

Steps towards the energy transition with a focus on decarbonization

Nuno Marinho EDP NEW



#### **EDP NEW**

#### **INNOVATION BRINGS A NEW TOMORROW**



**Interoperable Smart Energy Grids** 

- > Smart Grids
- > Microgrids
- Interoperability & interconnectivity
- > Demand Response
- > Transactive grids

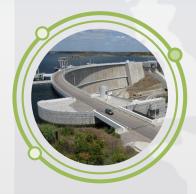


- **Smart Cities**
- **Smart Buildings**
- Mobility
- **Energy Efficiency**
- Communities & P2P



**RES Technology** 

- > On- / Offshore Wind
- Ocean Energy
- > PV / Floating PV
- Innovative RES O&M



**RES Integration & Flexibility** 

- Flexibility
- Energy Markets
- Virtual Power Plants
- Battery Storage **Technologies**
- Green Hydrogen



**Digital Energy** 

- > Big Data & Analytics
- > AI / Machine Learning
- Cybersecurity
- > IoT, Cloud / Fog, Edge Computing
- > 5G and ICT







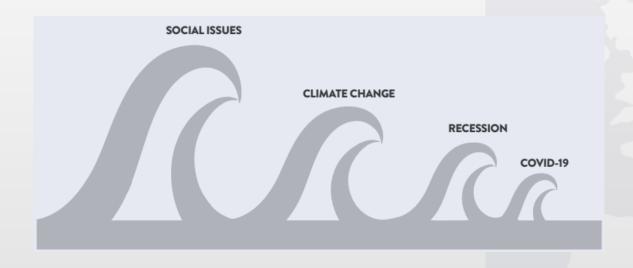


#### **The Green Deal**

- Introduced in 2019;
- Making Europe climate neutral by 2050;
- Bringing new regulatory frameworks and funding to incentivize research and development;
- Use this transition as an opportunity for the industry and the economy;

The pathway for the transformation of the global energy sector!

# **Energy transition – so it begins...**



Decarbonisation of the energy sector requires urgent action on a global scale!

Source: 2021 World Energy issues Monitor – Humanising Energy, World Energy Council

The Carbon Element – Key towards a sustainable society | 22 April 2021

www.euchems.eu

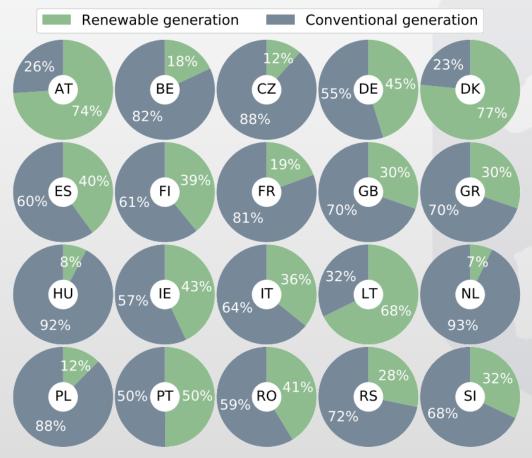
# **Energy transition – so it begins...**



Source: 2021 World Energy issues Monitor – Humanising Energy, World Energy Council



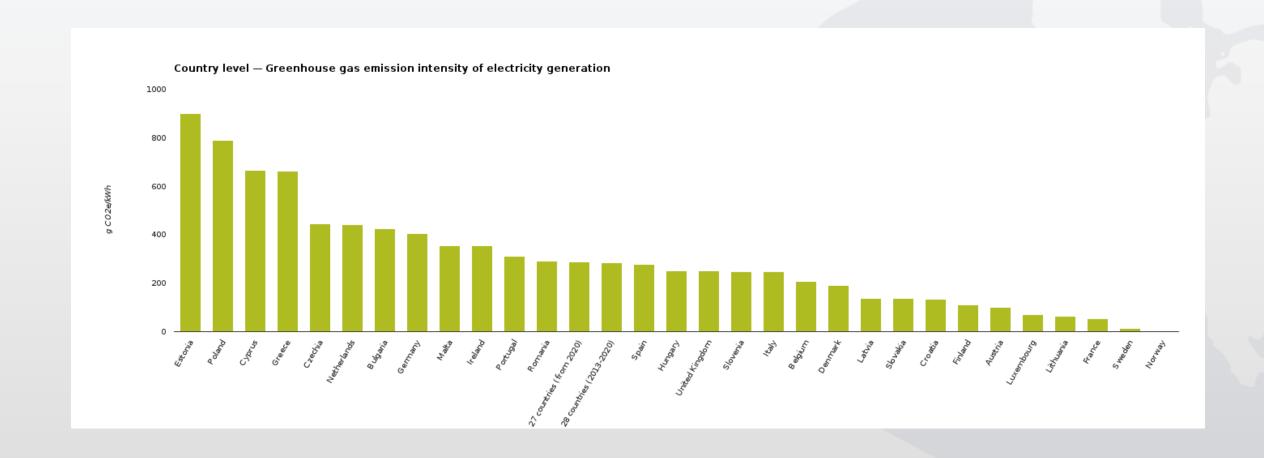
Share of renewables vs conventional generation in 2019



Source: "The effect of price-based demand response on carbon emissions in European electricity markets: The importance of adequate carbon prices" Fleschutz M, et al., 2020

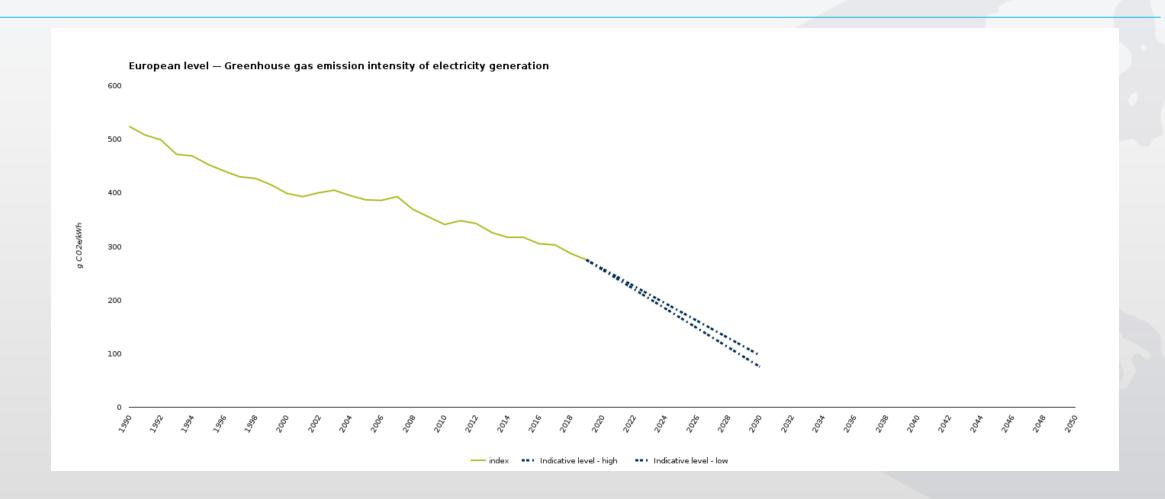


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Source: European Environment Agency. Figure refers to 2018





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Source: European Environment Agency



### Power systems – the current trends

- Investments in more wind and solar
  - Wind and solar power tend to be complementary, with strong wind blowing more strongly at and in the winter, when solar energy is weaker
- Nevertheless, not all countries have the same potential for RES generation
  - A strong investment in interconnection capacities is needed to optimise the potential of the different countries
- Local is good!
  - Several research projects on microgrid and smart cities, allowing for dynamic load management to follow local RES supply
- Bringing the consumer at the centre of the transition
  - Different initiatives to allow consumers to become prosumers and be an active part in this transition

### Power systems – problems we're facing

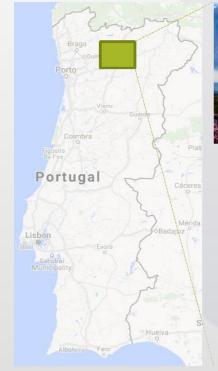
- Costs!
- · Changing from a system that was historically designed to be centralized
  - Still some technical challenges to integrate high levels of decentralised RES
- Investment in new infrastructure means high costs and problems with public acceptance
  - Germany as a case study from generation on the north and demand on the south of the country.
- Self consumption of locally produced RES poses problems in terms of energy access
  - Not everybody has the financial capacity to install PV systems;
  - Fixed infrastructure costs remain to be paid.



#### The EU-Sysflex project

Demonstration of a Virtual Power Plant in Portugal

- The VPP provides flexibility from the pump storage power plant and the wind power plant;
- The hydro power plant compensates the possible deviations from the wind park;
- It also provides ancillary services for the system, ensuring system security







Venda Nova III (EDP Produção)

Var. speed pumped storage Hydro Plant
756 MW (2 x 378)

2 Wind Farms (EDP Renewables)
Alto da Coutada: 115 MW, 57 turbines

Falperra: 50 MW, 25 turbines

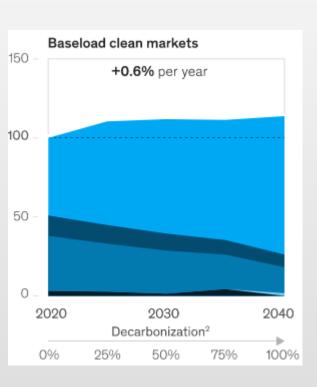
Total Resources: ~ 900 MW

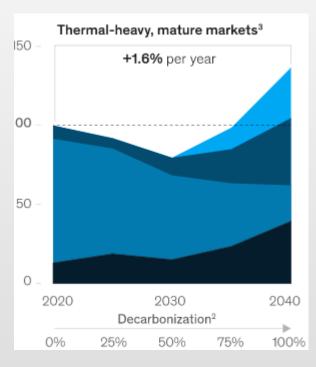
Source: <a href="https://eu-sysflex.com/">https://eu-sysflex.com/</a> This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 773505.



#### Looking at the whole picture – different realities

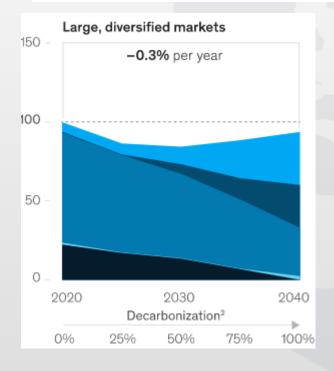
#### Total cost of power, by technology type

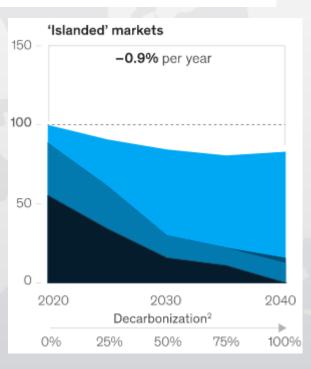






- Clean dispatchable capacity: reservoir hydro, nuclear, CCUS,¹ battery, pumped hydro storage
- Fossil-fuel capacity: coal, natural gas, oil
- Clean fuel: biogas, biomass, uranium
- Fossil fuel: coal, natural gas, oil





Source: How to decarbonize global power systems, McKinsey 2020

## Looking at the whole picture – different realities

- Different realities in different countries;
  - "We are searching for greener energy, other countries are searching for energy"
- We are not alone on this transition
  - Continental Europe is not the only territory;
- Islanded territories
  - It is important to bring everybody onboard!

### The IANOS project



- Context
- Almost 3,5% of Europeans citizens
- live in geographical islands
- Energy production costs are up to ten
- times higher than on the mainland



- Road to decarbonization
- Large-scale deployment of local
- renewable energy sources
- storage systems brings economic benefits and, at the same time,
- contributes to decarbonising energy system of the island



- Challenges
- Specific energy related challenges are
  - common to the majority of EU islands:
  - High dependence on fossil fuels;
    - Seasonality of demand;
    - Increasing levels of non-controllable RES poses difficulties to system operation.

Source: https://ianos.eu/ This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 957810.











#### Lighthouse Islands

Terceira (PT) and Ameland (NL)



Lampedusa (IT), Bora Bora (FR) and Nisyros (GR)



03/2021

10/2021

12/2021

07/2022

09/2024

System Dimensioning

Deployment Plan and Risk Management

System implementation, Integration and Commissioning

**Use Case Operation** Performance and stakeholder engagement and monitoring

www.euchems.eu

End of the project

Source: <a href="https://ianos.eu/">https://ianos.eu/</a>

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## IANOS – The technological challenges

#### An example of one of the demonstrators



PV panels with integrated microinverters: allowing for a better optimization of the generation in cloudy conditions;



Smart Energy Router: uses consumers' flexibility to provide ancillary services to the grid;



Hybrid Transformer: equipped with power electronics allows a stepless voltage control;



Water heaters control algorithm: capable of providing flexibility to the grid;



V2G Charging: allowing an integrated management of the EV charge;



Electrochemical batteries + HEMS to allow the integration of the PV panels;



Flywheel: with an hubless outer-rotor design, reduces radial stress and increases energy density;



FOG enabled device: optimizing the control of multiple devices to provide flexibility as unique asset;



Heat battery: innovative powerful heat exchanger material increasing capacity, overall efficiency and overall lifetime.

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#### **Final thoughts**

- Decarbonisation of the energy sector requires urgent action on a global scale!
- We must accelerate the pace of this transition;
- Different vectors of decarbonization must be explored as every effort is important;
- R&D is and will remain important throughout this journey, breakthroughs are always needed;
- What are the costs we are ready to support for this transition? And are we ready to support the consequences of not engaging in this transition?
- We are in this together!





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