crossing borders in energy

The Energy System of the Future

To a carbon neutral energy system in 2050

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How it all began (Dutch Climate Agreement)

2019

- Gasunie, TenneT and DSOs start an **integral infrastructure exploration** for **2030-2050**
- Ready in 2021

Klimaat-akkoord

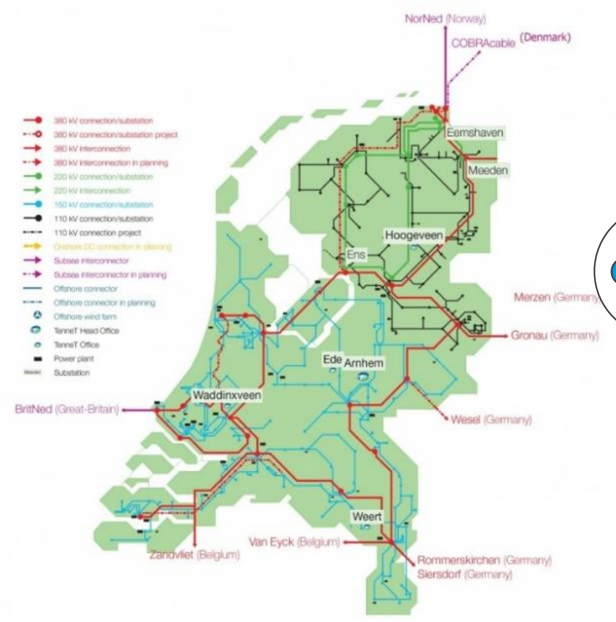
- Use insights from **energy sector**
- Include **industrial demand** development and **regional energy strategies**
- Involve relevant stakeholders and market players

➢ **Guideline for investment plans of network companies and for other parties**


The Energy System of the Future
2030-2050 Integral Infrastructure Survey
April 2021

Current transport and distribution networks

TenneT transport network

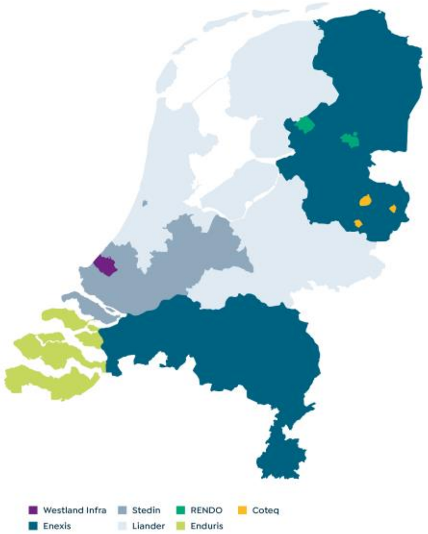


Current peak capacity: **20 GW**

Gasunie transport network

Current peak capacity: **350 GW**

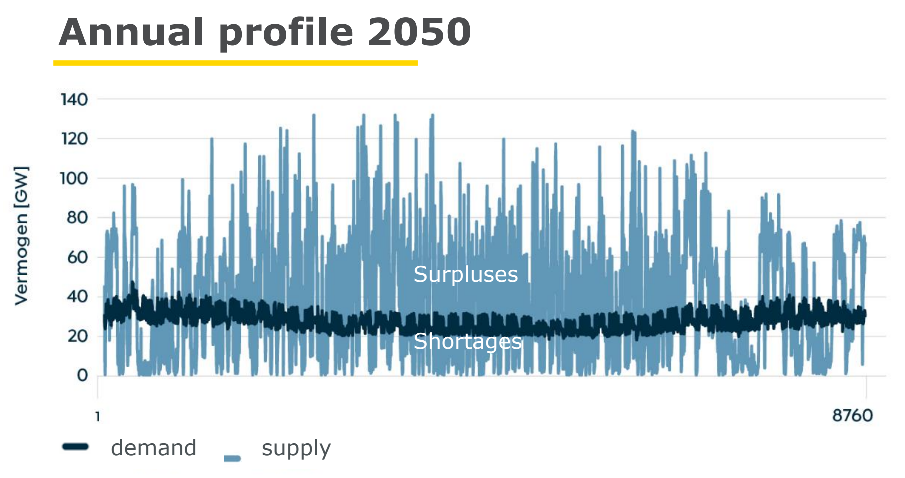
DSOs distribution networks

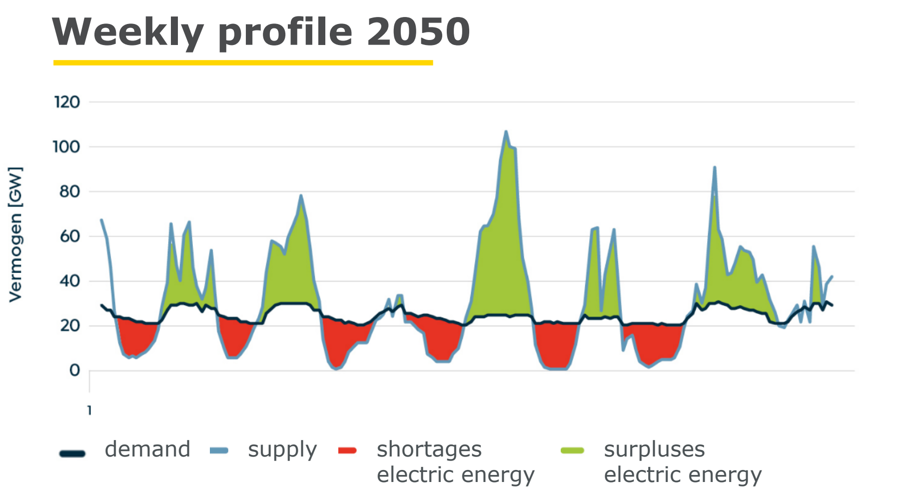


The energy system in 2050: how to balance the system?

- Current energy system: conventional production, demand-driven
- Future energy system: variable generation from wind and sun

➢ Continuous difference between supply and demand (hourly and seasonal)





Supply & demand scenarios for 2050

Starting principle: 100% CO2 reduction in 2050

Scenario Regional

- Regional development CO_2 reduction
- **Almost self-sufficient and circular**
- **Local projects** (solar, district heating)
- Reduction of energy-intensive industry

Scenario National

- National development CO_2 reduction
- **Largely self-sufficient**
- **Large scale projects (offshore wind)**
- Stable energy-intensive industry

Scenario European

- EU CO_2 tax with border compensation
- **Import oriented: green gas and biomass**
- Energy-intensive industry growth
- Lowest cost CO_2 reduction incl CCS

Scenario International

- Entire world aiming for CO_2 neutral
- **Import oriented: H_2**
- Free trade of CO_2-free energy
- Energy-intensive industry growth

Conclusions

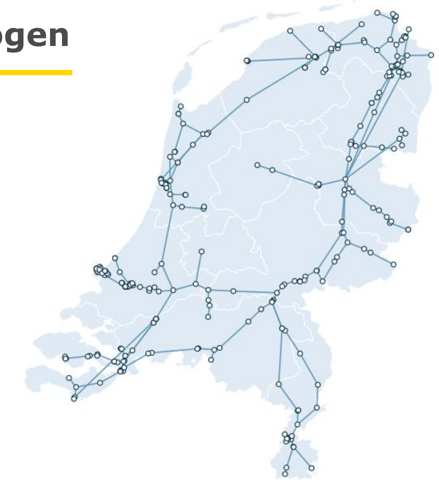
1. Considerably expanding and adapting infrastructure
2. Large-scale flexibility resources are required
3. Location supply, demand, flexibility determines e-net impact
4. Strong increase in costs and space requirements
5. Major acceleration needed, feasibility is approaching limit
6. Long-term perspective and integral exploration essential

Conclusion 1

Considerably expanding and adapting infrastructure

High pressure gas network can be split in H2 and methane networks

Hydrogen

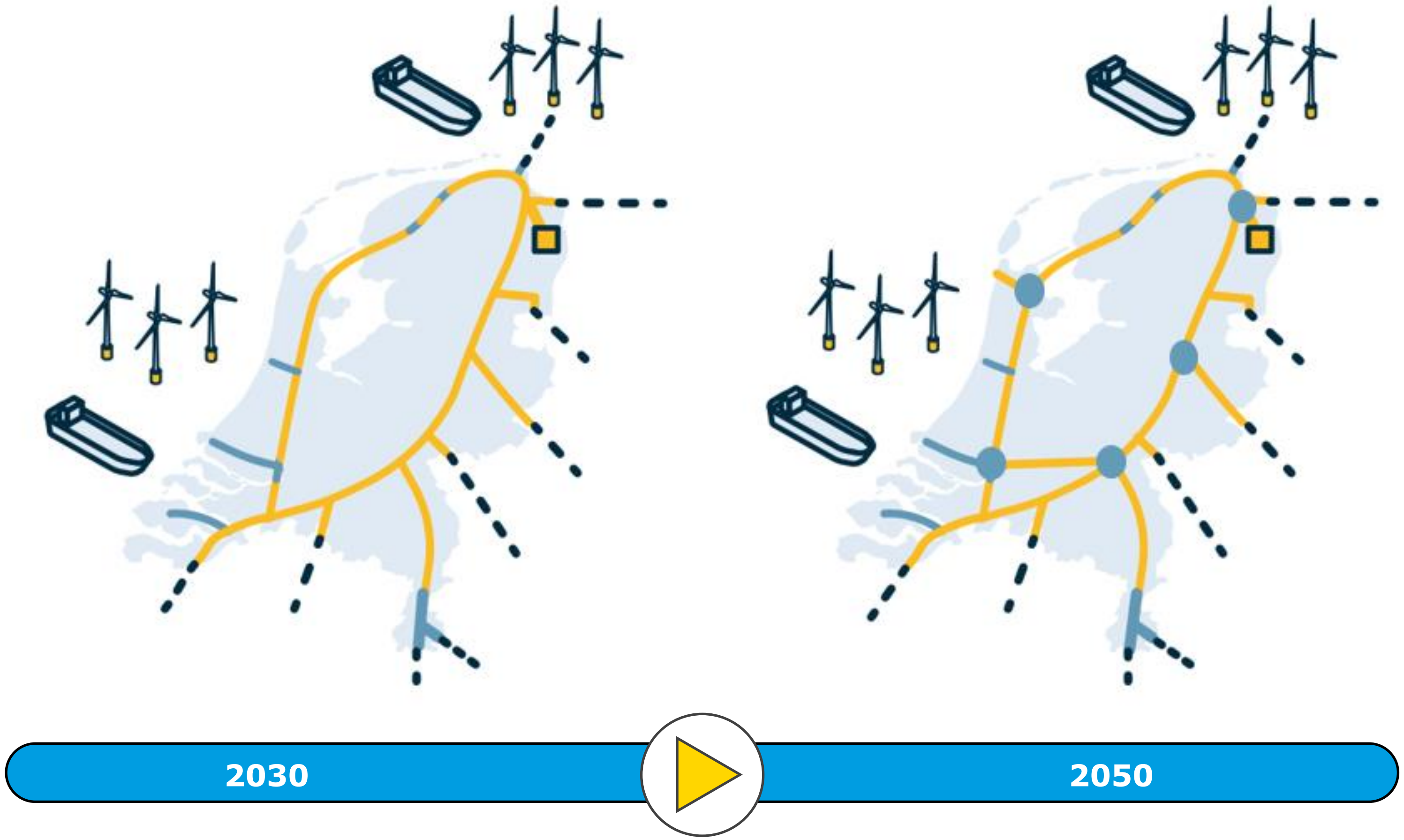


- Starting point: current H-gas routes
- Good connection to industry clusters (feedstock, energy)
- Balancing role: wind/sun, peak demand H2, electricity, heat

Methane

- Starting point: current G-gas routes
- Good connection to households (via regional network)
- Balancing role: peak demand green gas, electricity, heat

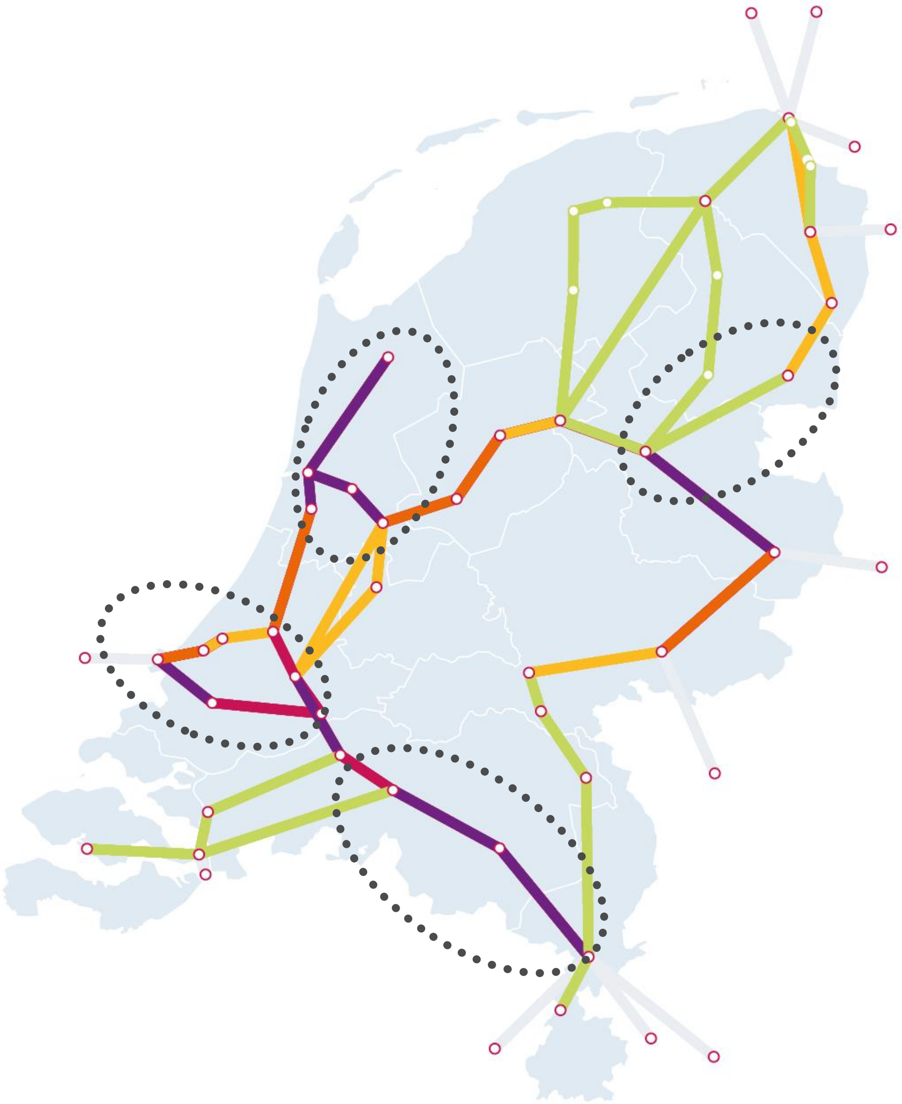
Hydrogen development path: adding available pipelines, compression and additional east-west connection



Development 380 kV grid towards 2050

- Most challenging for 380kV grid:
  - High infeed of wind during periods of high demand
  - Export to Germany

- Based on scenario assumptions, further **grid expansions** are foreseen in certain areas of the country **in all scenarios**.

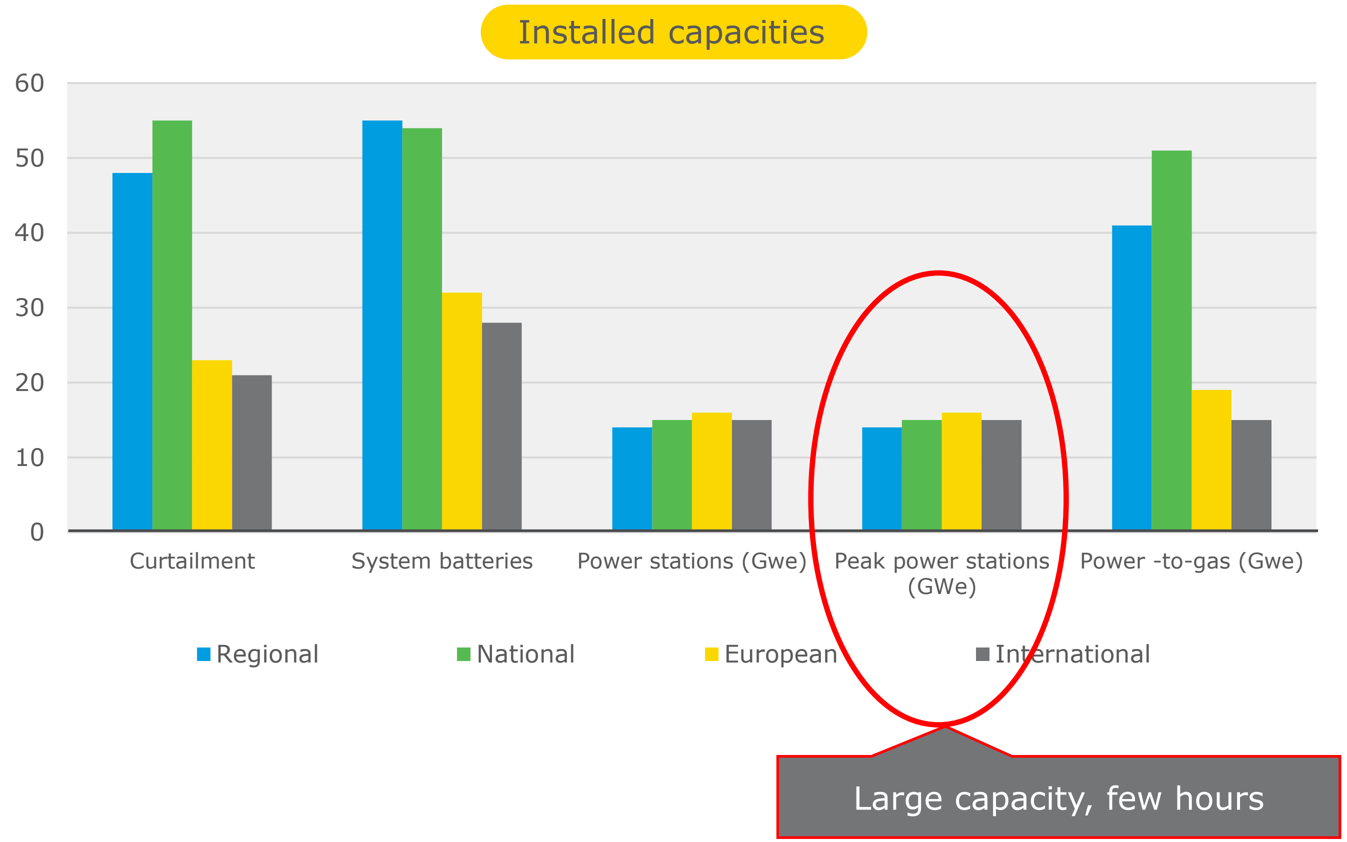


Conclusion 2:

Large-scale flexibility resources are required

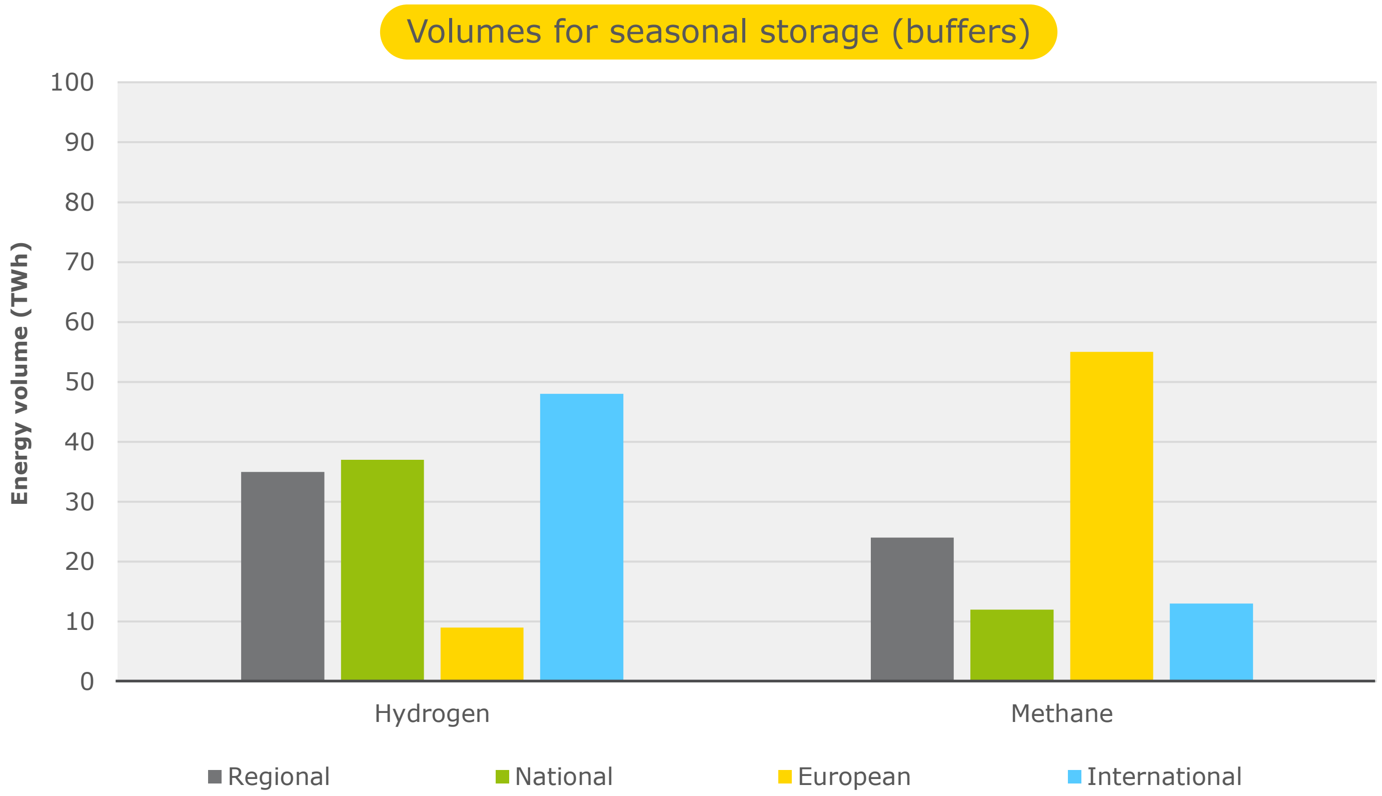
Flexibility:
large capacities are needed

- **Curtailment** powerful instrument at low cost
- **Battery storage** for short periods of imbalances (day/night)
- **Power to Gas** for long periods of imbalances (seasonal storage)
- **Power plants** for security of supply



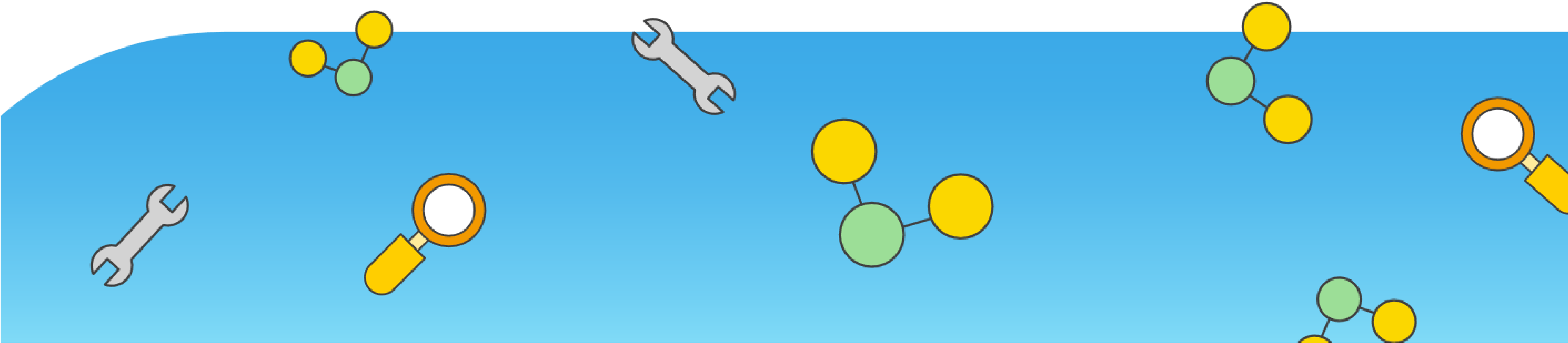
Flexibility:
large volumes of seasonal storage are needed

- In all scenarios **large volumes of gas storage required** (50 to 60 TWh) to compensate for **seasonal difference** in supply and demand.
- These volumes correspond to 8 to 10% of final demand.



Conclusion 4:

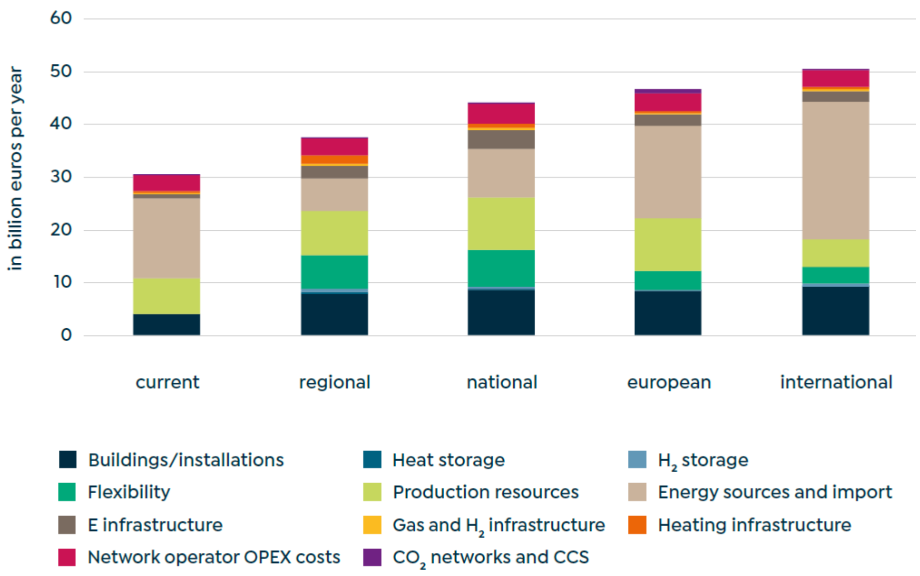
Strong increase in costs and space requirements



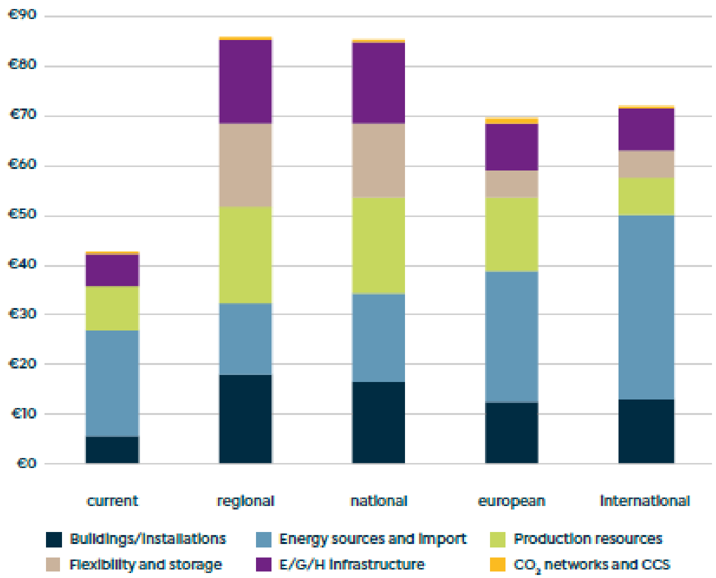
Costs of the energy system will double

- Meeting 100% emission target → doubling of energy prices (all scenarios)
- Self-sufficient scenarios (REG, NAT): cost dominated by capital costs
- EUR, INT scenarios: cost dominated by costs for hydrogen or green methane imports

Total costs in billion €*



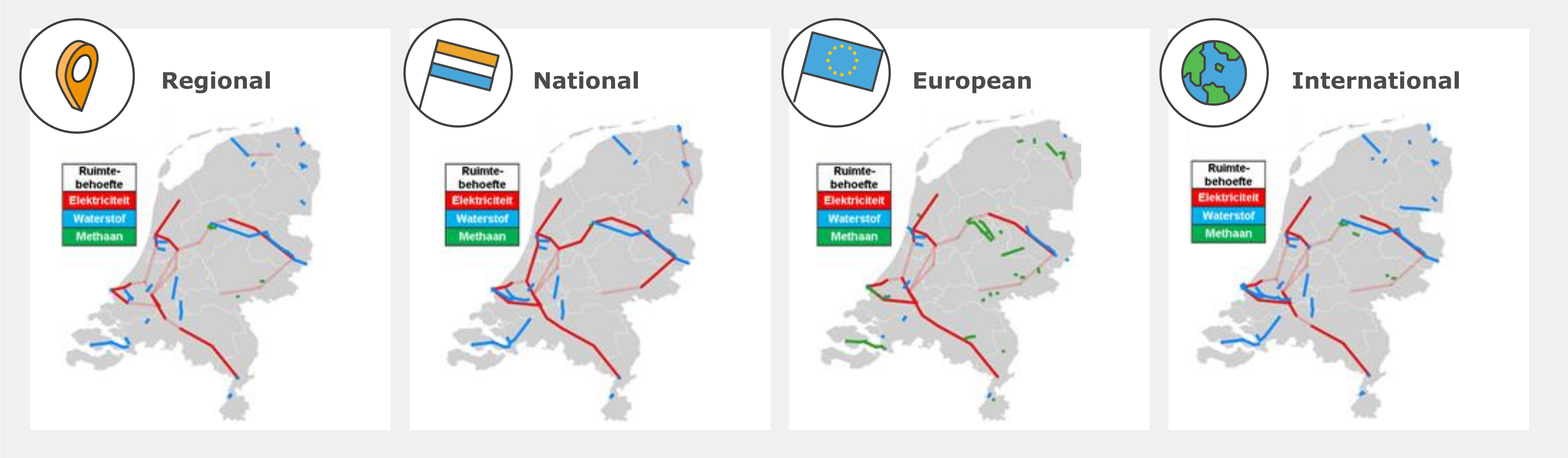
Cost in € per MWh



* On an annual base the cost for grid investments in E&G are inline with the costs presented in Strategy&/PWC study for NBNL of april 2021 https://www.netbeheernederland.nl/_upload/RadFiles/New/Documents/20210407-Finaal%20rapport%20Project%20FIEN.pdf

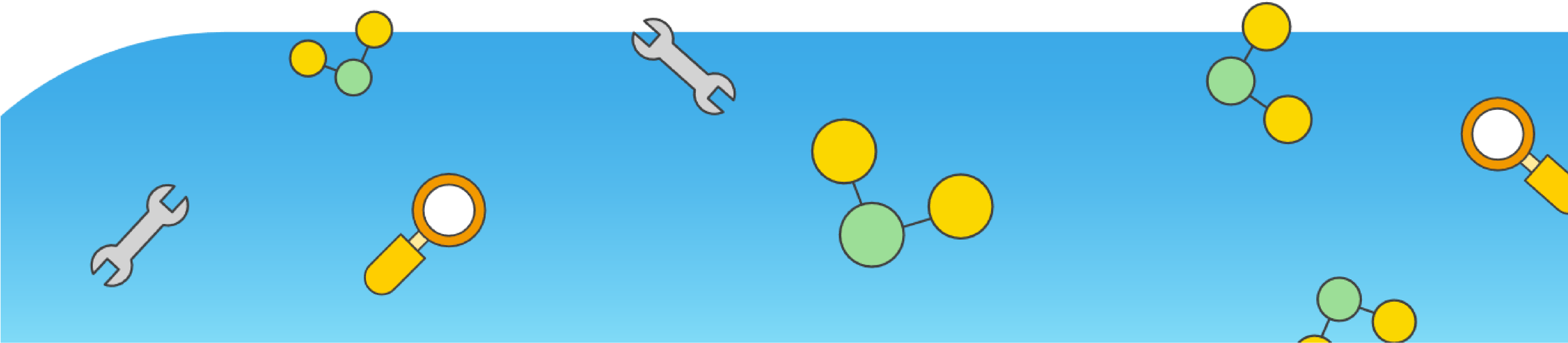
Feasibility of the construction portfolio is challenging

The II3050 scenarios require a further growth of the 380kV-grid, and new pipelines as well



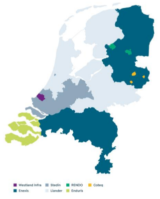
Conclusion 6:

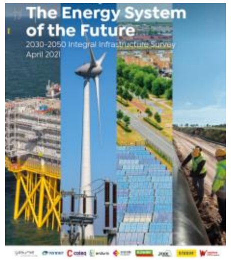
Long-term perspective and integral exploration essential



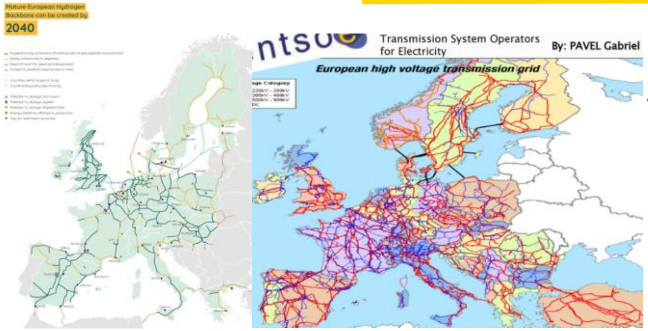
Long term perspective and integral scope crucial for affordable, reliable system

II3050: Integral approach in The Netherlands



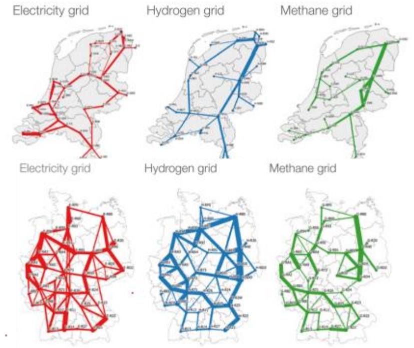


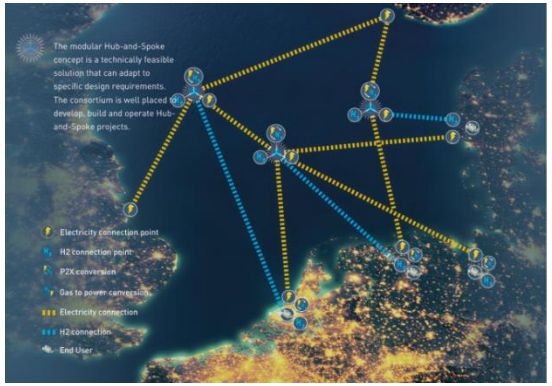
Separate approach (H_2, E) in Europe?



Introducing EU **integrated** approach?

NSWPH/VAWOZ: Integral approach in Germany





NSWPH: Integral approach in NW Europe offshore

Conclusions (rephrased)

1. - Expand the electricity network
   - Build a nationwide hydrogen transport network

2. Develop large-scale flexibility resources:
   - electrolysers, hydrogen storage (caverns, depleted fields), hydrogen fired power plants

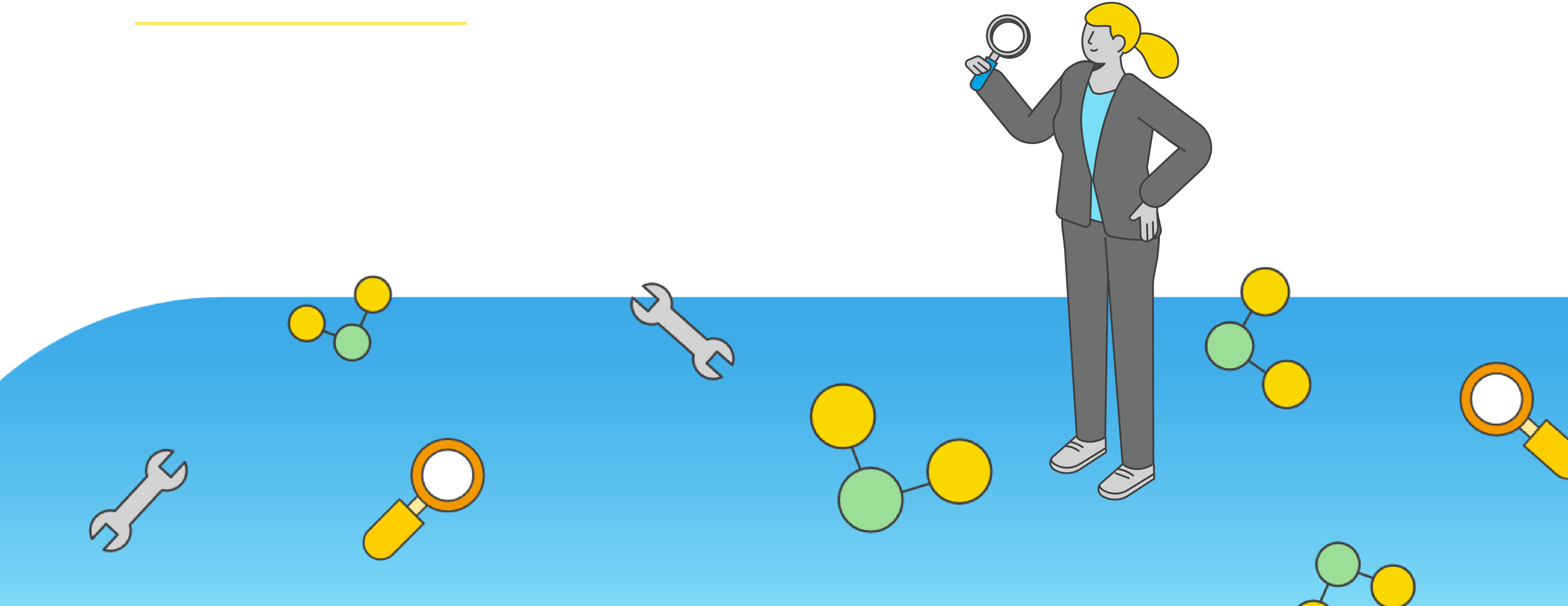
3. Expect higher costs and use of extra space

4. Choose the right locations:
   - electrolysis near supply of green electricity
   - power plants near consumption of electricity

5. Speed up the work:
   - investment lead times, limited availability of qualified workers

6. Take a long-term perspective:
   - to identify and build measures on time
   - to ensure correct choices for an efficient transition to 2050.

Thank you



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