

### Program 40th International Energy Workshop

May 25-27, 2022 | Freiburg, Germany iew.conexio-pse.de

Wednesday, 25.05.2022

#### 08:00 - 09:00 Admission & Networking

08:00 - 09:00 Admission & Networking

#### 09:00 - 10:15 Runder Saal

#### Welcome & Plenary Session 1 (Part I)

09:00 - 09:45 Welcome and opening remark Prof. Dr. Hans-Martin Henning, Fraunhofer ISE Martin Horn, Mayor of Freiburg im Breisgau

09:45 - 10:15 Keynote: Challenges in decarbonising the energy industry Dr. Georg Stamatelopoulos, EnBW

Chair Prof. Bob van der Zwaan TNO and University of Amsterdam

#### 10:15 - 10:45 **Coffee Break**

10:15 - 10:45 Coffee Break

#### 10:45 - 12:30 **Runder Saal**

#### Welcome & Plenary Session 1 (Part II)

10:45 - 11:15

Keynote: Climate policy in times of crisis, building a resilient energy transition Francesco Ferioli, DG Energy

11:15 - 11:45

Keynote: Understanding climate action Prof. Dr. E.M. Linda Steg, University of Groningen

11:45 - 12:30 Discussion

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Chair Prof. Bob van der Zwaan TNO and University of Amsterdam

12:30 - 14:00

Lunch

12:30 - 14:00 Lunch

12:40 - 14:00

#### **Runder Saal**

#### **IRENA Session**

12:40 - 14:00

Dominik Peper Fraunhofer ISE

Energy scenario communication for strengthened inputs and trustworthy outputs

- 15:40 Konferenzraum 9	Konferenzraum 8	Konferenzraum 6+7	Konferenzraum 2+3	Konferenzraum 1
Energy Policy	Carbon Neutral Future	Energy and Households	Energy System Modeling	Mobility
14:00 - 14:25 International climate finance to accelerate the low-carbon transition in emerging countries? A global assessment of financial de-risking potential Thibault Briera, CIRED  14:25 - 14:50 Trade-offs between CO2 utilization and CO2 transport and storage in the global energy transition Lucas Desport, MINES Paris  14:50 - 15:15 How do Climate Policy Events Shape the Pricing of Carbon in ETS Compliance and Voluntary Carbon Credit Markets? Papa Orgen, Hochschule Fulda  15:15 - 15:40 Deployment of CO2 Capture and Storage in Europe Under Limited Public Acceptance: an Energy System Modeling Perspective Prof. Bob van der Zwaan, TNO and University of Amsterdam	15:06 - 15:40 Insights from the German modeling project ARIADNE: Scenarios and pathways for Germany on its way to climate neutrality in 2045 Christoph Kost, Fraunhofer ISE  Chair Verena Fluri	Emissions Reductions in the Residential Sector: Evidence from a tariff shift in Russia Salim Turdaliev, Institute of Economic Studies, Faculty of Social Sciences, Charles University  14:33 - 15:06 Decarbonization pathways for the residential sector in the United States Dr. Peter Berrill, TU Berlin	14:00 - 14:33 Assessing flexibility options and operational impact of a renewable-dominant power grid in China Dr. Jiang Lin, UC Berkeley  14:33 - 15:06 Developing decarbonisation pathways in changing TIMES for Irish homes Jason Mc Guire, University College Cork  15:06 - 15:40 An Econometric Model to Improve the Predictability of Electricity Load in the Presence of Distributed Renewable Energy: The Case of Ireland Dr. Kevin Forbes, Energy and Environmental Data Science  Chair Julian Brandes Fraunhofer ISE	14:00 - 14:25 Competing Forces in the German New Car Market: How do they Affect Diesel PHEV, and BEV sales? Prof. Anna Alberini, University of Maryland  14:25 - 14:50 Modeling geographic density of electric vehicles chargers in a metropolitar area Giovanni Santoboni, Transurban, USA  14:50 - 15:15 Co-benefits of air quality and net-zero carbon mitigation pathways: Case of the road transport sector in Ireland Vahid Aryanpur, Energy Policy and Modelling, University College Cork  15:15 - 15:40 Charging and refueling demand for heavy-duty zeremission trucks in Norwegian transport corridors Janis Danebergs, IFE  Chair Patrick Jürgens Fraunhofer ISE

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#### 15:45 - 16:15 **Coffee Break**

15:45 - 16:15 Coffee Break

16:15 - 17:55	Konferenzraum 9	Konferenzraum 6+7	Konferenzraum 8	Konferenzraum 1
	Energy Policy	Buildings	Carbon Neutral Future	Mobility
	16:15 - 16:48 What is the Future of Nuclear Power in Ukraine? The Role of Policy Decisions and Techno- Economic Drivers Dr. Oleksandr Diachuk, Institute for Economics and Forecasting  16:48 - 17:21 A global stocktake of COP26: implications of the Glasgow pledges for the decarbonisation of the energy system Rafael Garaffa, European Commission - Joint Research Centre  17:21 - 17:55 The impact of climate change, policies, and redistribution on within-country inequality Dr. Johannes Emmerling, RFF- CMCC European Institute on Economics and the Environment  Chair Patrick Jürgens Fraunhofer ISE	16:15 - 16:40 A retrofitting obligation for French dwellings - A modelling assessment Lucas Vivier, CIRED  16:40 - 17:05 Municipal heating system modelling towards urban energy transition: integration of spatial dimension based on a participatory approach Hyunkyo Yu, Chalmers University of Technology  17:05 - 17:30 Analysis of a Residential Power-to-Hydrogen-to-Power System using MILP Optimization and the Energy Hub Concept Josien de Koning, Empa / ETH Zürich  17:30 - 17:55 Decarbonizing industrial small and medium enterprises: novel solutions to known challenges Natapon Wanapinit, Fraunhofer ISE	pathways: towards net-zero CO2 emissions in 2050 Dr. Evangelos Panos, Paul Scherrer Institute	16:15 - 16:40 Do we need cities to decarbonise transportation? Modelling local strategies under strong national policies in TIMES-Västerbotten Jonas Forsberg, Luleå University of Technology  16:40 - 17:05 Providing the transport sector in Europe with zero-emission fuels - a model-based analysis under consideration of the MENA region Larissa Doré, Wuppertal Institut für Klima, Umwelt, Energie  17:05 - 17:30 Fuel Economy Standards and Public Transport Dr. Waldemar Marz, ifo Institute/LMU Munich  17:30 - 17:55 Electrification Futures Study: Impact of Electric Vehicles on Bulk Power Systems Dr. Matteo Muratori, National Renewable Energy Laboratory
		Chair Jessica Thomsen Fraunhofer ISE		Chair Dominik Peper Fraunhofer ISE

#### 19:00 - 21:00 Fraunhofer Institute for Solar Energy Systems ISE

#### Reception

19:00 - 21:00 Reception

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#### Thursday, 26.05.2022

#### 08:30 - 09:00 **Admission & Networking**

08:30 - 09:00

Admission & Networking

#### 09:00 - 10:30 **Runder Saal**

#### **Plenary Session 2**

09:00 - 09:30

Keynote: Innovation for deep decarbonization: from empirical research to modelling insights Prof. Elena Verdolini, EIEE

Keynote: Decarbonization regulation by a tax-transfer system: The Carbon Tax-Climate Basic Income (CaTaBi) Scheme Prof. Dr. Bernhard Neumaerkter, University of Freiburg

Keynote: Decarbonization in the Global South: Embedding efforts to mitigate climate change with those to achieve decent standards of living for all Dr. Shonali Pachauri, International Institute for Applied Systems Analysis (IIASA)

Chair

Dr. Geoffrey Blanford

Electric Power Research Institute

#### **Coffee Break** 10:30 - 11:00

10:30 - 11:00 Coffee Break

11:00 - 12:40	Konferenzraum 1	Konferenzraum 2+3	Konferenzraum 6+7	Konferenzraum 8	Runder Saal
	Energy System Modeling	Renewables	<b>Emission Trading</b>	International Cases	Energy Policy
	11:00 - 11:25 Multi-Objective Optimization to identify carbon neutrality scenatios for the Italian electric sector Alice Di Bella, Post Degree Researcher	11:00 - 11:20 MAPSEN Project - Methods and Analyses to Determine the Impact of Decentralized Prosumers and Energy Storage on Germany's Power Generation and Electricity Grid	11:00 - 11:33 Allowance Transactions in the EU ETS – Evidence from Austrian Companies Dr. Claudia Kettner, Austrian Institute of Economic Research	11:00 - 11:25 Minigrid sizing and the issue of data-paucity in developing countries. A case study in rural Rwanda. Nicolò Stevanato, Politecnico di Milano	11:00 - 11:25 Should models account for governance regimes? Insights from retrospective modeling of electricity system transitions in European countries Xin Wen, University of
	11:25 - 11:50 What adds more exibility? An energy system analysis of storage, demand-side response, heating electrication, energy e ciency and distribution reinforcement Arthur Rinaldi, Assistant PhD	Verena Fluri, Fraunhofer ISE  11:20 - 11:40  Battery storage bends the curve of solar and wind integration costs in India Ahmad Murtaza Ershad, Potsdam Institute for Climate Impact Research  11:40 - 12:00	11:33 - 12:06 Pricing and Competition with 100% Variable Renewable Energy and Storage Prof. Tommi Ekholm, Finnish Meteorological Institute  12:06 - 12:40 What buildings	11:25 - 11:50 Reducing externalities from road freight transportation in Europe: can hydrogen play a role? Julien Lafaille, Grenoble Ecole de Management  11:50 - 12:15 Impacts of grid electricity access on rural non-farm	Geneva  11:25 - 11:50  Assessment of the role of green Hydrogen for the long term development of the energy system - a case study for Algeria  Naima Chabouni, MINES  Paris Tech - CMA, Center for Applied Mathematics

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11:50 - 12:15 TIMES-Europe: A Novel System Model Dr. Stefan Luxembourg, TNO Energy Transition Studies

12:15 - 12:40 "It takes two to tango" -Modeling detailed power sector dynamics by coupling hourly investment College London and dispatch energy system model with IAM Chen Chris Gong, Potsdam The role of Rooftop Solar Institute for Climate Impact PV in global energy Research

Moderator Markus Kaiser Fraunhofer ISE

The multi-facets of increasing the renewable European Integrated Energy energy integration in power systems Sophie Chlela, MINES Paris, Climate Impact Research **PSL University** 

> 12:00 - 12:20 Harmonising utility-scale solar PV auction results globally Dr. Malte Jansen, Imperial

12:20 - 12:40 transitions James Glynn, Columbia University in the City of New

Chair Verena Fluri Fraunhofer ISE

York

decarbonisation means for the EU ETS Dr. Sebastian Osorio, Potsdam Institute for

Chair Charlotte Senkpiel Fraunhofer ISE

entrepreneurship and

Nigeria

Setu Pelz, International Institute for Applied Systems Analysis

12:15 - 12:40 Measuring the Impacts of Renewable Energy Deployment on Employment: An Empirical Study in Thailand Phawida Jongsuwanwattana, Kyoto

Chair Patrick Jürgens Fraunhofer ISE

University

employment in Ethiopia and 11:50 - 12:15

**Electricity Market Design** and Market-Based Environmental Policy in India

> Dr. Shefali Khanna, Imperial College London

12:15 - 12:40 Distributional effects of carbon pricing and structural change in India Dr. Marian Leimbach, Potsdam Institute for Climate Impact Research

Chair Franziska Riedel Fraunhofer ISE

12:45 - 14:00

Lunch

12:45 - 14:00 Lunch

14:00 - 15:40	Konferenzraum 1	Konferenzraum 2+3	Runder Saal	Konferenzraum 6+7	Konferenzraum 8
	Energy and Households	Renewables	Energy Policy	Impact Assessment	Power to X
	14:00 - 14:33 Buildings Energy Consumption If Work-From- Home Is Here To Stay Giacomo Marangoni, Politecnico di Milano / RFF- CMCC-EIEE	14:00 - 14:25 The role of offshore wind in the Norwegian low-carbon transition Kristina Haaskjold, Institute for Energy Technology	14:00 - 14:25 The impact of major emitters mid-century strategies and Glasgow pledges Dr. Lara Aleluia Reis, RFF-CMCC EIEE	14:00 - 14:25 Optimal emissions under exogenous and endogenous learning Léo Coppens, University of Mons	14:00 - 14:25 Establishing low-carbon hydrogen trade relations - where to go and who to partner with? Johannes Brauer, CERNA, MINES Paris PSI.
	14:33 - 15:06 Analysing and predicting the impact of spatial development on energy service demands to aid deep mitigation pathway development Ankita Gaur, Energy Policy	14:25 - 14:50 As simple as possible but not simpler - Comparing detailed and simplified representations of a deterministic hydropower model Hanna Ek Fälth, Chalmers University of Technology	14:25 - 14:50 Mapping national development priorities under the Sustainable Development Goals framework – a systematic analysis Auriane Meilland, CIRED	14:25 - 14:50 System-level Effects of Increased Energy Efficiency in Global Low-carbon Scenarios: a Model Comparison Dr. Francesco Dalla Longa, TNO	14:25 - 14:50 Assessing green energy growth in Nepal with a hydropower-hydrogen integrated power grid model Dr. Khem Gyanwali, Tribhuvan University
	and Modelling, University College Cork, Ireland 15:06 - 15:40 How to support residential energy conservation cost- effectively? An analysis of public financial schemes in France Bettina Chlond, ZEW Mannheim	14:50 - 15:15 Wind power potentials in models – A GIS based reality check Prof. Fredrik Hedenus, Chalmers University of Technology  15:15 - 15:40 Return of crop production	14:50 - 15:15 Efficiency in Wholesale Electricity Markets: On the Role of Externalities and Subsidies Dr. Sylwia Bialek, New York University  15:15 - 15:40 Reaching climate targets	14:50 - 15:15 An open-source IAM for Ene rgy-Land-Material-Climate Scenarios Nadine Freistetter, Finnish Meteorological Institute 15:15 - 15:40 The Low Carbon Lifestyle Module: A Dynamic Mechanism for	14:50 - 15:15 Import options for chemical energy carriers from renewable sources to Germany Johannes Hampp, Justus- Liebig Universität Gießen 15:15 - 15:40 On the cost

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with carbon pricing -

Incorporating Lifestyle

competitiveness of blue

and energy use for



Chair Charlotte Senkpiel Fraunhofer ISE irrigation: Empirical Evidence from Ethiopia Dr. Rahel Deribe Bekele, International Food Policy Research Institute (IFPRI) Analysis of the German buildings sector Alexander Burkhardt, IER Universität Stuttgart Change into Global Integrated Assessment Models Dr. Hazel Pettifor, University of Oxford and green hydrogen Dr. Falko Ueckerdt, Potsdam Institute for Climate Impact Research (PIK)

Chair Verena Fluri Fraunhofer ISE Chair Franziska Riedel Fraunhofer ISE

Chair Julian Brandes Fraunhofer ISE Chair Christoph Kost Fraunhofer ISE

15:45 - 16:15 **Coffee Break** 

15:45 - 16:15 Coffee Break

16:15 - 17:55	Runder Saal	Konferenzraum 1	Konferenzraum 2+3	Konferenzraum 8	Konferenzraum 6+7
	Energy Policy	Electricity System Modeling	Renewables	Energy Investments	Impact Assessment
	16:15 - 16:48		16:15 - 16:40	16:15 - 16:40	16:15 - 16:35
	Analyzing the impact of energy transition policies on the economy by soft- linking bottom-up and top- down models: the case study of the Netherlands Amir Fattahi, University of	16:15 - 16:40 Long-term optimisation of the hydrogen-electricity nexus in France Dr. Behrang Shirizadeh, Deloitte Economic Advisory	Global renewable LCOE – including socio-economic factors in assessments of resource potential Xiaoming Kan, Chalmers University of Technology	Incorporating consumer choice into an optimization model for the German heat sector: Effects on projected bioenergy use Dr. Matthias Jordan, Helmholtz Centre for	emission technologies and
	Groningen	16:40 - 17:05	16:40 - 17:05	Environmental Research	16:35 - 16:55
	16:48 - 17:21 Carbon pricing: the green modernization of the Russian economy Dr. Alexander Golub, American University	Intensive and extensive margins of the peak load: measuring adaptation with mixed frequency panel data Dr. Francesco Colelli, Ca'Foscari University	Dr. Trieu Mai, National Renewable Energy Laboratory	literacy and collective retrofit investment decisions in post-Soviet bloc countries Fissha Asmare, Vilnius	Good Stick, Bad Carrot: The Impacts of Removing Fossi Fuel Subsidies and Increasing Carbon Taxation in Ireland Dr. Aykut Mert Yakut, Economic and Social Research Institute
	17:21 - 17:55 Decarbonization of the	When do consumers want to opt in to real-time pricing	17:05 - 17:30 Biomass' role in Greener	University	16:55 - 17:15
	global economy: if technologies are so good, why do we still need a carbon price? Dr. Alexander Golub, American University	for electricity? Dr. Quentin Hoarau, MIT  17:30 - 17:55 Prosumage of solar electricity: batteries, heating and mobility	Albertan Electricity Generation – A Discussion and Analysis Ziad Memon, University of Alberta  17:30 - 17:55	17:05 - 17:30  An EU ETS paving the way to climate neutrality The right design considering myopic behavior of decision-makers Joanna Sitarz, Potsdam	Electrification of the hard-to- abate chemical sector: implication for Net-Zero power systems in Europe Meilland Cabot, MINES ParisTech, PSL University
	Chair Charlotte Senkpiel	Dr. Wolf-Peter Schill, DIW Berlin	Did the Covid-19 pandemic speed up a transition away from coal? An expert	Institute for Climate Impact Research	17:15 - 17:35 Electricity Outages and Health Outcomes of
	Fraunhofer ISE	Chair Jessica Thomsen Fraunhofer ISE	elicitation survey Lorenzo Montrone, MCC Berlin	17:30 - 17:55 Modeling the cost-effective gas network in Austria until 2050: from the decision between decommissioning	
			Chair Julian Brandes	and refurbishment investments	Charles University Prague
			Fraunhofer ISE	Sebastian Zwickl-Bernhard, Energy Economics Group	17:35 - 17:55 Severity of variable renewably energy droughts in Germany and Europe
				Chair Christoph Kost	Martin Kittel, German Institute for Economic

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Fraunhofer ISE

Research



Chair Markus Kaiser Fraunhofer ISE

19:00 - 23:00 Konzerthaus, 1st floor

**Conference Dinner** 

19:00 - 23:00 Conference Dinner

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#### Friday, 27.05.2022

#### 08:30 - 09:00 Admission & Networking

08:30 - 09:00

Admission & Networking

#### 09:00 - 10:30 Runder Saal

#### **Plenary Session 3**

09:00 - 09:30

Keynote: Hydrogen infrastructures in future integrated energy systems Hans Christian Gils, German Aerospace Center (DLR)

09:30 - 10:00

Keynote: Prosumers, markets and regulations – can we get the incentives right?

Prof. Dr. Christoph Weber, University Duisburg-Essen

10:00 - 10:30

Keynote: Integrated Energy Systems Modeling – Case Study of Switzerland

Prof. Dr. Gabriela Hug, ETH Zurich

Chair

Massimo Tavoni

EIEE

#### 10:30 - 11:00 **Coffee Break**

10:30 - 11:00 Coffee Break

11:00 - 12:40	Runder Saal	Konferenzraum 1	Konferenzraum 2+3	Konferenzraum 6+7	Konferenzraum 8
	Energy Policy	Impact Assessment	Power to X	Flexibility	Electricity System Modeling
	11:00 - 11:50 How costly are biofuel mandates? - an analysis of transport fuels and biomass usage to achieve emissions targets in the European energy system Dr. Markus Millinger, Chalmers University of Technology  11:50 - 12:40 Making the EU Carbon Border Adjustment Mechanism Acceptable and Climate Friendly for Least Developed Countries Dr. Sigit Perdana, EPFL	11:00 - 11:50 The effects of climate change mitigation strategies on the energy system of Africa and its associated water footprint loannis Pappis, KTH Royal Instutite of Technology  11:50 - 12:40 International and intertemporal knowledge spillovers in carbon-free and carbon-efficient technologies Dr. Yeong Jae Kim, RFF-CMCC EIEE	11:00 - 11:25 Role of P2X in prospective net-zero scenarios: A techno-economic assessment Kannan Ramachandran, Paul Scherrer Institute  11:25 - 11:50 Who should own storage? A case study of players with large-scale P2X in cross- country electricity markets based on a game-theoretic equilibrium model Yi Wan, Paul Scherrer Institute	inter-annual variability Oliver Ruhnau, Hertie School, Berlin  11:25 - 11:50 Flexibility capacities and contributions in the future German energy system Markus Kaiser, Fraunhofer ISE  11:50 - 12:15 The contribution of	11:00 - 11:25 Reaching net zero emissions in Switzerland: The essential role of biomass and carbon capture and utilization Dr. Adriana Marcucci, ETH Zurich  11:25 - 11:50 Endogenous Technological Change in Power Market Models - Learning-By-Doing Jacqueline Adelowo, ifo Institut  11:50 - 12:15
	, a g a a a a a a a a a a a a a a a a a		11:50 - 12:15	(rooftop PV integrated with	

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Chair Dominik Peper Fraunhofer ISE

Chair Jessica Thomsen Fraunhofer ISE

Endogenous learning for green hydrogen in a sectorcoupled energy model for Europe

Elisabeth Zeyen, Technical University of Berlin (TUB)

12:15 - 12:40 Probabilistic feasibility space of scaling up green hydrogen supply Adrian Odenweller, Potsdam Institute for Climate Impact Research (PIK)

Chair Gregor Gorbach Fraunhofer ISE

EVs) to carbon neutrality in Shenzhen, China Liya Xue, School of Economics and Management, Harbin Institute of Technology

12:15 - 12:40 RAMP-mobility: generating stochastic mobility, charging profiles and flexibility constraints for Electric Vehicles and grid integration Francesco Davide Sanvito, Politecnico di Milano

Chair Markus Kaiser Fraunhofer ISE

linking&rolling framework for long-term planning of reliable power systems in transition Yacine Alimou, Mines ParisTech (Shenzhen)

12:15 - 12:40 Materials industry modelling in net-zero emissions scenarios: hydrogen contribution to low-carbon steel Kimon Keramidas, Université Grenoble-Alpes

Chair Christoph Kost Fraunhofer ISE

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# Designing a model for the cost-optimal decommissioning and refurbishment investment decision of gas networks

Application on a real test-bed in Austria until 2050

International Energy Workshop (IEW)

May 25-27, Freiburg

Sebastian Zwickl-Bernhard

Corresponding author/Presenter: zwickl@eeg.tuwien.ac.at





# Todays' agenda



- Background / Motivation
- Core objective
- Materials and methods
- Results of a real test-bed (federal state Vorarlberg, Austria, until 2050)
- Conclusions and outlook



### Background and motivation



- Adherence to the remaining CO<sub>2</sub> budget of the 1.5°C / 2.0°C climate target requires rapid **defossilization** of the energy system
- Concrete measures include, among others, the **substitution** of **natural gas** in the provision of energy services by sustainable alternatives
- Substantial **challenge** since natural gas is currently **used** for energy supply of a **wide range** of energy service needs
- Uncertain role of **green gases** (e.g., synthetic gas, hydrogen) related to their economic viable quantities / potentials and penetration time
- ...but there are far-reaching gas transmission / distribution networks



### Core objective / main research questions

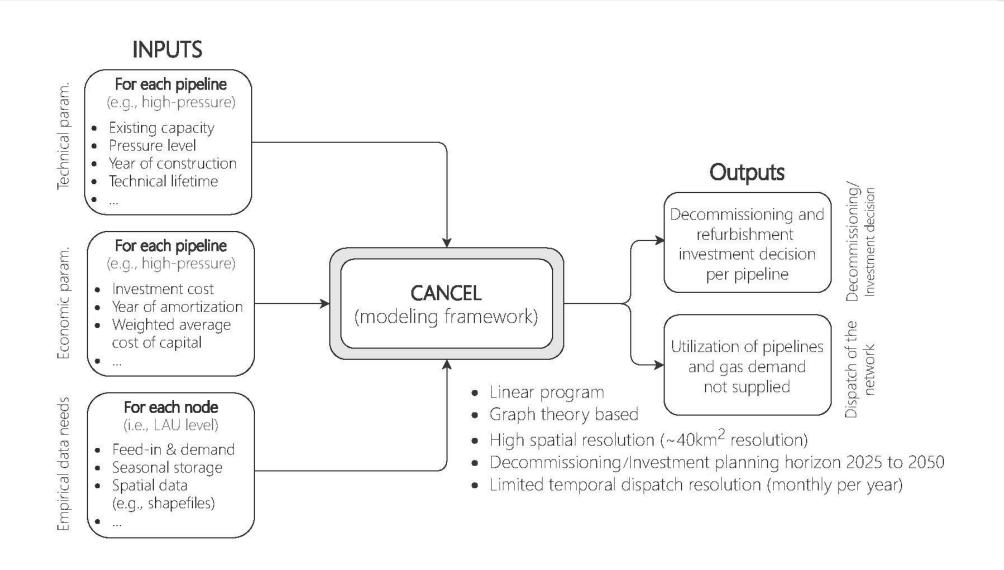


- The core objective of this work is to investigate the **cost-effective trajectory** of **gas networks** from a systemic point of view under a long-term planning horizon
- In view of necessary refurbishment investments in existing gas network infrastructure and pipelines due to their technical lifetimes, the main research question is of which decommissioning and refurbishment investment decision result in cost-effective gas networks by 2050.
- Equally important in the analysis is the trade-off decision from the network operator's perspective whether available **gas demands** within the network area **are supplied or not** as the decommissioning of existing gas pipelines can be cost-effective, but at the same time results in not supplied gas demands.



### Introduction into the model







### Mathematical formulation (selection) 1 / 2



Equation	Туре	Short description
$\min_{x} Capex + Opex - Rev + Purch$	Objective function	Minimize gas network operator's net present value
$Capex = \sum_{y} \alpha_{y} * w * \Pi_{y}$ $Opex = \sum_{y} \alpha_{y} * K$	Constraint	Calculation of capital and operational expenditures
$\mathbf{K} = \sum_{l} c_{l}^{fix} * \mathbf{Y}_{l,y}$	Constraint	Total fixed (operating) costs per pressure / network level $\emph{l}$
$\Pi_{p,l,y} = \Pi_{p,l,y}^{pre} + f_{p,l}^{ref} * \Pi_{p,l,y_{p,l}^{inv}}^{ref}$	Constraint	Book value of a pipeline $p$ at $l$ in $y$ , where $\Pi^{pre}_{p,l,y}$ is the book value of the preexisting pipeline (capacity)
$\Pi_{p,l,y_{p,l}^{inv}}^{ref} = c_l^{inv} * \Upsilon_{p,l,y_{p,l}^{inv}}^{ref}$	Constraint	Book value of the refurbishment investment for $p$ and $l$ in $y_{p,l}^{inv}$



### Mathematical formulation (selection) 2 / 2



Equation	Туре	Short description
$q_{n,l,y,m}^{fed} - q_{n,l,y,m}^{dem} - \zeta_m * \left( q_{n,l,y,m}^{exp} - q_{n,l,y,m}^{imp} \right) + q_{n,l,y,m}^{sto} = 0$	Constraint	Nodal gas balance equation at pressure / network level
$q_{n,l,y,m}^{dem} = q_{n,l,y,m}^{dem,loc} + q_{n,l',y,m}^{del}$	Constraint	Gas demand at network level $l$ , where $q_{n,l',y,m}^{del}$ is the amount of gas delivered to subordinate pressure level
Equation 18 $ \begin{cases} q_{n,l,y,m}^{dem,loc} \leq d_{n,l,y,m}^{max} &: \lambda_{n,l,y,m}^{co} \\ q_{n,l,y,m}^{dem,loc} = d_{n,l,y,m}^{max} &: \lambda_{n,l,y,m}^{ES} \end{cases} $	Constraint	Essential demand constraint and sets the upper bound of the decision variable $q_{n,l,y,m}^{dem,loc}$
$rev = p_{l,y}^{loc} * q_{n,l,y,m}^{dem,loc}$	Constraint	Revenues created by the local gas demands covered, where $p_{l,y}^{loc}$ is the grid usage charge at network level $l$



### Implication of demand constraint dual variables



Input			Output	
Model run	Formulation of Equation 18	Scenario description/gas network design (abbreviation)	Results or further used variable	
1	$q_{n,l,y,m}^{dem} \leq d_{n,l,ym}^{max}$	Cost-optimal without ensured supply (CO)	Demand supplied $(\mathbf{\mathring{q}}_{n,l,y,m}^{dem})$	
2	$q_{n,l,y,m}^{dem} = \mathbf{\mathring{q}}_{n,l,y,m}^{dem}$	Cost optimal without clisured supply (CO)	Shadow price $(\lambda_{n,l,y,m}^{CO})$	
3	$q_{n,l,y,m}^{dem} = d_{n,l,ym}^{max}$	Cost-optimal with ensured supply (ES)	Shadow price $(\lambda_{n,l,y,m}^{ES})$	

Table 1: Model runs and associated formulation of the gas demand constraint (Equation 18), scenarios, and results or further used variables.



### Test-bed in Vorarlberg, Austria





#### Existing network

81km

 $225 \mathrm{km}$ 

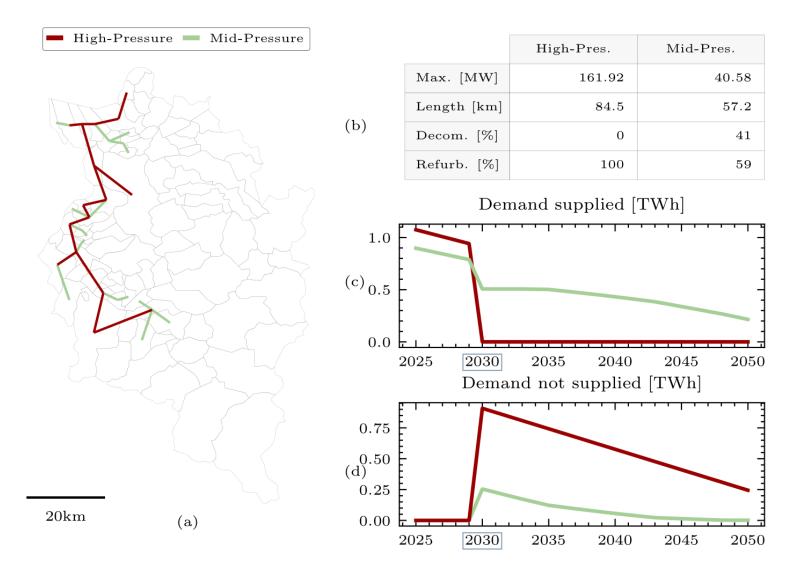
Representation in the model





### Cost-optimal network without ensured supply (CO)



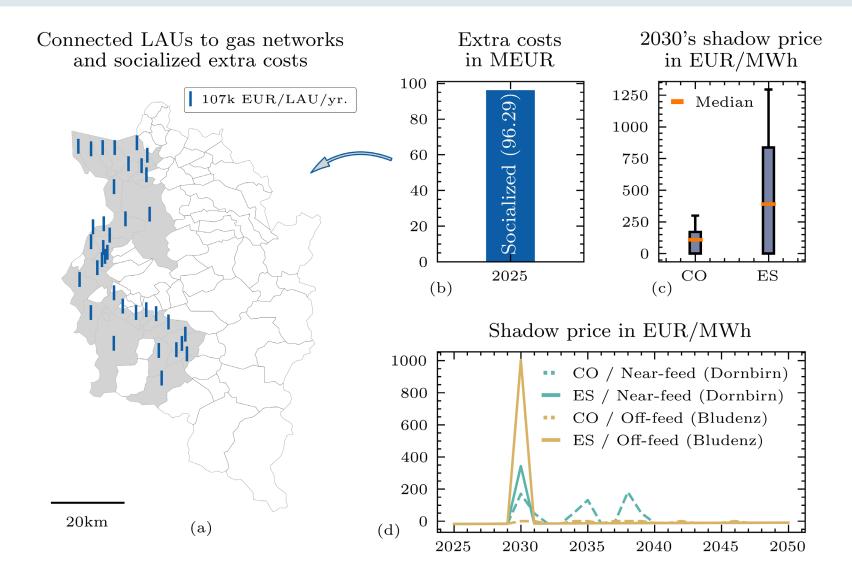


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# Comparison of network w/ ensured supply (CO & ES) Energy (CO & ES)



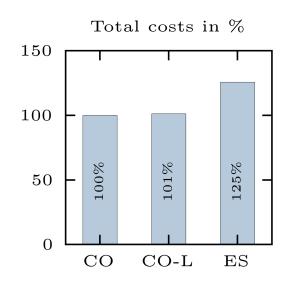


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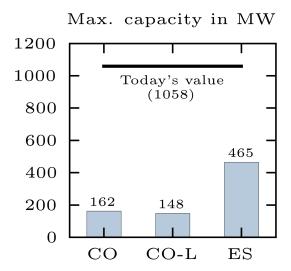


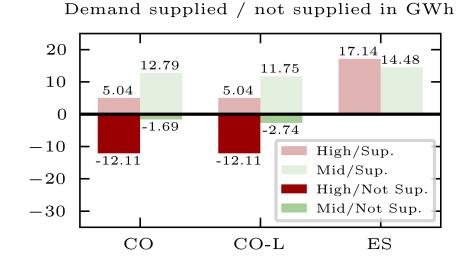
### Overview: CO, ES and cost-optimal with lumpiness (CO-L)





Decommissioned / Refurbished in % 28% ESHigh/Ref. 45%Mid/Ref. CO-L High/Decom. Mid/Decom. 41%CO20 40 60 80 0 100





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### Conclusions and recommendations



- In the future, **smaller gas networks** in both capacity and length will be necessary (regardless of secured supply) resulting from irreversible defossilization of energy services
- Wide range of network design between cost-optimal gas networks w/ ensured supply reveal crucial trade-off decisions for network operators in the future on how to deal with existing / available demands (i.e., decommissioning despite possible demands)
- Shadow prices of local gas balance constraints indicate that network operator should strike a balance between cost-optimal gas network design w/ ensured supply (e.g., flexibility and management of unexpected changes in (peak) gas demands)
- Increased network operator's total costs in case of ensured supply need to be socialized
  to a few consumers in the future (primarily at subordinate network / pressure levels)
- Influence of socialized grid / network costs on economic viability and profitability of sustainable alternatives substituting natural gas-based energy service needs and related trade-off decisions





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