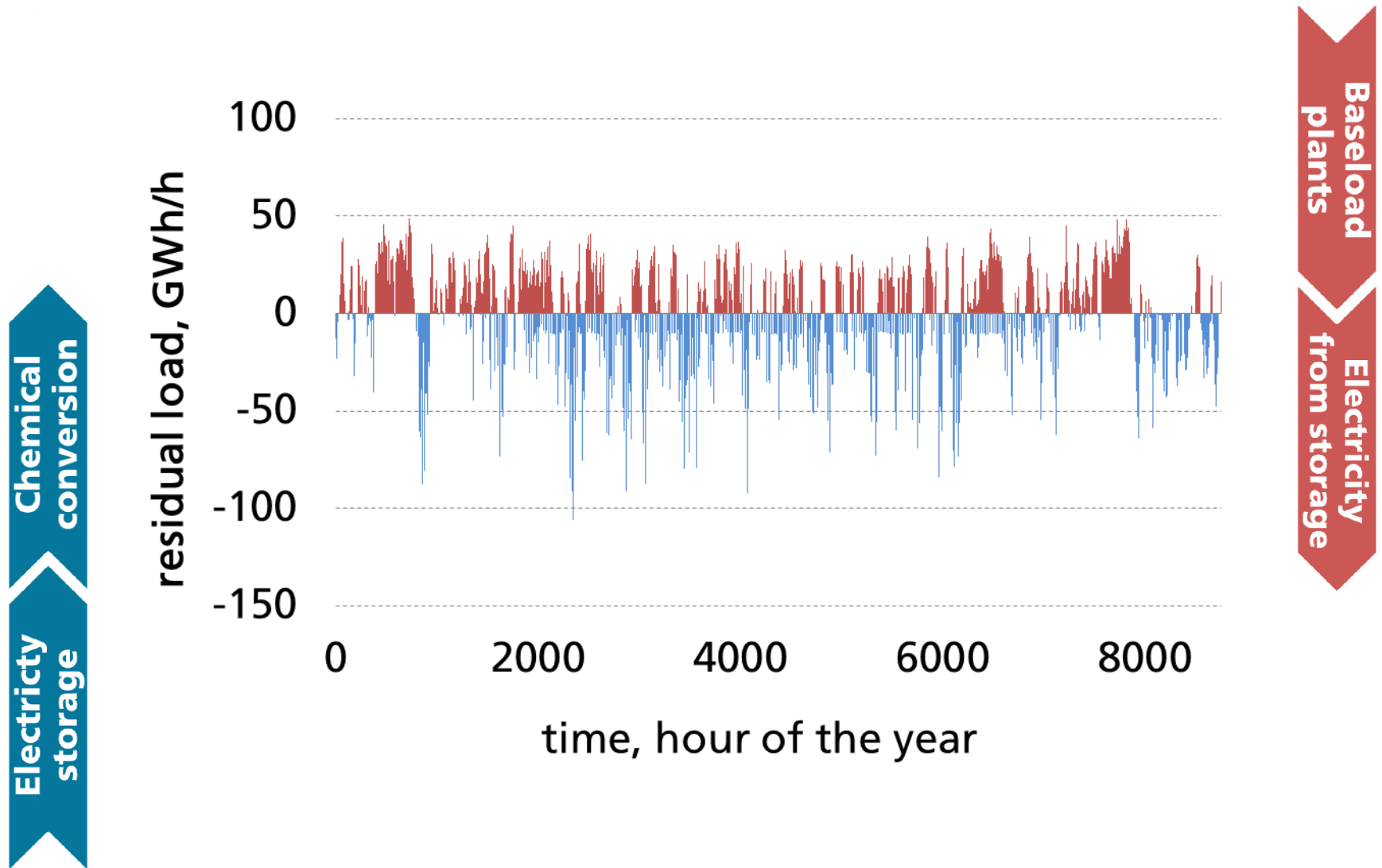
# Reduction of the residual load



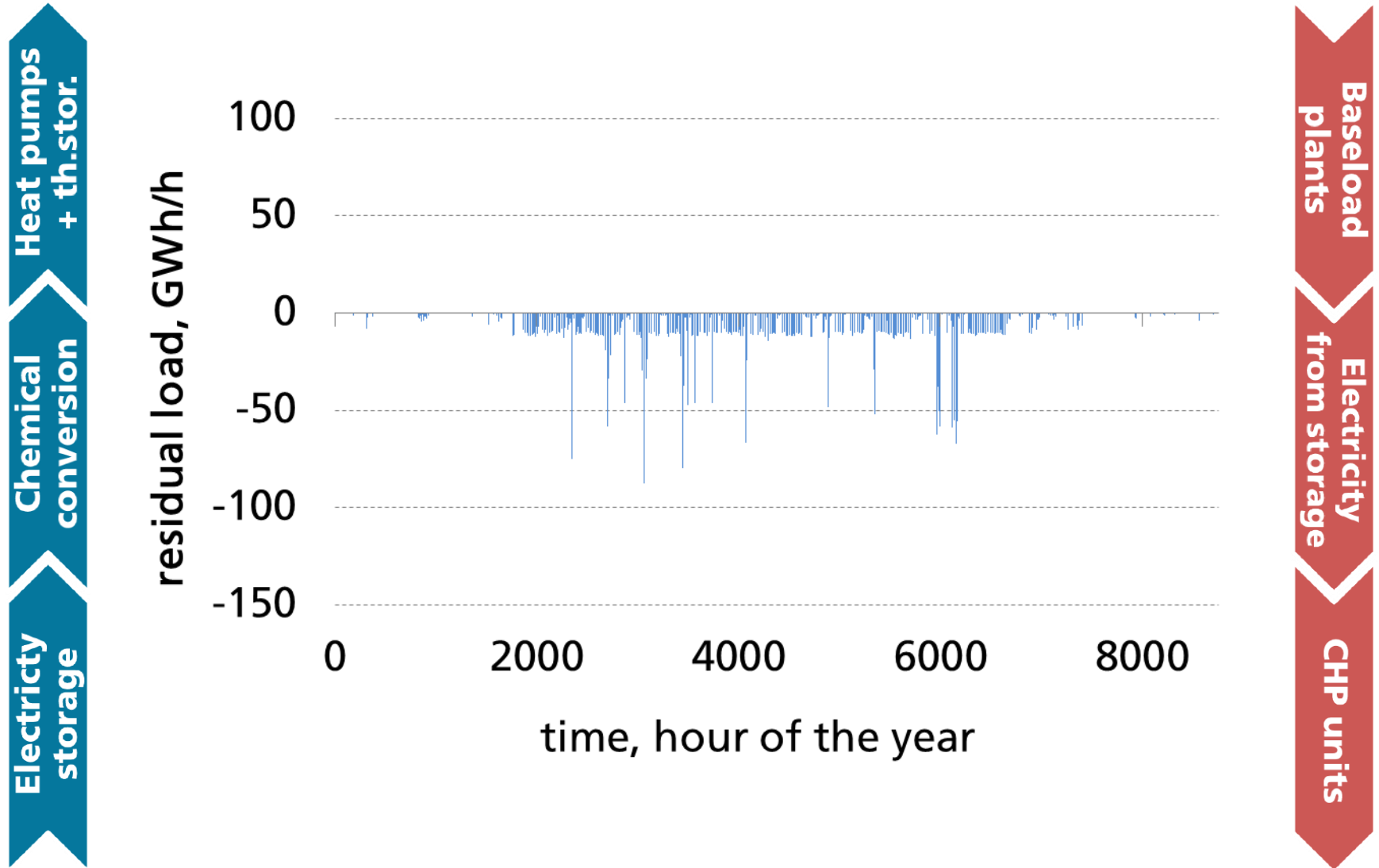
# Reduction of the residual load



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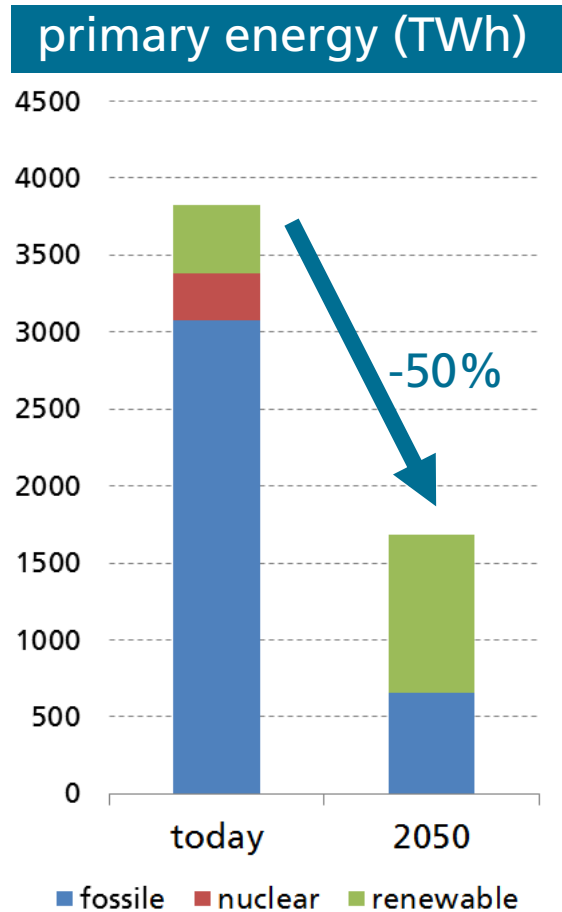


# Reduction of the residual load



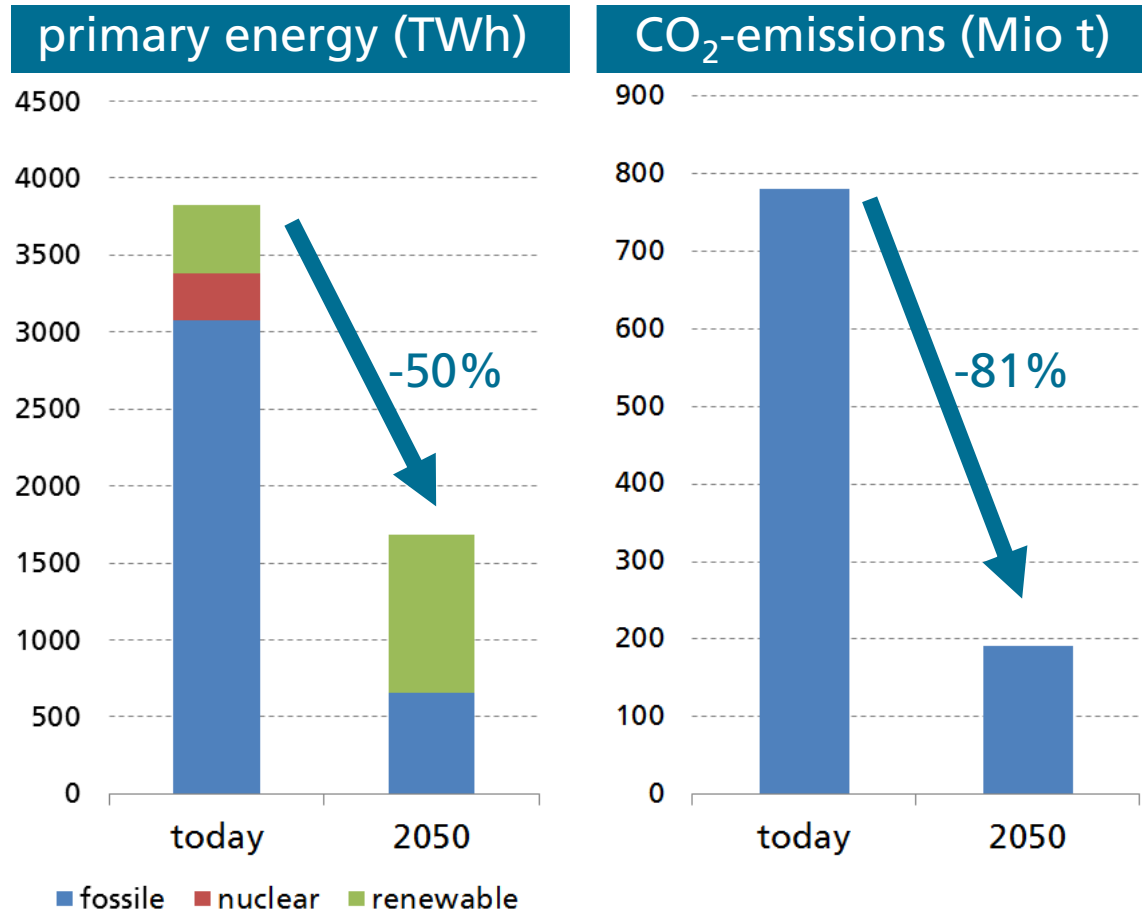
# Overall comparison

## Today vs. 2050 optimized system



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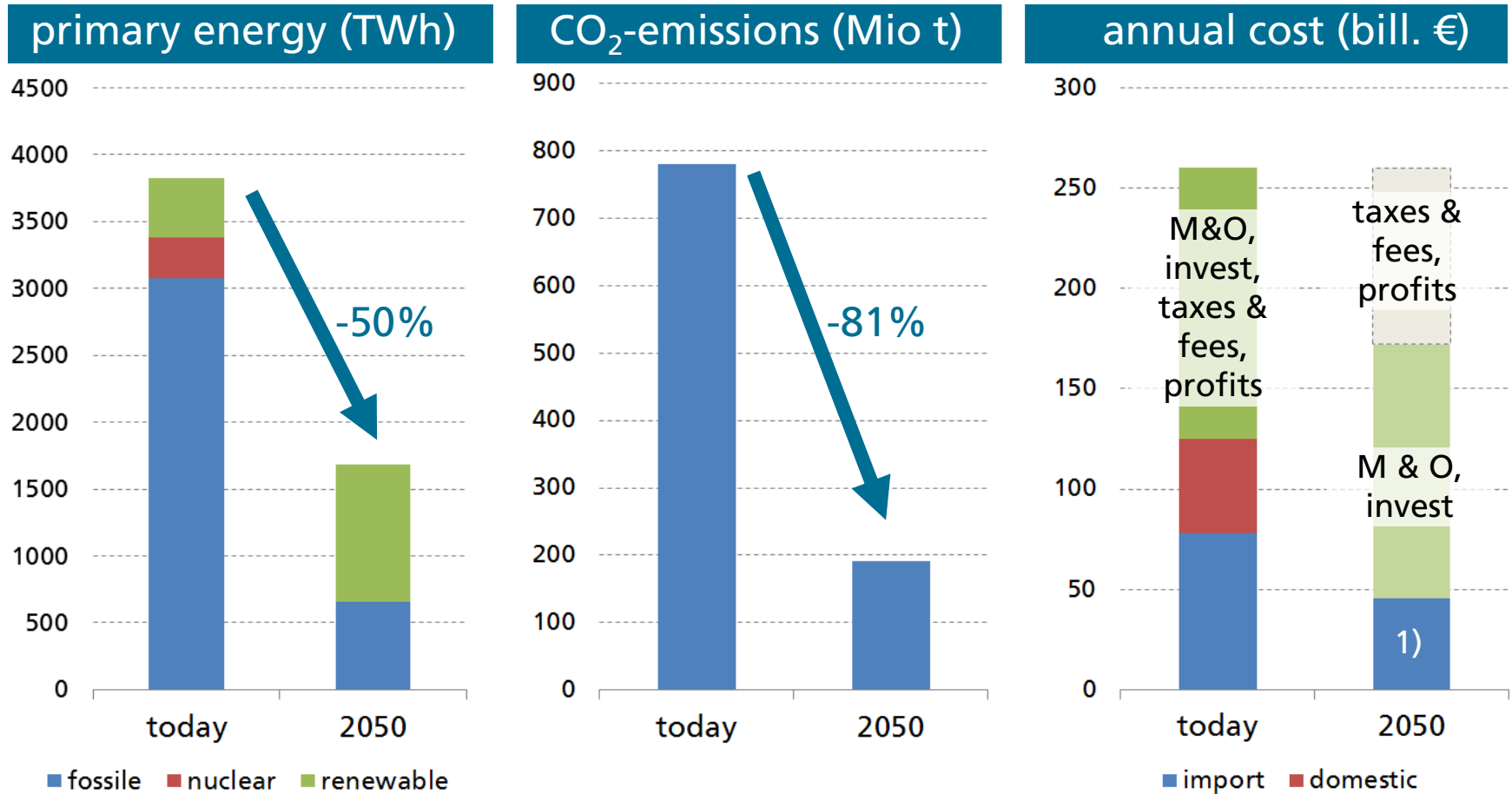
## Today vs. 2050 optimized system



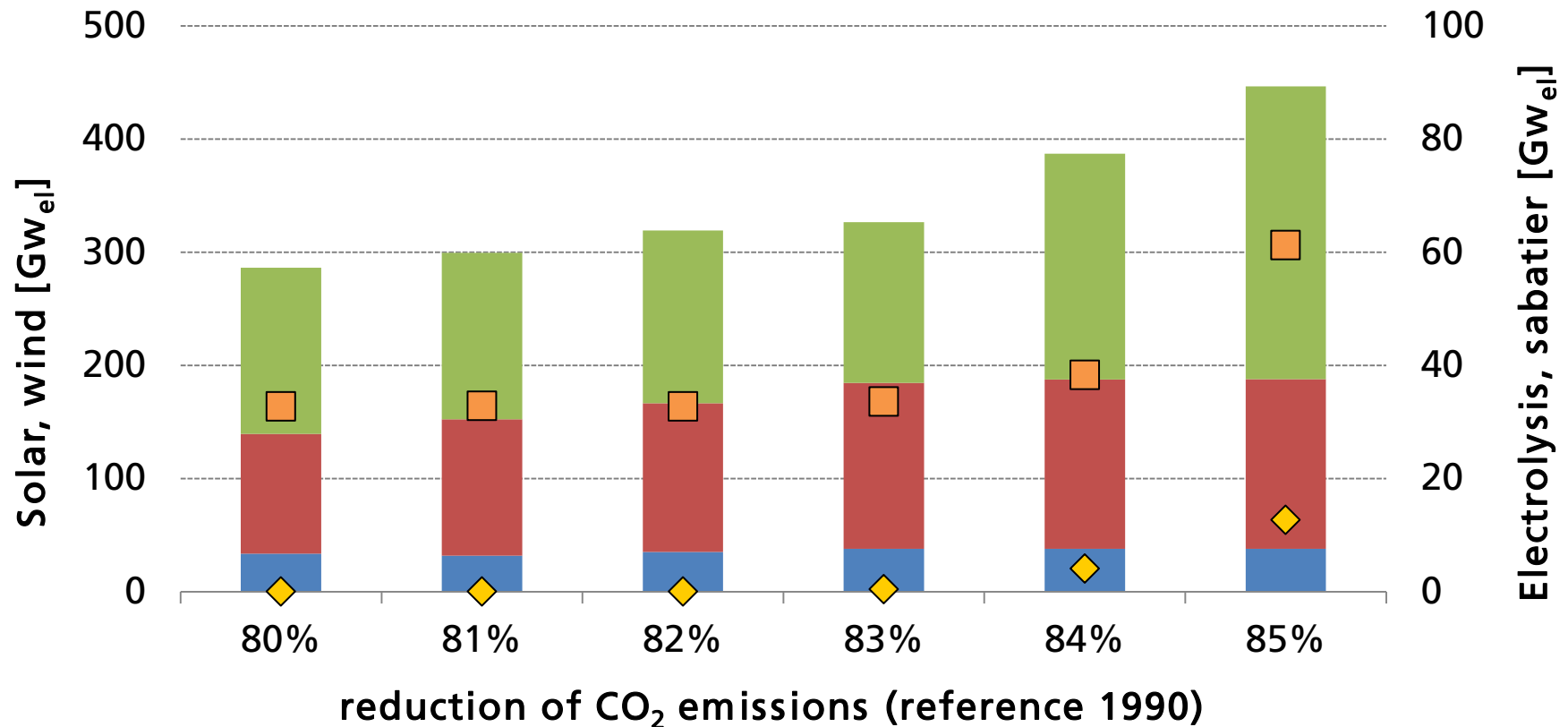


# Overall comparison

## Today vs. 2050 optimized system



# Capacity of solar and wind versus CO<sub>2</sub> reduction target

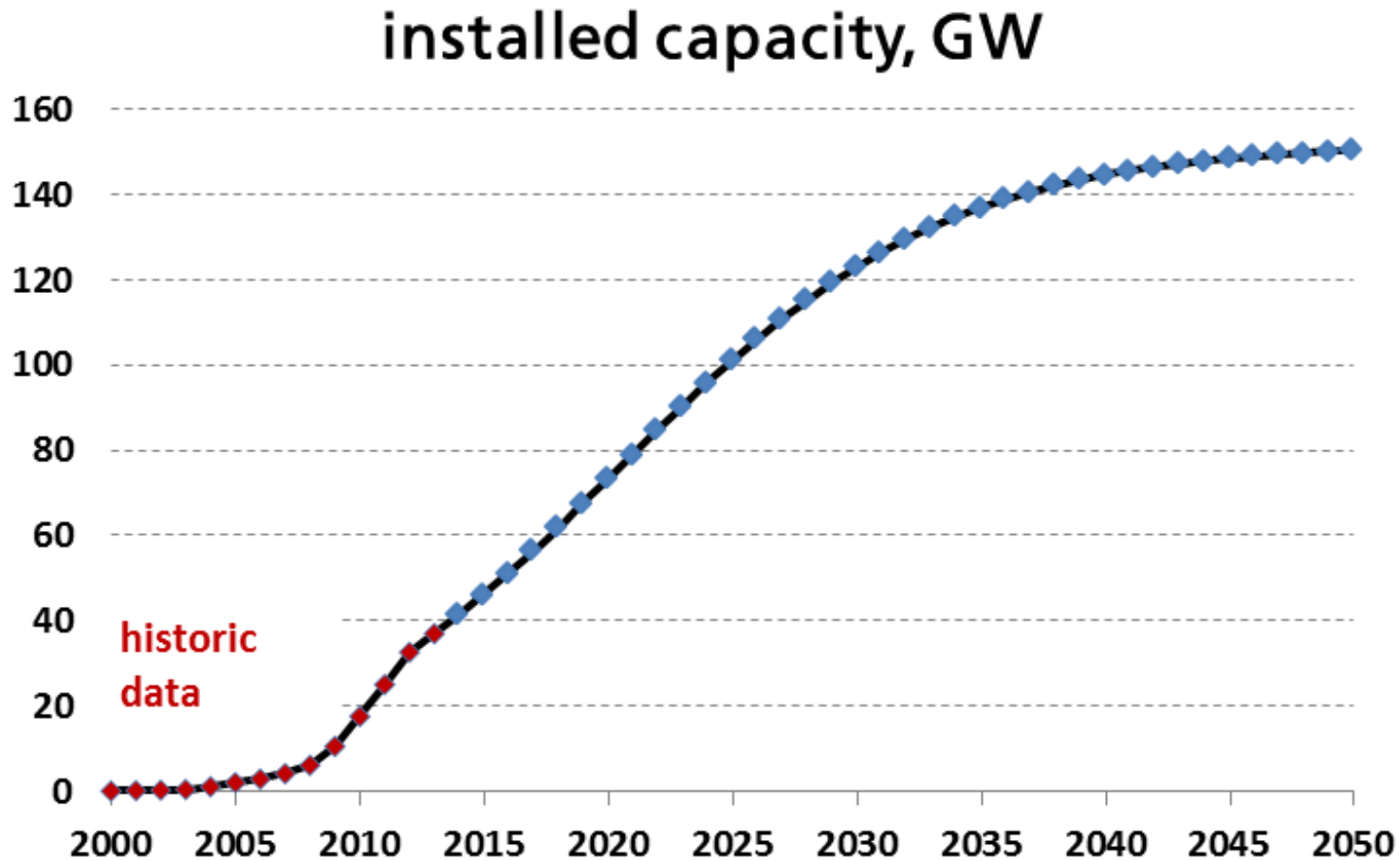


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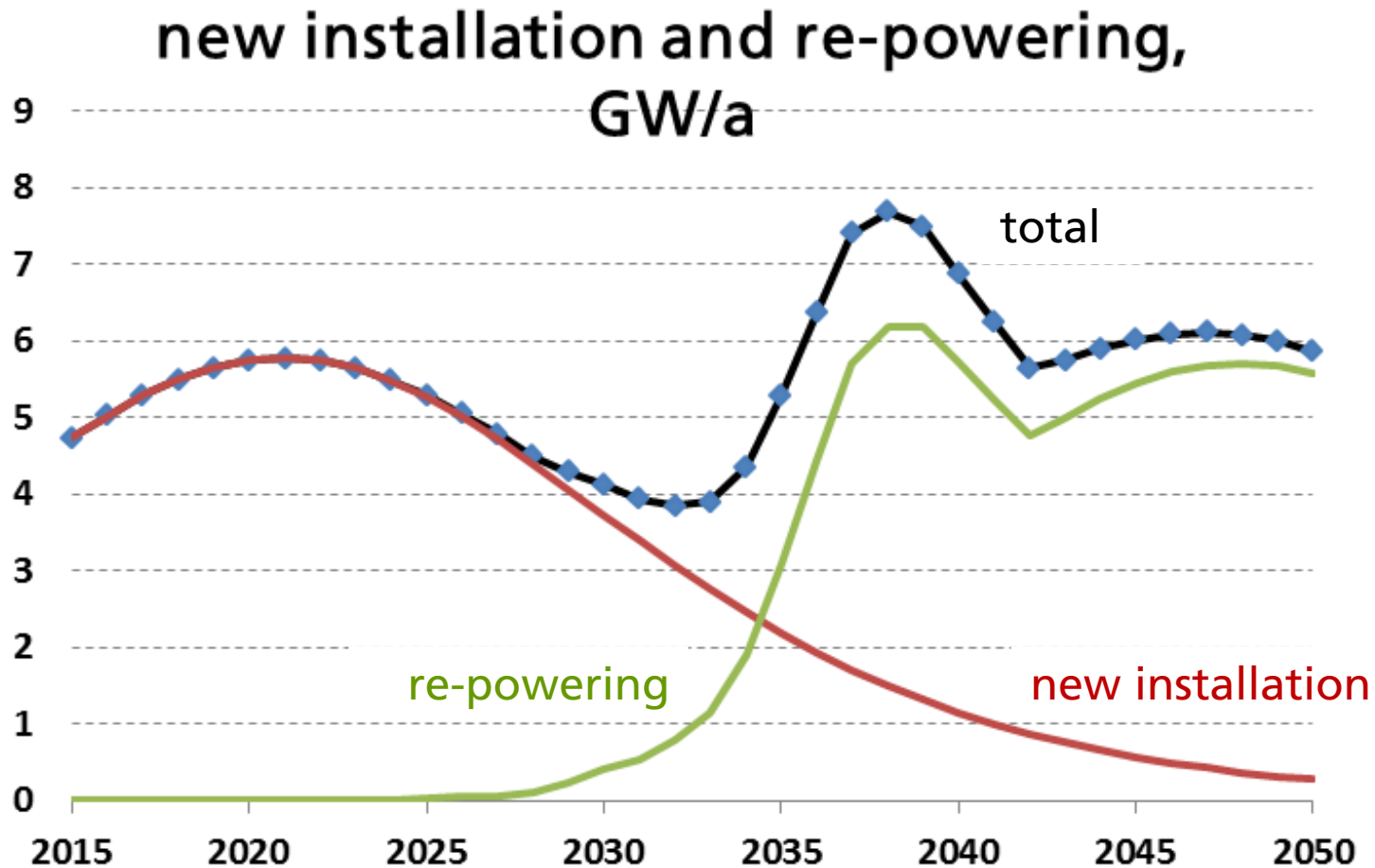
# Analysis of investments from today until 2050

## Example photovoltaics



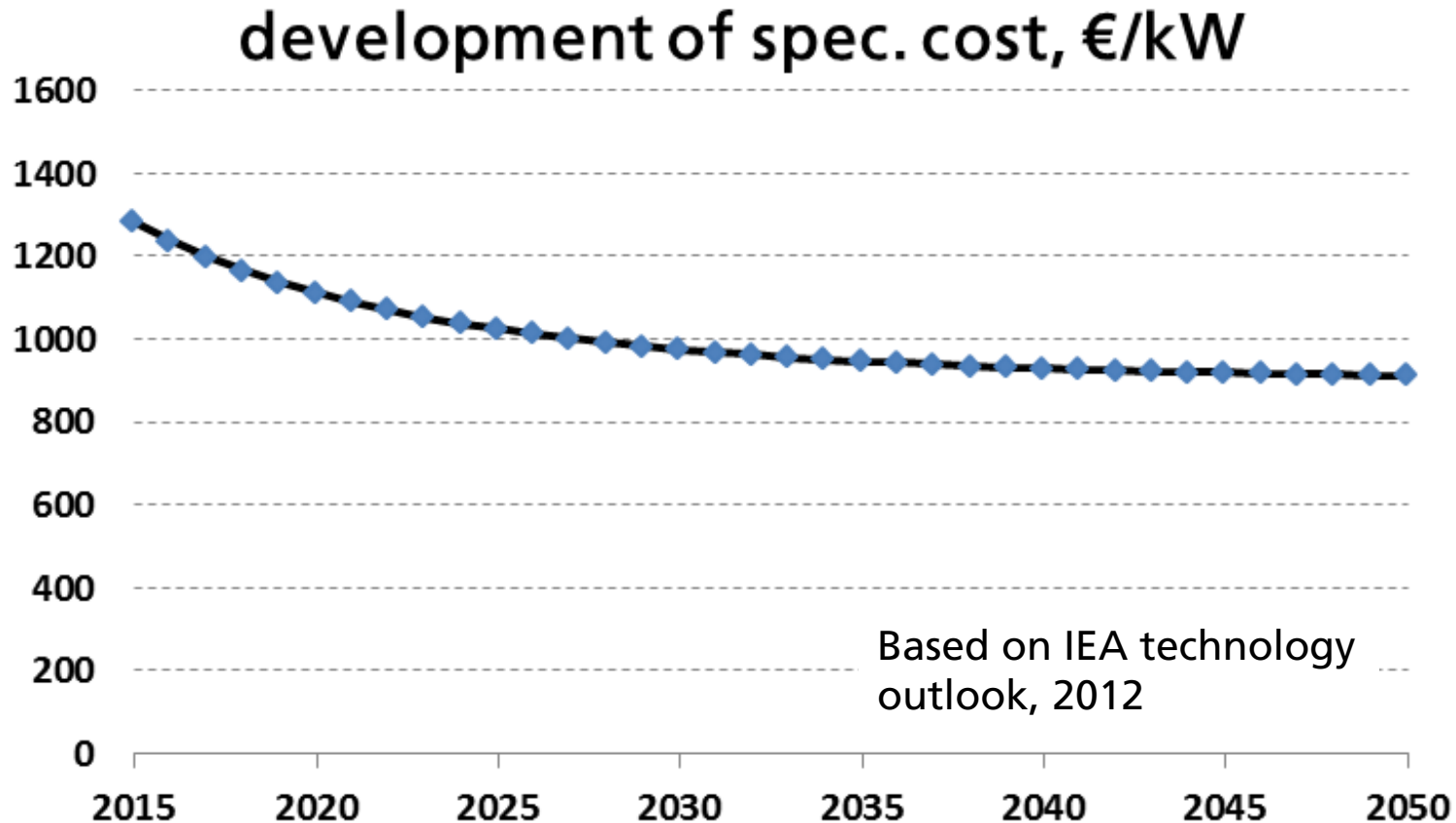
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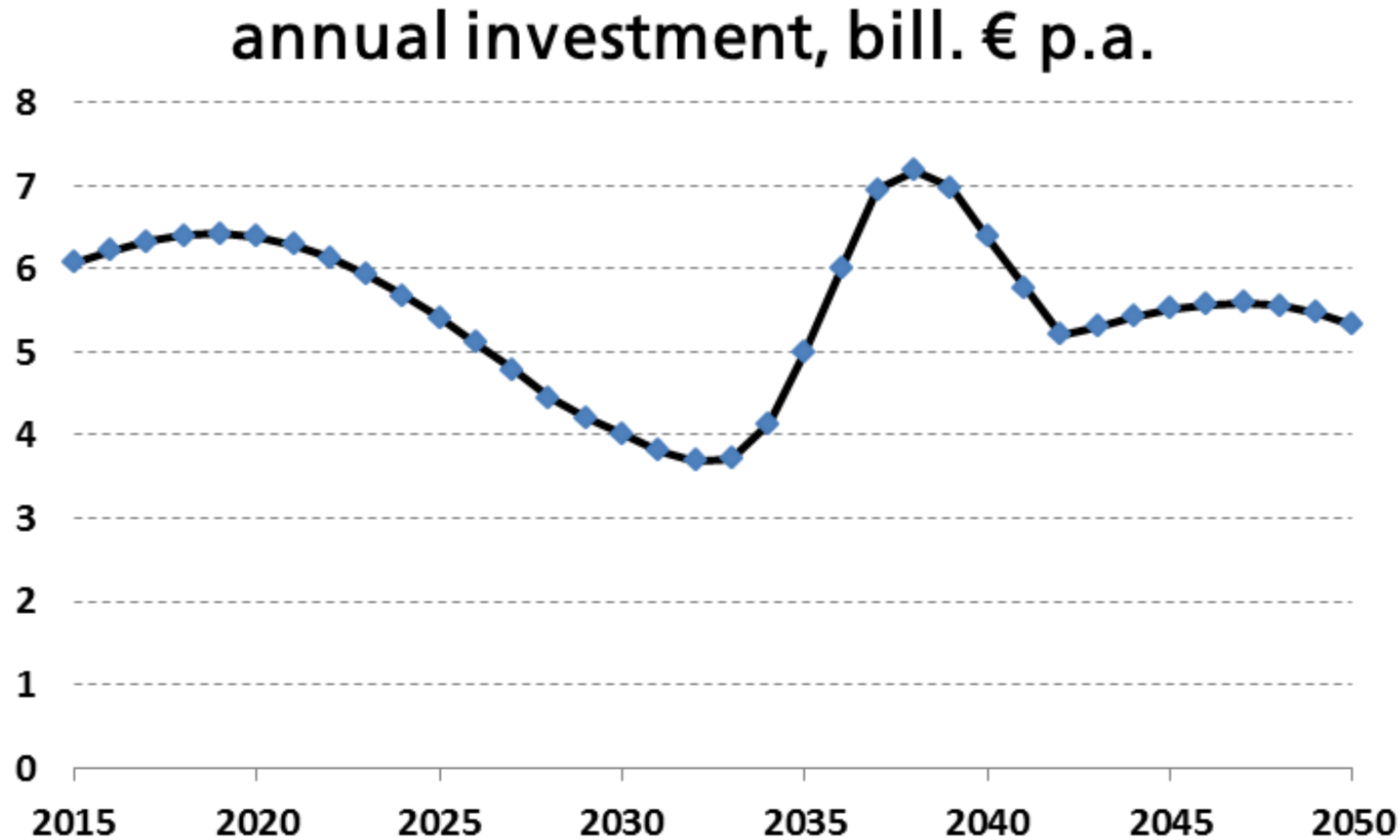
# Analysis of investments from today until 2050

## Example photovoltaics



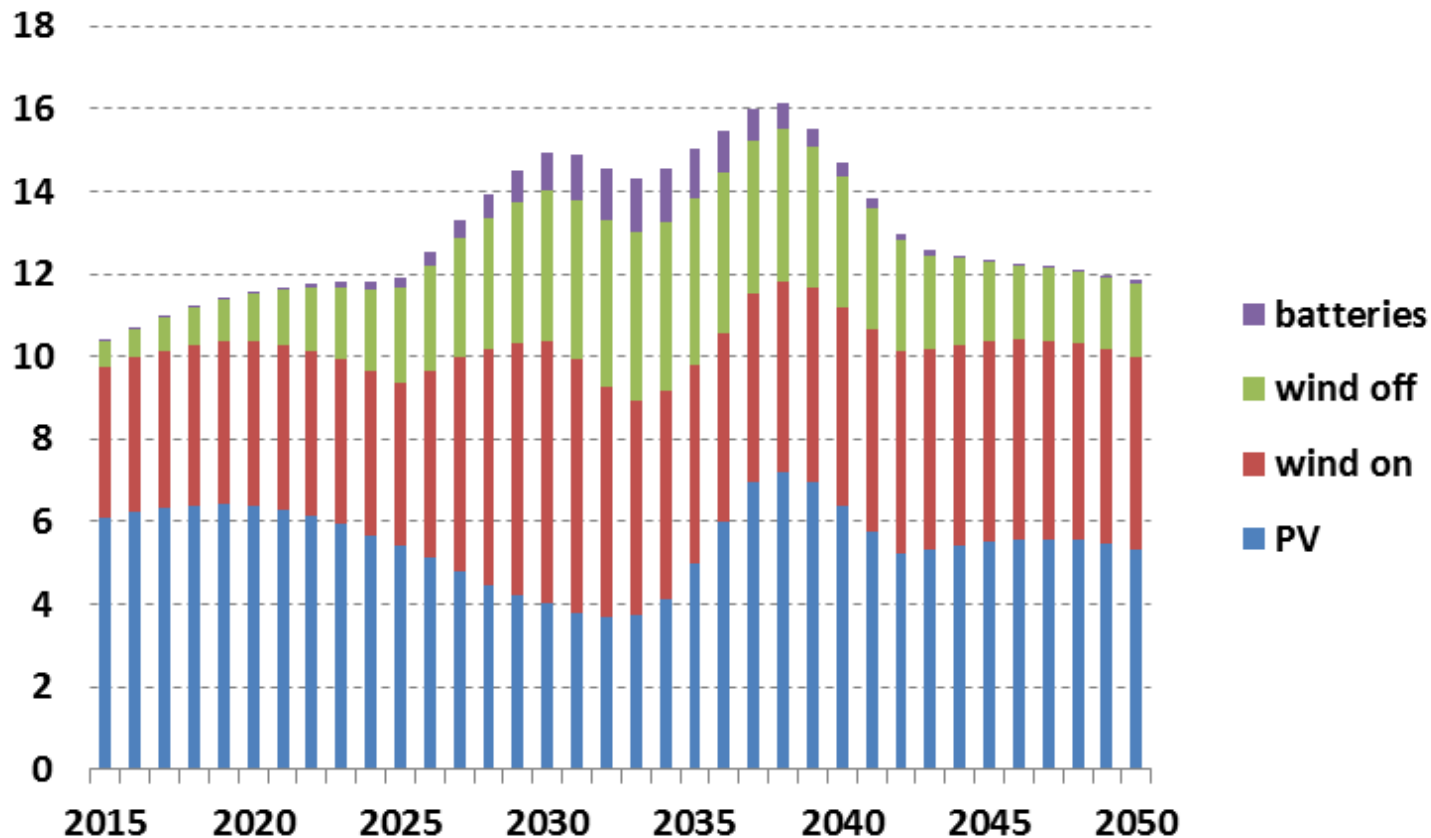
# Analysis of investments from today until 2050

## Example photovoltaics



# Investments for RE (wind, solar PV) and battery storage

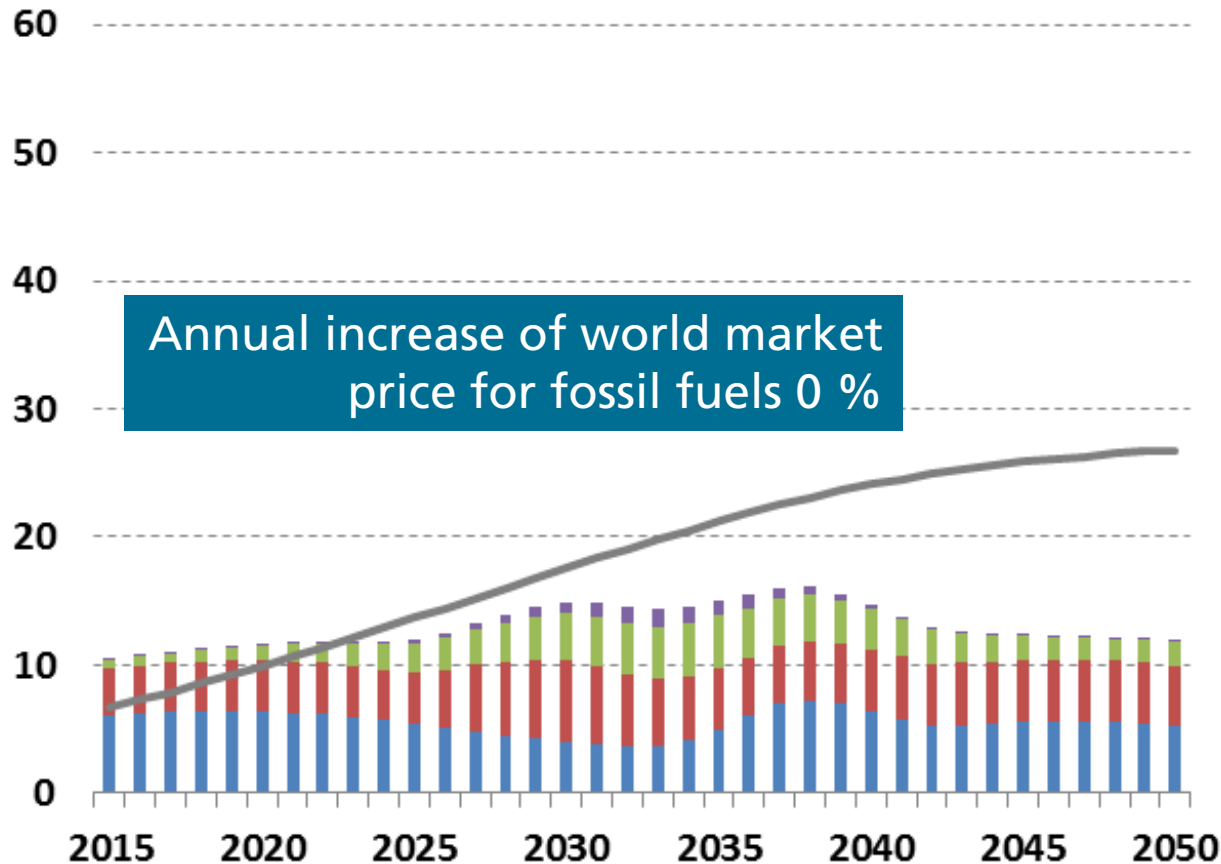
## Bill € p.a.



Total investments (w/o capital cost, incl. re-powering) from 2015 to 2050:  
470 bill. €<sub>2014</sub>



# Investments vs. saved fuel cost in bill. € p.a.

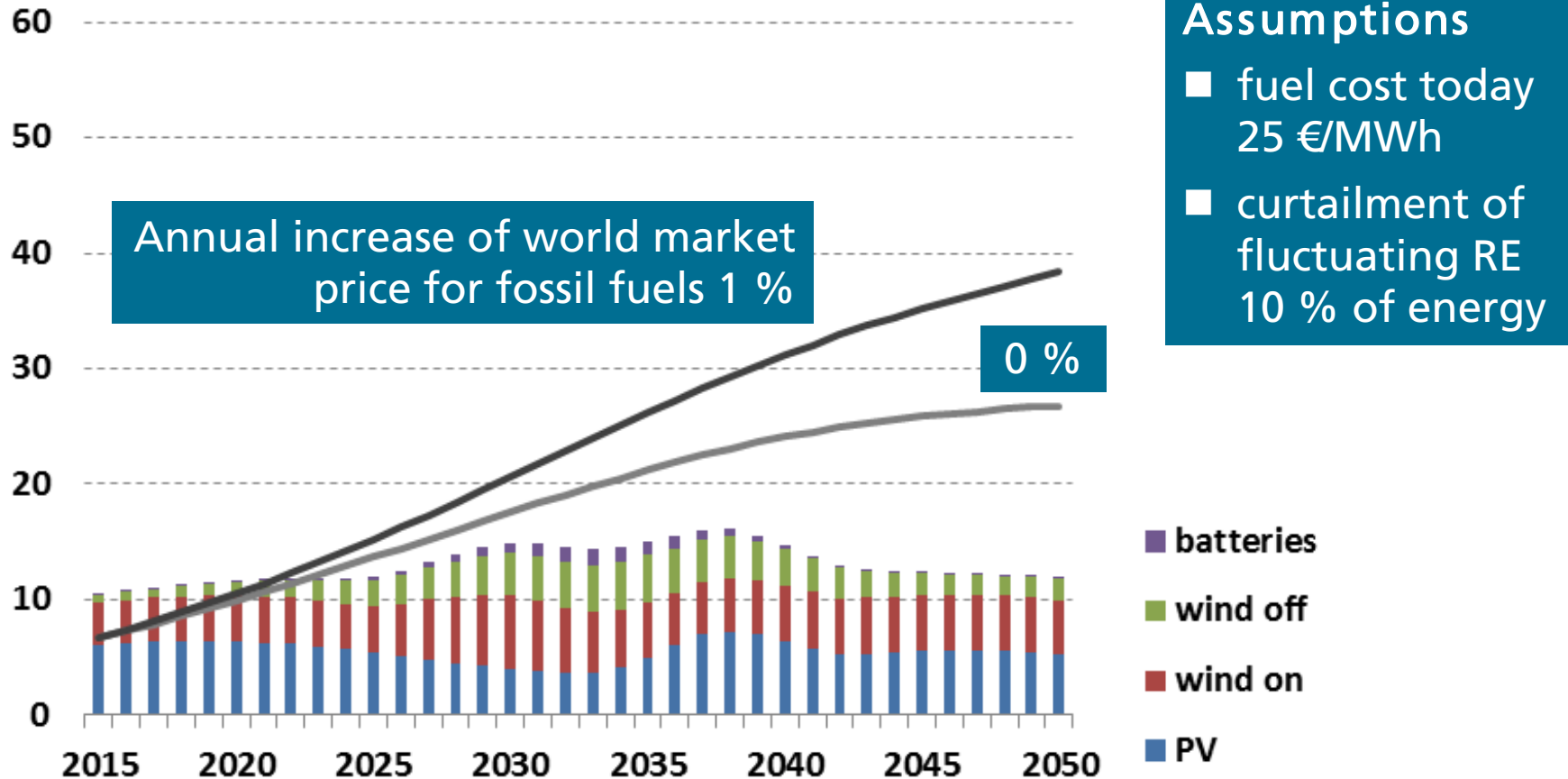


## Assumptions

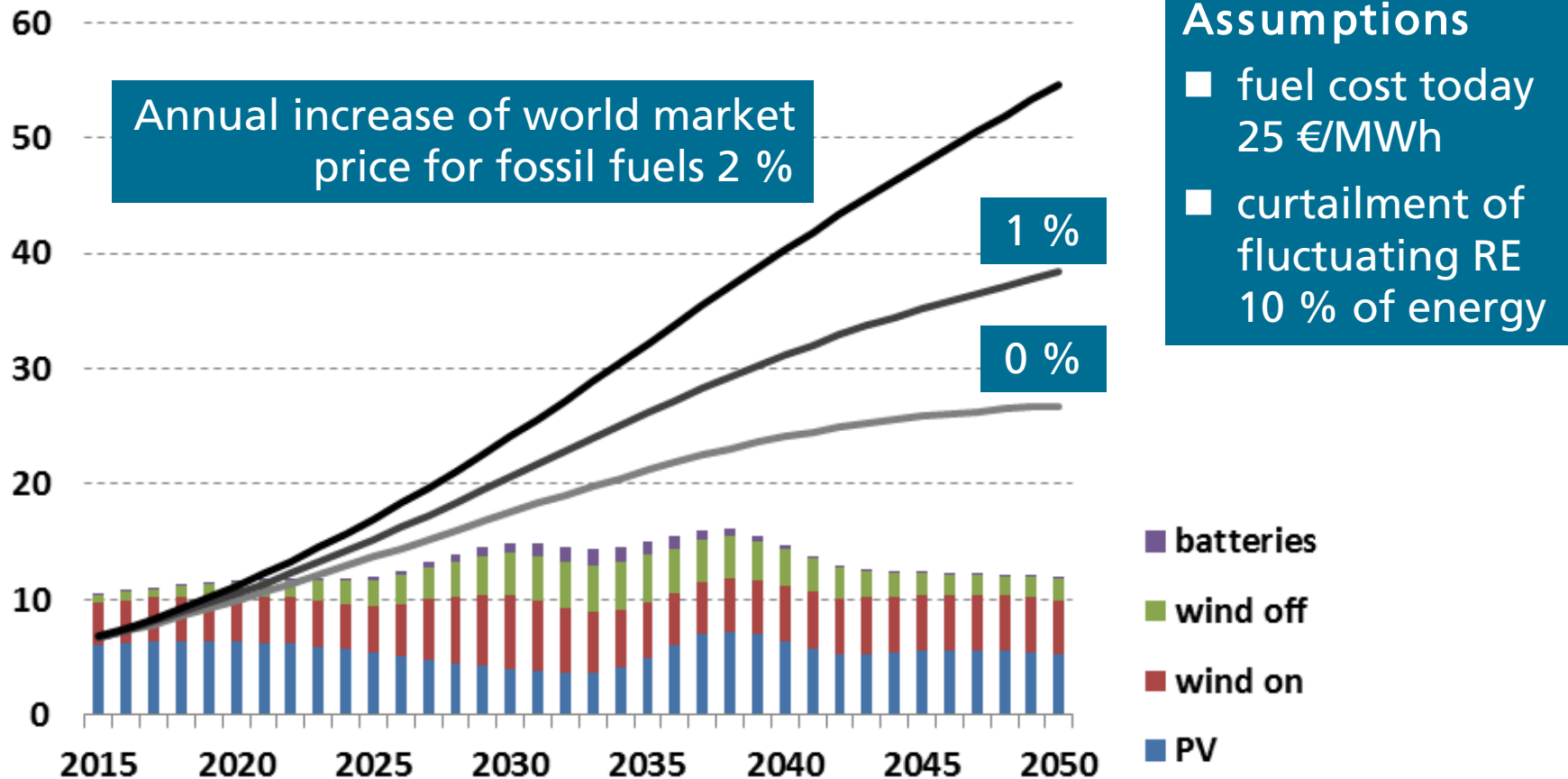
- fuel cost today 25 €/MWh
- curtailment of fluctuating RE 10 % of energy

- batteries
- wind off
- wind on
- PV

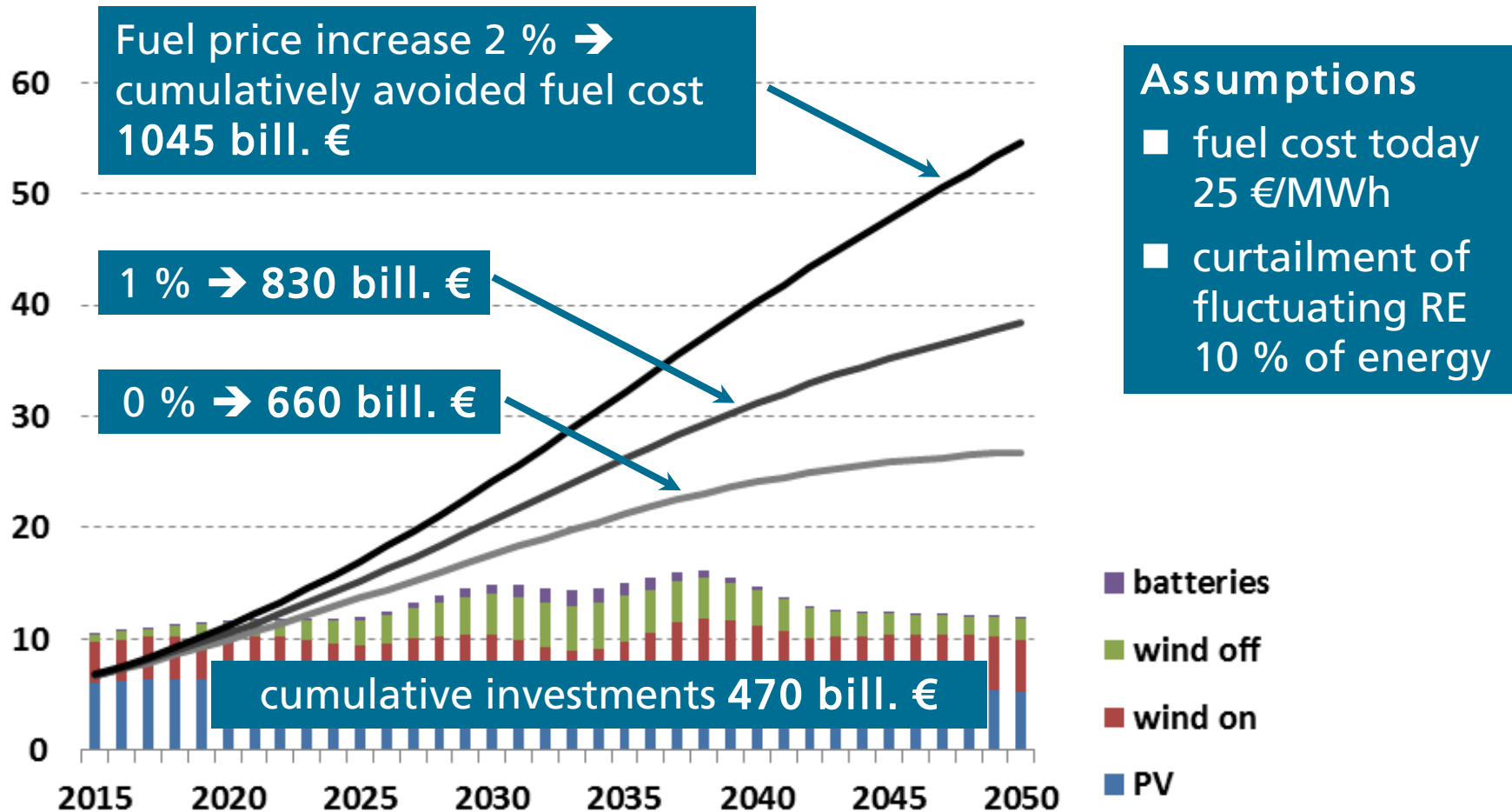
# Investments vs. saved fuel cost in bill. € p.a.



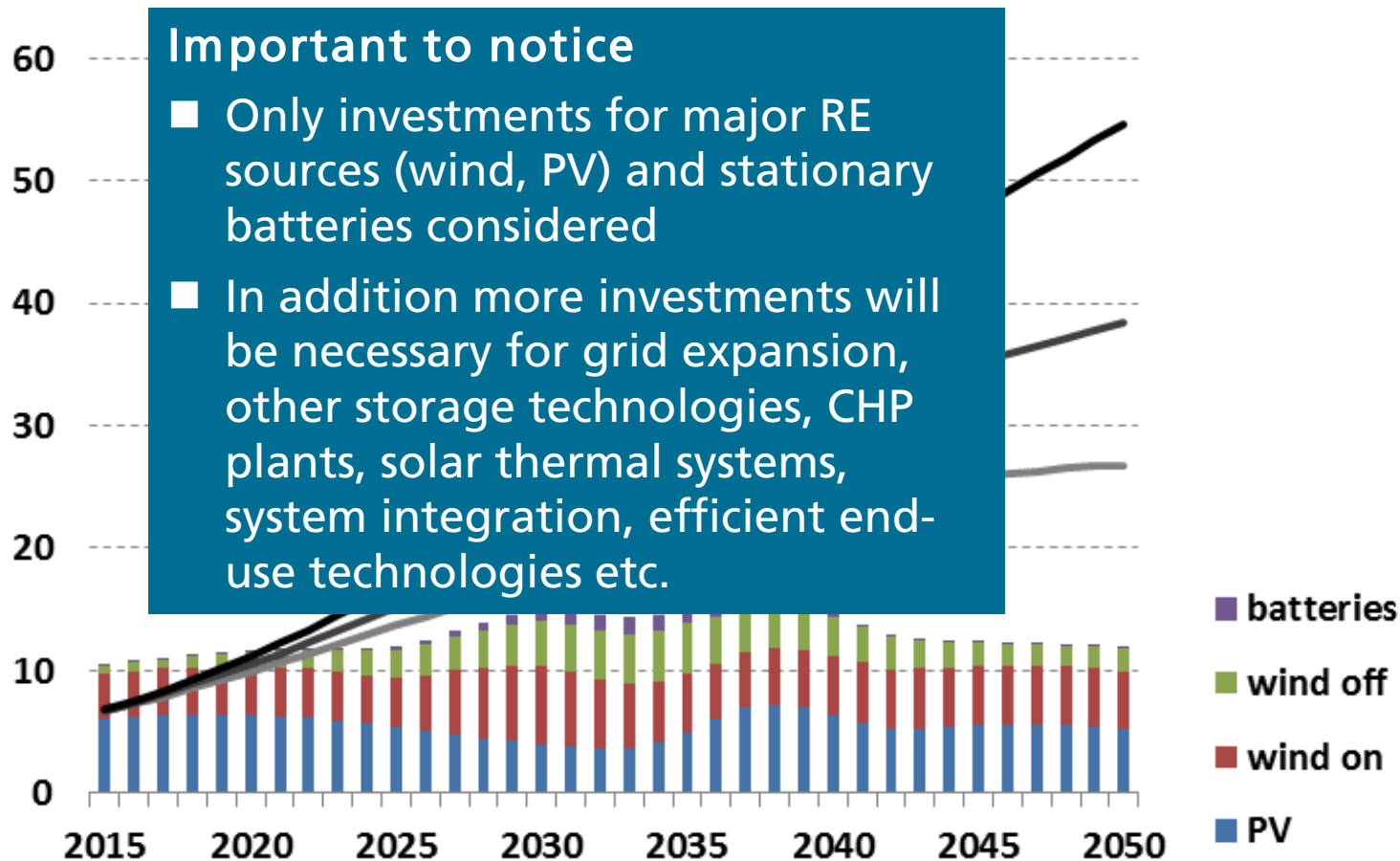
# Investments vs. saved fuel cost in bill. € p.a.



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# Summary (1/2)

- Reduction of energy-related CO<sub>2</sub> emissions by 80 % and above is possible and will in the long term lead to lower cost compared to the energy system of today
- The dependence on energy imports will be significantly reduced
- This strategy is linked to significant local value and employment creation due to installation of many thousands components and systems in all energy conversion and end-use sectors
- Key elements of the transformation are reduction consumption (classical electricity consumption, space heat), efficient conversion chains (electric engines, heat pumps replacing combustion processes) and renewable energies (electricity, heat)

# Summary 2/2

- Fluctuating renewable energies (wind, solar PV) will become the backbone of the electricity generation and dominate the overall system
- This calls for flexibilization of residual electricity production and electricity use in all end-use sectors in order to make use of negative residual load
- About one quarter of the total low temperature heat demand will be covered by solar thermal
- Depending on the level of expansion of district heating networks an installed capacity of 20 GW to 80 GW of centralized solar thermal systems seems reasonable



# Outlook – next steps of model development

- Include electricity export/import
- Disaggregation/diversification of the model in various sectors, e.g.
  - mobility
  - fuel conversion chains (e.g. biomass)
  - introduction of a simple building typology (residential: SFH, MFH; commercial)
- Adjustment of the model to describe and optimize transformation pathways
  - ➔ inclusion of diffusion/exchange rates and learning curves for all relevant technologies
- Country studies (e.g. Italy, California, South Africa, ...)



# References

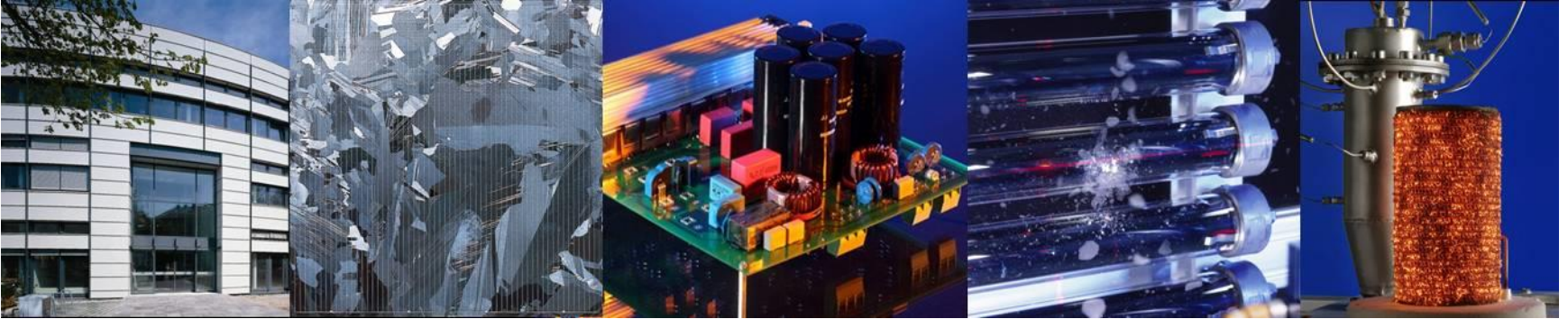
Henning, H-M., Palzer, A., A comprehensive model for the German electricity and heat sector in a future energy system with a dominant contribution from renewable energy technologies – Part I: Methodology. Renewable and Sustainable Energy Reviews, 30 (2014), pp 1003–1018

Palzer, A., Henning, H-M., A comprehensive model for the German electricity and heat sector in a future energy system with a dominant contribution from renewable energy technologies – Part II: Results. Renewable and Sustainable Energy Reviews, 30 (2014), pp 1019–1034.

Palzer, A., Henning, H-M., A future German energy system with a dominating contribution from renewable energies: a holistic model based on hourly simulation. Energy Technology 2014, 2, pp 13–28

Henning, H-M., Palzer, A., ENERGIESYSTEM DEUTSCHLAND 2050 - Sektor- und Energieträger-übergreifende, modellbasierte, ganzheitliche Untersuchung zur langfristigen Reduktion energiebedingter CO<sub>2</sub>-Emissionen durch Energieeffizienz und den Einsatz Erneuerbarer Energien. Studie Fraunhofer ISE, November 2013. For download:  
<http://www.ise.fraunhofer.de/de/presse-und-medien/presseinformationen/presseinformationen-2013/energiesystem-deutschland-2050>

# Thank you for your attention...



## Fraunhofer Institute for Solar Energy Systems ISE

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