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# WHAT IS THE COST OF ENERGY AUTONOMY?

Assessing import independence for a multi-modal, climate-neutral European energy system

Jens Schmugge, Hans Christian Gils, Hedda Gardian 8th AIEE Energy Symposium 2024, Padua



Why is it worthwhile to take the gas infrastructure into account in energy system optimisation?



- IEA, "Net Zero by 2050": all fossil fuels are predicted to decrease in use soon
- renewable energies pose risks to energy security because of their volatility
- but: possible alternative (imported) gas also risk to energy security due to geopolitical

considerations as seen in recent years

How would a future gas/H<sub>2</sub>-import independence of Europe influence its optimal energy system?



#### <sup>1</sup>REMix repository: <u>https://gitlab.com/dlr-ve/esy/remix/framework</u>. Jens Schmugge, Institute of Networked Energy Systems, 29/11/2024

## REMix energy system optimisation framework<sup>1</sup> schema

## **Energy system optimisation with REMix**

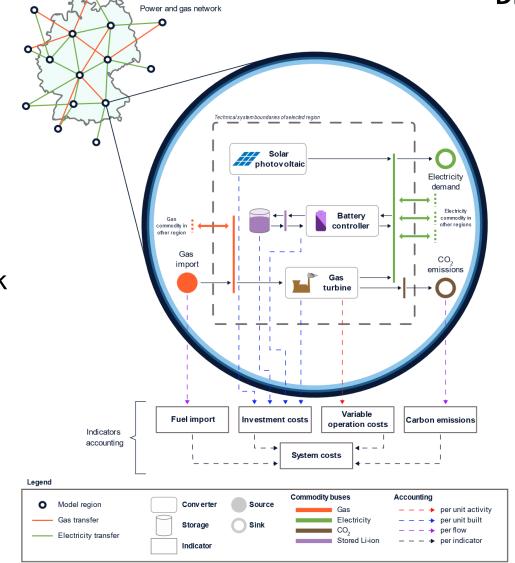
Inear cost minimisation

**REMix** 

REMix Renewable Energy Mix

**Renewable Energy Mix** 

- open-source energy system optimisation framework
- designed for modelling large-scale energy systems
- capacity expansion and dispatch of all assets
- sector-integrated models
- written in GAMS, data preprocessing with Python

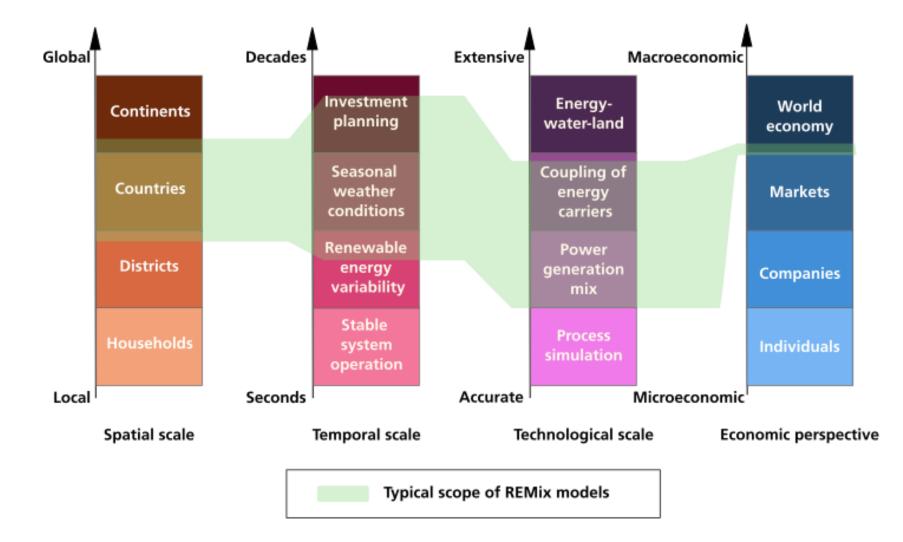






## Typical scope of a REMix model





Cao et al.: Bridging granularity gaps to decarbonize large-scale energy systems—the case of power system planning. *Energy Science & Engineering*, 9(8):1052–1060, May 2021. doi:10.1002/ese3.891.

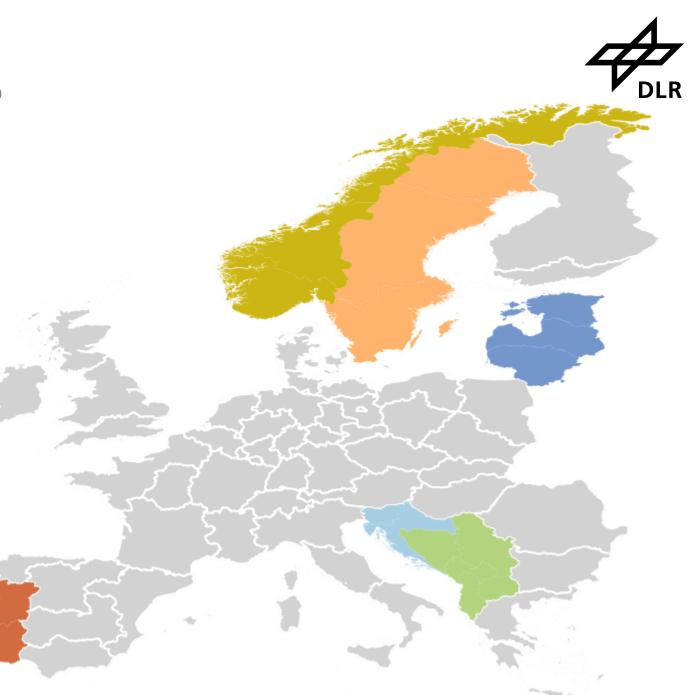
## The optimisation model Spatial and temporal scope

#### spatial

- data for Europe in 70 regions
- partially aggregated to 57 model nodes (to speed up calculations)

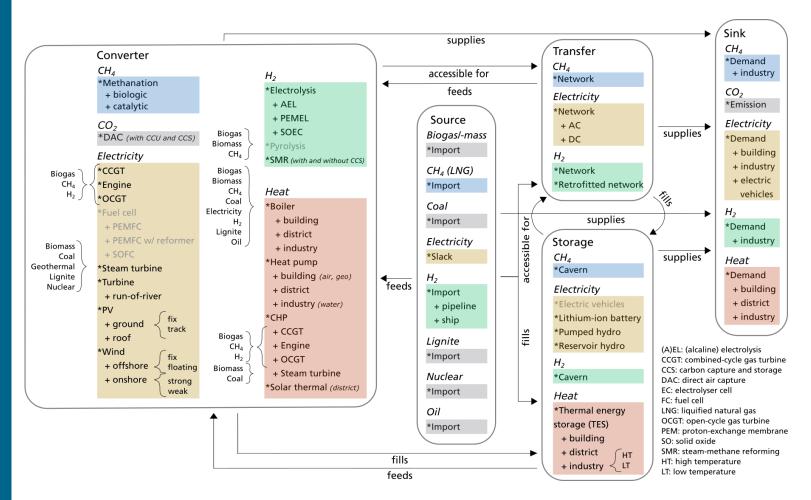
#### temporal

- optimisation of target year 2050
- hourly resolution
- weather year: 2012
- reference year for installed capacities: 2020



## The optimisation model *Technological scope*





- >100 technologies modelled
- power-to-X via boilers, heat pumps, electrolysis, methanation, and electric vehicles
- transfer grids for three commodities: electricity, hydrogen, methane
- ~50 heat technologies split in 17 heat groups, 7 with storage, e.g.,
  - district heat
  - industry heat
  - high/low temperature
- direct-air capture for CCU and CCS
- retrofitting of methane pipelines

## The optimisation model Scenarios

#### "import autonomy"

- cost of hydrogen imports between
   ~7.1 ct/kWh (North Africa, pipeline) and
   ~15.2 ct/kWh (South Africa, ship)<sup>1</sup>
- techno-economic data from Danish Energy Agency (DEA) technology sheets, DEA scenario "ctrl"<sup>2,\*</sup>
- imports not prohibited, but rather expensive

<sup>1</sup>derived from Fraunhofer IEE, University of Kassel: *Global PtX Atlas*, <u>https://maps.iee.fraunhofer.de/ptx-atlas/</u>, value "Mean". <sup>2</sup>Danish Energy Agency: <u>https://ens.dk/en/our-services/technology-catalogues</u> (April 2024). \*"ctrl" stands for "central" meaning an average value.

#### "forced H2 imports"

- cost of hydrogen imports between
   ~4.2 ct/kWh (Non-EU Europe, pipeline) and
   ~12.6 ct/kWh (South Africa, ship)<sup>3</sup>
- techno-economic data changed just for for proton-exchange membrane electrolyser to value of DEA scenario "lower"<sup>4</sup>
- forced import of hydrogen from region
   Mid East (100 TWh) and Northern Africa
   (200 TWh)



<sup>&</sup>lt;sup>3</sup>derived from Fraunhofer IEE, University of Kassel: *Global PtX Atlas*, <u>https://maps.iee.fraunhofer.de/ptx-atlas/</u>, value "Min". <sup>4</sup>to be consistent with that assumption in comparison with the Global PtX Atlas.

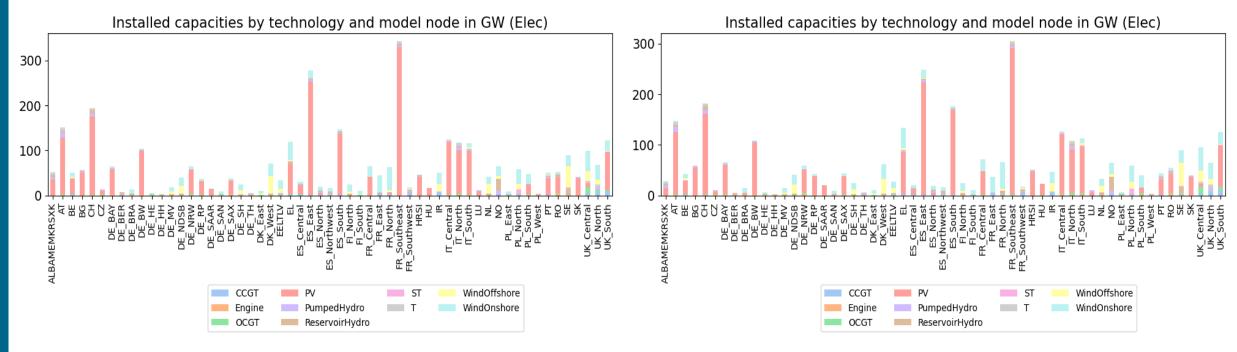


## Energy system in 2050 Expansion of the power plant park (electricity)



#### scenario: "import autonomy"

#### scenario: "forced H2 imports"



renewables are dominating the system in both scenarios with solar PV having by far the largest share
only slight differences between scenarios in total installed capacity and distribution of plants

## Energy system in 2050 Electrolysis capacities per region

#### scenario: "import autonomy"

Installed electrolysis capacities in GW



- 40

more electrolysis capacities installed in the scenario without

imports

- 25

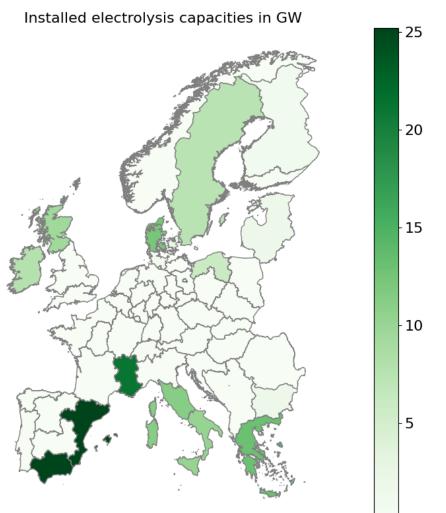
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electrolysis locations
 slightly more diverse in
 case of forced
 hydrogen imports

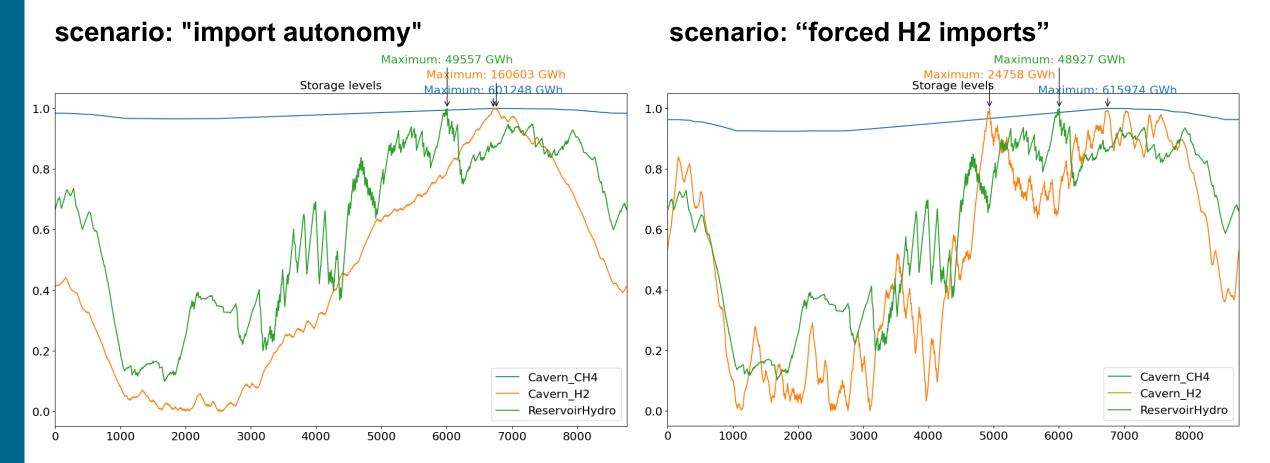


#### scenario: "forced H2 imports"



## Energy system in 2050 Flexibility from seasonal energy storage





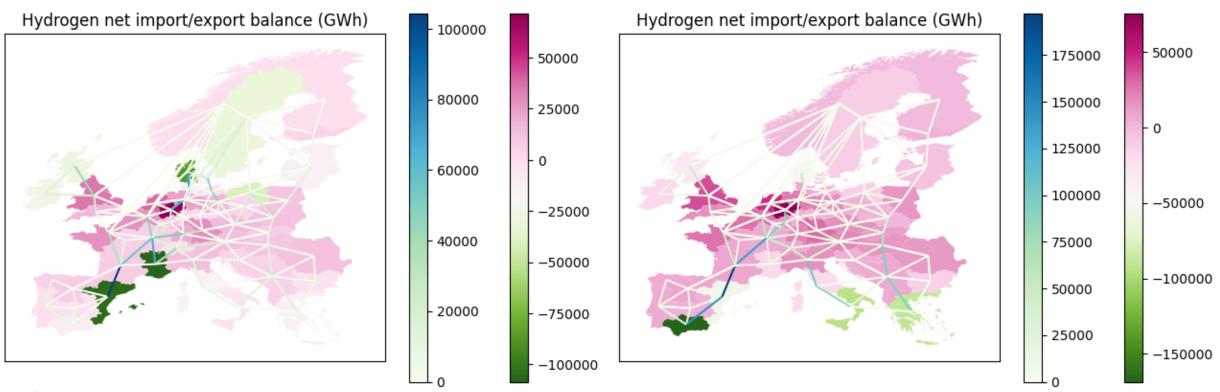
caverns for CH<sub>4</sub> and H<sub>2</sub> as well as reservoir hydro plants act as seasonal storage in the model
storage size differs significantly for H<sub>2</sub>, where it is around 6.5 times smaller when H<sub>2</sub> imports are enforced

## Energy system in 2050 Energy transfer infrastructure (hydrogen)



#### scenario: "import autonomy"

#### scenario: "forced H2 imports"



expansion of hydrogen transfer network almost twice as big in case of forced imports
 countries of hydrogen import change and become more diverse



## **Summary and conclusion**



- highly resolved optimisation model of the European energy system
- investigation of two scenarios: "import autonomy" versus "forced H<sub>2</sub> imports"
- in both scenarios:
  - significant ramp-up of renewables
  - electrification of heat and industry
  - hydrogen production within Europe on large scale
- a significant expansion of H<sub>2</sub> transfer infrastructure can be observed for higher H<sub>2</sub> imports
- H<sub>2</sub> caverns, on the other hand, are built up significantly less (factor of ~6.5) if more H<sub>2</sub> imports are available

### **Conclusions and outlook**



- cost of energy autonomy depends on hydrogen import costs to large degree
- with our import cost assumptions the overall system costs differ by 2 billion €
- other metrics than pure costs—like energy security—can have a decisive impact on which pathway is eventually chosen

- outlook on next steps:
  - calculate actual pathway to 2050 with support years in between (not only target year)
  - analyse additional flexibility that vehicle-to-grid technology would provide

## Imprint



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