Smoothing out the Volatility of South Africa’s Wind and PV Energy Resources for an Increased share of Renewables

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Cape Town, 05 November 2015
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Background

Objectives of the wind and PV resource aggregation study

Study progress to-date and Port Elizabeth case study

Animated/interactive GUI (wind/PV/Residual load) in the proposed REDZ

Acknowledgements and collaborations

Next steps

Conclusion
Last year alone, 93 GW of wind and solar PV were installed globally.

Subsidy-driven growth triggered significant technology improvements, mass manufacturing and subsequent cost reductions.

→ Consequence
Renewables are now cost competitive to alternative new-build options in South Africa.

This is all very new: Almost 90% of the globally existing PV capacity was installed during the last five years alone!

Sources: International Energy Outlook of the EIA; GWEC; EPIA; CSIR analysis
Until today, renewables were mainly driven by the US, Europe and China – South Africa picking up

Capacities in GW end of 2014

South Africa is rapidly picking up with 2.0/1.5/0.4 GW new capacity by 2016

Total RSA power system (~ 45 GW)

Sources: GWEC; EPIA; CSPToday; CSIR analysis

Installed capacity

- Total installed net capacity in GW

- Energy mix:
  - CO\(_2\) intensity
  - Carbon free TWh's in 2030 (34%)
  - Renewable TWh's in 2030 (14%)

- Installed capacity in GW:
  - Coal: 42.2, 41.1, 35.9, 35.7, 25.5
  - Gas: 2.4, 2.1, 1.8, 2.4, 1.8
  - Peaking: 7.3, 2.4, 7.3, 2.4, 7.3
  - Nuclear: 11.4, 7.3, 11.4, 7.3, 11.4
  - Hydro: 4.8, 9.2, 4.8, 9.2, 4.8
  - PV: 8.4, 1.2, 8.4, 1.2, 8.4

Energy mix

- Electricity supplied in TWh per year

- Share new renewables:
  - 0% in 2010, 0% in 2015, 9% in 2030

Implementation of the IRP is done by Department of Energy through competitive tenders (“REIPPPP” for renewables)

Note: hydro includes imports from Cahora Bassa
Sources: Integrated Resource Plan 2010, as promulgated in 2011; CSIR Energy Centre analysis
Actual PV tariffs quickly approached IRP cost assumptions in first four bid windows and are now below the lowest cost assumptions of IRP.

**Diagram:**
- **R/kWh (May-2015-Rand)**
- **Assumptions:** IRP2010 - high
- **Assumptions:** IRP2010 - low
- **Actuals:** REIPPPP (BW1-4)

**Graph Details:**
- *Y-axis:* R/kWh (May-2015-Rand)
- *X-axis:* Year (2010 to 2030)
- *Points:*
  - 2010: 3.4
  - 2012: 2.1
  - 2014: 1.1
  - 2016: 0.8

**Assumptions and Sources:**
- CPI used for normalisation to May-2015-Rand.
- LCOE calculated for IRP with 8% discount rate (real), 25 yrs lifetime, cost and load factor assumptions as per relevant IRP document.
- “IRP Tariff” then calculated assuming 80% of total project costs to be EPC costs, i.e. divide the LCOE by 0.8 to derive at the “IRP Tariff.”
Actual wind tariffs in bid window three were already at the level that was assumed for 2030 in the IRP, bid window four is significantly below.

**Graph Description:**
- **Y-axis:** R/kWh (May-2015-Rand)
- **X-axis:** Years (2010 to 2030)
- **Lines:**
  - **Black Line:** Assumptions: IRP2010
  - **Blue Line:** Actuals: REIPPPP (BW1-4)

**Assumptions:**
- CPI used for normalisation to May-2015-Rand
- LCOE calculated for IRP with 8% discount rate (real), 20 yrs lifetime, cost and load factor assumptions as per relevant IRP document
- “IRP Tariff” then calculated assuming 80% of total project costs to be EPC costs, i.e. divide the LCOE by 0.8 to derive at the “IRP Tariff”

**Sources:**
- IRP 2010; IRP Update; [http://www.ipprenewables.co.za/gong/widget/file/download/id/279](http://www.ipprenewables.co.za/gong/widget/file/download/id/279); CSIR Energy Centre analysis
Consequence of renewables’ cost reduction:
Solar PV & wind cheapest new-build options per kWh in South Africa

<table>
<thead>
<tr>
<th></th>
<th>Solar PV</th>
<th>Wind</th>
<th>Baseload Coal</th>
<th>Nuclear</th>
<th>Gas (CCGT)</th>
<th>Mid-merit Coal</th>
<th>Gas (OCGT)</th>
<th>Diesel (OCGT)</th>
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</thead>
<tbody>
<tr>
<td><strong>Lifetime cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>per energy unit</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US-$-cents</td>
<td>6.9</td>
<td>5.4</td>
<td>6.5</td>
<td>8.2</td>
<td>8.9</td>
<td>10.3</td>
<td>17.5</td>
<td>26.5</td>
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<td>4.6</td>
<td>3.4</td>
<td>6.5</td>
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<td></td>
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<td>0.8</td>
<td>2.3</td>
<td>0.7</td>
<td>1.7</td>
<td>3.3</td>
<td>0.9</td>
<td>20.0</td>
</tr>
</tbody>
</table>

**Renewables**

**Conventional new-build options**

**Actuals:**
Cost as per Bid Window 4

**Assumed load factor**

- 85%
- 92%
- 50%
- 50%
- 10%
- 10%

**Note:** Changing full-load hours for conventionals drastically changes the fixed cost components per kWh (lower full-load hours → higher capital costs and fixed O&M costs per MWh); Assumptions: average efficiency for CCGT = 50%, OCGT = 35%; coal = 37%; nuclear = 33%; IRP cost from Jan 2012 escalated with CPI to May 2015; assumed EPC CAPEX inflated by 10% to convert EPC/LCOE into tariff; CSP: 50% annual load factor and full utilisation of the five peak-tariff hours per day assumed to calculate weighted average tariff from base and peak tariff.

**Sources:** IRP Update; REIPPPP outcomes; StatsSA for CPI; Eskom financial reports on coal/diesel fuel cost; CSIR analysis.
By 2020, a mix of PV, wind and flexible gas (LNG-based) costs the same as new coal, even without any value given to excess wind/PV energy.

**Coal**
- **Technology:** Coal base / coal mid-m merit
- **Size:** 1.18 / 0.56 GW
- **Energy:** 11.1 TWh/yr
- **Weighted cost:** 7.3 $-ct/kWh
- **CO2:** ~0.95 kg/kWh

**PV / wind / gas**
- **Technology:** PV / wind / gas
- **Size:** 1.5 / 2.0 / 1.61 GW
- **Energy (useful):** 11.1 TWh/yr
- **Energy (total):** 3.6 / 5.3 / 3.2 TWh/yr = 12.1 TWh/yr
- **Weighted cost:** 7.3 $-ct/kWh
  (per useful energy, i.e. no value given to excess)
- **CO2:** ~0.18 kg/kWh (per useful energy)
South Africa has abundant solar and wind resources

South Africa has some of the world’s best solar and excellent wind resources, that until today are largely untapped

The Integrated Resource Plan 2010 plans for 8.4 GW of PV and 9.2 GW of wind by 2030 in South Africa

These targets which were developed five years ago are far below potential

Cost not a barrier anymore: new wind now costs 0.6 R/kWh (< 5 $/kWh) and new solar PV costs 0.8 R/kWh (6 $/kWh), based on actual PPA tariffs
Definition of aggregation levels

Regularly distributed power plants
Equally-sized

<table>
<thead>
<tr>
<th>Aggregation level</th>
<th>Arc-degrees in the database</th>
<th>Size of square in km</th>
<th>Approximation in km</th>
<th>Number of power plants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 0</td>
<td>0.05°</td>
<td>5 x 5</td>
<td>5 x 5</td>
<td>1</td>
</tr>
<tr>
<td>Level 1 (reference)</td>
<td>0.5°</td>
<td>50 x 50</td>
<td>50 x 50</td>
<td>9 (3 x 3)</td>
</tr>
<tr>
<td>Level 2</td>
<td>2.5°</td>
<td>250 x 250</td>
<td>250 x 250</td>
<td>49 (7 x 7)</td>
</tr>
<tr>
<td>Level 3</td>
<td>5.0°</td>
<td>500 x 500</td>
<td>500 x 500</td>
<td>225 (15 x 15)</td>
</tr>
</tbody>
</table>

Source: Cloud Cover study commissioned by Eskom
Cloud impact on PV: a single PV plant’s power output has very high fluctuations

23 Jan 2012 04:15 SAST

Global tilted irradiance

Upington area
Aggregation level: 0
Aggregation area: 5 km x 5 km
Number of PV power plants: 1

Relative PV output

% of nominal power

Relative PV output change

% of nominal power

Source: Cloud Cover study commissioned by Eskom

© 2013 GeoModel Solar
Aggregating 9 PV plants in a relatively small area already reduced fluctuations significantly.

Source: Cloud Cover study commissioned by Eskom
Aggregating 225 PV plants over 500 x 500 km reduces short-term fluctuations to almost zero.

Widespread spatial distribution makes aggregated PV power output very predictable and smooth.

Source: Cloud Cover study commissioned by Eskom
South Africa has almost 2-times the solar resource as Germany, where PV is close to cost competitiveness.

SA’s planned PV capacity by 2030: 8.4 GW target too low

Germany’s status today: almost 40 GW PV installed capacity (roughly one Eskom)
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Next steps
Wind and solar aggregation study: Main objective to quantify the effects of spatial distribution on output

Increase the fact base and understanding of aggregated wind and PV power profiles for different spatial distributions in South Africa

Generate data sets that can be used for various studies (IEP, IRP, TDP, SEA etc.)

Resulting in:
- Confidence in integrating higher renewables shares
- Optimal mix of wind and PV, to minimise cost and maintain grid stability easier

Transfer of knowledge and skills on utilising wind data in energy-planning activities

The study is currently being conducted for South Africa
- Wind and solar data sets covering the entire country
- 5x5 km spatial resolution, 10-minute time resolution, 5 years of data
- Spatial load data for the entire country
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Animated graphical user interface
Preliminary study for the Port Elizabeth area

- Five areas/sites (5x5km each) selected as generation sources
- 2011 Wind (WASA) and solar PV profiles (Geomodel Solar) used
First results show on two specific days how volatility of wind and solar reduces with spatial aggregation:

- Individual plants have high ramp rates
- Individual plant power output very volatile; low predictability
- Area (aggregated) output is much smoother with low ramp rates
- Aggregated plant output is more predictable
- PV is output high during the day and Wind high during in the evening – good synergy (true for most areas)
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Next steps
Animated graphical user interface
Animated graphical user interface

- installed capacity or maximum load
- normalised standard deviation
- correlation to demand

- electricity demand 2011
- simulated wind power feed-in
- simulated photovoltaics feed-in
- residual load

Please click on the Renewable Energy Development Zones (REDZ)
Objectives of the wind and PV resource aggregation study

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Analysis for the 27 load areas covering the whole country

Include the load profile in the analysis to determine the residual load (Load – PV – Wind) – Done!

Estimate the resource potential

Country wide analysis for different shares of wind and PV

Determine residual metrics that can be used to determine the capability of conventional plants
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The true success of the RE IPPPP lies in the fact that wind and PV are cost competitive.

Acceleration of the future rounds is critical as all the barriers have been removed; delays are costly, and there are economic and social development spins.

Start where there is grid capacity; Eskom and DEA already doing strategic plans for future grid to expedite wind and PV integration – support and contribute to this initiative.

Spatially aggregate wind and PV as part of IRP planning.

With combined (wind and PV) spatial aggregation, it is reasonable to expect an increase in wind and PV capacity in the next IRP, accompanied by complimentary flexible generation.
Thank you