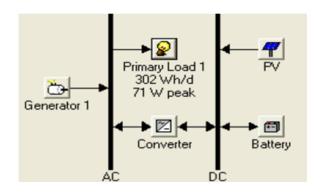
Micro-power System Modeling using HOMER - Part 1



Charles Kim



Howard University

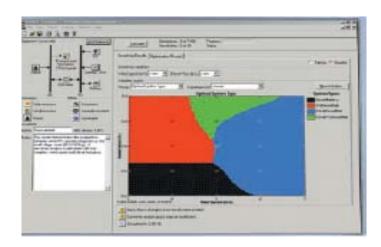
www.mwftr.com

HOMER

Homer (Hybrid Optimization Model for Electric Renewables)





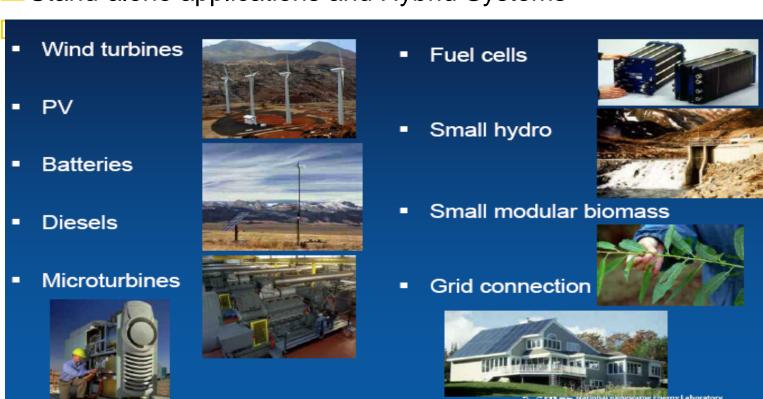


HOMER models micropower systems with single or multiple power sources:

Photovoltaics
Wind turbines
Biomass power
Run-of-river hydro
Diesel and other
reciprocating engines
Cogeneration
Microturbines
Batteries
Grid
Fuel cells
Electrolyzers

Homer – a tool

- **X** A tool for designing micropower systems
 - Village power systems



Homer - capabilities

- #Finds combination <u>components</u> that can <u>service</u> <u>a load</u> at the <u>lowest cost</u> with answering the following questions:

 - How big should my battery bank be?

 - How should I operate my system?
 - △And many others…

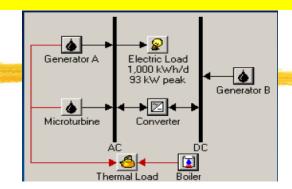
Homer - Features

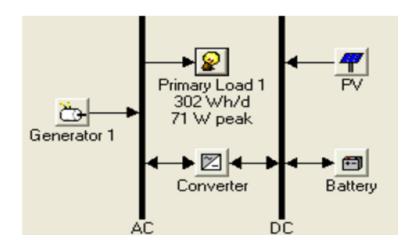
- # Simulation—Estimate the cost and determine the feasibility of a system design over the 8760 hours in a year
- # Optimization—Simulate each system configuration and display list of systems sorted by net present cost (NPC)
 - △ Life-Cycle Cost:
 - ☑NPC: Life-cycle cost expressed as a lump sum in "today's dollars"
- Sensitivity Analysis—Perform an optimization for each sensitivity variable

Features

- # Homer can accept max 3 generators
 - Fossil Fuels
 - Biofuels
 - Cogeneration
- **#** Renewable Technologies
 - Solar PV

 - Biomass and biofuels
 - Hydro

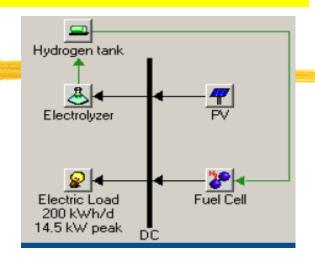


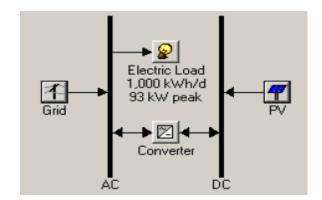


Features

- **# Emerging Technologies**

 - Microturbines
 - Small Modular biomass
- # Grid Connected System
 - Rate Schedule, Net metering, and Demand Charges
- # Grid Extension
 - Breakeven grid extension distance: minimum distance between system and grid that is economically feasible





Features

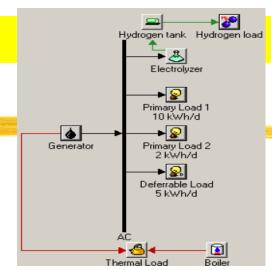
Loads

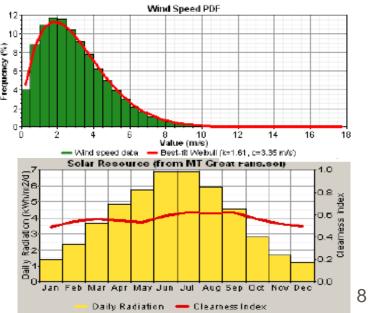
- Electrical
- Thermal
- Hydrogen

Resources

- Solar radiation (kWh/m²/day)

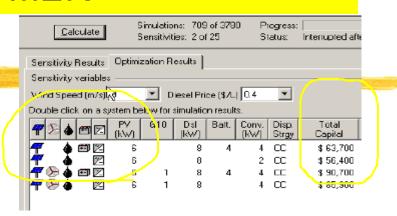
 Solar radiation (kWh/m²/d
- Stream Flow (L/s)
- □ Fuel price (\$/L)

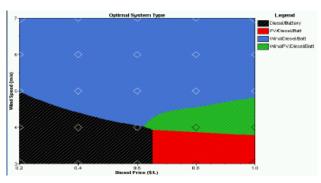




How to use HOMER

- # 1. Collect Information
 - □ Electric demand (load)
 - Energy resources
- # 2. Define Options (Gen, Grid, etc)
- # 3. Enter Load Data
- # 4. Enter Resource Data
- # 5. Enter Component Sizes and Costs
- 6. Enter Sensitivity Variable Values
- 7. Calculate Results
- **8. Examine Results**
- Caveat: HOMER is only a model. HOMER does not provide "the right answer" to questions. It does help you consider important factors, and evaluate and compare options.





HOMER Users

System designers:

evaluate technology options

Project managers:

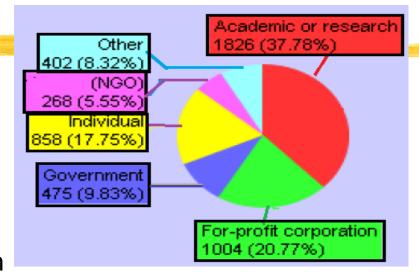
evaluate costs of different options

Program managers:

explore factors that affect system design (resource availability, fuel price, load size, carbon emissions, etc.)

Educators:

teach and learn about renewable energy technologies



HOMER Users Worldwide

- Over 81,796 users
- 193 countries
- 1,500+ new users per month

HOMER software







About HOMER Overview

User Interface Version History User Testimonials Ask Tom (FAQs)

Downloads

Software (Visit HOMER Energy) Getting Started Guide (PDF File, 720 kB) Brochure (English) (PDF File, 964 kB) Brochure (Spanish) (PDF File, 1.3 MB)

New Distribution Process for NREL's HOMER Model

Note! HOMER is now distributed and supported by HOMER Energy (www.homerenergy.com)

To meet the renewable energy industry's system analysis and optimization needs , NREL started developing HOMER in 1993. Since then it has been downloaded free of charge by more than 30,000 individuals

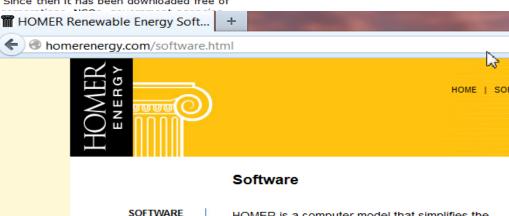
and universities worldwide.

distributed generation (DG) applications algorithms allow the user to evaluate the number of technology options and to a energy resource availability, and other

HOMER is a computer model that simpli both off-grid and grid-connected powe renewable energy technologies:

Download Sites

Homerenergy.com



Download HOMER Support User Interface Documentation Getting Started Guide (PDF)

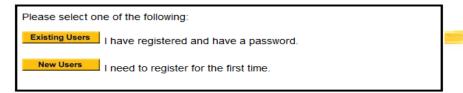
HOMER is a computer model that simplifies the task of designing distributed generation (DG) systems - both on and off-grid. HOMER's optimization and sensitivity analysis algorithms allow you to evaluate the economic and technical feasibility of a large number of technology options and to account for variations in technology costs and energy resource availability. Originally

HOMER download

Get the "LEGACY" version free

Registration required

Please log in to download or renew HOMER software, download files, or update 1



Optimizing Clean Power Everywhere

Energy Modeling Software for Hybrid Renewable Energy Systems

The HOMER energy modeling software is a powerful tool for designing and analyzing hybrid power systems, which TRY HOMER

Or View More Information

contain a mix of conventional generators, combined heat and power, wind turbines, solar photovoltaics, batteries, fuel cells, hydropower, biomass and other inputs. It is currently used all over the world by tens of thousands of people.

Try HOMER

HOMER 2 is the supported version of the HOMER software for modeling and optimizing microgrids.

HOMER 2 is available at no cost and no obligation for a 2 week trial period. **No credit card** or payment information is required to try the software. The trial version is fully functional.

If you wish to license HOMER 2 for an additional 6 months at the end of your trial, you may do so for \$99.99.

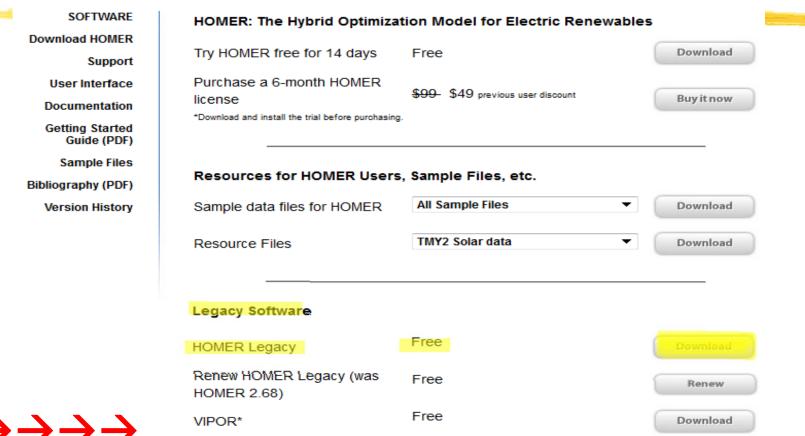
(You will be asked to log in or create an account in order to download, but no payment information will be requested.)



Are you looking for HOMER Legacy? HOMER Legacy is an insupported, never updated, no-cost version of HOMER. You may obtain a 6-month license for HOMER Legacy, which is renewable indefinitely. We ask only that you share some basic oformation about how you are using the software. Download HOMER Legacy here. (You will be asked to log in or create an account in order to download HOMER Legacy)

HOMER legacy for free

Download HOMER software





HOMER - Intro

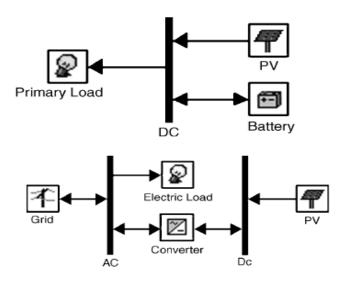
- # HOMER (Hybrid Optimization Model for Electric Renewables): Micropower Optimization computer model developed by NREL.
- # "Micropower system": a system that generates electricity, and possibly heat, to serve a nearby load. → Micro Grid
 - A solar-battery system serving a remote load
 - a wind-diesel system serving an isolated village
 - □ a grid-connected natural gas micro-turbine providing electricity and heat to a factory.
- Models power system's <u>physical behavior</u> and <u>its life-cycle cost</u> [installation cost + O&M cost]
- # Design options on technical and economic merit

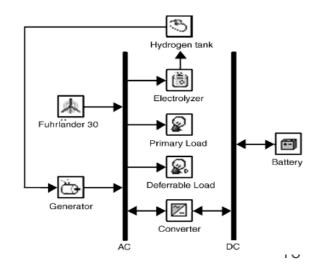
HOMER – Principal 3 tasks

- **Simulation**: HOMER models the performance of a particular micropower system configuration each hour of the year to determine
 - its technical feasibility (i.e., it can adequately serve the electric and thermal loads and satisfy other constraints) and
 - life-cycle cost.
- **Optimization**: HOMER simulates many different system configurations in search of the one that satisfies the technical constraints at the lowest lifecycle cost.
 - Optimization determines the optimal value of the variables such as the mix of components that make up the system and the size or quantity of each.
- Sensitivity Analysis: HOMER performs multiple optimizations under a range of input assumptions to gauge the effects of uncertainty or changes in the model inputs such as average wind speed or future fuel price

Simulation

- Here the simulation process determines how a particular system configuration and an operating strategy that defines how those components work together, would behave in a given setting over a long period of time.
- # Home can simulate variety of micropower system configuration
- # 1-hour time step to model the behavior of the sources involving intermittent renewable power sources with acceptable accuracy





HOMER - Dispatch Strategies

- #A system with **battery bank** and **generator** requires dispatch strategy
- #Dispatch strategy: A set of rules governing how the system **charges** the battery bank
 - △(LF) Load-following dispatch: Renewable power sources charge the battery but the generators do not
 - (CC) Cycle-charging dispatch: Whenever the generators operate, they produce more power than required to serve the load with surplus electricity going to charge the battery bank.

NPC (Net Present Cost)

- # Life Cycle Cost of the system is represented by total net present cost (NPC):
 - NPC includes all costs and revenues that occur within the project lifetime, with future cash flows discounted to the present.
 - Any revenue from the sale of power to the grid reduces the total NPC

NPV & "Time value of money"



- Compare money today with money in the future
- Relationship between \$1 today and \$1 tomorrow
- \$1 (time t) \rightarrow \$? (time t+1)
- Case: Are you willing to invest in a piece of land that costs \$85,000 with certainty that the next year the land will be worth \$91,000 [a sure \$6,000] gain], given that the guaranteed interest in the bank is 10%?
 - Future Value (If invested in the bank) perspective

$$FV = C_0 \times (1+r)$$

 $\$85,000 \times (1+0.1) = \$93,500$

future value \$93,500 > \$91,000

Present Value (PV) perspective

$$PV \times (1 + 0.1) = $91,000$$

$$PV \times (1+0.1) = $91,000$$

$$PV = rac{C_{f 1}}{{f 1} + r}$$
 , where $C_{f 1}$ is cash flow at date ${f 1}$

$$PV = \frac{\$91,000}{1.1} = \$82,727.27$$

present value \$82,727.27 < \$85,000

NPV (Net Present Value)

** Net Present Value(NPV):

Present value of future cash flows minus the present value of the cost

$$NPV = PV - Cost.$$

$$NPV = \frac{\$91,000}{1.1} - \$85,000 = -\$2,273$$

$$NPV = -C_0 + \frac{C_1}{1+r} + \frac{C_2}{(1+r)^2} + \dots + \frac{C_T}{(1+r)^T}$$

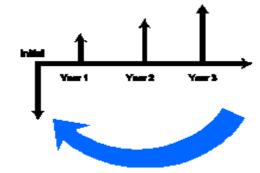
$$NPV = -C_0 + \sum_{i=1}^{T} \frac{C_i}{(1+r)^i}.$$



NPV Example

A company is determining whether they should invest in a new project. The company will expect to invest \$500,000 for the development of their new product. The company estimates that the first year cash flow will be \$200,000, the second year cash flow will be \$300,000, and the third year cash flow to be \$200,000. The expected return of 10% is used as the discount rate.

Year	Cash Flow	<u>Present Value</u>			
0	-\$500,000	-\$500,000			
1	\$200,000	\$181,818.18			
2	\$300,000	\$247,933.88			
3	\$200,000	\$150,262.96			

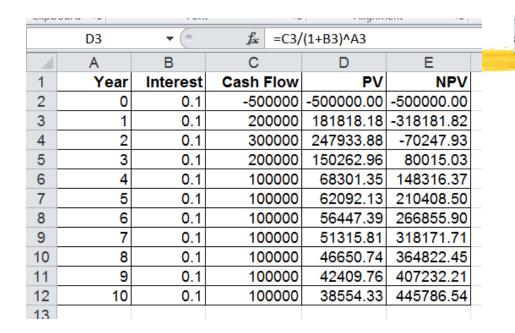


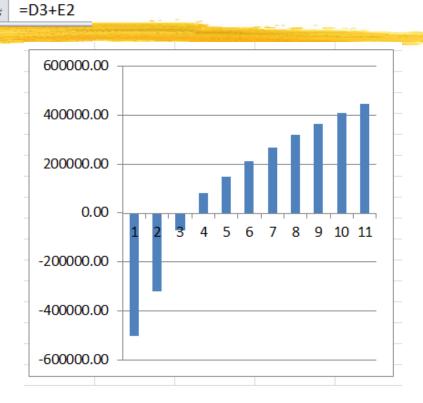
Net Present Value = \$80,015.02

$$NPV = -\$500,000 + \frac{\$200,000}{1.10} + \frac{\$300,000}{1.10^2} + \frac{\$200,000}{1.10^3}$$

$$NPV = -C_0 + \sum_{i=1}^{T} \frac{C_i}{(1+r)^i}.$$

NPV in Excel





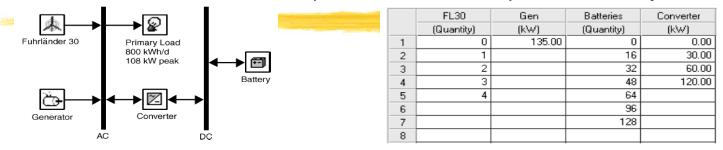
$$NPV = -\$500,000 + \frac{\$200,000}{1.10} + \frac{\$300,000}{1.10^2} + \frac{\$200,000}{1.10^3}$$

Optimization

- # Best possible system configuration that satisfies the user-specified constraints at the lowest total NPC (net present cost).
- ## Decide on the mix of components that the system should contain, the size or quantity of each component, and the dispatch strategy (LF or CC) the system should use.
- # Ranks the feasible ones according to total net present cost

Optimization Example

Configuration and 140 (5x1x7x4=140) search spaces



Overall Optimization results

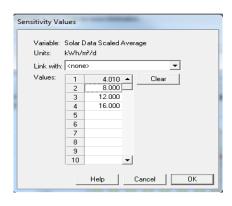
爋	Ö	6	FL30	Gen (kW)	Batt.	Conv. (kW)	Initial Capital	Total NPC	COE (\$/kWh)	Diesel (L)	Gen (hrs)
			1	135	64	30	\$ 216,500	\$ 849,905	0.273	75,107	4,528
			2	135	64	30	\$ 346,500	\$ 854,660	0.274	54,434	3,350
煉	Ö	= 7	1	135	48	30	\$ 200,500	\$ 855,733	0.275	78,061	4,910
煉	Ö	a Z	2	135	48	30	\$ 330,500	\$ 856,335	0.275	57,654	3,685

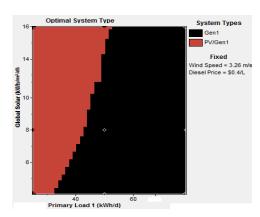
Categorized optimization result

	FL30	Gen (kW)		Conv. (kW)	Initial Capital	Total NPC	COE (\$/kWh)	Diesel (L)	Gen (hrs)
水色面图	1	135	64	30	\$ 216,500	\$ 849,905	0.273	75,107	4,528
	3	135	64	30	\$ 86,500	\$ 885,175	0.284	101,290	5,528
(C)		135			\$0	\$ 996,273	0.320	132,357	8,760
承	1	135			\$ 130,000	\$ 1,130,637	0.363	127,679	8,740
1									

Sensitivity Analysis

- Optimization: best configuration under a particular set of input assumptions
- Sensitivity Analysis: Multiple optimizations each using a different set of input assumptions
- ## "How sensitive the outputs are to changes in the inputs" results in various tabular and graphic formats
- # User enters a range of values for a single input variable:
 - □ Grid power price
 - □ Fuel price,
 - Interest rate
 - Lifetime of PV array

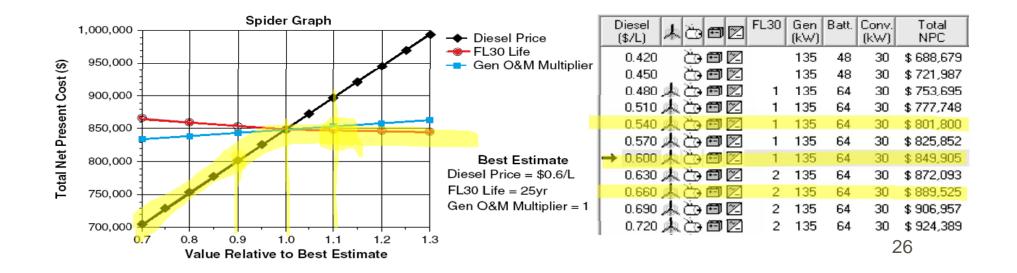




Why Sensitivity Analysis? Uncertainty!

- # When unsure of a particular variable, enter several values covering the likely range and see how the results vary across the range.
- Diesel Generator Wind Configuration: Uncertainty in diesel fuel price with \$0.6 per liter in the planning stage and 30 year generator lifetime
- Example: **Spider Graph**

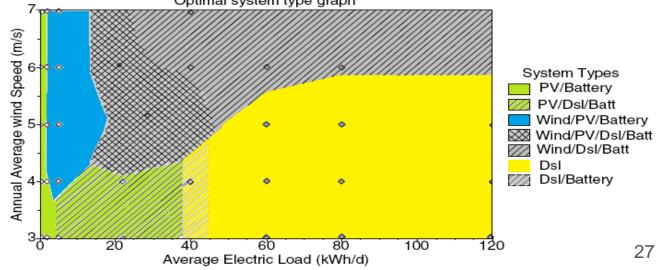
Tabular Format



Sensitivity Analysis on Hourly Data Sets

- Sensitivity analysis on hourly data sets such as primary electric load, solar/wind resource
- # 8760 values that have a certain average value with scaling variables
- Example: Graphical Illustration
 - Hourly primary load data with an annual average of 22 kWh/day with average wind speed of 4 m/s

Primary load scaling variables of 20, 40, ---, 120kWh/day & 3, 4, ---, 7 m/s wind speeds.
Optimal system type graph



Physical Modeling - Loads

- # Load: a demand for electric or thermal energy
- # 3 types of loads
 - Primary load: electric demand that must be served according to a particular schedule
 - ☑When a customer switches on, the system must supply electricity
 - kW for each hour of the load
 - □ Deferrable load: electric demand that can be served at any time within a certain time span

 - Water pumps, ice makers, battery-charging station
 - Thermal load: demand for heat
 - Supply from boiler or waste heat recovered from a generator
 - Resistive heating using excess electricity

Physical Modeling - Resources

- Solar Resources: average global solar radiation on horizontal surface (kWh/m² or kWh/m²-day) or monthly average clearness index (atmosphere vs. earth surface). Inputs solar radiation values and the latitude and the longitude. Output 8760 hour data set
- **Wind Resources**: Hourly or 12 monthly average wind speeds. Anemometer height. Wind turbine hub height. Elevation of the site.
- **Hydro Resources**: Run-of-river hydro turbine. Hourly (or monthly average) stream flow data.
- **Biomass Resources**: wood waste, agricultural residue, animal waste, energy crops. Liquid or gaseous fuel.
- # Fuel: density, lower heating value, carbon content, sulfur content.

 Price and consumption limits

Physical Modeling - Components

- # HOMER models 10 types of part that generates, delivers, converts, or stores energy
 - 3 intermittent renewable resources:

 - wind turbines (dc or ac)
 - 3 dispatchable energy sources: [control them as needed]
 - **K** Generators
 - **u**the grid
 - **boilers**
 - 2 energy converters:
 - \boxtimes Converters (dc $\leftarrow \rightarrow$ ac)
 - 2 types of energy storage:

Components- PV, Wind, and Hydro

PV Array

 $P_{\rm PV} = f_{\rm PV} Y_{\rm PV} \frac{I_T}{I_S}$

 □ I_T: Global Solar Radiation incidence on the surface of the PV array [kW/m²]

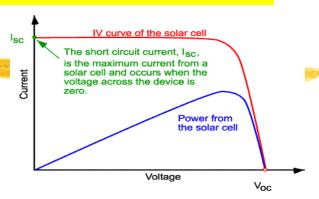
 \square I_S: Standard amount of radiation, 1 kW/m².

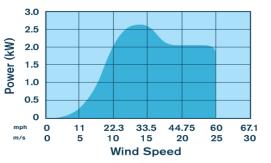
Wind Turbine

Wind turbine power curve

Hydro Turbine

Power Output Eqn = Turbine efficiency, density of water, gravitational acceleration, net head, flow rate through the turbine $P_{\text{hyd}} = \eta_{\text{hvd}} \rho_{\text{water}} g h_{\text{net}} Q_{\text{turbine}}$





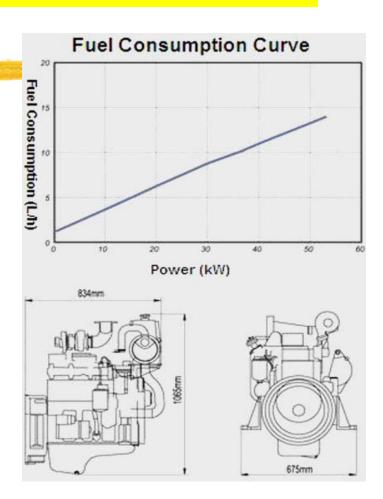
Components - Generator

Generators

- Principal properties: max and min electrical power output, expected lifetime, type of fuel, fuel curve
- ► Fuel curve: quantity of fuel consumed to produce certain amount of electrical power. Straight line is assumed.
- ☐ Fuel Consumption (F) [L/h], [m³/h], or [kg/h]:
 - □ F_o fuel curve intercept coefficient [L/h-kW];
 - \boxtimes F₁ fuel curve slope [L/h-kW];

 - ⋉ P_{gen} electrical output [kW]

$$F = F_0 Y_{\text{gen}} + F_1 P_{\text{gen}}$$



Components - Generator

- Generator costs: initial capital cost, replacement cost, and annual O&M cost per operating hour (not including fuel cost)
- **Fixed cost:** cost per hour of simply running the generator without producing any electricity

$$c_{\text{gen,fixed}} = c_{\text{om,gen}} + \frac{C_{\text{rep,gen}}}{R_{\text{gen}}} + F_0 Y_{\text{gen}} c_{\text{fuel,eff}}$$

 $c_{\text{om,gen}}$ is the O&M cost per hour,

 $C_{\text{rep,gen}}$ the replacement cost

 $R_{\rm gen}$ the generator lifetime in hours

 F_0 the fuel curve intercept coefficient in quantity of fuel per hour per kilowatt. Y_{gen} the capacity of the generator (kW).

 $c_{\mathrm{fuel},\mathrm{eff}}$ the effective price of fuel in dollars per quantity of fuel.

Marginal cost: additional cost per kWh of producing electricity from the generator $c_{\text{gen,mar}} = F_1 c_{\text{fuel,eff}}$

 F_1 is the fuel curve slope in quantity of fuel per hour per kilowatthour 33

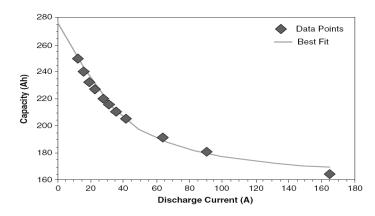
Components – Battery Bank

Battery Bank

- Principal properties:

 - capacity curve: discharge capacity in AH vs. discharge current in A
 - **Ilifetime curve**: number of discharge-charge cycles vs. cycle depth

 - ▼ round-trip efficiency: percentage of energy going in to that can be drawn back out
- Example capacity curve for a deep-cycle US-250 battery (Left)





Components - Battery

Battery Lifetime Curve and Example for US-250

 R_{batt} life of the battery bank

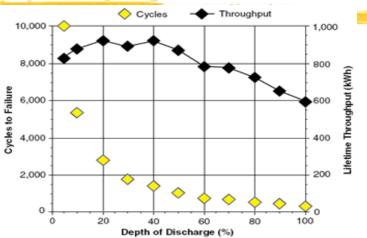
$$R_{ ext{batt}} = \min\!\left(\!rac{N_{ ext{batt}}Q_{ ext{lifetime}}}{Q_{ ext{thrpt}}}, R_{ ext{batt},f}
ight)$$

 $N_{\rm batt}$ is the number of batteries in the battery bank,

 $Q_{
m lifetime}$ the lifetime throughput of a single battery,

 Q_{thrpt} the annual throughput (the total amount of energy that cycles through the battery bank in one year)

 $R_{\text{batt},f}$ the float life of the battery (the maximum life regardless of throughput).



- **Battery Marginal Cost** = Battery Wear Cost + Battery Energy Cost
 - □ Battery Wear Cost: the cost per kWh of cycling energy through the battery bank
 - □ Battery energy cost: the average cost of the energy stored in the battery bank

Components - Battery

- Battery energy cost each hour: dividing the total year-to-date cost of charging the battery bank by the total year-to-date amount of energy put into the battery bank
 - Load-following dispatch strategy: since charged only by surplus electricity, charging cost of battery is always zero
 - Cycle-charging strategy: charging cost is not zero.
- **Battery wear cost:**

$$c_{\rm bw} = \frac{C_{\rm rep,batt}}{N_{\rm batt} Q_{\rm lifetime} \sqrt{\eta_{\rm rt}}}$$

 $C_{\text{rep,batt}}$ is the replacement cost of the battery bank (dollars)

 N_{batt} is the num ber of batteries in the battery bank,

 Q_{lifetime} is the lifetime throughput of a single battery (kWh) η_{rt} is the round-trip efficiency.

Components - Grid

Grid and Grid Power Cost

- Grid power price [\$/kWh]: charges for energy purchase from grid
- Demand rate [\$/kW/month]: peak grid demand
- Sellback rate [\$/kWh]: price the utility pays for the power sold to grid
- ** Net Metering: a billing arrangement whereby the utility charges the customer based on the net grid purchases (purchases minus sales) over the billing period.
 - Purchase > sales: consumer pays the utility an amount equal to the net grid purchases times the grid power cost.
 - sales > purchases: the utility pays the consumer an amount equal to the net grid sales (sales minus purchases) times the sellback rate, which is typically less than the grid power price, and often zero.
- # Grid fixed cost: \$0
- # Grid marginal cost: current grid power price plus any cost resulting from emissions penalties.

Example of Grid Rate for Medium General Service

- # Year 2007 example
- # Medium General Service:
 - Monthly Use: > 3500kWh
 - Summer Peak: <300kW
 </p>



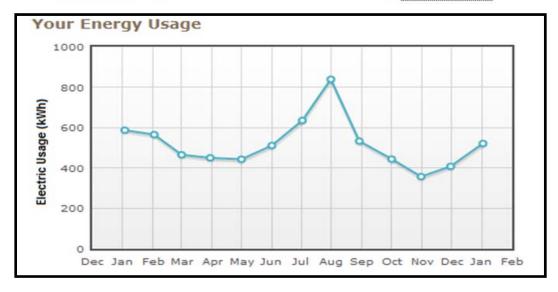
- Customer charge: \$25.42/month
- Energy Charge: \$0.0625/kWh [summer], \$0.0695/kWh [winter]
- Demand charge: \$22.69535/kW [summer], \$14.7419/kW [winter]
- # A Restaurant (a summer month: Jun Sep) 24000 kWh, 150kW demand
 - Customer charge: \$25.42
 - Energy charge: \$1500.79
 - □ Demand charge: \$3404.02



Example of a residential customer

Welcome to Manage Your Account

Last Payment Received On		
December 17, 2012	\$51.82	
Current Charges Billed On		
January 04, 2013	\$64.12	View Bill
Total Amount Due Will Be Draf	fted On Or After	
January 15, 2013	\$64.12	
Next Bill Date		
February 04, 2013	1	View Past Bills



Emission Trading ("Cap and Trade")

- # Market based approach for controlling pollution by providing economic incentives for achieving reductions in the emissions of pollutants.
- # Carbon credits for emission
- ## Firms that need to increase their emissions must buy permits from those who require fewer permits
- ## Buyer is paying a charge for pollution while seller is rewarded for reduction of it.
- # Difference from Carbon Tax: Responsive to inflation

Carbon Tax

- # A carbon tax is a direct tax on the carbon content of fossil fuels (coal, oil and natural gas).
- *A carbon tax is the most economically efficient means to convey crucial price signals that spur carbon-reducing investment.
- # Carbon taxes should be phased in so businesses and households have time to adapt.
- A carbon tax can be structured to soften the impacts of added costs by distributing tax revenues to households ("dividends") or reducing other taxes ("tax-shifting").
- Support for a carbon tax is growing steadily among public officials; economists; scientists; policy experts; business, religious, and environmental leaders; and ordinary citizens.

Carbon Tax Implementation – US and Canada

California

In 2008, 9 counties around the San Francisco Bay area --- 4.4 cents per ton of CO2

Maryland

 In 2001, \$5 per ton of CO2 from any stationary source emitting more than a million tons of CO2 during a calendar year

Quebec

\$3.50 per ton of CO2 (equivalent)

British Columbia

\$10.00 per ton of CO2 (equivalent)

Alberta

↑ \$15 per ton of CO2 for companies emitting more than 100,000 tons annually.

Components - Boiler

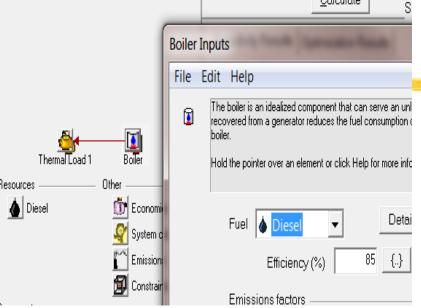
Boiler

Assumed to provide unlimited amount of thermal energy on demand

Input: type of fuel, boiler efficiency emission

Fixed cost: \$0

Marginal cost:



$$c_{\text{boiler,mar}} = \frac{3.6c_{\text{fuel,eff}}}{\eta_{\text{boiler}} \text{LHV}_{\text{fuel}}}$$

 $c_{\text{fuel,eff}}$ is the effective price of the fuel (including the cost of any penalties on emissions) in dollars per kilogram

η_{boiler} is the boiler efficiency

LHV_{fuel} is the lower heating value of the fuel in MJ/kg

Heating Value of Fuel

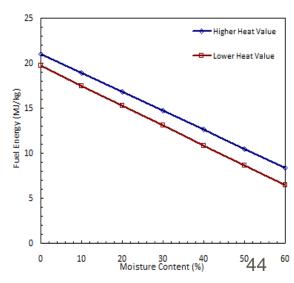
Higher Heating Value (HHV)

☐ The Higher Heating Value (HHV) is the total amount of heat in a sample of fuel including the energy in the water vapor that is created during the combustion
process.

Lower Heating Value (LHV)

The Lower Heating Value (LHV) is the amount of heat in a sample of fuel **minus** the energy in the combustion water vapor. The Lower Heating Value is always **less** than the Higher Heating Value for a fuel.

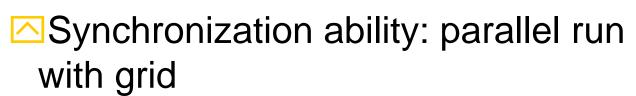
Fuel Type	Higher Heat Value (kJ/kg)	Lower Heat Value (kJ/kg)
Wood, Dry	21	19.7
Grass, Dry	18.5	17.4
Dairy Manure, Dry	20.5	19.3
Coal, Bituminous	28	26
Natural Gas	42.5	38.1
Fuel Oil	45.9	43
Gasoline	47.9	43.8
Ethanol	29.8	26.9



Components – Converter

#Converter

- Inversion and Rectification
- Size: max amount of power it delivers



- Efficiency
- Cost: capital, replacement, o&m, lifetime



Components -Fuel Cell

Electrolyzer:

- Size: max electrical input
- Min load ratio: the minimum power input at which it can operate, expressed as a percentage of its maximum power input.
- Cost: capital, replacement, o&m, lifetime
- # Hydrogen Tank
 - Size: mass of hydrogen it can contain
 - Cost: capital, replacement, o&m, lifetime



Operating Reserve

Operating Reserve

- Safety margin for reliable electricity supply despite variability in load and renewable power supply

47

- Required amount of reserve: <u>Fraction of load at an hour</u> + <u>fraction of the annual peak primary load</u> + <u>fraction of PV power output at that hour</u> + <u>fraction of the wind power output at that hour</u>.
- Example for a wind-diesel system
 - User defines operating reserve as 10% of the hourly load + 50% of the wind power output
 - ∠Load = 140kW; Wind power output = 80kW
 - ☑Required Operating Reserve = 140kW*0.1 + 80kW*0.5=54 kW
 - \boxtimes Diesel Generator should provide 60 kW (140 80) + 54 = 114 kW
 - So, the capacity of the diesel gen must be at least 114 kW

 11 12 13 14 14 14 15

System Dispatch

- Bispatachable and non-dispatchable power sources
- Bispatchable source: provides operating capacity in an amount equal to the maximum amount of power it could produce at a moment's notice.
 - Generator
 - ☑ In operation: dispatchable opr capacity = rated capacity
 - □ non-operation: dispatchable opr capacity = 0
 - Grid: dispatchable opr capacity = max grid demand
 - □ Battery: dispatachable opr capacity = current max discharge power
- Non-dispatchable source
 - Operating capacity (PV, Wind, or Hydro) = the amount the source is currently producing (Not the max amount it can produce)
- **NOTE: If a system is ever unable to supply the required amount of load plus operating reserve, HOMER records the shortfall as "capacity shortage".

Dispatch Strategy for a system with Gen and Battery

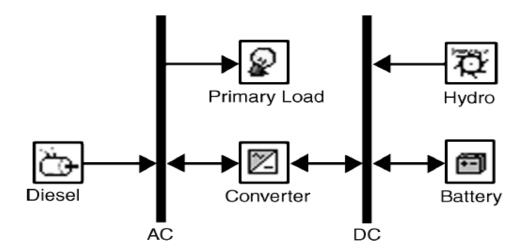
Dispatch Strategy

- △HOMER provides 2 simple strategies and lets user model them both to see which is better in any particular situation.
 - Load-following: a generator produces only enough power to serve the load, and does not charge the battery bank.

 - It was found that over a wide range of conditions, the better of these
 two simple strategies is virtually as cost-effective as the ideal
 predictive strategy.
- "Set-point state charge": in the cycle-charging strategy, generator charges until the battery reaches the set-point state of charge.

Control of Dispatchable System Components

- # Fundamental principle: cost minimization fixed cost and marginal cost
- Example: Hydro-Diesel-Battery System

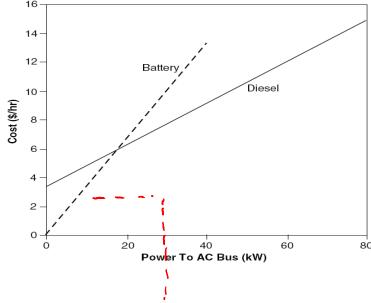


- Bispatachable sources: diesel generator [80kW] and battery [40kW]
- # If net load is negative: excess power charges battery
- # If net load is positive: operate diesel OR discharge battery

Dispatch Control Example

#Hydro-Diesel-Battery System

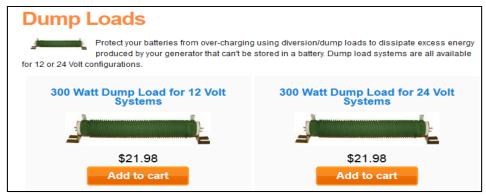




#Net load > 20kW: Operate the diesel generator

Load Priority

- **#** Decisions on allocating electricity
- # Presence of ac and dc buses
- # Electricity produced on one bus will serve
 - First, primary load on the same bus



Economic Modeling

- **Conventional sources: low capital and high operating costs**
- # Renewable sources: high initial capital and low operating costs
- Life-cycle costs= capital + operating costs
- ** NPC includes: initial construction, component replacements, maintenance, fuel, cost of buying grid, penalties, and revenues (selling power to grid + salvage value at the end of the project lifetime)

$$S = C_{\text{rep}} \frac{R_{\text{rem}}}{R_{\text{comp}}}$$
 $S = C_{\text{rep}} \frac{R_{\text{rem}}}{R_{\text{comp}}}$
 $S = C_{\text{rep}} \frac{R_{$

Real Cost

- # All price escalates at the same rate over the lifetime
- #Inflation can be factored out of analysis by using the real (inflation-adjusted) interest rate (rather than nominal interest rate) when discounting the future cash flows to the present
- Real interest rate = nominal interest rate inflation rate
- Real cost → in terms of constant dollars

NPC and COE

Total NPC

$$C_{\text{NPC}} = \frac{C_{\text{ann,tot}}}{\text{CRF}(i, N)}$$

 $C_{\text{ann,tot}}$ is the total annualized cost

i the annual real interest rate (the discount rate)

N the project lifetime.

 $CRF(\cdot)$ is the capital recovery factor

CRF
$$(i,N) = \frac{i(1+i)^N}{(1+i)^N-1}$$

★ Levelized Cost of Energy (COE): average cost/kWh

$$COE = \frac{C_{\text{ann,tot}}}{E_{\text{prim}} + E_{\text{def}} + E_{\text{grid,sales}}}$$

 $C_{\text{ann,tot}}$ is the total annualized cost,

 E_{prim} total amounts of primary load.

 E_{def} total amounts of deferrable load.

 $E_{\text{grid,sales}}$ is the amount of energy sold to the grid

What HOMER includes in NPC

Knowledgebase: Economics

10303 - Total net present cost in HOMER

Posted by on 21 December 2010 11:45 AM



What is meant by life cycle cost and how it is determined?

HOMER uses the total net present cost (NPC) to represent the life-cycle cost of a system. The total NPC condenses all the costs and revenues that occur within the project lifetime into a single lump sum in year-zero dollars, with future cash flows discounted back to year zero using the discount rate. Costs may include capital costs, replacement costs, operating and maintenance costs, fuel costs, the cost of buying electricity from the grid, and miscellaneous costs such as penalties resulting from pollutant emissions. Revenues may include income from selling power to the grid, plus any salvage value that occurs at the end of the project lifetime.

With the NPC, costs are positive and revenues are negative. This is the opposite of the net present value (NPV). As a result, the NPC differs from NPV only in sign.

To see a detailed breakdown of the how HOMER calculates the total NPC for any system in the Optimization Results list, double click on that system to see the Simulation Results window, switch to the Cash Flow tab, and click the Details button in the top right corner. HOMER will display a spreadsheet showing the cash flows that occur in every year of the project lifetime, broken down by component and type. If you choose to display the discounted cash flows, the total net present cost will appear in the bottom right cell.

Example Case - Micro Grid in Sri Lanka

Load profile:

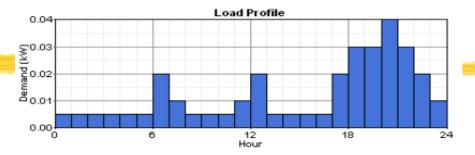
- base load of 5W, small peaks of 20 W, peak load of 40W; total daily average load = 350 Wh
- Sensitivity analysis range: [0.3kW/h, 16kWh/d]

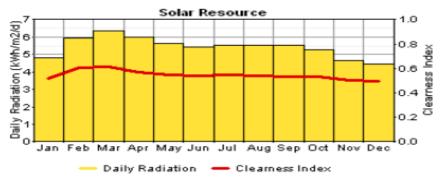
Solar Resource

- NASA Surface Meteorology and Solar Energy Web: average solar radiation = 5.43 kWh/m²/d.

Diesel Fuel Price

- \triangle \$0.4/L \$0.7/L
- Sensitivity analysis range: [\$0.3, 0.8] with increment of \$0.1/L





Economics:

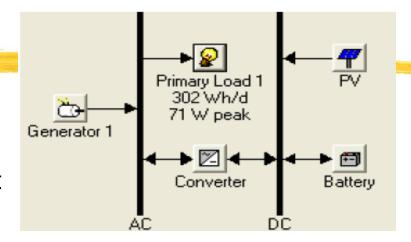
Real annual interest rate at 6%

Reliability Constraints

0% annual capacity shortage
 Sensitivity Analysis range: [0,5]
 -5]%

Example Case – Micro Grid in Sri Lanka

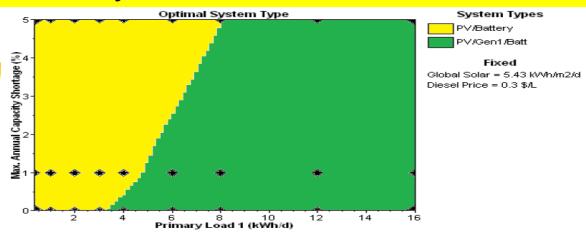
- # PV: de-rating factor at 90%
- **#** Battery:T-105 or L-16
- Converters: efficiency at 90% for inversion and 85% for rectification
- # Generator: not allowed to operate at less than 30% capacity



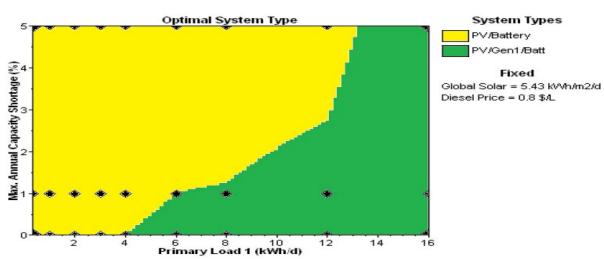
Component	Size	Capital Cost (\$)	Replacement Cost	O&M Cost (\$)	Lifetime
PV Panels	0.05 – 5.0 kW	\$7,500/kW	\$7,500/kW	0.00	20 years
Trojan T-105 Batteries	225 Ah / 6 volt (bank size: 1 – 54 batteries)	\$75/battery	\$75/battery	\$2.00/year	845 kWh of throughput per battery
Converter	0.1 – 4.0 kW	\$1,000/kW	\$1,000/kW	\$100/year	15 years
Generator	4.25 kW	\$2,550	\$2,550	\$0.15/hour	5000 hours

Analysis Result

#Diesel price \$0.3/L

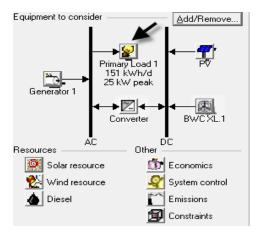


#Diesel Price \$0.8/L

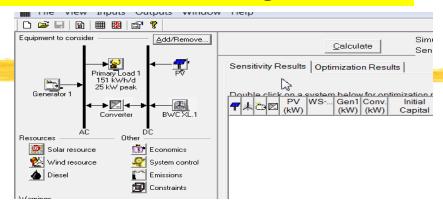


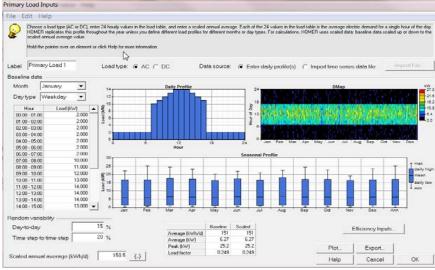
HOMER: Getting Started – with existing file

- # 1. "ExampleProject.hmr"
- 3 2. Open the Example Project File: ExampleProject.hmr
- # 3. Click the Primary Load



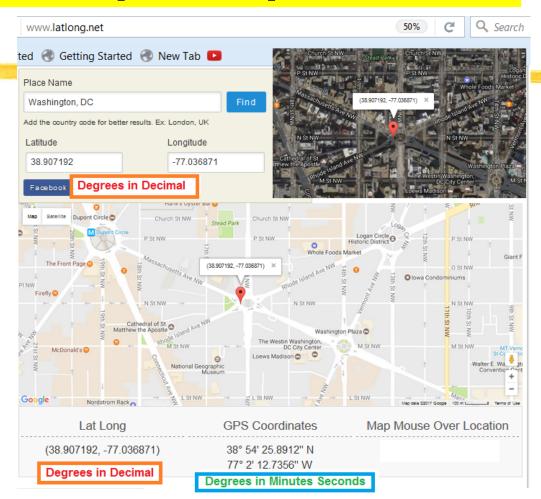
4. Exit out of HOMER – We have things to do



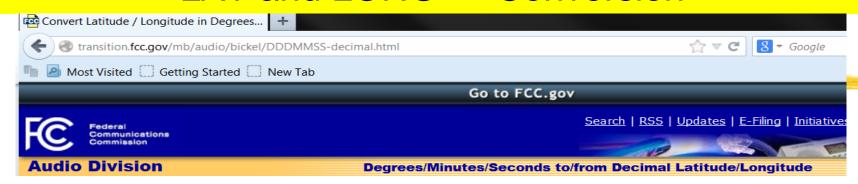


Find the Site [Location]

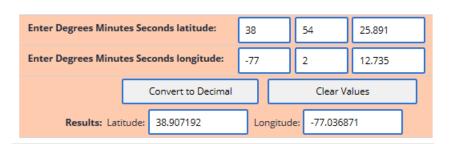
- **X** Latitude and Longitude
- **X** Your dorm room
- Your home
- * Your favorite place



LAT and LONG --- Conversion



Degrees Minutes Seconds to Decimal Degrees

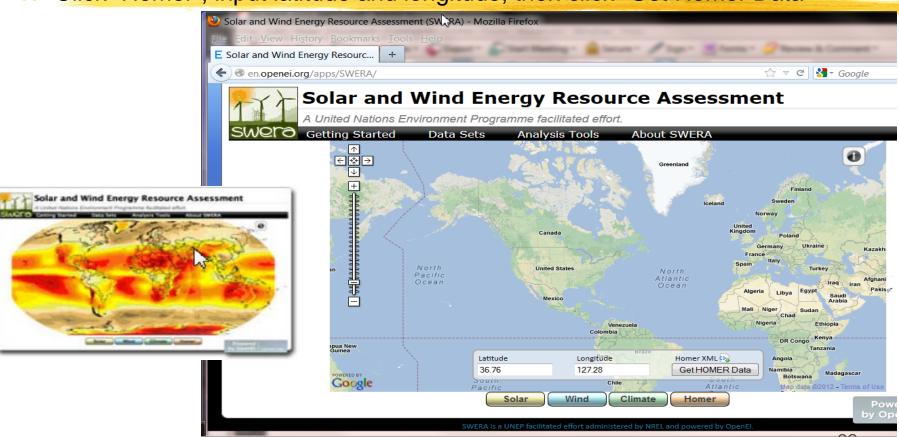


Decimal Degrees to Degrees Minutes Seconds

Decimal Latitude:	38.901792]
Decimal Longitude:	-77.036871	
Convert to Degrees Mir	nutes Seconds	Clear Values
Results: Latitude: 38° 54′ 6.4512″	Longitude: -77° 2	' 12.7356"

Solar and Wind Data

- # http://en.openei.org/apps/SWERA/
- Click "Homer", input latitude and longitude, then click "Get Homer Data"



Solar Radiation and Wind Speed Data

Monthly Solar Radiation [kW/m²-day] and Wind Speed [m/s]

```
-<data>
                                            <data>
  -<monthly>
                                            -<monthly>
    -<monthly average radiation>
                                              -<monthly average wind speed>
         <float> 2.82 </float> Jan
                                                   <float> 3.46 </float>
         <float> 3.69 </float> Feb
                                                   <float> 3.66 </float>
         <float> 4.49 </float> Mar
                                                   <float> 3.81 </float>
        <float> 5.40 </float> Apr
                                                   <float> 3.91 </float>
        <float> 5.57 </float> May
                                                   <float> 3.43 </float>
         <float> 4.99 </float> Jun
                                                   <float> 3.03 </float>
        <float> 4.17 </float> Jul
                                                   <float> 3.02 </float>
        <float> 4.19 </float> Aug
                                                   <float> 2.88 </float>
        <float> 3.95 </float> Sep
                                                   <float> 2.68 </float>
        <float> 3.55 </float> Oct
                                                   <float> 2.73 </float>
         <float> 2.76 </float> Nov
                                                   <float> 3.25 </float>
         <float> 2.55 </float> Dec
                                                   <float> 3.34 </float>
      </monthly average radiation>
                                                </monthly average win</pre>
                                                                          -<anemometer height>
    </monthly>
                                              </monthly>
                                                                            -<values>
  </data>
                                                                               <float> 50 </float>
                                            </data>
-<scaled annual average>
                                                                             </values>
                                            <scaled annual average>
  -<values>
                                                                           </anemometer height>
                             Annual
                                            -<values>
      <float> 4.01 </float>
                             Average
                                                                                        64
                                                <float> 3.27 </float>
    </values>
```

Import XLM File from SWERA

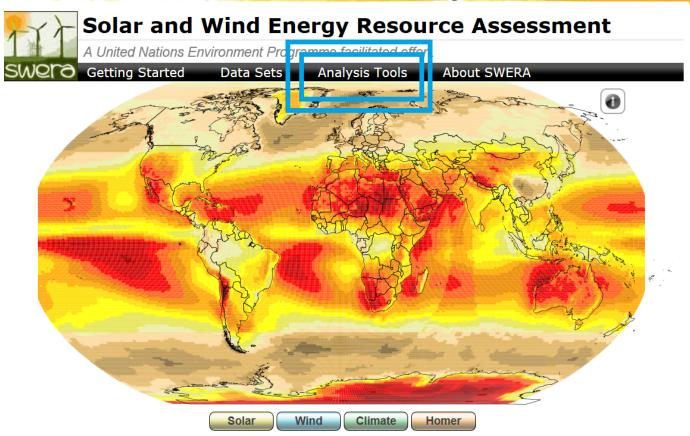
#SWERA

- △Lat & Longs → Get Homer
- - □ CTRL+S (save to a xlm file)

****Now with HOMER**

- □ File>"Import XLM"
- Wind Resources are automatically filled
- Solar Resources are automatically filled
 - ∠Lat N, Long E → marking error
 - ☑ But kWh/m2 is kept the same.

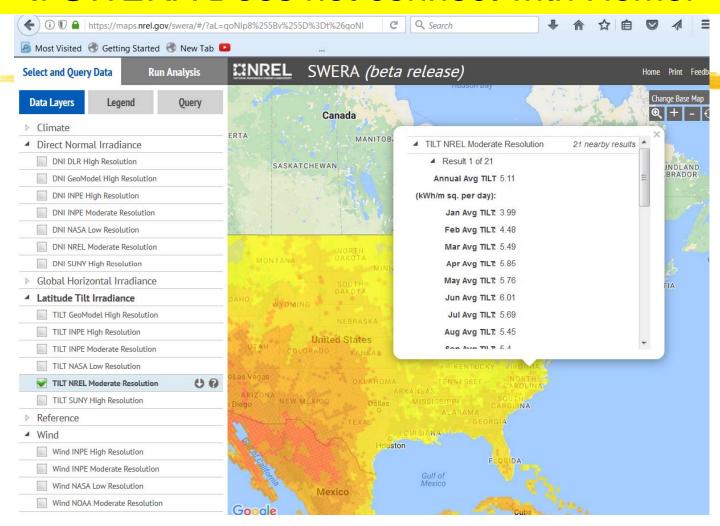
#1. From SWERA, click Analysis Tools

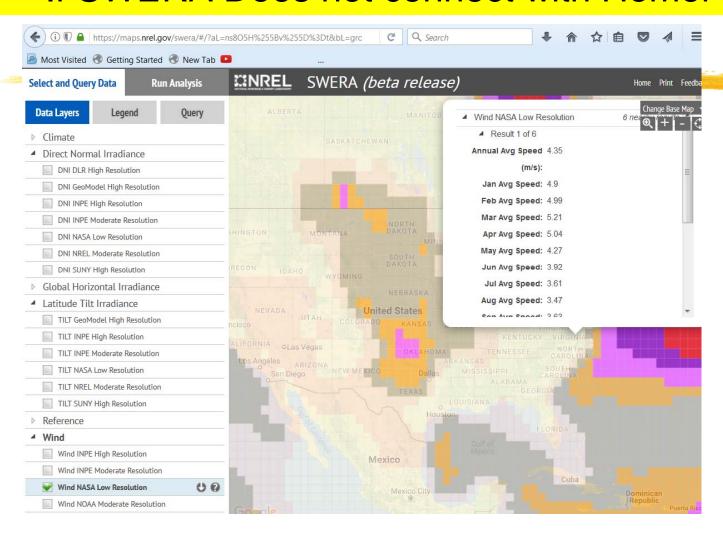


#2. Then Click OpenCarto.



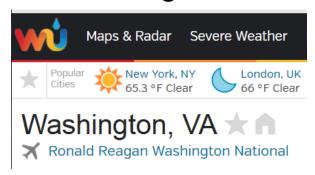
- **#Select one of Irradiance dataset**
- #Move your cursor to the city (of your site)
- **#Then click it**
- **#The data appears in a pop-up window**
- **#**Use the data for manually putting the solar/wind resource information
- See the next pages for Solar and Wind data





Other Sources for Wind Data

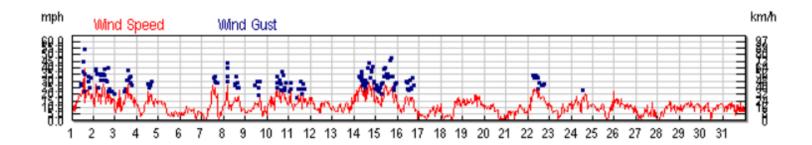
- ₩ www.windfinder.com
- # www.wundergorund.com





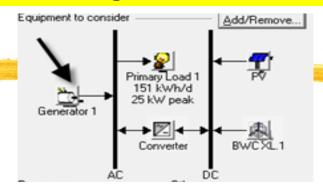
1 mph = 0.44704 ms^{-1}

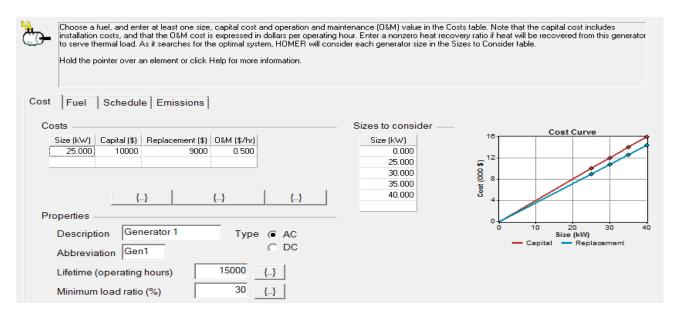
1 knot = 0.514444444 meters / second



HOMER: Open the file again

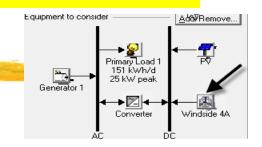
- **# Click the generator**
- # 25 kW \$10,000
- # Minimum running at 30%

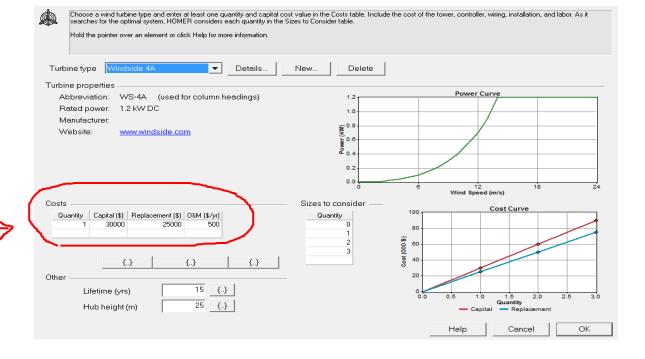




Equipment

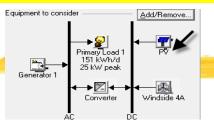
Click Wind Turbine



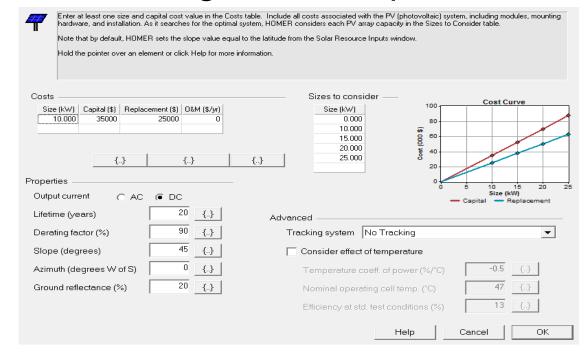


Equipment

#Click PV



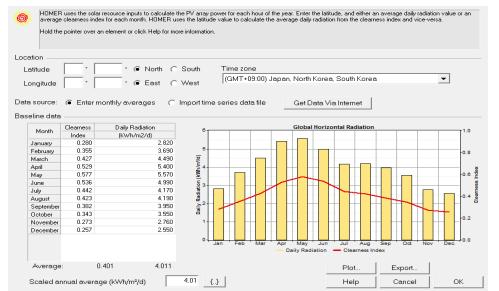
#Lifetime, De-rating factor, slope, No-tracking



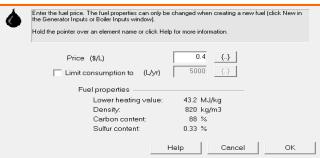
Resource Information



- Select Solar Resources, Wind Resources, and Diesel
- Type in Solar Radiation



Biesel Fuel Price



HOMER uses wind resource inputs to a calculations, HOMER uses scaled data control how HOMER generates the 871 Hold the pointer over an element or clic Data so ce: Enter monthly aver Baseline data Wind Speed Month 3.460 January February 3.660 3.810 March 3.910 April 3.430 May 3.030 June July 3.020 2.880 August 2.680 September October 2.730 3.250 November 3.340 December Annual average: 3.264

Type in Wind Speed

Equipment

Equipment to consider

Help

Cancel

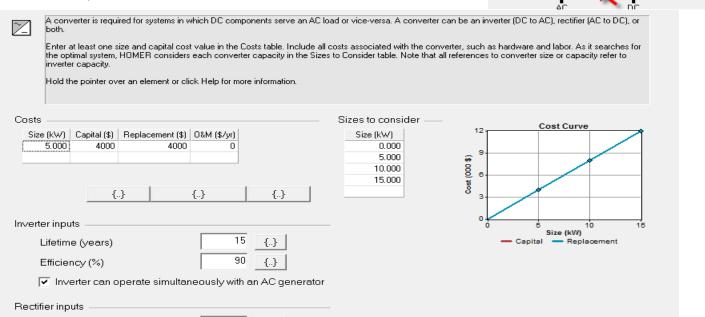
Primary Load 1 151 kWh/d Add/Remove...

#Click Converter icon

Capacity relative to inverter (%)

Efficiency (%)

#5kW \$4,000



{.} {.}

Other Information

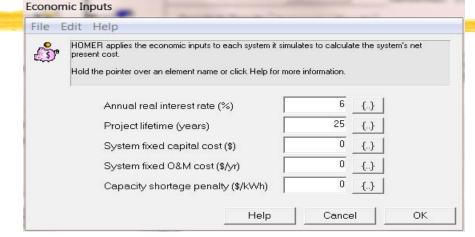


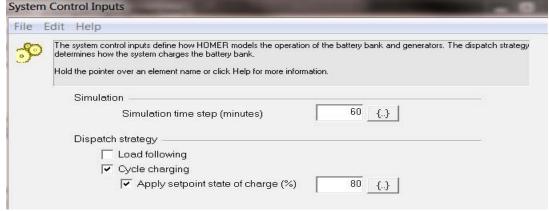
#Economics

- □ Real interest 6 %
- △Lifetime 25 years

#System Control

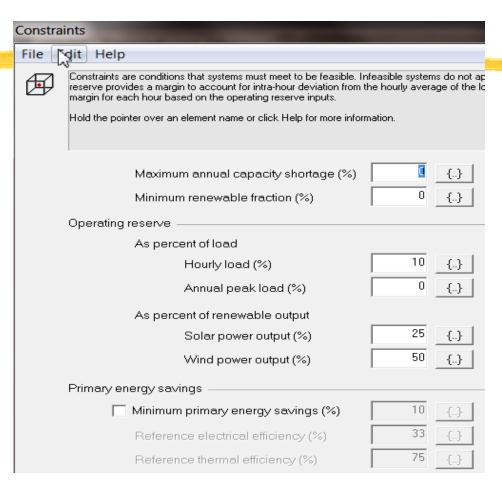
Cycle-charging



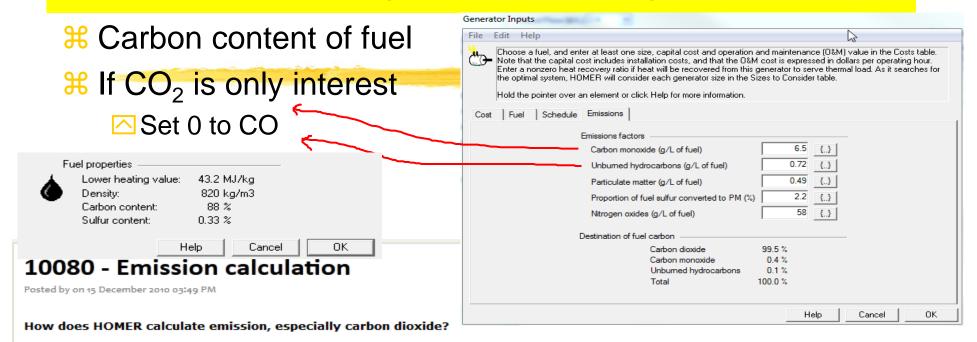


Other Information

- #Emission: all 0
- **#Constraints**
 - Operating reserve 10%
 - Capacity shortage 0%



Emission Calculation in HOMER

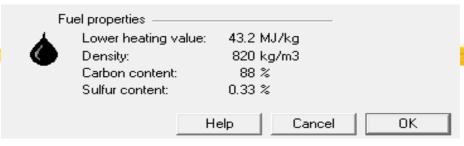


If the system you are modeling consumes fuel, HOMER calculates the total annual carbon input by multiplying the fuel consumption by the carbon content of the fuel. It assumes that all that carbon gets emitted as either unburned hydrocarbons, CO, or CO2. You enter the emissions factors for unburned hydrocarbons and CO, so HOMER can calculate how much of the total carbon gets emitted in those two forms. The rest gets emitted as CO2.

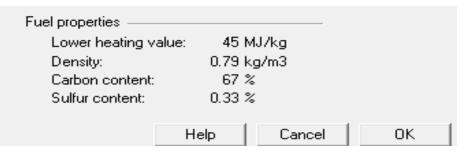
Typically only a tiny fraction of the carbon gets emitted as hydrocarbon and CO, so nearly all of it gets emitted as CO2. If you are interested only in CO2, you should set the UHC and CO emissions factors to zero. Note that 3.67 g of CO2 contains 1 g of carbon. So ignoring UHC and CO emissions, the system will emit 3.67 g of CO2 for every g of carbon in the consumed fuel.

Fuel Carbon Content

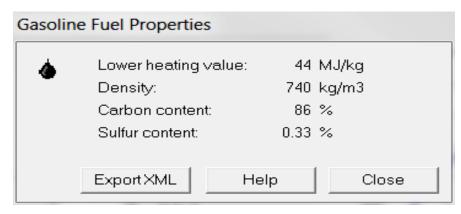




***Natural Gas**



#Gasoline



Carbon Tax or Penalty

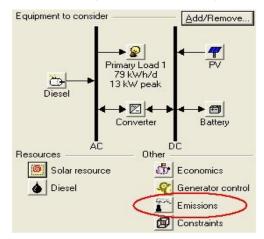
10397 - HOMER and Carbon

Posted by on 04 January 2011 11:50 AM

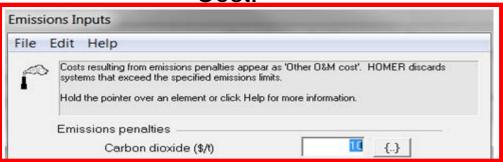


The best way to use HOMER and Carbon? Two scenarios suppose you are carbon capped would you just put in a fuel cap. If you are carbon taxed would you just add cost to fuel.

You can limit or penalize emissions if you click the Emissions button just below the schematic:



Carbon penalty will appear as "Other" O&M Cost.



To cap carbon dioxide emissions, click the CO2 checkbox in the lower half of the Emissions window and enter the maximum allowable emissions in kg/yr. To apply a carbon tax enter the penalty in \$/tonne in the top half of the window. Just be sure to enter it in terms of \$/tonne of CO2, not per tonne of carbon.

You can limit fuel consumption if you click on the fuel button below the schematic. That would have the same effect as limiting emissions, but you would have to calculate the amount of fuel corresponding to your emission cap. It's easier to just enter the emission cap. Same with the carbon tax – you could calculate the equivalent cost per litre of fuel and increase the fuel price accordingly, but it's easier to just enter the emission penalty.

Example

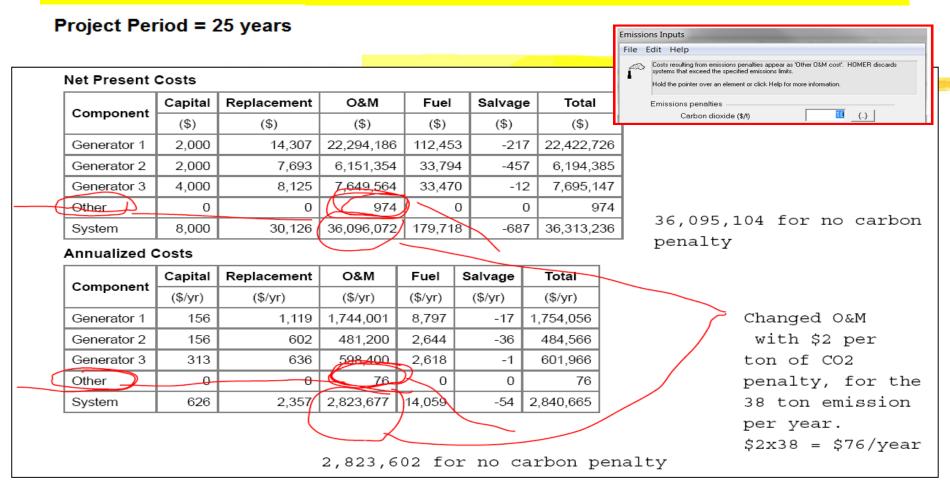
- 3 Generators only to meet a load
 - Diesel generator Carbon 88% of 820 kg per 1000 L
 - ☐ Gasoline generator Carbon 86% of 740 kg per 1000L
 - Natural Gas generator − Carbon 67% of 0.79kg per 1 m³
- Total fuel consumption for each

 - ☐ Gasoline 1,762 L
 - Natural Gas − 2,613 m³
- **#** Carbon Content
 - Diesel: 820 * 10.996 * 0.88 = 7974 kg/yr
 - △ Gasoline: 740 * 1.762 * 0.86 = 1,121 kg/yr
 - Natural Gas: 0.79 * 2,613 * 0.67 = 1,383 kg/yr
 - \triangle Total = 10,478 kg/yr
- # Total CO₂
 - \triangle 10,478 kg * 3.67 = 38.454 kg CO_2 /year
- Added O&M Cost per year with \$2 per ton of CO₂
 - △ \$2*38.454 = \$76.9/yr

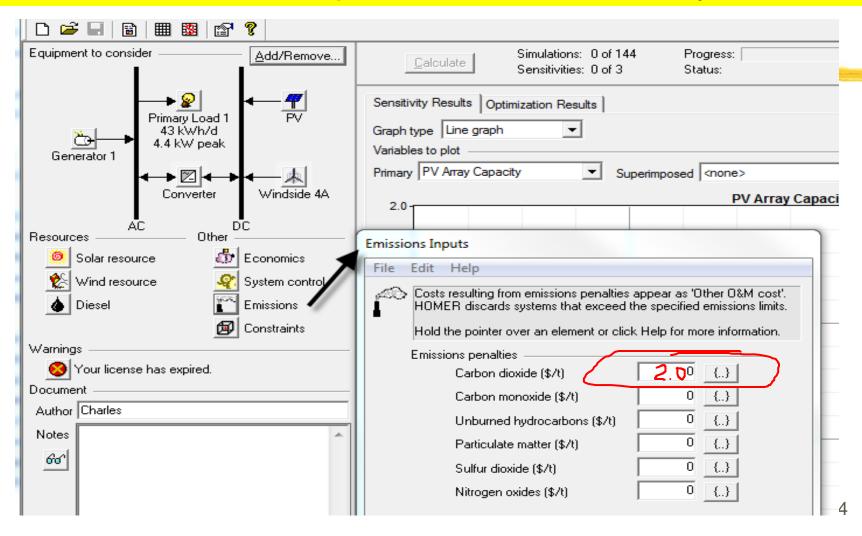
Emissions

Pollutant	Emissions (kg/yr)
Carbon dioxide	38,097
Carbon monoxide	99.9
Unburned hydocarbons	11.1
Particulate matter	7.53
Sulfur dioxide	79.9
Nitrogen oxides	892

System Report - Example

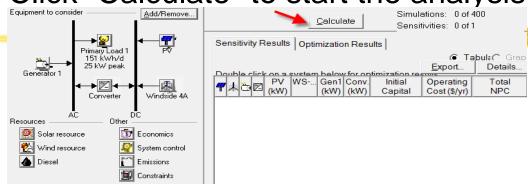


Emission Input – Emission Penalty

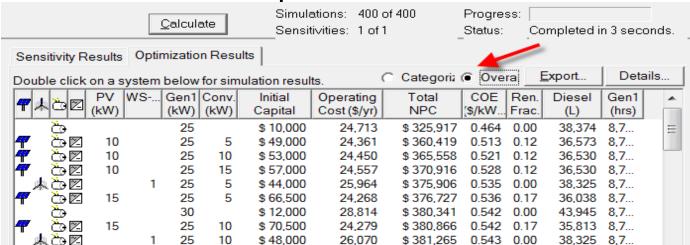


Analysis of the System

1. Click "Calculate" to start the analysis

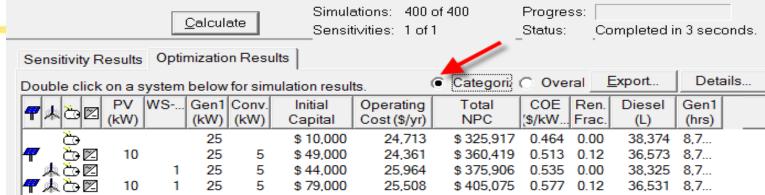


Click Overall: view all possible combinations

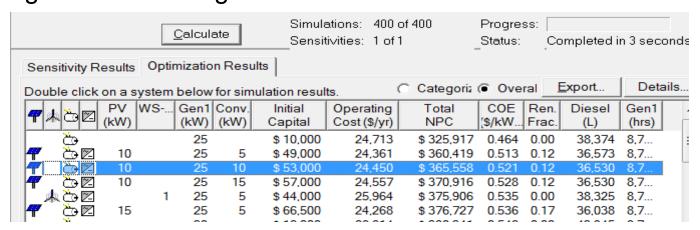


Analysis of the System

Click "Categorized"

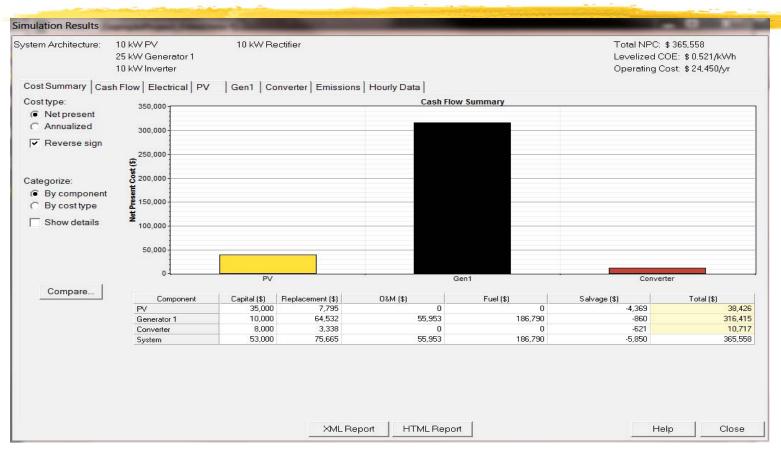


** Now back to "Overall", and choose any system of interest by clicking/ double clicking

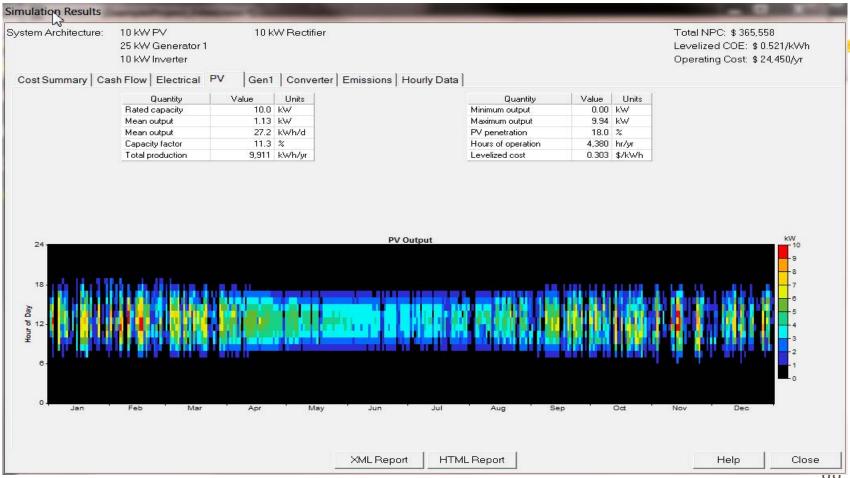


Analysis

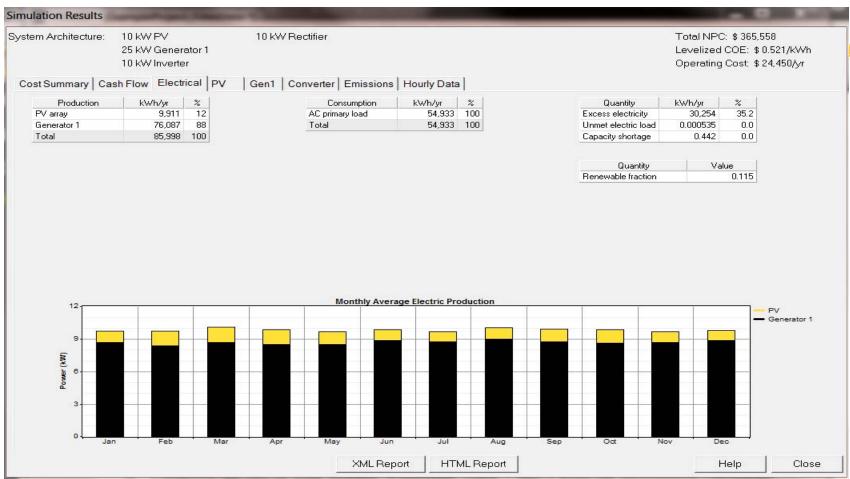
Simulation Results



PV Output

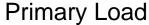


Electrical Output

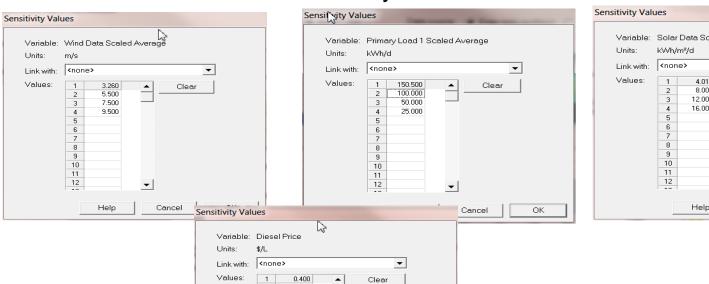


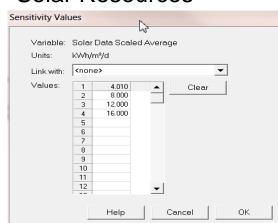
Sensitivity Analysis on Wind Power

- Click Wind resource
- # Click "Edit Sensitivity Values" >> Do so for Load, Solar, and Diesel
- Wind Resources



Solar Resources

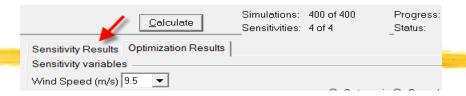


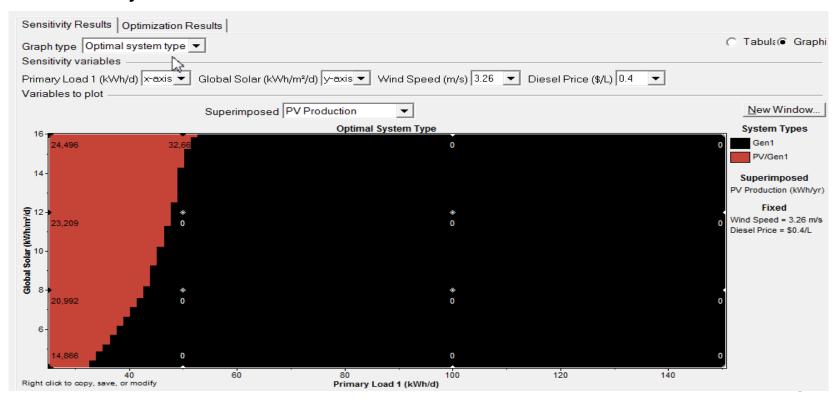


Diesel Fuel

Sensitivity Analysis

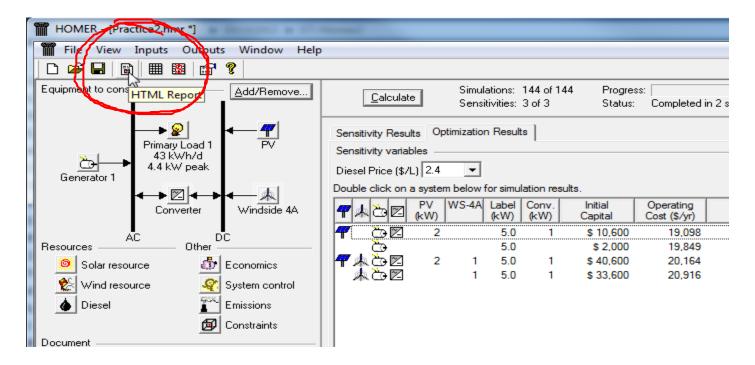
- **# Save and Calculate**
- New we see the tab for "Sensitivity Results"



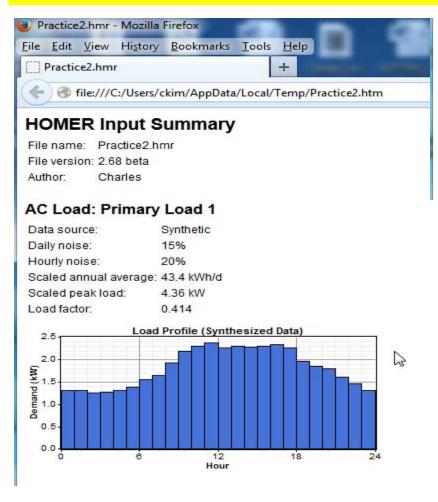


HOMER – Input Summary Report

- HOMER Produces An Input Summary Report:
 - Click HTML Input Summary from the File menu, or click the toolbar button:
 - HOMER will create an HTML-format report summarizing all the relevant inputs, and display it in a browser. From the browser, you can save or print the report, or copy it to the clipboard so that you can paste it into a word processor or spreadsheet program.



Input summary Report - Example



PV

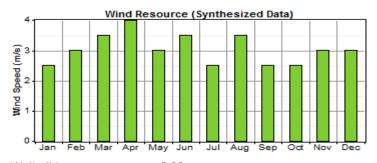
Size (kW)	Capital (\$)	Replacement (\$)	O&M (\$/yr)
2.000	7,000	7,000	0

Sizes to consider: 0, 2, 4, 6 kW

Lifetime: 20 yr Derating factor: 80%

Tracking system: No Tracking

Slope: 0 deg Azimuth: 0 deg Ground reflectance: 20%

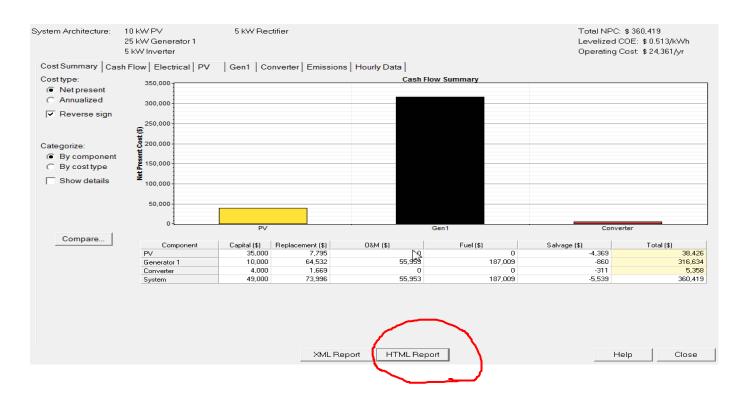


Weibull k: 2.00
Autocorrelation factor: 0.850
Diurnal pattern strength: 0.250
Hour of peak wind speed: 15
Scaled annual average: 3.04 m/s
Anemometer height: 10 m
Altitude: 0 m

Wind shear profile: Logarithmic Surface roughness length: 0.01 m

HOMER – Simulation Result System Report

- **# HOMER Produces A Report Summarizing The Simulation Results**
 - Just click the HTML Report button in the Simulation Results window:



Example System Report

System Report - Practice2.hmr

Sensitivity case

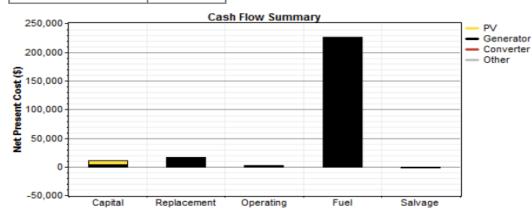
Diesel Price: 2.4 \$/L

System architecture

PV Array	2	₩V
Generator 1	5	₩V
Inverter	1	ΚW
Rectifier	1	ΚW

Cost summary

Total net present cost	\$ 254,738
Levelized cost of energy	\$ 1.258/kWh
Operating cost	\$ 19,098/yr



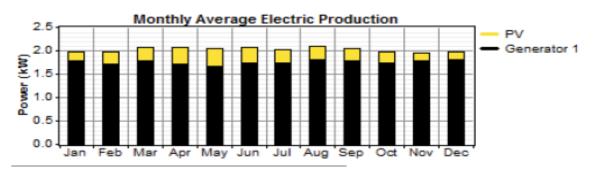
Net Present Costs

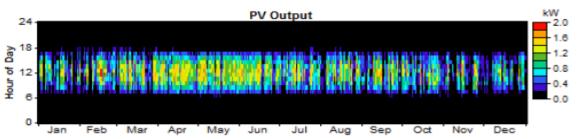
Cammamam	Capital	Replacement	M8O	Fuel	Salvage	Total
Component	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
PV	7,000	2,183	0	0	-1,223	7,959
Generator 1	2,000	14,340	2,238	225,506	-191	243,893
Converter	1,600	668	0	0	-124	2,143
Other	0	0	742	0	0	742
System	10,600	17,191	2,980	225,506	-1,539	254,738

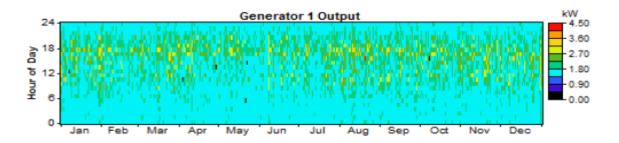
Electrical

Component	Production	Fraction
Component	(KWh/yr)	
P∨ array	2,341	13%
Generator 1	15,396	87%
Total	17,737	100%

System Report







Emissions

Pollutant	Emissions (kg/yr)
Carbon dioxide	19,356
Carbon monoxide	47.8
Unburned hydocarbons	5.29
Particulate matter	3.6
Sulfur dioxide	38.9
Nitrogen oxides	426

This message?

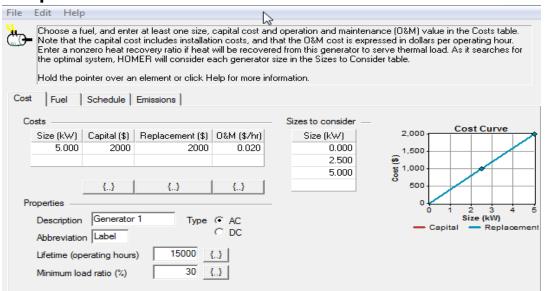


Generator 1 search space may be insufficient.



Completed in 3 seconds.

HOMER displays a message suggesting that we add more generator quantities to the sizes to consider.



Other messages to appear



PV search space may be insufficient.



Converter search space may be insufficient.



Completed in 3:17.

Those messages mean that:

- you need to expand your search space to be sure you have found the cheapest system configuration.
- ✓ If the total net present cost varied with the PV size in this way, and you simulated 10, 20, 30, and 40 kW sizes, HOMER would notice that the optimal number of turbines is 40 kW, but since that was as far as you let it look, it would give you the "search space may be insufficient" warning because 50 kW may be better yet.
- It doesn't know that until you let it try 50kW and 60kW.
- ✓ If you expanded the search space, HOMER would no longer give you that warning, since the price started to go up so you have probably identified the true least-cost point.

Report Submission for Lab 9

- # Using the Homer Tutorial Part 1
 - △ Link:

http://www.mwftr.com/325S17/325HOMER_tutorial_Part1.pdf

- # Follow every step from slide page 60
 - With your own location
 - With your own loading condition
- # Write your report describing
 - Location,
 - Load,

 - Appendix: Homer produced HTML report