



Three Thoughts on Renewables and Decarbonizing the Energy System

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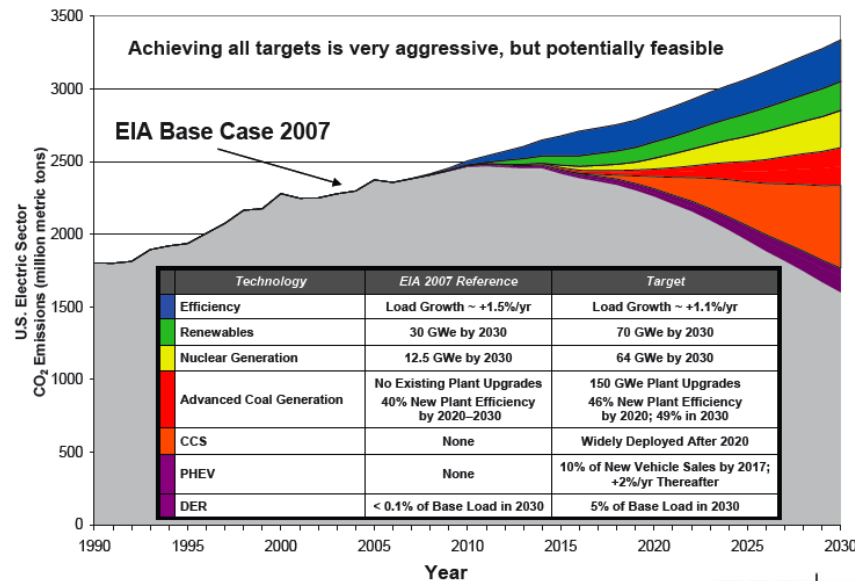
1.

There are no silver bullets

While wind, solar, hydro and biomass can all play important roles, decarbonizing the energy system in an expeditious and cost-effective way will require a portfolio of everything we've got.



Here for example is output from a cost minimizing EPRI model.

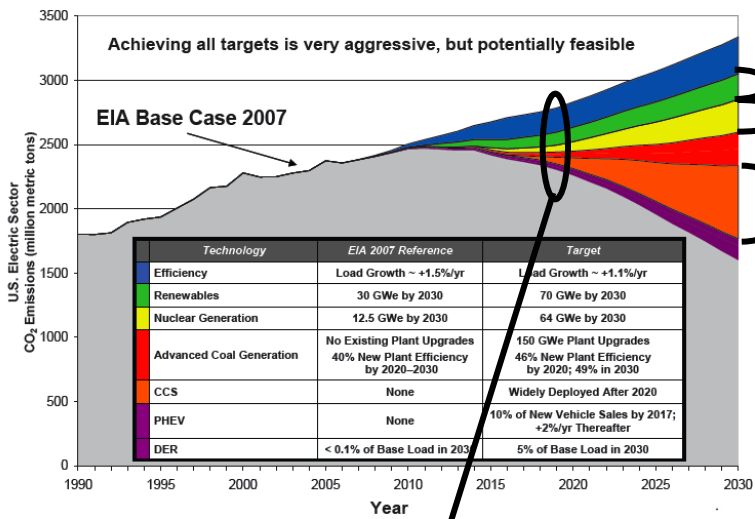


China has important activities in several "wedges"

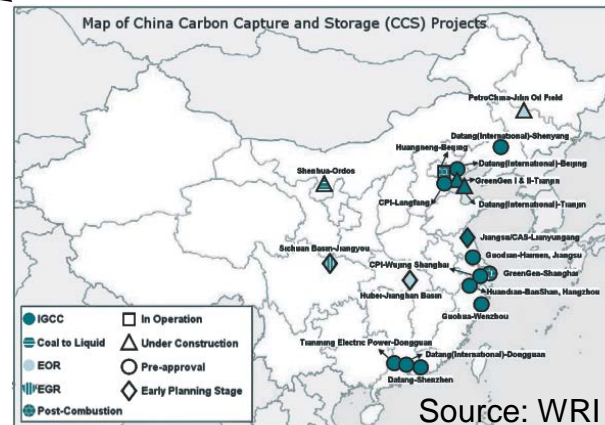
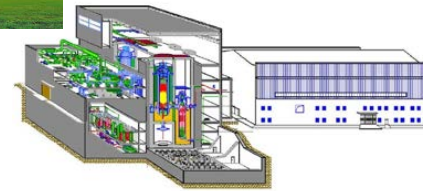
Sources: solarcellcentral and PVMagazine



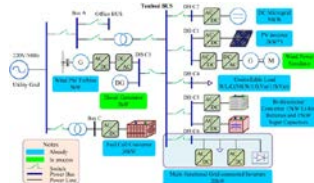
PV is important but be careful



Source: Westinghouse and UXC



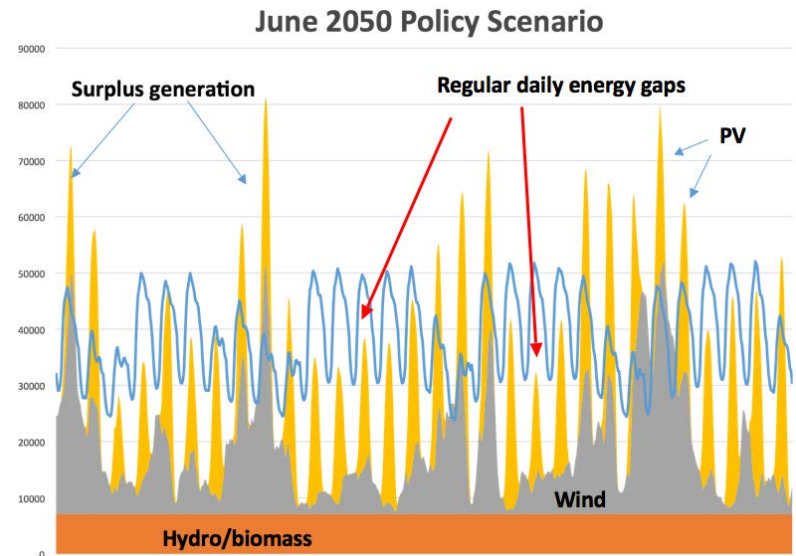
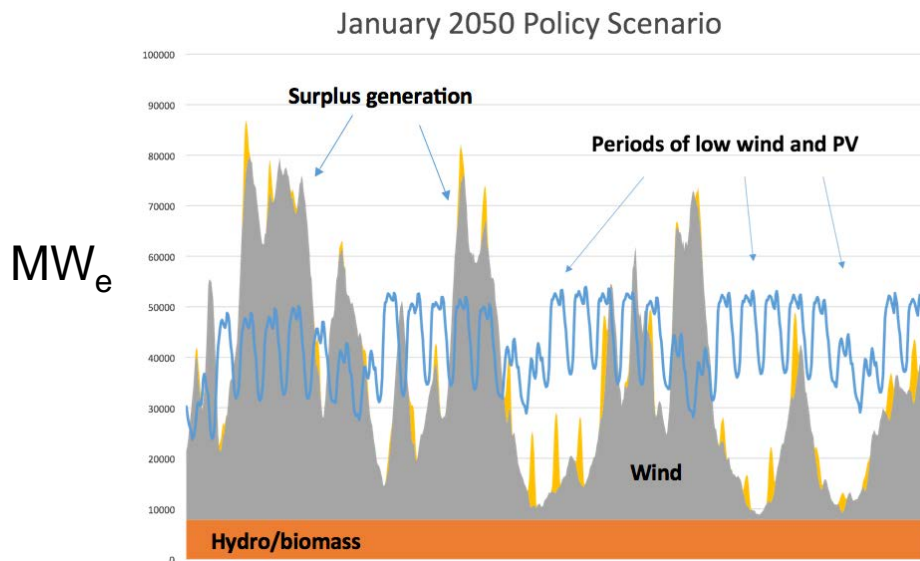
Source: WRI



Source: ABB and Zeng et al.

We should study early adopters

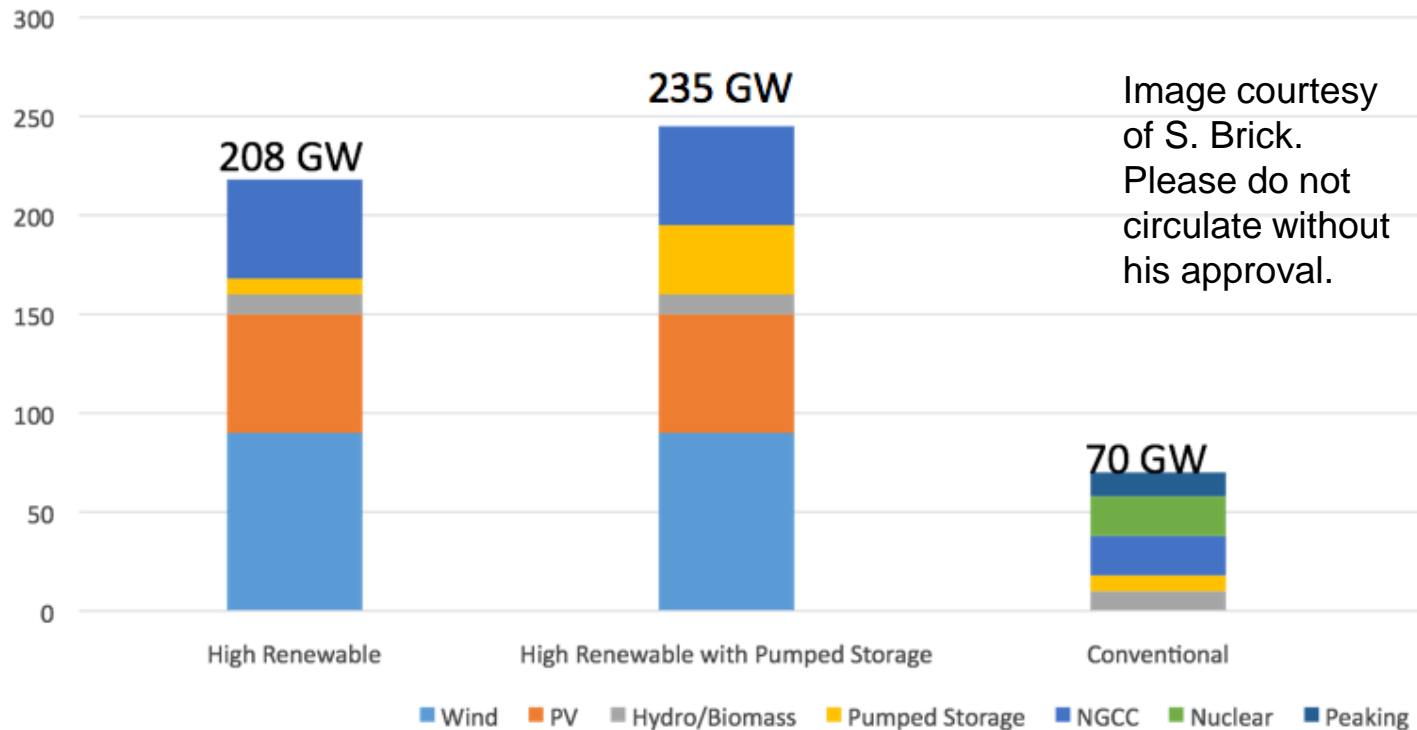
Steve Brick of CATF has been examining the German Energiewende. When he does a simple extrapolation to 2050 there appear to be big problems:



Images courtesy of S. Brick. Please do not circulate without his approval.

Steve Brick...(Cont.)

2050 Installed Capacity

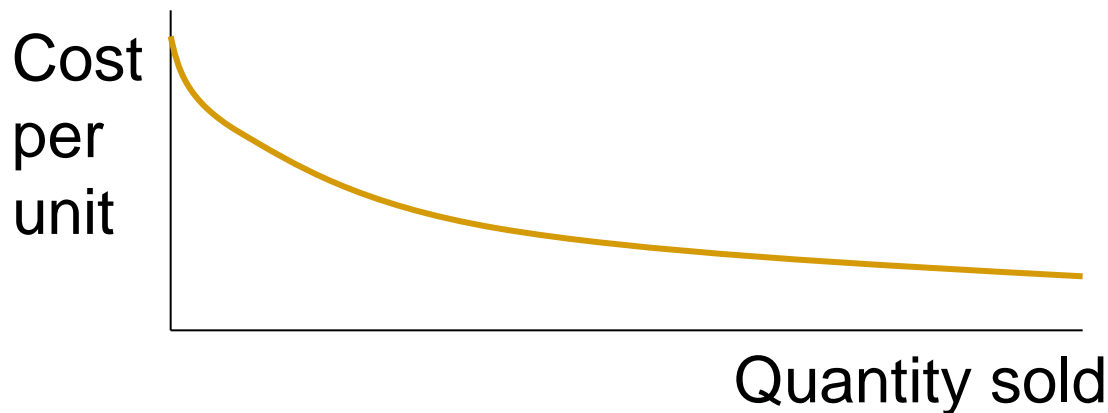


This is a first-order "back of the envelope" assessment. We have a new student who will do a more refined analysis, but these results certainly suggest there may be a problem.

2.

One needs to be careful about the use of subsidies and incentives

There is good historical evidence that as the quantity of a technology that is sold goes up, the cost per unit usually goes down:



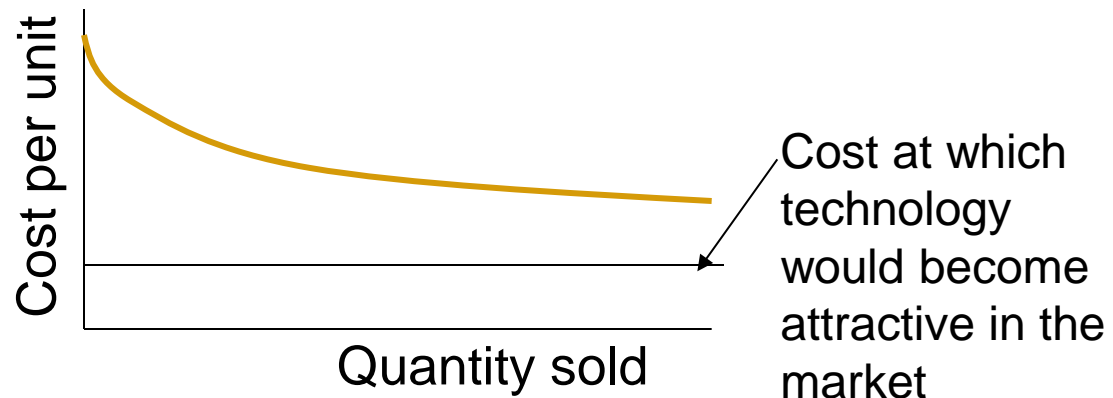
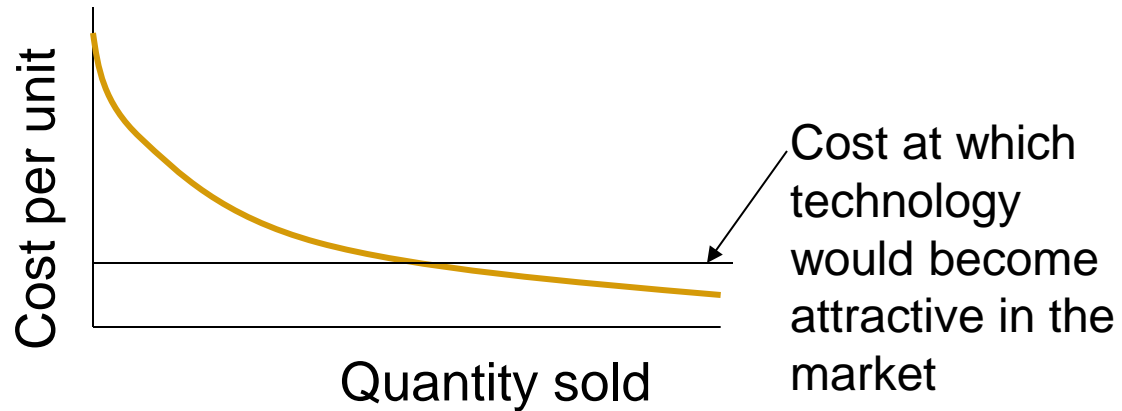
So, if the technology is socially desirable, there may be a case to subsidize early deployment to "get down the curve."

BUT again, be careful...

The technical details matter

In some cases, technical assessment suggests that for large enough Q , the technology will become competitive...

BUT...in other cases, assessment suggests it will never get there.



Wind versus Solar PV

In my view, over the past couple of decades, wind was in that first category, solar PV was probably not.

For wind it was a matter of transferring and integrating a number of existing technologies:



BUT, if what you care about is affordable electricity, this has not been the case for current generation PV. For that we should be investing in R&D not promoting deployment.

Aimee Curtright, M. Granger Morgan and David Keith, "Expert Assessment of Future Photovoltaic Technology," *Environmental Science & Technology*, 42(24), 2008.

Policy Analysis

Expert Assessments of Future Photovoltaic Technologies

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Subjective probabilistic judgments about future module prices of 26 current and emerging photovoltaic (PV) technologies were obtained from 18 PV technology experts. Fourteen experts provided detailed assessments, including likely future efficiencies and prices under four policy scenarios. While there is considerable dispersion among the judgments, the results suggest a high likelihood that some PV technology will achieve a price of \$1.20/W_p by 2030. Only 7 of 18 experts assess a better-than-even chance that any PV technology will achieve \$0.30/W_p by 2030; 10 of 18 experts give this assessment by 2050. Given these odds, and the wide dispersion in results, we conclude that PV may have difficulty becoming economically competitive with other options for large-scale, low-carbon bulk electricity in the next 40 years. If \$0.30/W_p is not reached, then PV will likely continue to expand in markets other than bulk power. In assessing different policy mechanisms, a majority of experts judged that R&D would most increase efficiency, while deployment incentives would most decrease price. This implies a possible disconnect between research and policy goals. Governments should be cautious about large subsidies for deployment of present PV technology while continuing to invest in R&D to lower cost and reduce uncertainty.

Introduction

Sunlight is a vast source of energy; if all that reaches the earth's surface could be used, the world's energy needs could be met using three 1000-yr reserves of it. Solar energy is clean, abundant, and renewable (1). Solar energy is also available in most parts of the world, and its use is becoming increasingly important (2). The solar energy industry is growing rapidly, and its potential is being explored by many countries (3). The solar energy industry is growing rapidly, and its potential is being explored by many countries (3). The solar energy industry is growing rapidly, and its potential is being explored by many countries (3).

roughly double this price (4). W_p ("watts peak") is the output under standard test conditions, roughly equivalent to the "peak" noon output at midlatitudes. Of course, prices are lower for purchase in bulk. Module prices around \$3.50/W_p, with a total system price under \$6/W_p, can be realized with volume purchases (5, 6). At least one manufacturer is reporting module prices under \$2.50/W_p (7). While module prices have decreased by nearly an order of magnitude since the early 1980s, they are still high when compared with most other low-carbon power generation options, especially when scaled by availability, that is, price in \$/W_{installed capacity} divided by capacity factor. Thus, we estimate capital costs today as follows:

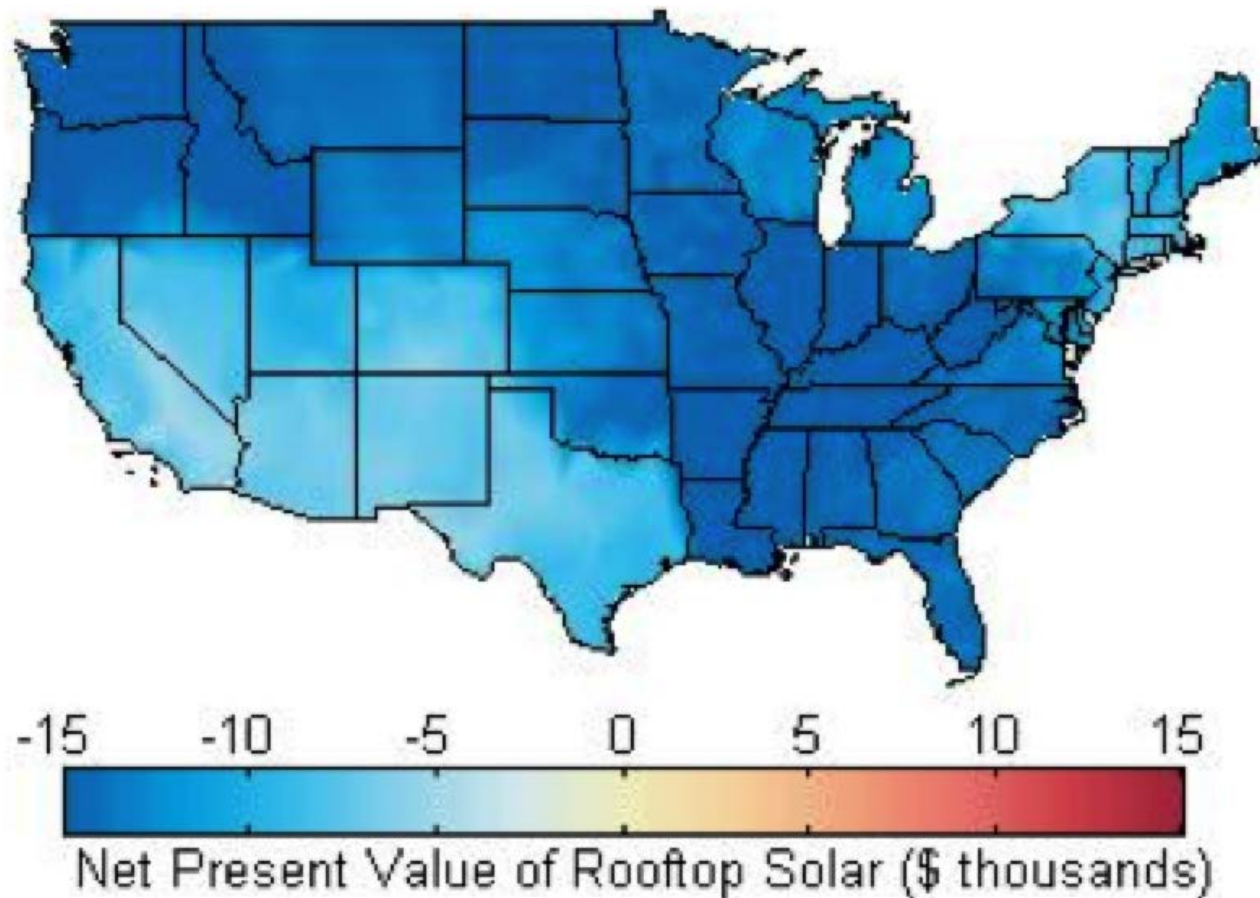
PV: ~\$6/W _p ≤ 0.2	= > \$26/W (3, 5, 6)
solar thermal: ~\$4.2/W / ~0.24	= ~\$17/W (8, 9)
wind: > \$1.6/W / 0.4	= > \$4/W (10)
nuclear: > \$4/W / 0.9	= > \$4.4/W (11, 12)
coal with carbon capture and storage: ~\$4/W / 0.9	= ~\$4.4/W (12, 14)

Methods

In 2004, the Solar Energy Industry Association (SEIA) published a roadmap predicting system prices of \$2.33/W_p by 2030 assuming high R&D funding and high deployment incentives (15). If BOS is half the total expense, then this implies module prices of ~\$1.15/W_p. The Solar America Initiative (SAI) has set a target of \$1.25/W_p by 2015. Others have made similar predictions about future prices for specific PV technologies over the coming decade (16–20). Recent work presents limited expert opinion on future PV performance, used to inform an economic analysis (21). This paper provides detailed assessments of the expected future performance of 26 PV technologies from 18 individual PV experts.

A paper about to go to *Energy Policy*

Shelly Hagerman, Paulina Jaramillo, Granger Morgan, "What is 'Socket' Parity and is Rooftop Solar PV There Yet Without Subsidies?"



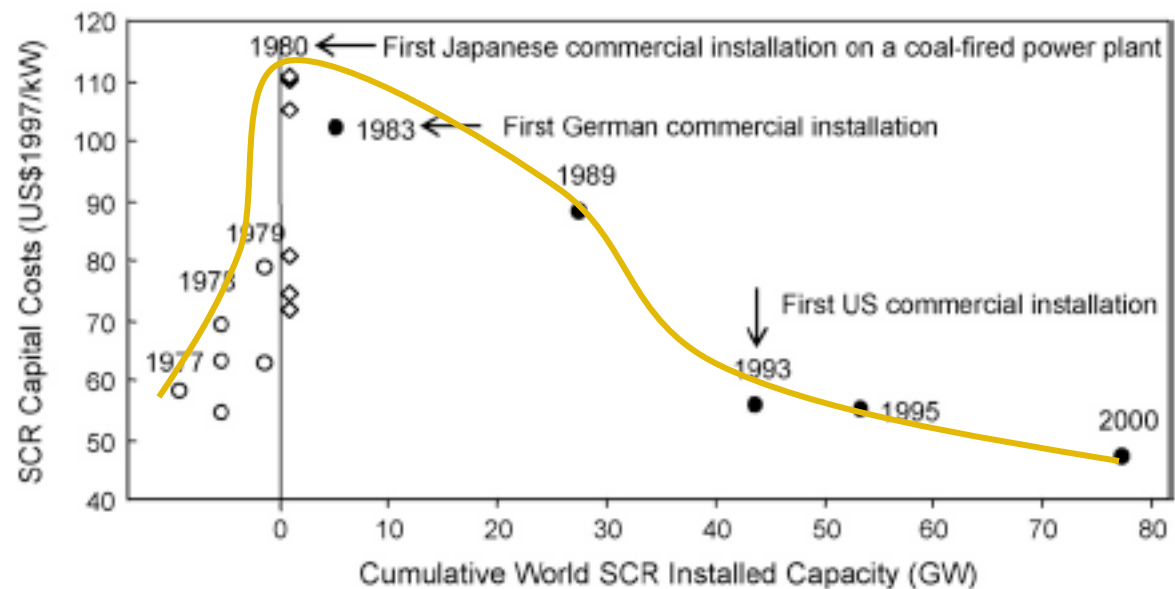
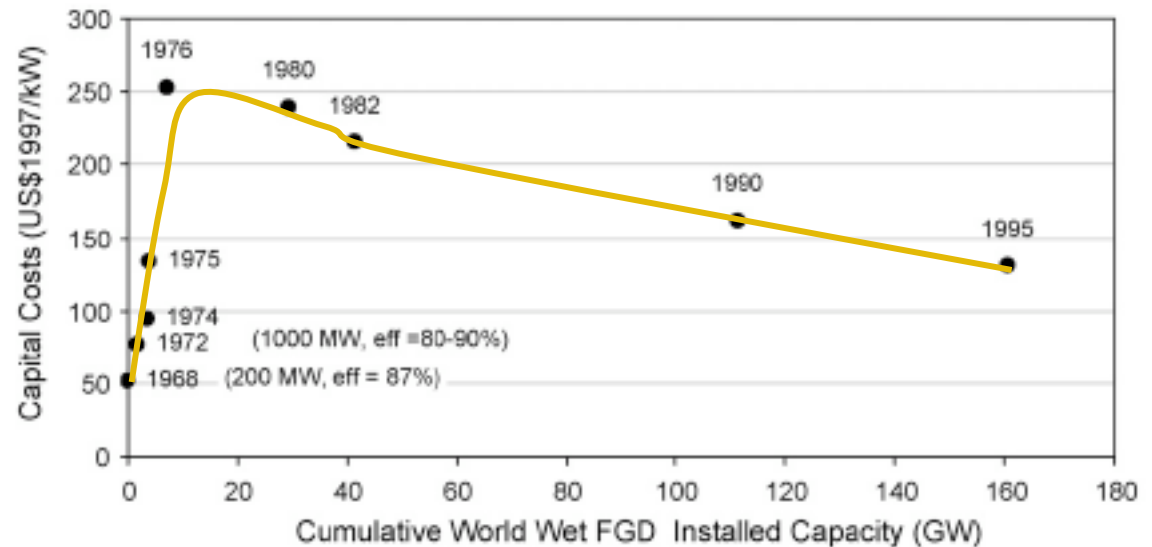
And...think about *what* technology to focus on

I think a strong argument can be made that solid state power electronics is as or more important as solar cells.

Power electronics plays a key role in determining the cost of many other energy technologies (e.g. transmission, storage, and end use) as well as PV.

Learning curves don't just go down

In the case of both SO₂ scrubber technology and in the case of NO_x control technology, my colleague Ed Rubin and his co-workers show that costs rose significantly after problems were encountered with the design and performance of the first few plants.



3. Many people do not realize...

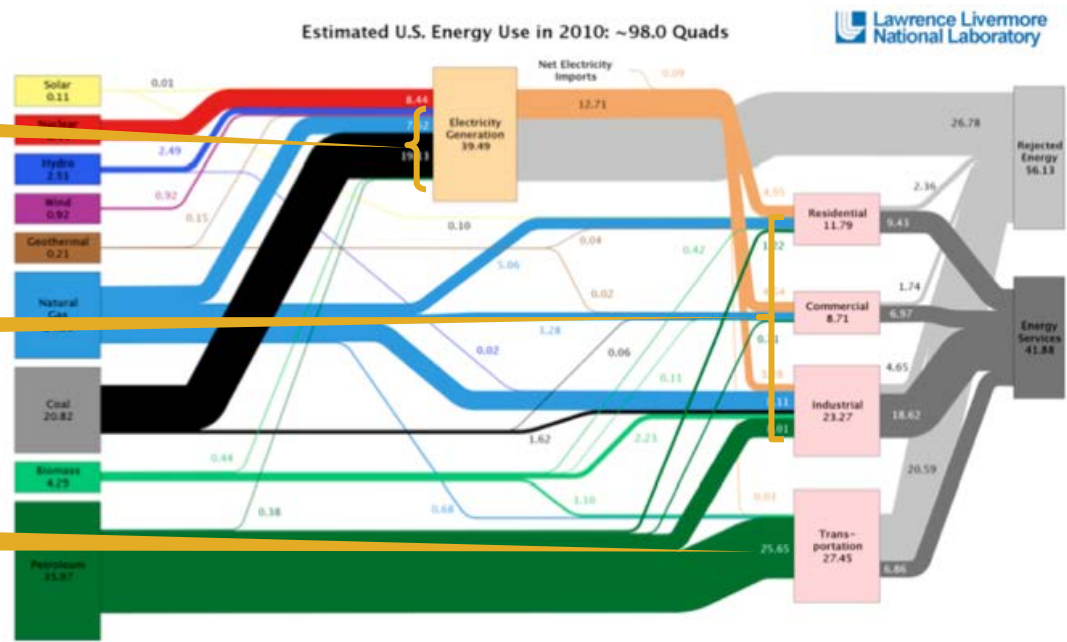
...just how major a transformation is involved in decarbonizing the energy system. I will illustrate with the the U.S., but the challenge is even greater for China.

Fossil fuel to:

Electricity

Heat

Transportation



Producing 1×10^{12} kWh would require roughly:

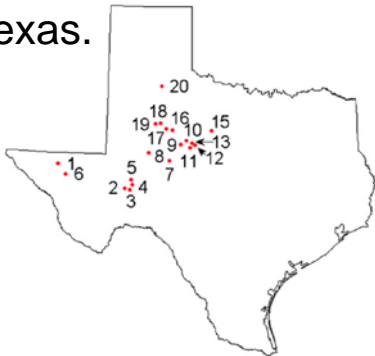
60 large coal plants like this one:



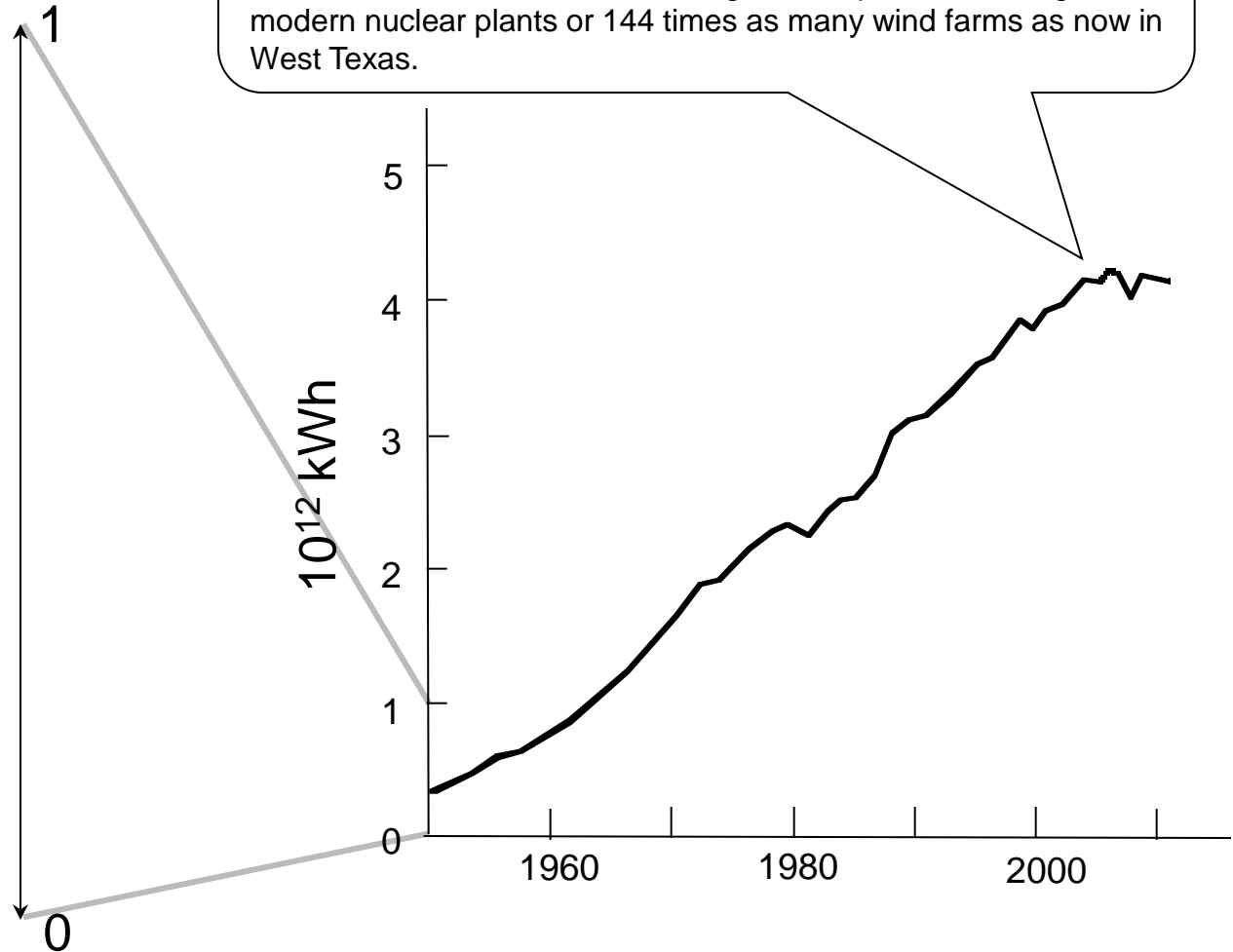
Or 120 of the newest nuclear power plants like this one:



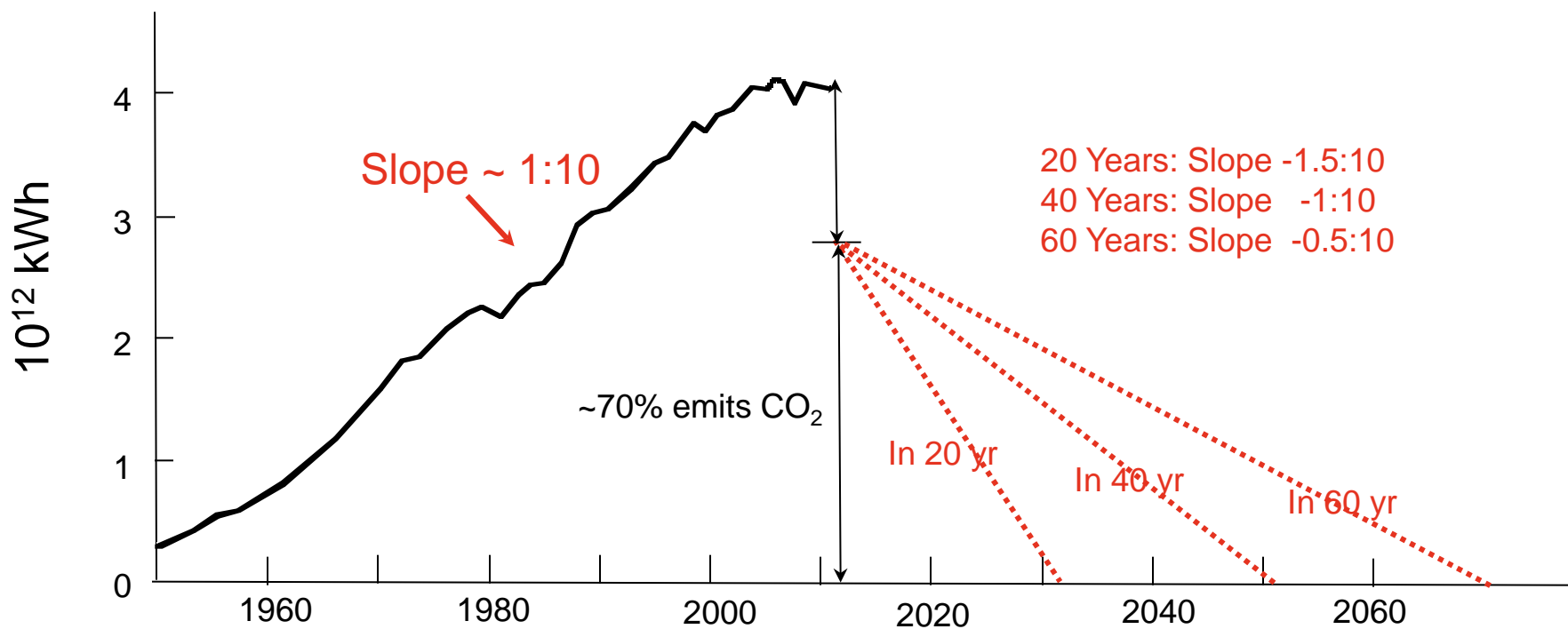
Or 36 times as many wind farms as twenty wind farms in West Texas.



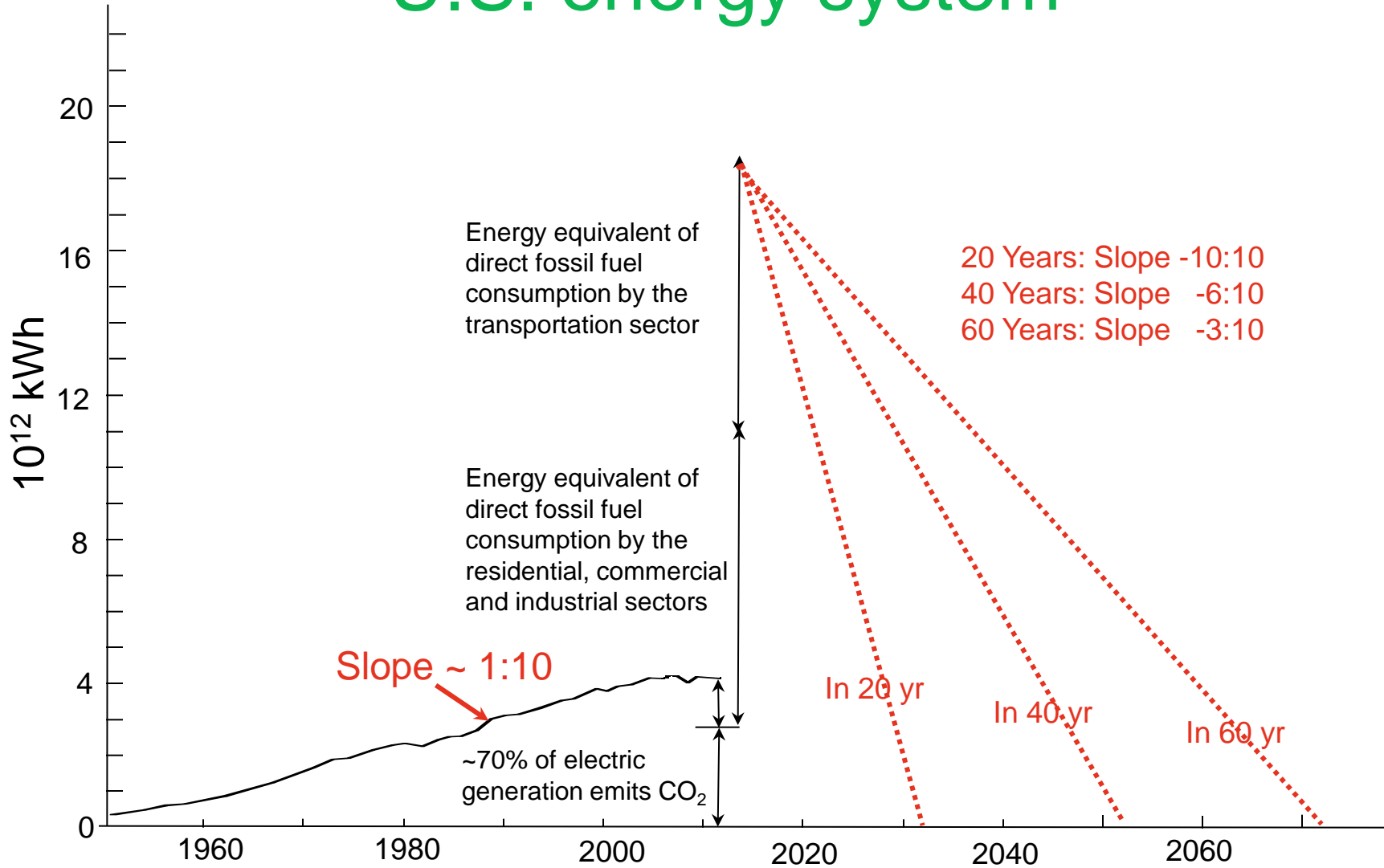
Today's U.S. power system involves a broad portfolio of generation technologies. However, if all of the 4×10^{12} kWh were (and could be) done with one of the three technologies shown to the left, it would take 240 of the largest coal plants, 480 large modern nuclear plants or 144 times as many wind farms as now in West Texas.



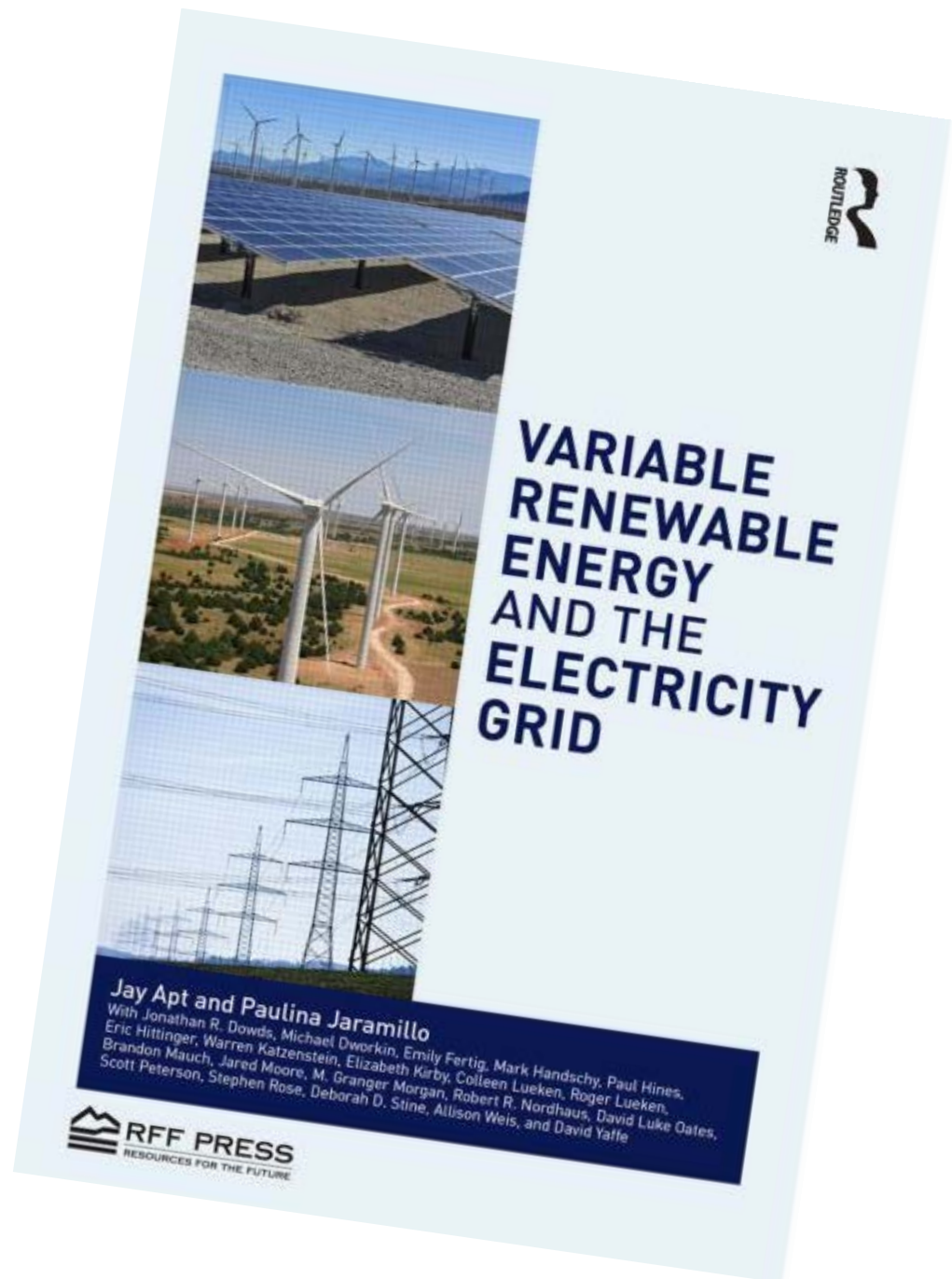
Decarbonizing *just* U.S. electricity



Decarbonizing *the entire* U.S. energy system



Finally...
this just
out through
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Thanks

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