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# Project BiNe: Results of the Energy-Information-Cost Model

Klaus Lichtenegger, David Wöss,  
Christian Halmdienst,  
Rosemarie Schnetzinger,  
Ernst Höftberger, Tobias Pröll

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innovations   
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## Results of the Energy-Information-Cost Model

- Why an energy-information-cost model?
- General structure of the model
- Emission model
- Economic model
- Parameter optimisation
- Some results



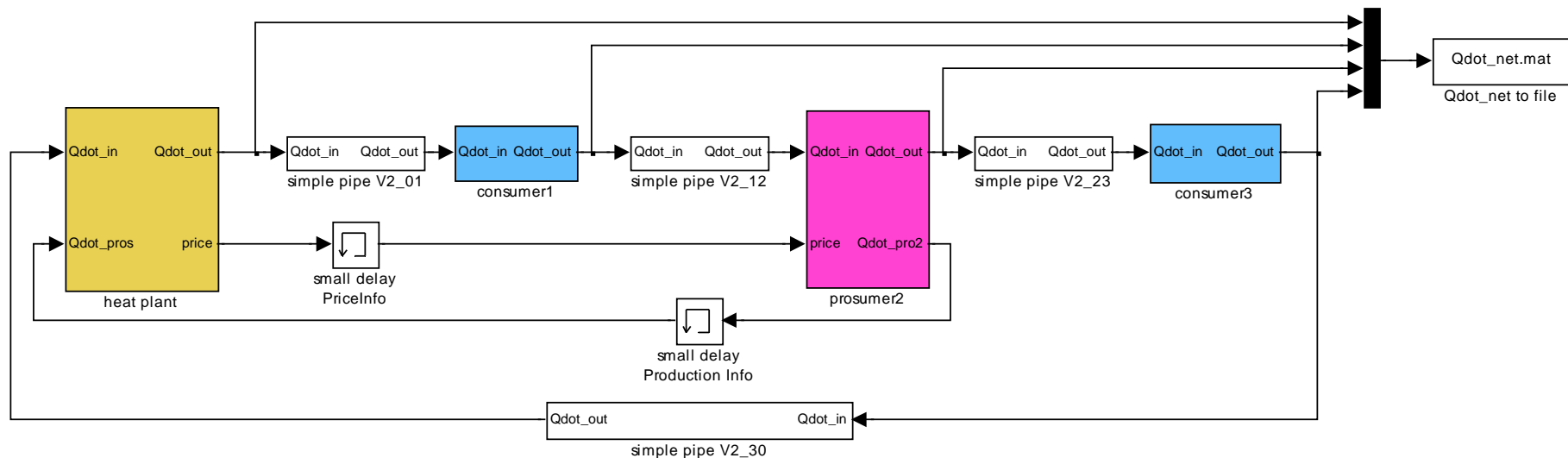
## Why an Energy-Information-Cost Model?

- High quality control strategies (both technical and economic) are essential for the success of de-centralized heat supply and inclusion of prosumers.
- Technical and economic control can influence each other and thus should be modeled and simulated in a combined approach.
- On the other hand, many aspects of technical and economic control are almost independent of physical details of the implementation.
- Analyse interplay between control systems → simplify physical system and technological implementation as far as possible.



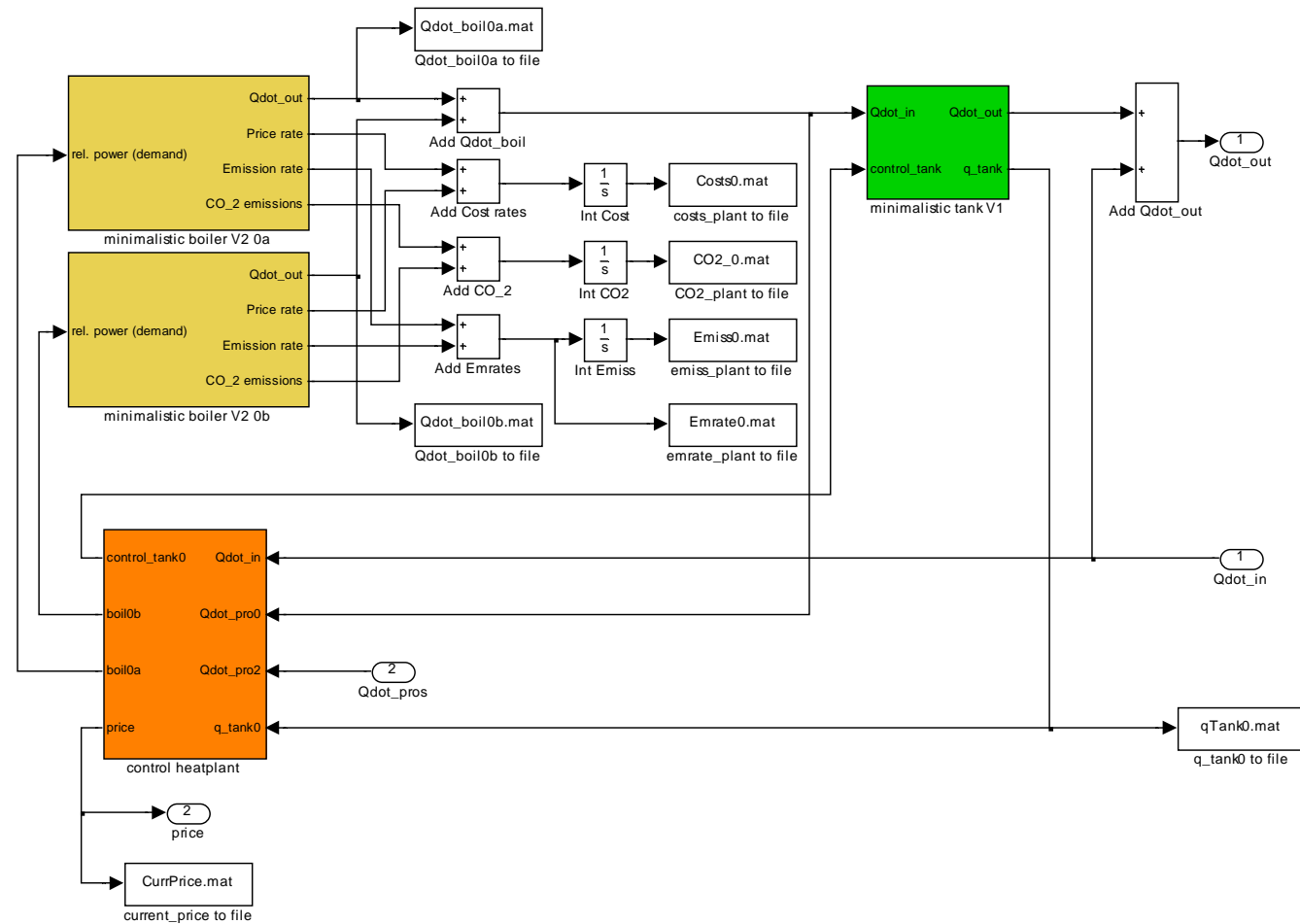
## General Structure of the Model (1/3)

- Heat plant, two aggregated consumers and a prosumer
- Employ energy and information flow, but no further physical quantities (like pressure and temperature)
- Implementation in MATLAB/Simulink:



# General Structure of the Model (2/3)

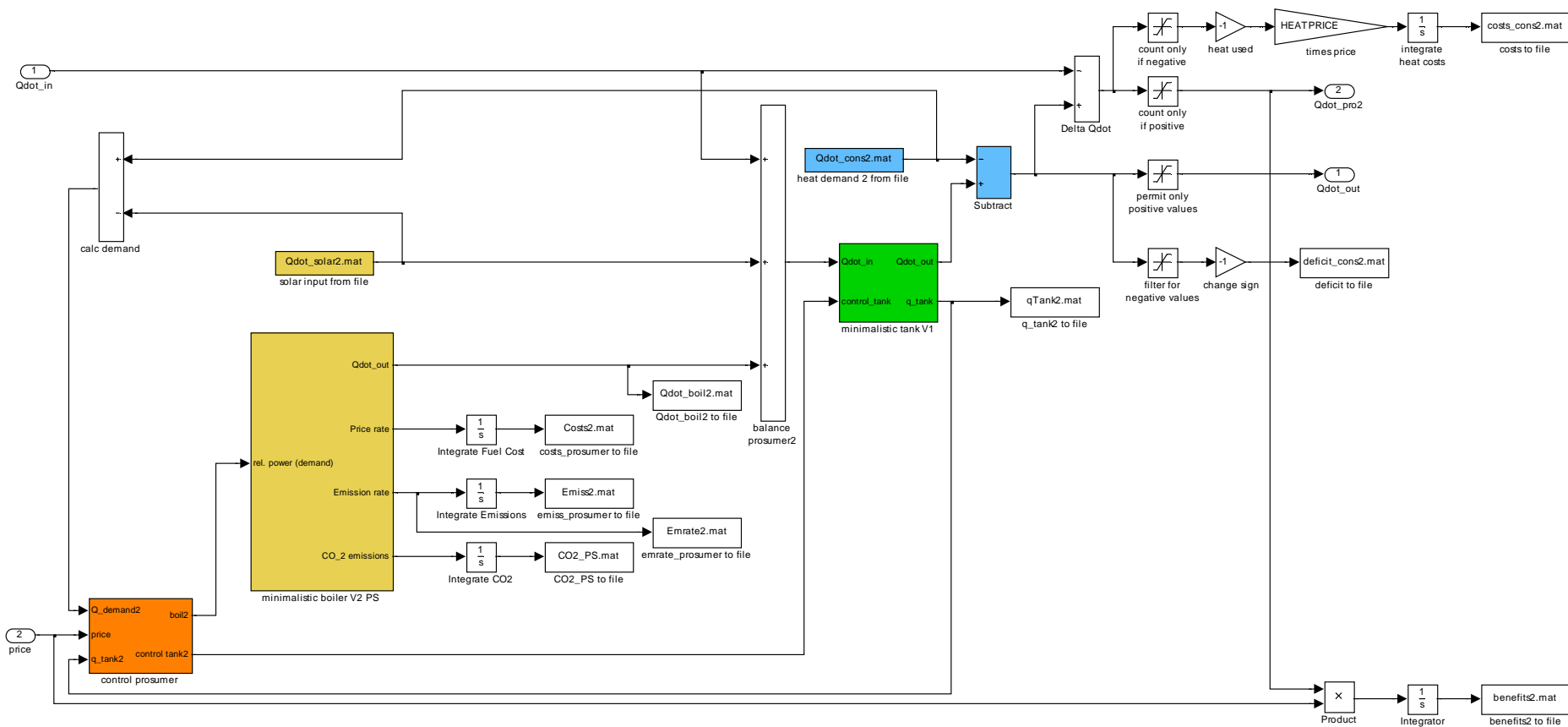
- Heat plant (base and peak load boiler, storage tank):





# General Structure of the Model (3/3)

## ■ Prosumer (boiler, solar thermal, storage tank):

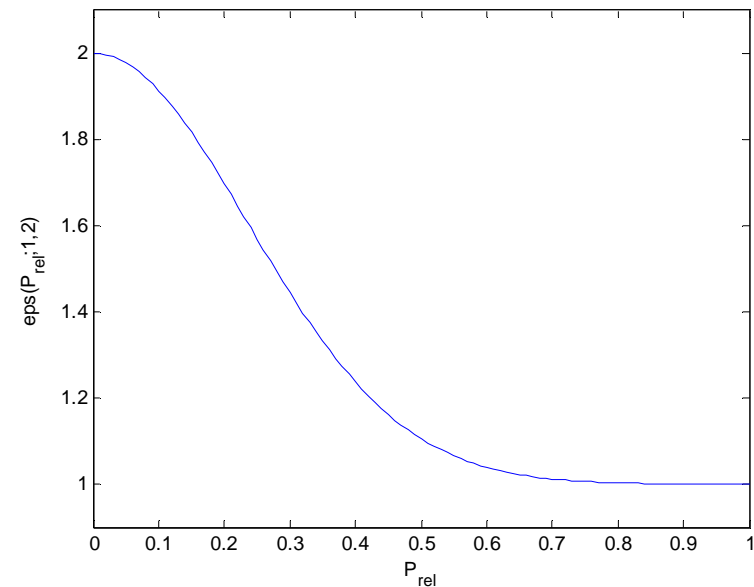




## Emission model

- Emission characteristics of boilers very different, in particular in partial load mode
- For this simulation simple analytic model, emissions only depend on boiler power:

- $Em(P) = P \times \varepsilon\left(\frac{P}{P_0}\right)$  with
 
$$\varepsilon(P_{rel}) = \varepsilon_{min} + (\varepsilon_{max} - \varepsilon_{min}) \times e^{-9 \times P_{rel}^2}$$





## Economic Model (1/3)

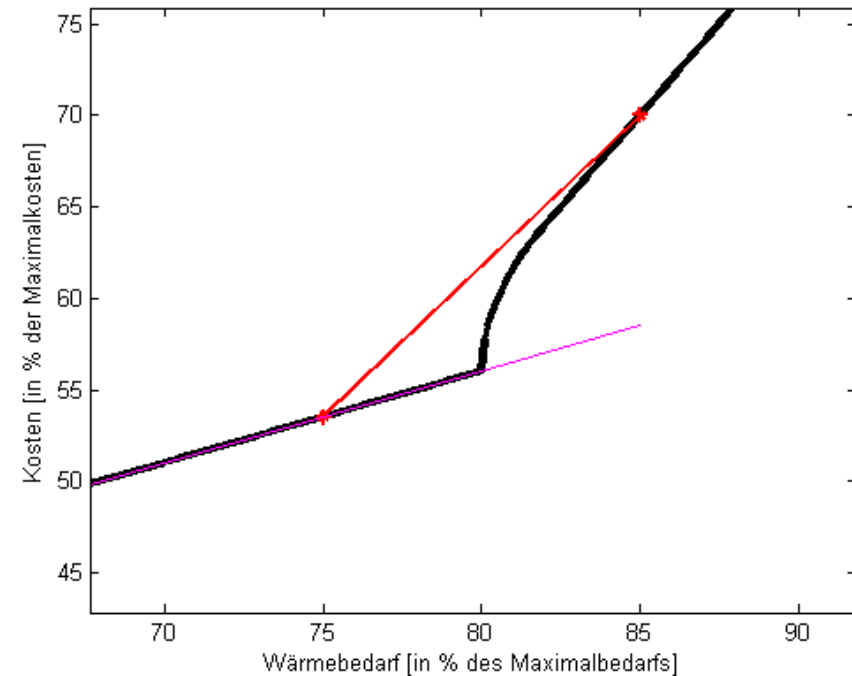
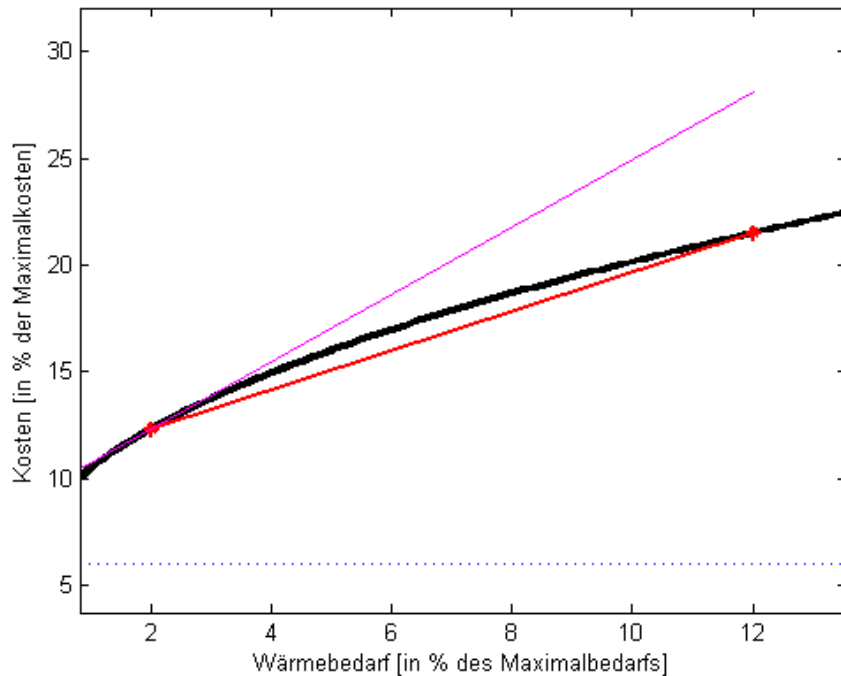
- Fundamental approaches to economic system:
  - Complete central control
  - Market-based model with situation-dependent prices for heat in-feed → presumably more attractive for prosumers (who retain decision autonomy)
- How to calculate price payed for heat in-feed?
  - Savings of heat plant due to de-central heat supply?
  - Define upper and/or lower limit for prices?
  - Upper limit for total compensation with defined periods of time?





## Economic Model (2/3)

- Price estimated as tangent or secant to cost function:



- Secant yields (almost) exact cost reduction
- Tangent can under- oder overestimate the fair price



## Economic Model (3/3)

- Upper limit for prices:
  - advantageous for heat plant
  - not problematic, as long as limit price is high enough
- Lower limit for prices:
  - advantageous for prosumer
  - problematic if limit price is too high
    - provokes unnecessary energy in-feed
- Limit for total compensation :
  - also problematic: risk of missing heat supply at the end of the relevant period



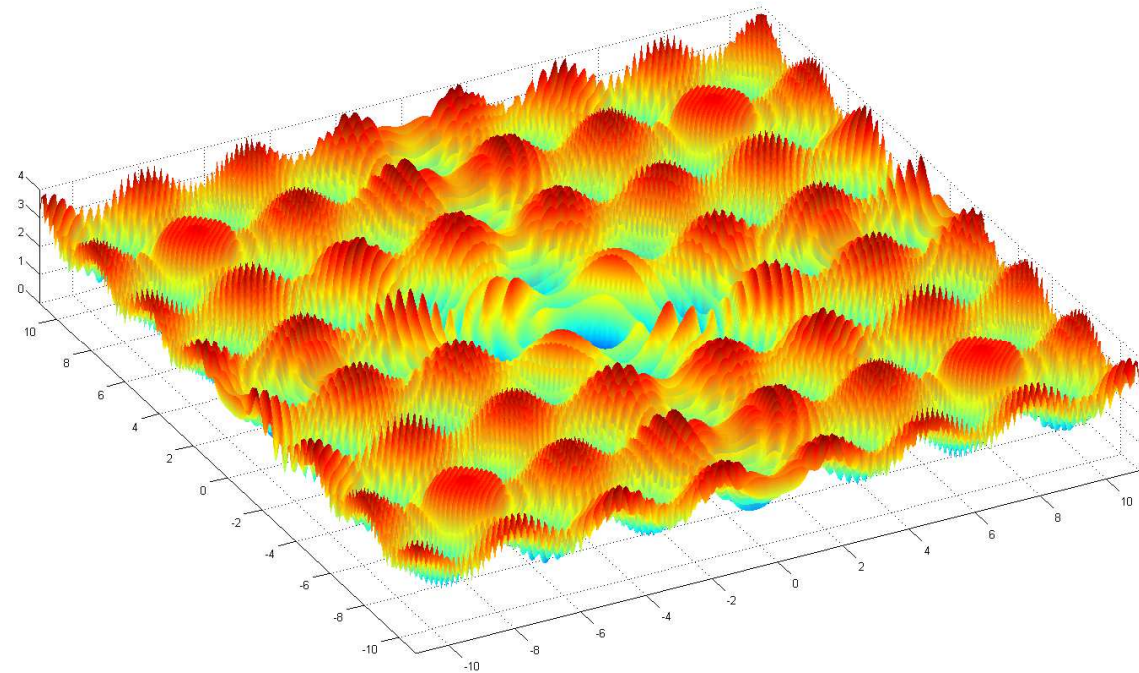
## Parameter Optimization (1/3)

- Current control strategy contains 14 free parameters
- Various goals: Reduction of costs (which mostly stem from fuel consumption), reduction of CO<sub>2</sub> and toxicological emissions, reliability of the grid
- Define *cost function*: emissions and missing heat are artificially endowed with a price (corporate or political decision) → weighting as compared to fuel and other „real“ costs



## Parameter Optimization (2/3)

- Minimize cost function with respect to the parameters. Simulations for pre-defined periods of time (one week in winter, during transition time and in summer)
- Task: Find global minimum of function of several variables, each evaluation computationally very expensive.





## Parameter Optimization (3/3)

### ■ Methods:

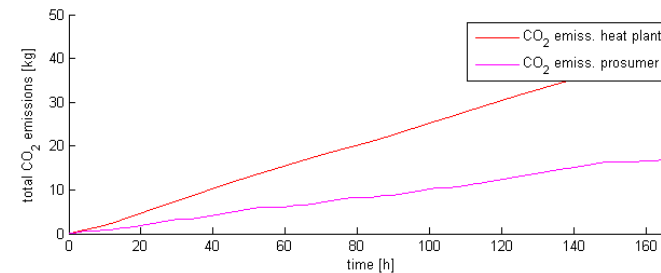
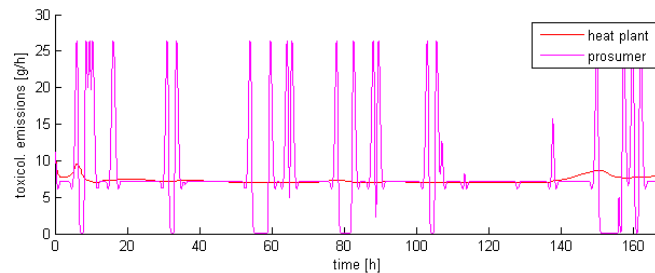
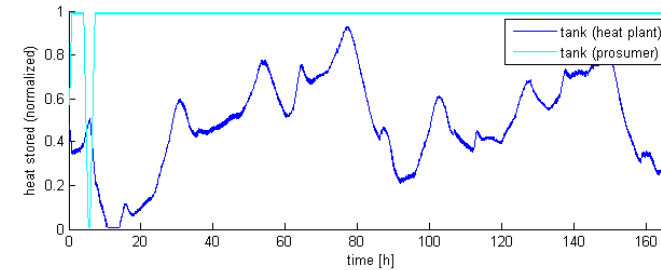
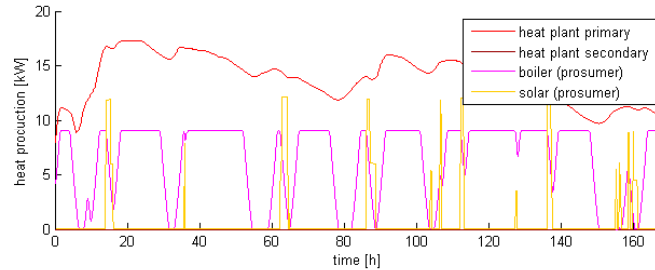
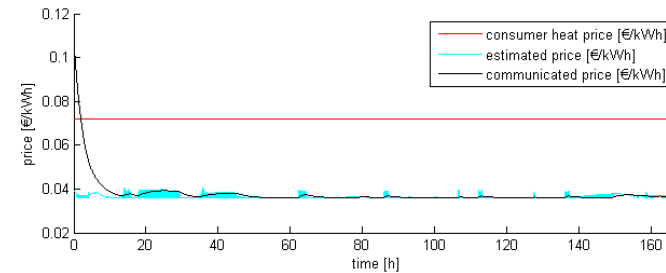
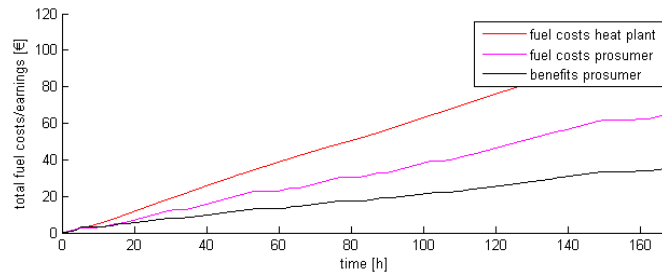
- *Steepest descent* and related methods (e.g. *conjugate gradients*): few evaluations necessary, here  $O(100)$ , but usually finds only local minimum close to initial guess.
- Grid-based systematic („brute-force“) optimization: would require  $O(10^{28})$  evaluations for a reasonably fine grid.
- Resort: Employ stochastic methods, e.g. *simulated annealing*: Local minima can be left again, usually good results with  $O(1000)$  evaluations.





# Results (1/4)

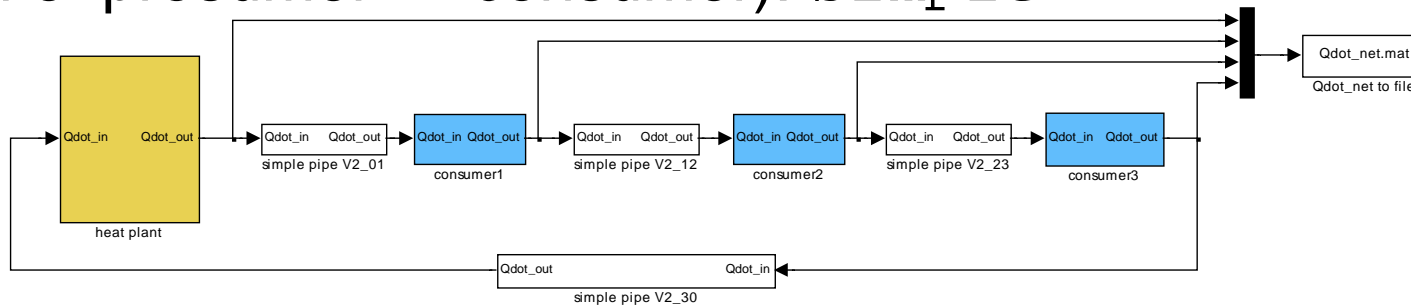
## ■ Typical simulation run (one week in spring):



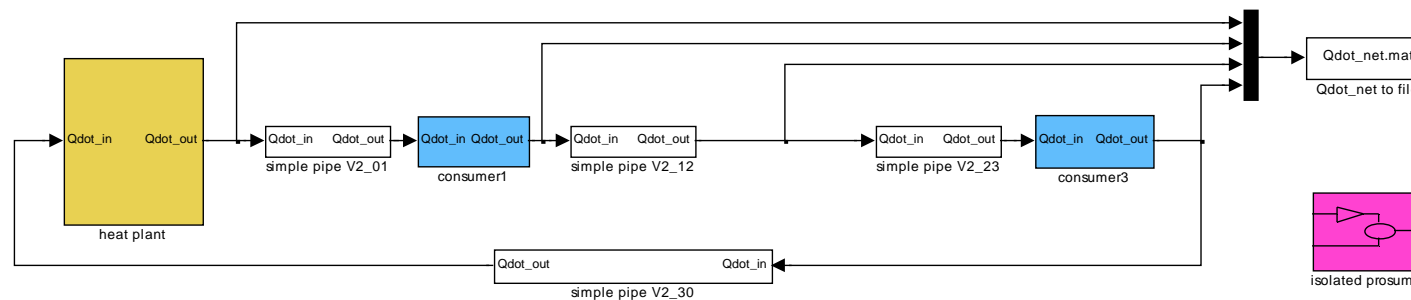


## Results (2/4)

- Comparison with similar model, but with pure consumer (i.e. prosumer → consumer): `simple`



- Comparison with similar model, but with isolated producer (neither heat in-feed nor extraction): `split`





## Results (3/4)

- Comparison with `split` scenario (assuming 20 cold, 18 transition and 14 warm weeks), prosumer with 10 kW boiler and 13 kW solar thermal device:

### Vergleich mit Szenario `split`:

| bPS | second boiler | PS_price | Fuel PI     | Fuel PS     | Net earn PI | Net earn PS | emiss [kg] | CO_2 [kg] | Heat def. | SumDiff     |
|-----|---------------|----------|-------------|-------------|-------------|-------------|------------|-----------|-----------|-------------|
| 0   | Gas           | normal   | -€ 283,10   | -€ 41,35    | -€ 153,52   | +€ 479,20   | -10,34     | -124,29   | +18,51    | € 325,68    |
| 1   | Gas           | normal   | +€ 647,40   | -€ 951,12   | -€ 376,63   | +€ 682,05   | +12,10     | +5,29     | -119,44   | € 305,43    |
| -1  | Gas           | normal   | -€ 229,76   | -€ 929,91   | +€ 188,95   | +€ 944,20   | -29,42     | -328,65   | -102,59   | € 1.133,15  |
| 0   | Holzabfälle   | normal   | -€ 627,30   | +€ 220,78   | -€ 1.832,19 | +€ 2.238,24 | +131,70    | +467,11   | -21,63    | € 406,05    |
| 1   | Holzabfälle   | normal   | -€ 616,67   | +€ 220,78   | -€ 1.914,19 | +€ 2.309,24 | +131,94    | +520,92   | -16,32    | € 395,05    |
| -1  | Holzabfälle   | normal   | -€ 689,75   | +€ 220,78   | -€ 1.733,14 | +€ 2.200,18 | +131,87    | +368,39   | -0,64     | € 467,04    |
| 0   | Gas           | billig   | -€ 1.114,96 | +€ 279,93   | -€ 1.269,00 | +€ 2.103,76 | +88,90     | +300,24   | -114,79   | € 834,77    |
| 1   | Gas           | Billig   | -€ 1.156,17 | +€ 279,93   | -€ 1.278,52 | +€ 2.150,86 | +89,34     | +283,76   | -59,84    | € 872,34    |
| -1  | Gas           | Billig   | -€ 1.135,18 | +€ 279,93   | -€ 1.192,26 | +€ 2.046,87 | +90,49     | +292,15   | -106,17   | € 854,62    |
| 0   | Holzabfälle   | billig   | +€ 986,59   | -€ 1.210,57 | -€ 899,52   | +€ 1.123,37 | -19,84     | +96,20    | -20,27    | € 223,86    |
| 1   | Holzabfälle   | billig   | +€ 512,59   | +€ 494,83   | -€ 2.537,92 | +€ 1.530,57 | +1,98      | +653,38   | +68,02    | -€ 1.007,34 |
| -1  | Holzabfälle   | billig   | +€ 154,59   | -€ 1.210,57 | +€ 40,28    | +€ 1.015,37 | -24,72     | -260,98   | +20,69    | € 1.055,66  |





## Results (4/4)

- Economic balance in market model can be difficult. Often improvements for whole system, but higher costs or lower incomes for one player (usually heat plant) → economic model has to be improved.
- Next steps:
  - Improve economic and control approach (also with predictive elements, including weather forecasts),
  - Transfer control strategies to more realistic model (including temperature and pressure levels),
  - Increase size of model system in order to simulate more realistic district heating systems.