



#### Sgem Smart Grids and Energy Markets

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### Energy Efficiency

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#### Contents



- Efficient use of energy definition, drivers and impacts
- Possibilities to increase the efficiency of the energy usage in different sectors
  - Heating & cooling
  - Home & office appliances
  - Lighting
  - Industrial and service sector applications
  - Transportation & work machines



#### Energy efficiency



- Increasing energy efficiency : <u>Same level</u> of the energy service is achieved with <u>less amount</u> of the (primary) energy
- Typical problem in the energy consumption is Jevon's Paradox:
  - When improvements in technology make it possible to use fuel more efficiently, the consumption of fuel tends to go up, not down.





# Energy efficiency – environmental impacts in energy chain





Öko-Institut 2007 5

#### Efficiency in energy chain





### Drivers for energy efficiency

- Sustainability of living standards
- Fossil fuel depletion
- Energy security
- Competitiveness of EU industry
- EU legislation (e.g. lighting directive)
- Taxation of energy usage
- Life cycle cost thinking
- Attitudes of people against wasting resources of nature
- Environmental disasters due to the extraction of fuels
- Decreasing the amount of energy related emissions







#### Drivers for energy efficiency



Possibilities to reduce CO<sub>2</sub> emissions with negative costs



Energy Technology Perspectives 2008, International Energy Agency 2008 8

#### Energy efficiency



- Gross Domestic Product (GDP) is in relation with energy usage
  - The slope can be changed by increasing energy efficiency



<sup>[1]</sup> Wikipedia: World energy consumption

### Energy and electricity intensity in Finland





Statistics Finland

#### Energy efficiency



Energy savings from energy intensity decrease worldwide



#### Energy intensity trends worldwide



Primary energy intensity trends by country 1990-2008



Energy efficiency worldwide - Average efficiency of thermal power plants by country (%) in 2008





## Final energy consumption in Finland in 2009



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#### Energy efficiency potential in heating

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- Decrease the heat demand of the buildings
  - Better insulation; low energy and passive houses
  - Use of passive heat sources (e.g. solar)
  - Tightening of the building standards
  - Heat recovery in ventilation
  - Typically needs rebuilding or renovation => slow changes
- More efficient heating methods
  - Decrease the losses in the heating process
    - Boilers, pipes, etc.
  - Improve the dimensioning and control
    - Thermostat type and settings
  - Heat pumps and other renewable energy sources
  - Possibilities for quite quick changes (e.g. heat pumps)



### Energy efficiency and demand in heating



Total heating energy demand of the Finnish building stock is estimated to decrease by 30 % by the year 2050, although the amount of the heated space is estimated to increase. Reasons:

- Improved insulation of the buildings
- Improved efficiency of the heating technology
- Global warming



Heating energy of residential, commercial, and public buildings in Finland in 2009





# Energy efficiency of the heating systems - District heating



- System level impacts important
  - Demand of the district heat enables CHP production => higher efficiency of the electricity generation
    - Efficiency in CHP over 90 % vs. efficiency in condensate power ~ 40 %
    - ~30 % of the electricity used in Finland is produced by CHP
  - High variety of the potential fuels (natural gas, coal, peat, biofuels, oil, waste, etc.)
    - Emission level depend on the fuel
  - Heat losses (in average 9 % of energy, 270 kWh/m) and investment costs of the distribution network => profitable only in the densely populated areas
- For end user
  - Availability issues
  - High fixed costs (connection cost, heat exchanger, fixed charge), but low energy cost
  - Easy to use
    - No need for fuel tanks, minor maintenance needs



### Energy efficiency of the heating systems - District heating



- Future development possibilities smart grid for district heating and cooling
  - District heating and cooling network as interactive infrastructure, which connects different heat and cold sources into the demand
    - Small- and large scale heat and cold production, waste heat and heat recovery from different sources, solar heat, ground heat, heat and cold storages etc.



## District heating – fuel consumption savings due to CHP





1970 1973 1976 1979 1982 1985 1988 1991 1994 1997 2000 2003 2006 2009

Finnish energy industries

## Energy efficiency of the heating systems - Oil

- Boiler and water circulation based central heating
  - Radiators, under floor heating, heating of the tap water
  - Some amount of electricity needed for pumps (typically ~600 kWh/a)
- Fossil fuel => CO<sub>2</sub> emissions
- High volatility in fuel price, imported fuel
- Space needs for fuel tank and heat accumulator
- Some need for maintenance
- Efficiency ~85...90 %
- Renovation possibilities
  - Fuel change to wood or other biofuels
  - Installing the heat pump or solar water heater for secondary heat source







# Energy efficiency of the heating systems - Wood



- Pellets, woodchips or chopped firewood
- Boiler and water circulation or wood stove
- No CO<sub>2</sub> –emissions (in GHG calculations), some small particle emissions (depending on combustion technology)
- Domestic and renewable fuel
- Space needs (for heat accumulator and store for wood)
- Maintenance needs
- High investment costs, modest fuel costs
- Efficiency ~ 75 % (varies significantly)
- Secondary heating method in many detached houses
- Electricity needed for pumps in case of water circulation





# Energy efficiency of the heating systems - Electricity



- Direct or accumulating
  - Electric heaters or central heating based on water circulation
- Efficiency and CO<sub>2</sub> emissions depend on the electricity production technology and fuel
- High volatility in fuel price (at present short term price fluctuation only in wholesale markets)
- Low investment costs in direct electrical heating
- System level impacts
  - In direct electric heating, highest demand in many cases during system peak hours
  - Possibilities for demand response in case of accumulating electric heating
- Typical energy saving actions to install heat pump and/or use wood as supportive heating source





### Energy efficiency of the heating systems – Air-source heat pumps



- Air-to-air, air-to-water or exhaust-air heat pumps
- Air-to-air is most common heat pump type in Finland
- Secondary heating method; needs some primary heating source (electricity, oil, wood...)
  - About 80 % of air-source heat pumps in Finland are installed in direct electric heated buildings
- Commonly used also for cooling
- Typical SPF (seasonal performance factor) in Finnish climate
  - Air-to-air heat-pump 1.8...2.2
  - Air-to-water heat pump 1.5...2.0
  - Exhaust-air heat pump 1.5...2.2





#### Energy efficiency of the heating systems – Ground source heat pumps



- Ground, rock or water as heat source
- Highest efficiency in under floor heating, due to the low temperature ۲ of the circulating water С
- Full or partial power dimensioning  $\bullet$

$$COP_{C} = \frac{\Phi_{Hot}}{P} = \frac{\Phi_{Hot}}{\Phi_{Hot} - \Phi_{Cold}} = \frac{T_{Hot}}{T_{Hot} - T_{Cold}}$$

- Produces 85..98 % of the annual heat energy demand  $\bullet$
- Support of the electrical heating needed only occasionally and for  ${}^{\bullet}$ final heating of the tap water
- Typical SPF in Finland 2.6...3.3





#### Air-source heat pumps in Finland



Year	Amount	Heating capacity [MW]	Generated heat [GWh]	Consumed electricity [GWh]	Utilized primary energy [GWh]
1995	252	0,66	5,11	2,63	2,48
1996	506	1,34	11,19	5,75	5,44
1997	958	2,54	20,23	10,40	9,83
1998	1 662	4,41	35,20	18,11	17,09
1999	2 214	5,87	45,23	23,26	21,96
2000	3 014	7,99	53,90	27,73	26,17
2001	3 968	10,52	82,29	42,31	39,98
2002	5 872	15,57	123,57	63,53	60,05
2003	10 876	28,83	230,13	118,25	111,89
2004	18 876	50,03	403,08	207,06	196,02
2005	35 880	95,10	730,28	375,05	355,23
2006	65 880	174,60	1 356,28	696,84	659,44
2007	102 880	247,00	1 865,00	958,00	906,00

### Ground source heat pumps in Finland



Year	Amount	Heating capacity [MW]	Generated heat [GWh]	Consumed electricity [GWh]	Utilized primary energy [GWh]
1995	14 077	300,10	1 042,00	359,30	682,70
1996	14 331	306,10	1 117,40	385,30	732,10
1997	14 731	314,70	1 131,90	390,30	741,60
1998	15 434	329,70	1 216,10	419,30	796,70
1999	16 339	350,10	1 237,40	426,70	810,70
2000	17 539	375,80	1 174,20	404,30	769,30
2001	19 016	406,80	1 441,00	480,30	960,70
2002	20 495	437,80	1 567,90	522,60	1 045,20
2003	22 695	484,90	1 710,20	570,10	1 140,10
2004	25 600	548,20	1 962,00	654,00	1 308,00
2005	29 106	624,30	2 104,30	701,40	1 402,90
2006	33 612	721,90	2 502,10	834,00	1 668,10
2007	38 906	831,00	2 815,00	983,00	1 877,00

http://www.sulpu.fi

# Energy efficiency of the heating systems - Heat pumps



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- Impacts of heat pumps on energy and power
  - In all cases, the consumption of primary energy decrease
  - When installed in electric heated building, heat pump decrease the demand of the electrical <u>energy</u>
  - In other than electric heated building, heat pump increase the demand of the electrical energy
  - In cold winter days, air-source heat pumps cannot generate heat => <u>peak-load</u> remain the same, or even increase
  - Ground source heat pumps (dimensioned for full power) can reduce also the peak-power demand
  - => full-power dimensioned heat pump best from the system viewpoint
- If energy demand decrease but power demand remain the same:
  - Savings in energy costs, but production capacity and grid dimensioning remain the same
  - Peak load production expensive and in many cases inefficient with high emission levels



Electric power of 150 m<sup>2</sup> detached house (air and water heating and ventilation)



EAHP = Exhaust air heat pump

0.2 1/h and 0.5 1/h = ventilation rate of the building



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Energy efficiency of the heating systems - Heat pumps





Significant efficiency increase compared to any other heating method; simplified comparison:

	Oil heating	Heat pump
Final heat demand	10 000 kWh	10 000 kWh
Efficiency of heating / SPF	90 %	3
Losses in electricity distribution & transmission		3 %
Efficiency of the electricity generation		40 %
Fuel demand	11 111 kWh	8 591 kWh
"Well-to-Wheel" efficiency	90 %	116 %

#### Energy efficiency of the cooling



- Most efficient solution district cooling, where available
- Typical cool production methods in district cooling:
  - Free cooling, using e.g. seawater
  - Absorption, using surplus heat as a fuel for the process
  - Heat recovery from different sources by heat pumps

Solutions	EER	PRF
Conventional building bound solutions		
Conventional RAC and CAC	1,5-3,5	1,7-0,7
Conventional chillers combiened with aquifers	3-6	0,8-0,4
District cooling solutions		Metropeo Lucio
Industrial chillers with efficient condenser cooling and/or recovered heat to DH	5-8	0,5-0,3
Free cooling / industrial chillers	8-25	0,3-0,1
Free cooling and cooling spills	25-40	0,1-0,06
Absorption chiller driven from heat from waste or renewable source	20-35	0,13-0,07

EER = Energy Efficiency Ratio (output of cooling energy / input of electrical energy)

PRF = Primary Resource Factor (the ratio of non-regenerative primary energy to final energy)





#### Energy efficiency in ventilation





#### Ventilation types in 3 351 households from Kainuu, Savo, and Vantaa area

- Natural ventilation without range hood
- Natural ventilation with range hood
- Mechanical exhaust ventilation
- Mechanical exhaust ventilation with exhaust heat pump
- Mechanical supply and exhaust ventilation
- Mechanical supply and exhaust ventilation with heat recovery



Lehtonen, M., Aalto-university

heated area over 15 degree

#### Household appliances – electricity demand of the Finnish households



	1993 GWh/a		2006 GWh/a		
Refrigeration devices	2 215	30 %	1 461	13 %	
Cooking	796	11 %	653	6 %	
Dishwasher	125	2 %	261	2 %	
Washing machine and dryers	316	4 %	391	4 %	
TV and accessories	537	7 %	834	8 %	
Computers			407	4 %	- Kor
Sauna	606	8 %	852	8 %	
HPAC	483	6 %	621	6 %	
Electric floor heating	0	0 %	206	2 %	APPENDIX CONTRACTOR
Pre-heating of the cars	226	3 %	218	2 %	
Indoor lighting	1 541	21 %	2 427	22 %	
Outdoor lighting			89	1 %	
Other	623	8 %	2 572	23 %	P
In total	7 468	100 %	10 992	100 %	Adato 2006









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#### Household appliances – energy efficiency potential



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	Electricity demand of different appliances in year 2020 (GWh/a)			
Appliance	Business-as-usual (BAU)	Best-available technology (BAT)	BAT/BAU	
Refrigeration devices	1 227	767	63 %	
Cooking	693	577	83 %	
Dishwasher	290	268	92 %	
Washing machine and dryers	423	347	82 %	
TV and accessories	1 076	860	80 %	
Computers	240	87	36 %	
Sauna	971	971	100 %	
HPAC	809	566	70 %	
Electric floor heating	227	227	100 %	
Pre-heating of the cars	225	225	100 %	
Indoor lighting	2 002	845	42 %	
Outdoor lighting	99	22	22 %	
Other	2 650	2 650	100 %	
In total	10 931	8 412	77 %	

## Energy efficiency in household appliances



Increasing living standards increase the demands for energy service
=> demand for more efficient use of energy



Figure 1. Norweigian integrated kitchen from 18th century.

Figure 2. Finnish integrated kitchen from 21th century.

#### FIGURE 19: ENERGY CONSUMPTION FOR LIGHTING, BY SECTOR



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Eurelectric. The Role of Electricity. Brussels 2007



- Incandescent lamps
  - Tungsten filament lamp (Incandescent Light Bulb, ILB)
    - Oldest type of the electric lamp (since 1878)
    - Based on heating of the tungsten filament => radiation (only partly in the visible wavelength)
    - Low luminous efficacy; 7 15 lm/W (efficiency 1 2 %)
    - Life-time 1 000 hours
  - Halogen lamps
    - Tungsten filament lamps where the bulb is filled by halogen gas
    - Efficacy 15 24 Im/W (efficiency 2 3,5 %)
    - Life-time 1 000 3 000 hours
    - Typical as spot-lights and in decorative lighting





- Fluorescent lamps
  - Low-pressure gas filled tube (argon and mercury) and glass wall coated with phosphor
    - Electric charge between the electrodes => Mercury vapor emits UVradiation => Phosphor emits visible light
    - Efficacy ~80 lm/W (efficiency 12 %)
    - Life-time up to 12 000 hours
    - Needs ballast
    - Contains mercury => toxic waste
  - Compact Fluorescent Lamp (CFL) also called as energy-saving lamps
    - Similar operating principles as in other fluorescent lamps
    - Integrated ballast with screw-in fitting => can be used in same lighting devices as ILBs







- High-pressure discharge lamps
  - Efficacy 100 150 lm/W (efficiency 15 22 %)
  - Typical in lighting of the large areas (e.g. road lighting, warehouses, etc.)
- LED (Light Emitting Diode)
  - Typical efficacy 40-50 lm/W (efficiency 6-7 %), even 161 lm/W (24 %) in laboratory tests
  - Long life-time (15 000 25 000 hours)
  - Developing fast from the indicator light to lighting source
  - Flexible for decorative purposes







### Lighting – development of energy efficiency



# Lighting – improving the energy efficiency



- Lighting technology
  - CFL, LED
    - E.g. changing ILB to CFL => possibilities for instant changes
- Efficiency of the auxiliary devices
  - Ballasts, luminaries
  - Increase the efficiency and life-time of the lamp by electronic ballasts
- Lighting design and control
  - Optimal amount of light in right time and place
  - Choosing the optimal light source
  - Intelligent control of the lighting





## Lighting – improving the energy efficiency

- Lighting design
  - Possibility for energy saving ... or threat for energy wasting
  - Energy saving by using natural light as much as possible
    - Depends on the design of the building => slow changes
  - Trend is to use lighting for decorative purposes and use halogen lamps also as general lights
    - Typical "traditional" lighting in the bathroom 18 W fluorescent lamp
    - Renovation => 5 x 35 W halogen => power demand of the lighting increase to 175 W
  - Increasing amount of the lighting devices in the households
- Intelligent control of the lighting
  - Controlling the intensity of the lighting based on the demands and natural lighting conditions
  - Timers or detectors for natural light conditions and human presence







## Lighting – improving the energy efficiency



Life-cycle energy demand (10 years, 2.5 h/day)

Lamp- type	Life- time	Energy demand in manufacturing	Energy demand during the operation	Total energy demand
CFL 15 W	10 000 h	3,4 kWh	136,9 kWh	140,3 kWh
ILB 60 W	1 000 h	0,9 kWh * 10 = 9 kWh	547,5 kWh	556,5 kWh

Lamp- type	Price	Investment costs during the 10 years	End-use energy costs (10 snt/kWh)	Total costs during 10 years
CFL 15 W	10€	10€	13,7 €	23,7 €
ILB 60 W	0,5 €	0,5 €* 10 = 5 €	54,8 €	59,8 €



### Lighting – system level impacts



- Replacing ILBs with CFLs
  - Decreased electricity demand in lighting
  - Decreased heat generation of the lighting appliances
    - => Increased heating demand during winter
    - => Decreased cooling demand during summer
  - Increased reactive power and harmonic distortions in the power grid
  - Life-cycle impacts
    - CFLs contain mercury => used lamps are toxic waste and detrimental for health => Needs (and possibilities) to improve the recycling
    - Life time of CFL significantly longer than ILB => Less produce of waste and demand of raw-material
- Total effects
  - Case dependent
    - Is there need for heating or cooling?
    - Efficiency and emissions from the heating/cooling vs. efficiency and emissions of the electricity
    - Life-cycle impacts!



### Annual temperatures in different parts of Europe





Ecoheatcool

### Lighting – system level impacts

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- Electricity appliances typically generate heat
  - Decrease the heating demand or increase the cooling demand
  - Possibilities to utilize generated heat depend also on the controllability of the heating system
    - Decrease in heat demand or increase in room temperature
    - It is estimated that ~70 % of such heat can be utilized in the heating in Finland
  - System level impacts depend also on the heating type
    - District heating, heat pumps, oil, electricity, wood...
- In Finland: cold, dark, and long winter
  - Major lighting demand during the heating season => Possibilities to gain from the heat generated by the electrical appliances
- High demand for cooling in southern countries
  - => Heat generated by the electrical appliances increase the cooling energy demand



#### Lighting – system level impacts





- Replacing of ILBs with CFLs saves 13 17 % from the electricity consumption of a household (without electric heating)
- However, total impact in the directly electric heated house is minor, because of the increased heat demand

### Energy efficiency in households



End-use type	Action	Impacts	
Ground-source heat pump (GSHP)	Replacing direct electric heating with GSHP	Savings of 27.45 % - 47.0 % of heating electricity consumption	
Air-source heat pump (ASHP)	Using ASHP as supportive heating for direct electric heating	Savings of 7.8 % - 25.6 % of heating electricity consumption	
Ventilation	Incorporating heat recovery system in ventilation	In average 13.6 % savings in household's total electricity consumption	
Thermostat type	Installing and using of the programmable thermostats	Average savings of 14.7 % in heating electricity consumption	
Thermostat setting	Lowering indoor temperature by 1 degree during heating season	Average saving of 3.43 % of total household's electricity consumption	
Stand-by consumption		An average saving potential 46.2 W per household	
Energy saving lamp	Replacing every ILB with energy saving lamp	Savings of 13.62 % - 17.06 % of total household electricity consumption (other than heating consumption)	

Lehtonen, M., Aalto-university

## Electricity distribution and transmission



 Total losses in distribution and transmission in Finland is about 4 % of the distributed energy



### Electricity consumption in Finnish industrial sector











#### Electrical drives and motors



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- In EU's service sector, 38 % (186 TWh/a) of the electrical energy is consumed in motor systems
- In industrial sector, 69 % of electricity is consumed in motor systems, corresponding 575 TWh/a



### Economic saving potential in electric drives in EU



#### EEM = Energy-efficient motor

VSD = Variable speed drives Efficient end use = efficient pumps, fans, and compressors









### Energy consumption in transportation sector in Finland





## Energy efficiency potential in transportation sector



- More efficient vehicles
  - Replacing internal combustion engine with electric motor!
  - Materials, aerodynamics, friction of tires
- More efficient ways of transportation
  - Public transportation
  - Navigation to minimize traveled distance and avoiding traffic jams
- Attitudes of the drivers
  - For instance, 20 % saving potential is estimated to be achieved in the energy consumption of the truck vehicles by education of the drivers for energy saving driving habits
- Biofuels
  - However, holistic impacts varies significantly based on the source and production methods of the fuel
- Transportation needs of the persons and goods
  - Impacts of the community planning



### Electric vehicles – penetration impacts in Finland





Proportion of EVs from the total travelled distance of passenger vehicles



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#### Conclusions





- Increase of the energy efficiency decrease not only the primary energy demand, but typically also the life-cycle costs
  - Reducing the CO<sub>2</sub> emissions with negative costs
- Increasing energy efficiency in end-use will result to many times higher savings in the primary energy consumption than similar efficiency increase in production, because of the losses in the every step of the energy chain
- Most significant end-use energy efficiency potential (in Finland) is in the heating of the buildings and transportation, as well as in the industrial energy use and lighting
- System level and life-cycle impacts are important => partial optimization may lead to increasing energy demand

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