Micro-power System Modeling using HOMER - Tutorial 1



Charles Kim

Howard University

www.mwftr.com



HOMER

Homer (Hybrid Optimization Model for Electric Renewables)





		282
	Jami Kata Jaka Kata Jaka Jaka Kata Jaka Jaka Kata Jaka Jaka Jaka Jaka Jaka Kata Jaka Jaka Jaka Jaka Jaka Jaka Jaka J	· Santa P Santa
	-	
	Table on out over 7 Bar Same 7	

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

K A tool for designing micropower systems

☐ Village power systems

△ Stand-alone applications and Hybrid Systems



"HOMER Legacy" software

← → ♂	۵	i	🗊 🔒 https://users.homere	energy.com/p	.		✿ Search	👱 III\ 🗊 🧯
C Most Visited	3	Getting Started	a Latest Headlines			D	ort Ono	
		HOMEI	R Energy	HOME DOV	WNLOAD/PUR	Pa Sta DO No ins	art One: p 1 - Sign ir WNLOAD/PU te: If you do tructions for	n to your HOMER account at users.homerenergy.com, navigate to JRCHASE > Retired Products > HOMER Legacy.

- HOMER Legacy

HOMER® Legacy was created at the National Renewable Energy Laboratory as a tool to find affordable energy solutions for village power. HOMER Legacy set the standard for early stage microgrid design and assessment, but HOMER Pro is our supported and developed product. Most people who have landed on this page should be using HOMER Pro.

HOMER Energy continues to make HOMER Legacy available to the following people:

- Classroom and thesis use
- Small non-profit organizations that are working to improve access to energy in developing countries.

If you do not fit one of the above profiles, please use HOMER Pro instead. We may have to discontinue this charity if we continue to get too many inappropriate requests.

Support and training: No support or training is available for HOMER Legacy, and HOMER Legacy will never be updated. HOMER Legacy users can receive and provide mutual support via the HOMER Users Group. There is no cost to join or participate.

Download HOMER Legacy

First-time user, or existing user with new computer. Previous HOMER installation requires renewal.

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:
 - Should I buy a wind turbine, PV array, or both?
 - Will my design meet growing demand?
 - △How big should my battery bank be?
 - ☑What if the fuel price changes?
 - △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:
 - \boxtimes Initial cost purchases and installation
 - Cost of owning and O&M and replacement
 - 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
 - 🔼 Wind
 - Biomass and biofuels
 - 🗠 Hydro





Features

Emerging Technologies

- Fuel Cells
- 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







Optimization

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

Optimization Example

₭ Configuration and 140 (5x1x7x4=140) search spaces



	FL30	Gen	Batteries	Converter
	(Quantity)	(kW)	(Quantity)	(kW)
1	0	135.00	0	0.00
2	1		16	30.00
3	2		32	60.00
4	3		48	120.00
5	4		64	
6			96	
- 7			128	
8				

Overall Optimization results

	* `• 🖻 🖂	FL30	Gen (kW)	Batt.	Conv. (kW)	Initial Capital	Total NPC	COE (\$/kWh)	Diesel (L)	Gen (hrs)
Þ	えび回図	1	135	64	30	\$ 216,500	\$ 849,905	0.273	75,107	4,528
Þ	ねび回図	2	135	64	30	\$ 346,500	\$ 854,660	0.274	54,434	3,350
Þ	ねび回図	1	135	48	30	\$ 200,500	\$ 855,733	0.275	78,061	4,910
Þ	ねひ回図	2	135	48	30	\$ 330,500	\$ 856,335	0.275	57,654	3,685

Categorized optimization result

*`````	FL30	Gen (kW)	Batt.	Conv. (kW)	Initial Capital	Total NPC	COE (\$/kWh)	Diesel (L)	Gen (hrs)
本心回図	1	135	64	30	\$ 216,500	\$ 849,905	0.273	75,107	4,528
් ම 🖾		135	64	30	\$ 86,500	\$ 885,175	0.284	101,290	5,528
ජ		135			\$0	\$ 996,273	0.320	132,357	8,760
ゆ 参	1	135			\$130,000	\$ 1,130,637	0.363	127,679	8,740

Sensitivity Analysis

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



Fixed

Why Sensitivity Analysis? Uncertainty!

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

<u> Tabular Format</u>



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: <u>Graphical Illustration</u>
 - 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.



Resources Modeling

- Solar Resources: average global solar radiation on horizontal surface (kWh/m² or kWh/m²-day) or monthly average clearness index (atmosphere vs. earth surface). <u>Inputs</u> – solar radiation values and the latitude and the longitude. <u>Output</u> – 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

Component Modeling– See Appendix for details

- HOMER models 10 types of part that generates, delivers, converts, or stores energy
 - △ 3 intermittent renewable resources:
 - \boxtimes PV modules (dc)
 - \boxtimes wind turbines (dc or ac)
 - ⊠run-of-river hydro turbines (dc or ac)
 - △ 3 dispatchable energy sources: [control them as needed]
 - Generators
 - ⊠ the grid
 - ⊠ boilers
 - 2 energy converters:
 - \boxtimes Converters (dc $\leftarrow \rightarrow$ ac)
 - \boxtimes Electrolyzers (ac,dc \rightarrow electrolysis \rightarrow Hydrogen)
 - △ 2 types of energy storage:
 - ⊠ batteries (dc)
 - hydrogen storage tanks

How to build a HOMER project

- 1. Collect Information
 - Electric demand (load)
 - Energy resources
- 2. Define Options (Gen, Grid, etc)
- 🔀 3. Enter Load Data
- 8 4. Enter Resource Data
- ₭ 5. Enter Component Sizes and Costs
- 8. 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.





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

- △ 7.30 Latitude & 81.30 longitude
- NASA Surface Meteorology and Solar Energy Web: average solar radiation = 5.43 kWh/m²/d.

🔀 Diesel Fuel Price

- ⊠ \$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%
- Hattery: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



HOMER: Getting Started – with existing file

- 1. "ExampleProject.hmr"
- 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]

- **K** Latitude and Longitude
- 🔀 Your dorm room
- 🔀 Your home
- Hour favorite place



LAT and LONG Conversion						
Convert Latitude / Longitude in Degrees +						
🗲 🕙 transition.fcc.gov/mb/audio/bickel/DDDMMSS-decimal.html						
🐚 🙆 Most Visited 🗌 Getting Started 🗌 New Tab						
	Go to FCC.gov					
Federal	Search RSS Updates E-Filing Initiatives					
Communications Commission						
Audio Division Degrees/Minutes/Seconds to/from Decimal Latitude/Longitude						

Degrees Minutes Seconds to Decimal Degrees

Decimal Degrees to Degrees Minutes Seconds

Enter Degrees Minut	38		54	25.891	
Enter Degrees Minutes Seconds longitude:				2	12.735
	Convert to Decimal			Clear Va	alues
Results: Lati	tude: 38.907192	Lon	gitude	-77.0368	71

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

Resources – Average Monthly Irradiation and Wind Speed





Next Step



Select Parameters – Just 2 below are enough

Select parameters and press Submit (Default is ALL types)	Submit Reset
Geometry	Latitude and longitude (center and boundaries)
Parameters for Solar Cooking	Average insolation Midday insolation Clear sky insolation Clear sky days
	Insolation on horizontal surface (Average, Min, Max) Diffuse radiation on horizontal surface (Average Min Max)
opoBraphie maps or ana sets.	
Meteorology (Wind)	Wind Speed at 50 m (Average, Min, Max) Percent of time for ranges of Wind Speed at 50 m Wind Speed at 50 m for 3-hourly intervals Wind Direction at 50 m Wind Direction at 50 m for 3-hourly intervals Wind Speed at 10 m for terrain similar to airports

Select parameters and press Submit (Default is ALL types)	Submit Reset

Latitude 38.9 / Longitude -77.03 was chosen.

Monthly Data for Insolation and Wind Speed

	Northern boundary 39	,	
Western boundary -78	Center Latitude 38.5 Longitude -77 .5	Eastern boundary -77	
	Southern boundary 38		

Parameters for Solar **Conting**:

N	Ionthly 2	Averaged	Insolatio	Incide	nt On A l	Horizonta	al Surfac	e (kWh/n	n²/day)			
Lat 38.9 Lon -77.03	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
22-year Average	2.12	2.87	3.91	4.86	5.40	5.80	5.67	5.00	4.38	3.51	2.36	1.89

Parameter Definition

Meteorology (Wind):

	Month	ly Aver	aged Wi	nd Spee	d At 50	m Abov	e The Sı	ırface O	f The E	arth (m/	s)		
Lat 38.9 Lon -77.03	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Average
10-year Average	5.28	5.35	5.40	4.96	4.09	3.97	3.46	3.41	3.88	4.33	5.09	5.33	4.54

Minimum	And 1	Maximum	Difference	From	Monthly	Averaged	Wind	Speed .	At 50 m ((%)

Lat 38.9 Lon -77.03	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Average
Minimum	-10	-12	-12	-9	-11	-9	-12	-11	-6	-14	-8	-7	-10
Maximum	8	7	8	9	14	7	9	9	8	11	11	8	9

28





HOMER: Open the file again



Equipment

ℜ Click Wind Turbine

From the drop down list click through the wind turbines and look at the power curve. Try to find a Wind Turbine that would best maximize Average Wind Speed (m/s) :3.27



Equipment to consider

31

Equipment

Add/Remove..

Windside 4A

- **T**

Elifetime, De-rating factor, slope, No-tracking

Primary Load 1 151 kWh/d 25 kW peak

> ◆ 📶 🗲 Converter

Equipment to consider

Generator

#Click PV

	Enter at least one size and capital cost value in the Cost hardware, and installation. As it searches for the optimal Note that by default, HOMER sets the slope value equa Hold the pointer over an element or click Help for more in	s table. Include all costs associated with the PV (photovoltaic) system, including modules, mounting system, HOMER considers each PV array capacity in the Sizes to Consider table. It o the latitude from the Solar Resource Inputs window. nformation.
\longrightarrow	Costs Size (kW) Capital (\$) Replacement (\$) 0&M (\$/yt) 10.000 35000 25000 0 {} {} {} Properties	Sizes to consider Size (kw) 0.000 10.000 15.000 25.000 () Cost Curve Cost Curve Curve Cost Curve Cost Curve Cur
	Derating factor (%)	Advanced
	Slope (degrees) 45 {} Azimuth (degrees W of S) 0 {} Ground reflectance (%) 20 {}	Consider effect of temperature Temperature coeff. of power (%/*C) Nominal operating cell temp. (*C)
		Efficiency at std. test conditions (%) 13 [] Help Cancel OK

Resource Information

Resources Solar resource K Wind resource

Select Solar Resources, Wind Resources, and Diesel

Type in Solar Radiation

H

HOMER average Hold the	uses the solar resour clearness index for e pointer over an elem	rce inputs to calculate the l ach month. HOMER uses ent or click Help for more i	PV array power for each hour of the year. Enter the latitude, and either an average daily radiation value or an the latitude value to calculate the average daily radiation from the clearness index and vice-versa. information.
cation			
Latitude	· · ·	' 🖲 North 🔿 S	outh Time zone
Longitude		' 🖲 East (C W	Vest (GMT+09:00) Japan, North Korea, South Korea
ita source: seline data	Enter monthl	yaverages 🔿 Im	port time series data file Get Data Via Internet
Month	Clearness [Daily Radiation	6 Global Horizontal Radiation 1.0
Japuaru	0.280	2 820	
February	0.355	3.690	
March	0.427	4,490	
April	0.529	5.400	<u>گ</u>
May	0.577	5.570	§ 0.0 §
June	0.536	4.990	ξ ₃
July	0.442	4.170	
August	0.423	4.190	ž 0.4 č
September	0.382	3.950	
October	0.343	3.550	a
November	0.273	2.760	
			0 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 0.0 — Daily Radiation — Clearness Index
Average:	: 0.401	4.011	Plot Export
Scaled an	nual average (k\	//h/m²/d) 4	4.01 {} Cancel OK
			Enter the fuel price. The fuel properties can only be changed when creating a new fuel (click N the Generator Inputs or Boiler Inputs window). Hold the pointer over an element name or click Help for more information.
	. –		Price (\$/L) 0.4 {.}
JIES	el Fu	el Price	E Limit consumption to (L/yr)
			Fuel properties
			Lower heating value: 43.2 MJ/kg
			Density: 820 kg/m3
			Carbon content 88 %
			Sulfur content 0.33 %
			canal containt. 0.00 /0

¢2	HOMER calculati control h Hold the	uses wind resource input ons, HOMER uses scaled ow HOMER generates th pointer over an element o	s to c data e 871 r clic
Dat	ta soliyoce:	Enter monthly a	ver
Bas	eline data		
	Month	Wind Speed	
	MORIT	(m/s)	
	January	3.460	
	February	3.660	
	March	3.810	
	April	3.910	
	May	3.430	
	June	3.030	
	July	3.020	
	August	2.880	
	September	2.680	
	October	2.730	
	November	3.250	
	December	3.340	
	Annual a	verage: 3.264	
			33

Type in Wind Speed

Equipment

Click Converter icon

∺5kW \$4,000

 \sim

Equipment to consider

A converter is required for systems in which DC components serve an AC load or vice-versa. A converter can be an inverter (DC to AC), rectifier (AC to DC), or both.

Enter at least one size and capital cost value in the Costs table. Include all costs associated with the converter, such as hardware and labor. As it searches for the optimal system, HOMER considers each converter capacity in the Sizes to Consider table. Note that all references to converter size or capacity refer to inverter capacity.

Hold the pointer over an element or click Help for more information.

Size (kW) Capital (\$) Replacement (\$) 0&M (\$/yr) 5.000 4000 0	Sizes to consider
{.} {.} {.}	
Inverter inputs	
Lifetime (years) 15 {}	- Capital Replacement
Efficiency (%) 90 {}	
\fbox Inverter can operate simultaneously with an AC generator	
Rectifier inputs	
Capacity relative to inverter (%) 100 {}	
Efficiency (%) 85 {}	
	Help Cancel OK



Other Information

Emission: all 0
This time
Constraints
Operating reserve 10%
Capacity shortage 0%

Constrai	nts	
File	dit Help	
F	Constraints are conditions that systems must meet to be feasible reserve provides a margin to account for intra-hour deviation fror margin for each hour based on the operating reserve inputs.	. Infeasible systems do not ap m the hourly average of the lo
	Hold the pointer over an element name or click Help for more inf	ormation.
	Maximum annual capacity shortage (%)	.}
	Minimum renewable fraction (%)	0 {}
	Operating reserve	
	As percent of load	
	Hourly load (%)	10 {}
	Annual peak load (%)	0 {}
	As percent of renewable output	
	Solar power output (%)	25 {}
	Wind power output (%)	50 {}
	Primary energy savings	
	Minimum primary energy savings (%)	10 {}
	Reference electrical efficiency (%)	33 {}
	Reference thermal efficiency (%)	75 {}
Emission Calculation in HOMER

	Generator Inputs
Carbon content of fuel	File Edit Help
	Choose a fuel, and enter at least one size, capital cost and operation and maintenance (0&M) value in the Costs table.
\Re If CO ₂ is only interest	Enter a nonzero heat recovery ratio if heat will be recovered from this generator to serve thermal load. As it searches for the optimal system, HOMER will consider each generator size in the Sizes to Consider table. Hold the pointer over an element or click Help for more information.
Set 0 to CO	Cost Fuel Schedule Emissions
	Emissions factors
	Carbon monoxide (g/L of fuel) 6.5 {}
Fuel properties	Unburned hydrocarbons (g/L of fuel) 0.72 {}
Densitur 920 ka/m3	Particulate matter (g/L of fuel) 0.49 {}
Carbon content: 88 %	Proportion of fuel sulfur converted to PM (%) 2.2 {}
Sulfur content: 0.33 %	Nitrogen oxides (g/L of fuel) 58 ()
	Destination of fuel carbon
Help Cancel UK	Carbon dioxide 99.5 %
10080 - Emission calculation	Unburned hydrocarbons 0.1 %
Posted by on 15 December 2010 03:49 PM	Total 100.0 %
·	
Here dees HOMER calculate emission, especially carbon disside?	Help Cancel OK
HOW DOES HUMER CAICULATE EMISSION, ESDECIALLY CARDON DIOXIDE?	

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



Carbon Tax or Penalty



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
- Hotal fuel consumption for each
 - 🔼 Diesel 10,996 L
 - 🖂 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

₭ Total CO₂

- △ 10,478 kg * 3.67 = 38.454 kg CO₂/year
- **K** Added O&M Cost per year with \$2 per ton of CO₂

Section 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

Project Period = 25 years

10u – 2	25 years					Emissio	ns Inputs	
		File E	dit Help					
Casta						-	Costs resulting from emission systems that exceed the spe	s penalties appear as 'Other O&M cost'. HOMER discards cified emissions limits.
Costs		_	Hold the pointer over an eler	nent or click Help for more information.				
Capital	Replacement	O&M	Fuel	Salvag	e Total		Emissions penalties	
(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	<u> </u>	Carbon dioxide	(\$/() <u> </u>
2,000	14,307	22,294,186	112,45	3 -21	7 22,422,72	26		
2,000	7,693	6,151,354	33,79	4 -45	6,194,38	5		
4,000	8,125	7,649,564	33,47	0 -1	2 7,695,14	7		
0	0	974		0	0 97	4		
8,000	30,126	36,096,072	179,71	8 -68	7 36,313,23	6	36,095,	104 for no carbon
Costs							penalty	
Capital	Replacement	O&M	Fuel	Salvage	Total			
(\$/yr)	(\$/yr)	(\$/yr)	(\$/yr)	(\$/yr)	(\$/yr)			
156	1,119	1,744,001	8,797	-17	1,754,056		~	Changed O&M
156	602	481,200	2,644	-36	484,566			with \$2 per
313	636	598,400	2,618	-1	601,966			ton of CO2
0	0	76	0	0	76			penalty, for the
626	2,357	2,823,677	14,059	-54	2,840,665			38 ton emission
	(per year.
								2x38 = 576/vear
		2 922 6	02 fo	r no a	arban na			
	Costs Capital (\$) 2,000 2,000 4,000 0 8,000 Costs Capital (\$/yr) 156 156 313 0 626	Costs Replacement (\$) (\$) 2,000 14,307 2,000 7,693 4,000 8,125 0 0 8,000 30,126 Costs Replacement (\$/yr) (\$/yr) 156 1,119 156 1,119 156 602 313 636 0 0 626 2,357	Costs O&M (\$) (\$) (\$) 2,000 14,307 22,294,186 2,000 7,693 6,151,354 4,000 8,125 7,649,564 0 0 974 8,000 30,126 36,096,072 Costs Capital Replacement O&M (\$/yr) (\$/yr) (\$/yr) (\$/yr) 156 1,119 1,744,001 156 1,119 1,744,001 156 2,357 2,823,677 2,823,677 2,823,677 2,823,677	Costs Capital Replacement O&M Fuel (\$) (\$) (\$) (\$) 2,000 14,307 22,294,186 112,45 2,000 7,693 6,151,354 33,79 4,000 8,125 7,649,564 33,47 0 0 974 0 8,000 30,126 36,096,072 179,71 Costs Capital Replacement O&M Fuel (\$/yr) (\$/yr) (\$/yr) (\$/yr) 156 1,119 1,744,001 8,797 156 602 481,200 2,644 313 636 598,400 2,618 0 0 76 0 626 2,357 2,823,677 14,059	Costs Replacement O&M Fuel Salvag (\$) (\$) (\$) (\$) (\$) (\$) 2,000 14,307 22,294,186 112,453 -21 2,000 7,693 6,151,354 33,794 -45 4,000 8,125 7,649,564 33,470 -1 0 0 974 0 -1 0 0 974 0 -1 0 0 974 0 -1 0 0 974 0 -1 0 0 974 0 -1 0 0 974 0 -1 0 0 974 0 -1 0 0 974 0 -1 0 0 179,718 -68 Costs Easi Salvage -1 (\$/yr) (\$/yr) (\$/yr) (\$/yr) (\$/yr) 156 1,119 1,744,001 8,797 -17 156 602 481,200 2,61	Costs Capital Replacement O&M Fuel Salvage Total (\$) (\$) (\$) (\$) (\$) (\$) (\$) 2,000 14,307 22,294,186 112,453 -217 22,422,72 2,000 7,693 6,151,354 33,794 -457 6,194,38 4,000 8,125 7,649,564 33,470 -12 7,695,14 0 0 974 0 0 97 8,000 30,126 36,096,072 179,718 -687 36,313,23 Costs Capital Replacement O&M Fuel Salvage Total (\$/yr) (\$/yr) (\$/yr) (\$/yr) (\$/yr) (\$/yr) 156 1,119 1,744,001 8,797 -17 1,754,056 156 602 481,200 2,644 -36 484,566 313 636 598,400 2,618 -1 601,966 0 0 76 0 0 76 2,823,677 14,059	Costs Fuel Salvage Total (\$) (\$) (\$) (\$) (\$) (\$) 2,000 14,307 22,294,186 112,453 -217 22,422,726 2,000 7,693 6,151,354 33,794 -457 6,194,385 4,000 8,125 7,649,564 33,470 -12 7,695,147 0 0 974 0 0 974 0 0 974 0 0 974 8,000 30,126 36,096,072 179,718 -687 36,313,236 Costs Capital Replacement O&M Fuel Salvage Total (\$/yr) (\$/yr) (\$/yr) (\$/yr) (\$/yr) 156 1,119 1,744,001 8,797 -17 1,754,056 313 636 598,400 2,618 -1 601,966 0 0 76 0 0 76 626 2,357 2,823,677 14,059 -54 2,840,665	Costs Emissions Inputs Capital Replacement O&M Fuel Salvage Total (\$) (\$) (\$) (\$) (\$) (\$) (\$) 2,000 14,307 22,294,186 112,453 -217 22,422,726 2,000 7,693 6,151,354 33,794 -457 6,194,385 4,000 8,125 7,649,564 33,470 -12 7,695,147 0 0 974 0 0 974 8,000 30,126 36,096,072 179,718 -687 36,313,236 Cabin dioxid (\$/yr) (\$/yr) (\$/yr) (\$/yr) (\$/yr) 9 (\$/yr) (\$/yr) (\$/yr) (\$/yr) (\$/yr) 9 (\$/yr) (\$/yr) (\$/yr) (\$/yr) (\$/yr) 17 1,754,056 156 602 481,200 2,618 -1 601,966 156 602 481,200 2,618 -1 601,966 156 602 2,357 2,823,677 14,

Emission Input – Emission Penalty

🗅 🚅 🔲 📓 🖩 🐯	?	
Equipment to consider	Add/Remove	Calculate Simulations: 0 of 144 Progress: Sensitivities: 0 of 3 Status:
Computer Compu		Sensitivity Results Optimization Results Graph type Line graph Variables to plot
AC D Resources Other -		2.0 PV Array Capaci
🧕 Solar resource 🛛 🖑	Economics	Emissions Inputs
Wind resource 🧟 Mind resource 🗐 🏠 Diesel	System control Emissions Constraints	File Edit Help Costs resulting from emissions penalties appear as 'Other O&M cost'. HOMER discards systems that exceed the specified emissions limits. Hold the pointer over an element or click Help for more information.
Warnings		Emissions penalties
Your license has expired.		Carbon dioxide (\$/t)
Author Charles		Carbon monoxide (\$/t) 0 ()
Notes		Unburned hydrocarbons (\$/t)
ad		Particulate matter (\$/t)
		Sulfur dioxide (\$/t)
		Nitrogen oxides (\$/t) 0 {}

Analysis of the System

1. Click "Calculate" to start the analysis



Click Overall: view all possible combinations

	Calculate Simulations: 400 of 400 Progress: Calculate Sensitivities: 1 of 1 Status:										n3seco	onds.	
	Sensitivity Results Optimization Results												
C	Double click	onas	ystem	below	for simu	lation resul	ts.	Categoriz	Ove	ra E	xport	Deta	ils
	7*02	PV (kW)	WS	Gen1 (kW)	Conv. (kW)	Initial Capital	Operating Cost (\$/yr)	Total NPC	COE [\$/kW	Ren. Frac.	Diesel (L)	Gen1 (hrs)	<u> </u>
				25		\$ 10,000	24,713	\$ 325,917	0.464	0.00	38,374	8,7	=
ŀ	ዋ 🖕 🖾	10		25	5	\$ 49,000	24,361	\$ 360,419	0.513	0.12	36,573	8,7	
ŀ	ዋ 🖕 🖾	10		25	10	\$ 53,000	24,450	\$ 365,558	0.521	0.12	36,530	8,7	
ŀ	ዋ 🖒 🖾	10		25	15	\$ 57,000	24,557	\$ 370,916	0.528	0.12	36,530	8,7	
	爋ੌਿ⊠		1	25	5	\$ 44,000	25,964	\$ 375,906	0.535	0.00	38,325	8,7	
ŀ	ዋ 🖒 🖾	15		25	5	\$ 66,500	24,268	\$ 376,727	0.536	0.17	36,038	8,7	
	ත්			30		\$ 12,000	28,814	\$ 380,341	0.542	0.00	43,945	8,7	
ŀ	ዋ 🖒 🖾	15		25	10	\$ 70,500	24,279	\$ 380,866	0.542	0.17	35,813	8,7	
	୕ୢ୷୯୦ଅ		1	25	10	\$48,000	26,070	\$ 381,265	0.543	0.00	38,325	8,7	

Analysis of the System

Click "Categorized"

-				<u>C</u> alcul	ate	Simula Sensit	ations: 400 tivities: 1 of	of 400 1	Progre: Status:	ss: Co	ompleted i	n 3 seco	onds. <mark>e</mark>
	Sensitivity Results Optimization Results												
	Double click	onas	ystem	below	for sim	ulation resul	ts.	Categoria	Ove	ral	xport	Deta	ils
	7 *20	PV (kW)	WS	Gen1 (kW)	Conv. (kW)	Initial Capital	Operating Cost (\$/yr)	Total NPC	COE (\$/kW	Ren. Frac.	Diesel (L)	Gen1 (hrs)	
				25		\$ 10,000	24,713	\$ 325,917	0.464	0.00	38,374	8,7	
		10		25	5	\$ 49,000	24,361	\$ 360,419	0.513	0.12	36,573	8,7	
	¶ÅĠ⊠	10	1	25 25	5 5	\$ 44,000 \$ 79,000	25,964 25,508	\$ 375,906 \$ 405,075	0.535	0.00	36,525 36,531	8,7 8,7	

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

					Calcula	ate	Simula	ations: 400	of 400	Progre	ss:			
Í	Sens	itivity R	esults	Optin	mizatio	n Resu	Sensi	uviues: i or	· .	Status:		ompieted i	njseci	onas
	Doubl	le click	onas	ystem	below	for sim	ulation resul	ts.	Categoriz	Ove	ral	<u>E</u> xport	Deta	ails
	9 🛦	. Č 🗹	PV (kW)	WS	Gen1 (kW)	Conv. (kW)	Initial Capital	Operating Cost (\$/yr)	Total NPC	COE (\$/kW	Ren. Frac.	Diesel (L)	Gen1 (hrs)	
	<u> </u>	<u>č</u>			25		\$ 10,000	24,713	\$ 325,917	0.464	0.00	38,374	8,7	:
	1	<u>ð</u> Z	10		25	5	\$ 49.000	24,361	\$ 360,419	0.513	0.12	36,573	8,7	
	"		10		25	10	\$ 53,000	24,450	\$ 365,558	0.521	0.12	36,530	8,7	
	ℾᇓ		10	1	25	5	\$ 44 000	25,964	\$ 375,906	0.520	0.00	38,325	87	
	@ ^^	Č Z	15		25	5	\$ 66,500	24,268	\$ 376,727	0.536	0.17	36,038	8,7	
		S3			~~~		+ + 0 000	00.044	+	0.040	0.00	10.015	~ ~	

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

Primary Load

Solar Resources

ОK



Sensitivity Analysis

Save and Calculate \mathbb{H} New we see the tab for "Sensitivity Results"

Sensitivity Results Optimization Results

32,6

Graph type Optimal system type 💌

Sensitivity variables

Variables to plot

24,496

16

Simulations: 400 of 400 Progress: <u>C</u>alculate Sensitivities: 4 of 4 Status: Sensitivity Results Optimization Results Sensitivity variables Wind Speed (m/s) 9.5 -○ Tabulε Graphi Primary Load 1 (kWh/d) x-axis V Global Solar (kWh/m²/d) y-axis V Wind Speed (m/s) 3.26 V Diesel Price (\$/L) 0.4 V New Window. Superimposed PV Production -**Optimal System Type** System Types Gen1 0 PV/Gen1 Superimposed PV Production (kWh/yr)



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



HOMER Input Summary

File name: Practice2.hmr File version: 2.68 beta Author: Charles

AC Load: Primary Load 1

Data source:	Synthetic
Daily noise:	15%
Hourly noise:	20%
Scaled annual average:	43.4 kWh/d
Scaled peak load:	4.36 kW
Load factor:	0.414



Size (kW)	Capita	al (\$)	Replace	ement (\$)	O&M (\$/yr)			
2.000	7	,000,		7,000	0			
Sizes to con	sider:	0, 2,	4, 6 kW					
Lifetime:		20 y	r					
Derating factor:		80%	80%					
Tracking sys	stem:	No T	Fracking					
Slope:		0 de	g					
Azimuth:		0 de	g					
Ground refle	ectance	: 20%	5					





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

P∨ Array	2	ΚW
Generator 1	5	κw
Inverter	1	κw
Rectifier	1	кw

Cost summary

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

Net Present Costs

Component	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?



Completed in 3 seconds.

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

Choose a Note that Enter a not the optima Hold the p	F fuel, and ente the capital co inzero heat re al system, HOP iointer over ar	r at least one size, st includes installati covery ratio if heat MER will consider e n element or click H	capital cost and ion costs, and th will be recovered ach generators	d operation and maintena hat the O&M cost is expr ad from this generator to size in the Sizes to Consi ormation.	ance (D&M) value in the Costs table. essed in dollars per operating hour. serve thermal load. As it searches for der table.
Costs Size (kW) 5.000	Capital (\$) 2000 {}	Replacement (\$) 2000	0&M (\$/hr) 0.020 {}	Sizes to consider	2,000 Cost Curve
Properties — Descriptior Abbreviatio Lifetime (op Minimum Io	Generator on Label perating hours pad ratio (%)	1 Type 5) 15000 { 30 {	• AC • DC []		0 1 2 3 4 5 Size (kW) Capital — Replacement

Other messages to appear



PV search space may be insufficient.

Converter search space may be insufficient.

Completed in 3:17.



- **H** 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.
 - \square 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

- **H** Using the Homer Tutorial Part 1
- Herein Follow every step from slide page 21
 - \square With your own location \rightarrow Resources are determined
 - With your own loading condition

Write your report describing

- Location,
- 🔼 Load,
- Solar Resources
- ➢ Wind Resources
- Optimum result (the Price of energy. \$/kWh)?
- Comment and Opinion
- Appendix 1: Input report from HOMER
- Appendix 2: Output Report from HOMER

APPENDIX Physical Modeling - Components

- HOMER models 10 types of part that generates, delivers, converts, or stores energy
 - △ 3 intermittent renewable resources:
 - \boxtimes PV modules (dc)
 - ⊠ wind turbines (dc or ac)
 - ⊠run-of-river hydro turbines (dc or ac)
 - △ 3 dispatchable energy sources: [control them as needed]
 - Generators
 - ĭ the grid
 - **Notices**
 - 2 energy converters:
 - \boxtimes Converters (dc $\leftarrow \rightarrow$ ac)
 - \boxtimes Electrolyzers (ac,dc \rightarrow electrolysis \rightarrow Hydrogen)
 - △ 2 types of energy storage:
 - ⊠ batteries (dc)
 - hydrogen storage tanks

Physical Modeling - load

- **K** 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
 - ⊠Lights, radio, TV, appliances, computers,
 - Deferrable load: electric demand that can be served at any time within a certain time span
 - ⊠Tank drain concept
 - ⊠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). <u>Inputs</u> – solar radiation values and the latitude and the longitude. <u>Output</u> – 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

Components- PV, Wind, and Hydro

PV Array

 $P_{\rm PV} = f_{\rm PV} Y_{\rm PV} \frac{I_T}{I_S}$ ✓ f_{PV}: PV de-rating factor

- 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

 \square Power Output Eqn = Turbine efficiency, density of water, gravitational acceleration, net head, flow rate through the turbine

 $P_{\rm hyd} = \eta_{\rm hyd} \rho_{\rm water} g h_{\rm net} Q_{\rm turbine}$







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]:
 - \boxtimes F_o fuel curve intercept coefficient [L/h-kW];
 - \boxtimes F₁ fuel curve slope [L/h-kW];
 - \boxtimes Y_{gen} rated capacity [kW];
 - ≥ P_{gen} electrical output [kW]

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

Fuel Consumption Curve



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

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

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

 $C_{\rm rep,gen}$ 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),

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

<u>Marginal cost</u>: additional cost per kWh of producing electricity from the generator $c_{gen,mar} = F_1 c_{fuel,eff}$

 F_1 is the fuel curve slope in quantity of fuel per hour per kilowatthour ⁶³

Components – Battery Bank

🔀 Battery Bank

- Principal properties:
 - ⊠ nominal voltage
 - **capacity curve:** discharge capacity in AH vs. discharge current in A
 - **⊠ lifetime curve**: number of discharge-charge cycles vs. cycle depth
 - **minimum state of charge:** State of charge below which must not be discharges to avoid permanent damage
 - **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 - 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
- Het 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 65 emissions penalties.



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

Components – Converter

#Converter

Inversion and Rectification

Size: max amount of power it delivers



Synchronization ability: parallel run with grid

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



System Dispatch

- Dispatachable and non-dispatchable power sources H
- H Dispatchable 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
 - \boxtimes non-operation: dispatchable opr capacity = 0
 - Grid: dispatchable opr capacity = max grid demand
 - Battery: dispatachable opr capacity = current max discharge power
- Non-dispatchable source H
 - Operating capacity (PV, Wind, or Hydro) = the amount the source is currently producing (Not the max amount it can produce)
- **K** NOTE: If a system is ever unable to supply the required amount of load plus operating reserve, HOMER records the shortfall as "capacity shortage".
 - HOMER calculates the total amount of such shortages over the year and divides the total annual capacity shortage by the total annual 69 electric load.

Dispatch Strategy for a system with Gen and Battery

Dispatch Strategy

- Whether and how the generator should charge the battery bank?
- 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.
 - Cycle-Charging: whenever a generator operates, it runs at its maximum rated capacity and charges the battery bank with the excess
 - ☑ 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**
- **H** Example: Hydro-Diesel-Battery System



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

Dispatch Control Example



Het load < 20kW: Discharge the battery</p>
Het 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
 - △ Then, primary load on the opposite bus
 - Then, deferrable load on the same bus
 - △Then, charge battery bank
 - Then, sells to grid
 - Then, electrolyzer
 - 🗠 Then, dump load



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
- HOMER uses NPC for life-cycle cost
 - ▷ NPC is the opposite of NPV (Net present value)
- Here in the second s



S is the salvage value,

 $C_{\rm rep}$ the replacement cost of the component

 $R_{\rm rem}$ the remaining life

 $R_{\rm comp}$ the lifetime of the component.

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

 \Re Real cost \rightarrow in terms of constant dollars

NPC and COE

Total NPC



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



 $C_{\text{ann,tot}}$ 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.