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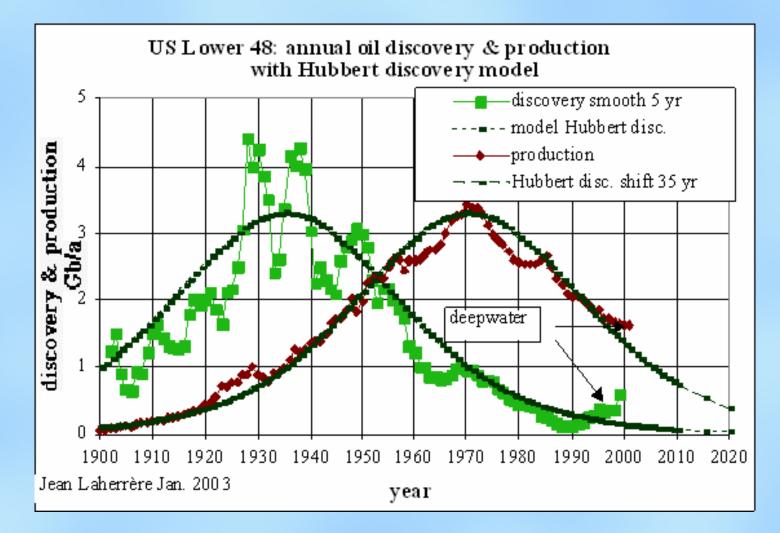
March 2011

Depletable Resources

- The 'abundance' of a resource is not sufficient
- The extraction must be economic of money and for energy resources – of energy
- Hence the resources should be concentrated and easy of access
- Yet most 'new' depletable energy resources are small, lean or deep below the land or sea

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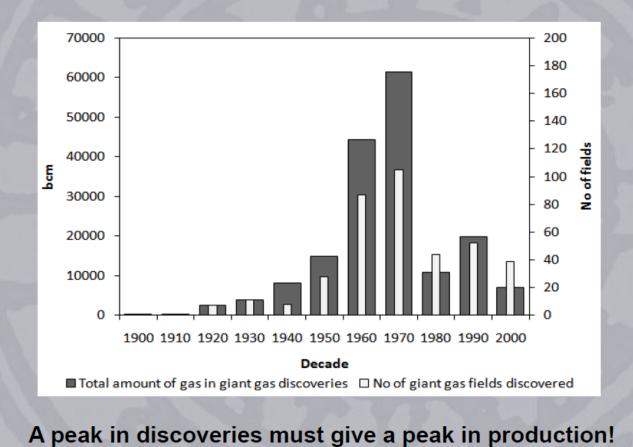
All depletable energy and material sources are finite Hence the yields must 'peak' as in 'Peak Oil/Gas/Coal'



Peak Oil Etc

- Resources are only those Found and Proven
- Discovery is of a resource e.g. barrels but Production is defined by a rate – e.g. barrels/day
- From Peak Discovery to Peak Production for oil was about 35 years, so there was ample notice
- Production projects for oil, gas, coal and U take decades, so they define the near-term supply

Peak Gas

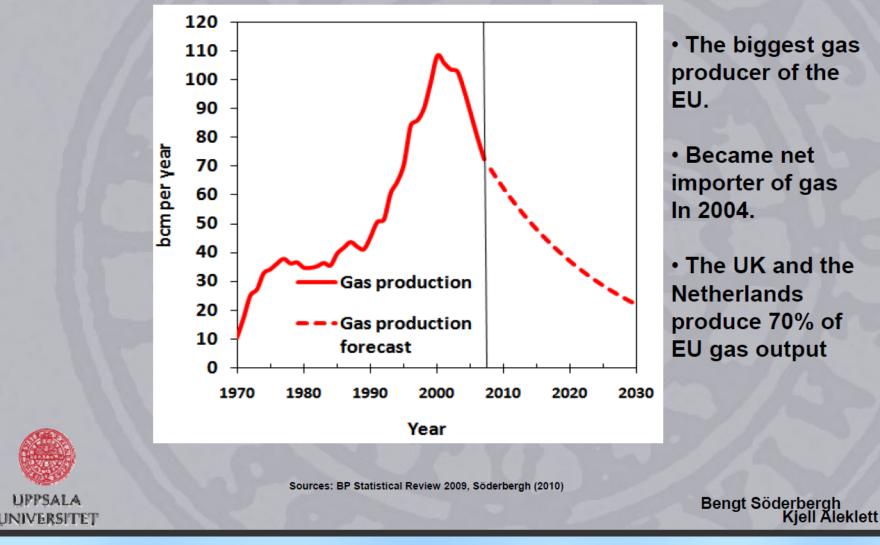


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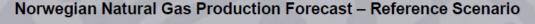
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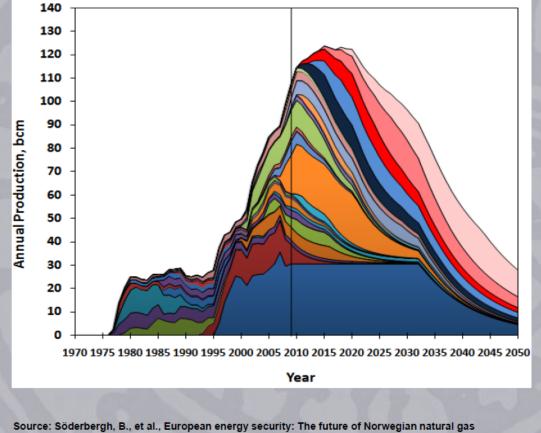
UK Gas Production Peaked in 2000



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Norway - A Bottom-up Analysis





 Field-by-field study of Norwegian gas production.

• Contingent and undiscovered resources included.

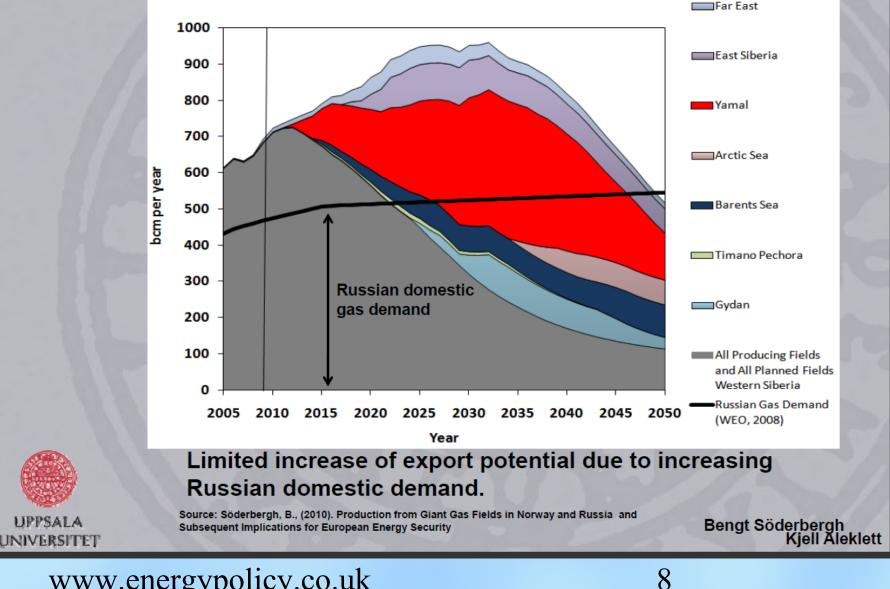
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Source: Söderbergh, B., et al., European energy security: The future of Norwegian natural gas production, Energy Policy (2009)

Bengt Söderbergh Kjell Aleklett

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Future Russian Gas Production and Demand

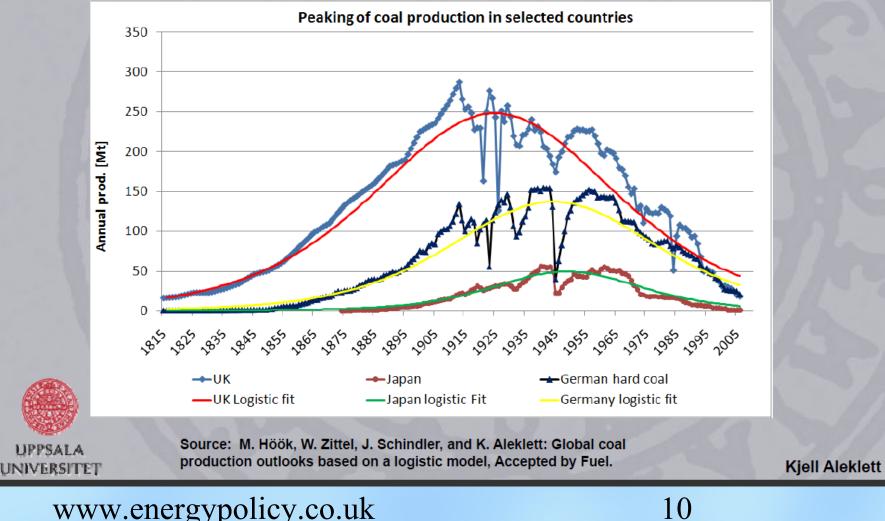


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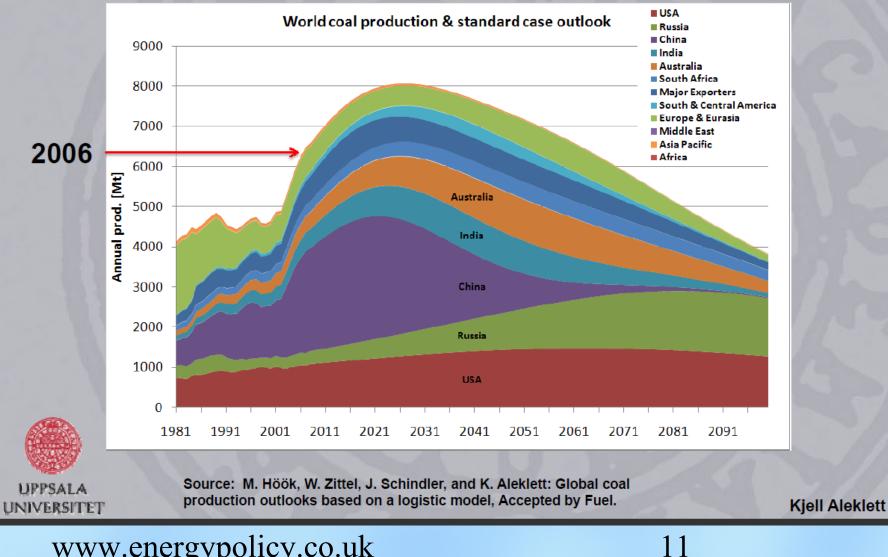
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Peak Gas

- UK Peak Gas occurred in 2000, accompanied by a steep decline in the Petroleum Revenue Tax
- Norwegian Peak Gas will occur in 2015, even with 'contingent and undiscovered resources'
- Russian Peak Gas will occur in 2025, brought forward by high and rising domestic demand
- Much of the exportable Russian gas will go to China and India, as will most of the LNG
- It would be naïve to assume that UK demand could be met even at world prices, if at all



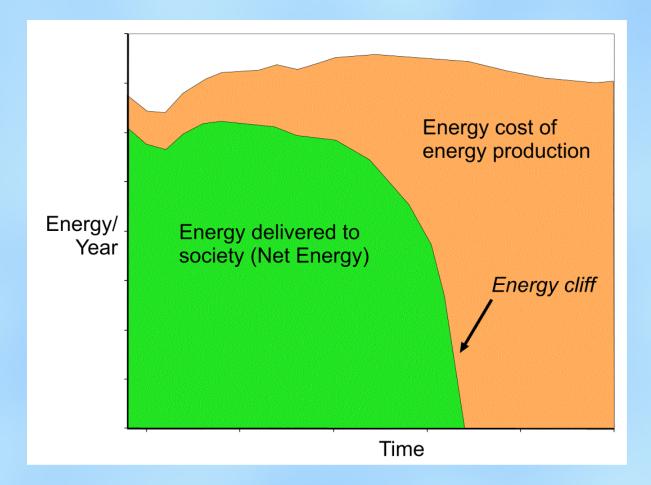
Coal production forecast



Peak Coal

- UK Peak Coal occurred in about 1917 (actual) or about 1925 (smoothed)
- Höök et al, 2010 put global Peak Coal at about 2027 but Patzek and Croft, 2010 put it at 2011
- Most recent reappraisals of coal reserves have resulted in downgrades
- In 2004 German hard coal reserves were downgraded by 99% from 23 to 0.2 billion tonnes
- Even coal producers should not assume future supplies, much less an importer like the UK

Depletable energy sources suffer declining 'net energy' and finally an 'energy cliff'

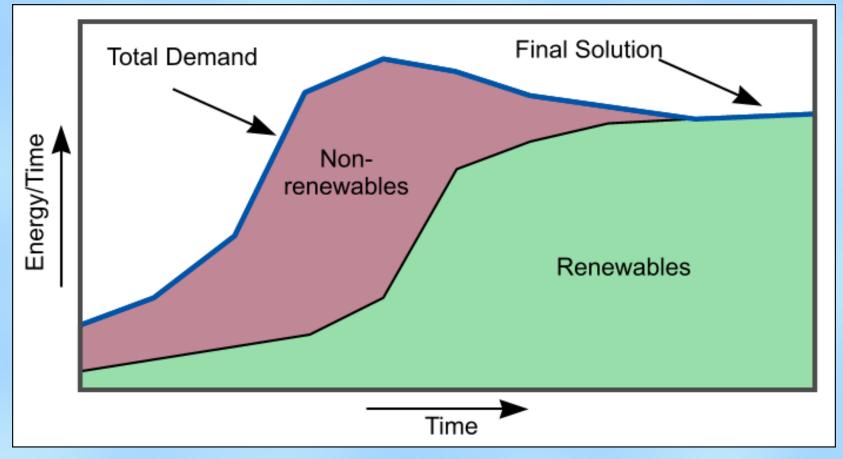


Depletables and Prices

- Net Energy can decline very rapidly, along with the 'Energy Return On (Energy) Invested' – EROI
- Hence for depletables, the energy investments even to maintain the present supplies must increase
- But rising global demand for depletable energy leads to continually rising prices
- Hence the money costs to maintain depletable energy supplies would increase even faster
- So future supplies cannot be priced or even assured, yet depletables still quote 'levelised' prices

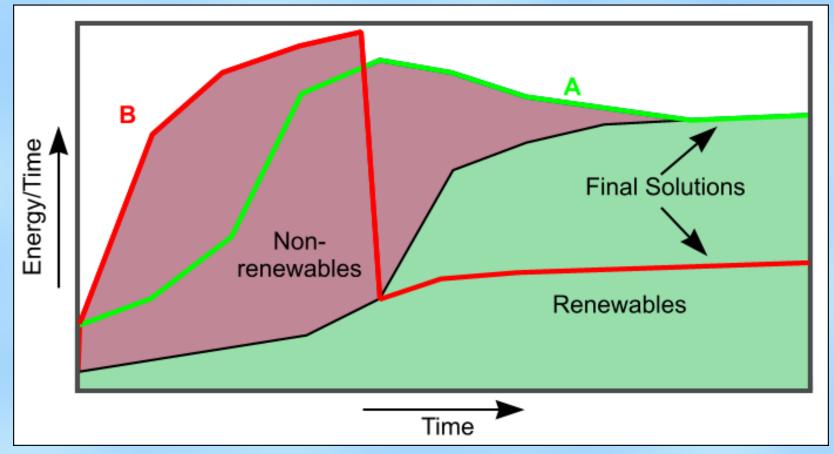
Transitions: Smooth

Investing enough of the limited fossil fuels can lead to a smooth transition and ample sustainable energy/time



Transitions: Collapse

Thoughtless use of the limited fossil fuels would lead to collapse and much less sustainable energy/time (curve B)

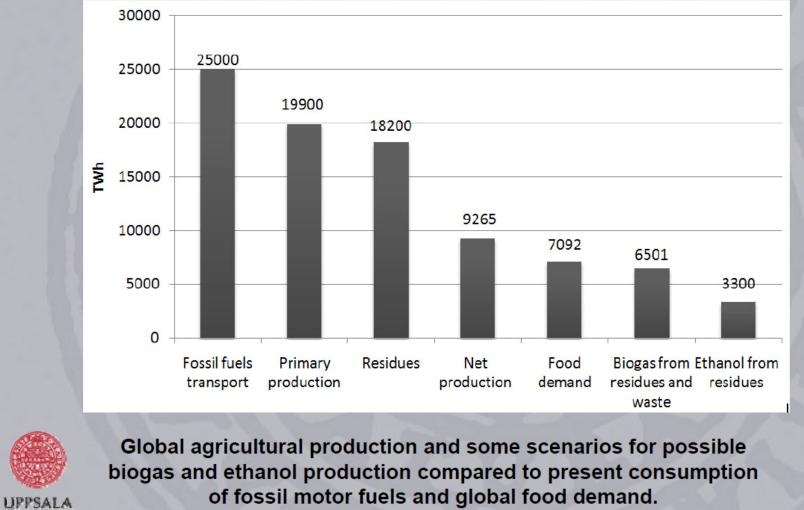


Renewables

- Only renewables are non-depletable with nearzero net carbon emissions and thus sustainable
- Hydro-power and geothermal energy are sitespecific and relatively small overall
- Marine current turbines are also site-specific, while wave power has yet to be proven
- Only solar, wind and biomass could ever make major contributions to all countries and the world

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Food and Fuel

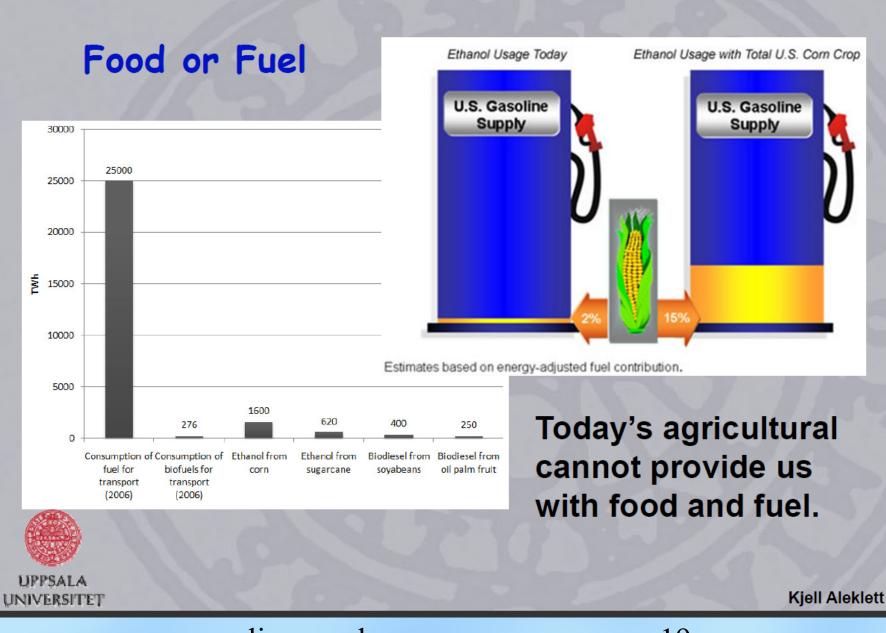


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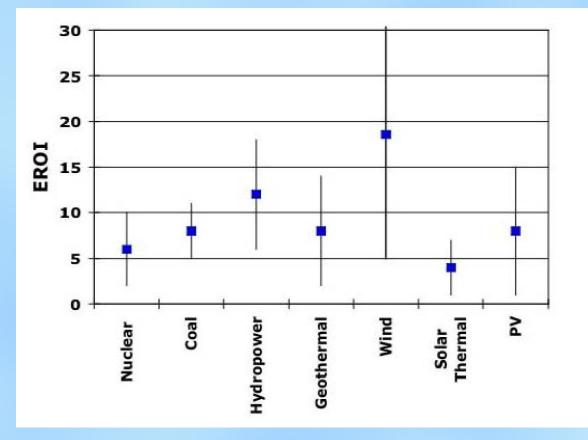


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EROIs of Electricity Sources

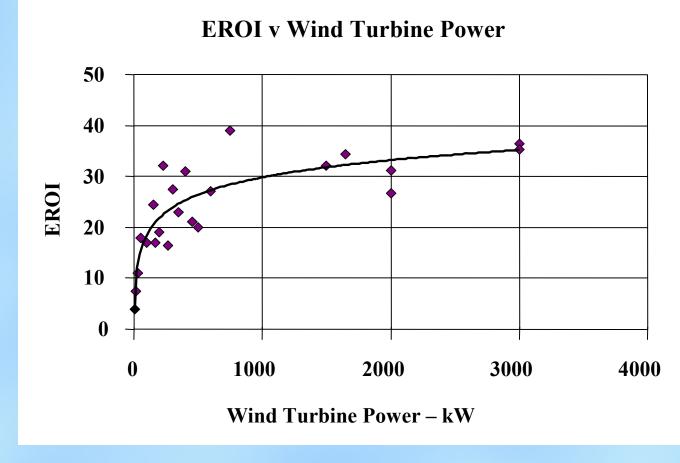
Of the renewable electricity sources:

- Hydropower and Geothermal are good but site-limited.
- Wind Turbines are much better than PV or Solar Thermal



EROIs of Electricity Sources: Scale Effect

The EROIs of Wind Turbines show a marked scale effect Hence we should invest only in large machines - MW class



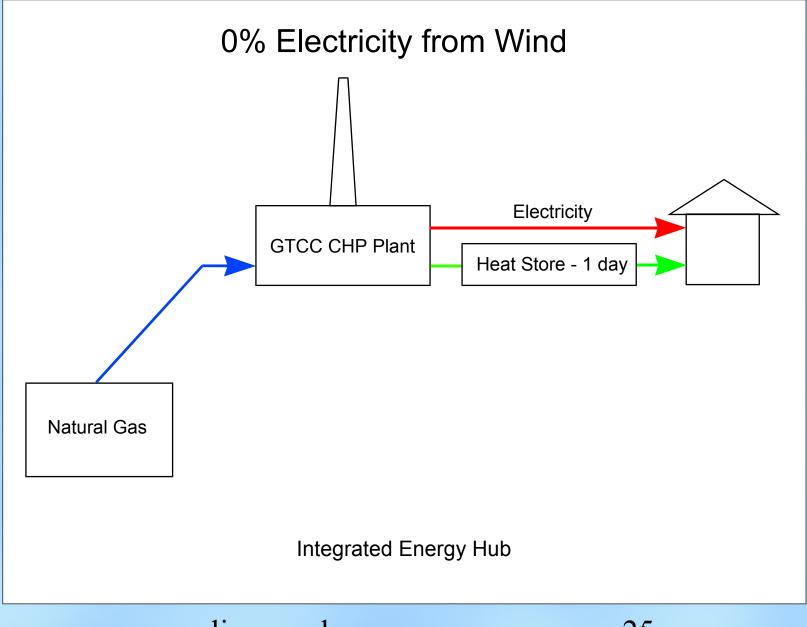
Wind Energy

- Biomass is multi-constrained, while Solar Thermal and PV have poor EROIs in temperate climates
- However, wind energy can produce electricity the highest form of energy - with very high EROIs
- Large wind turbines can be sited onshore or offshore, with the latter fixed or floating
- Offshore siting is particularly welcome in an increasingly crowded world
- The global wind resource has been put at 96 TW and the UK wind resource at up to 2 TW

- to carbon-free sustainability in four steps
- 0% Electricity from Wind
- 50% Electricity from Wind
- 100% Electricity from Wind
- 100% Electricity, Transport and Heat from Wind

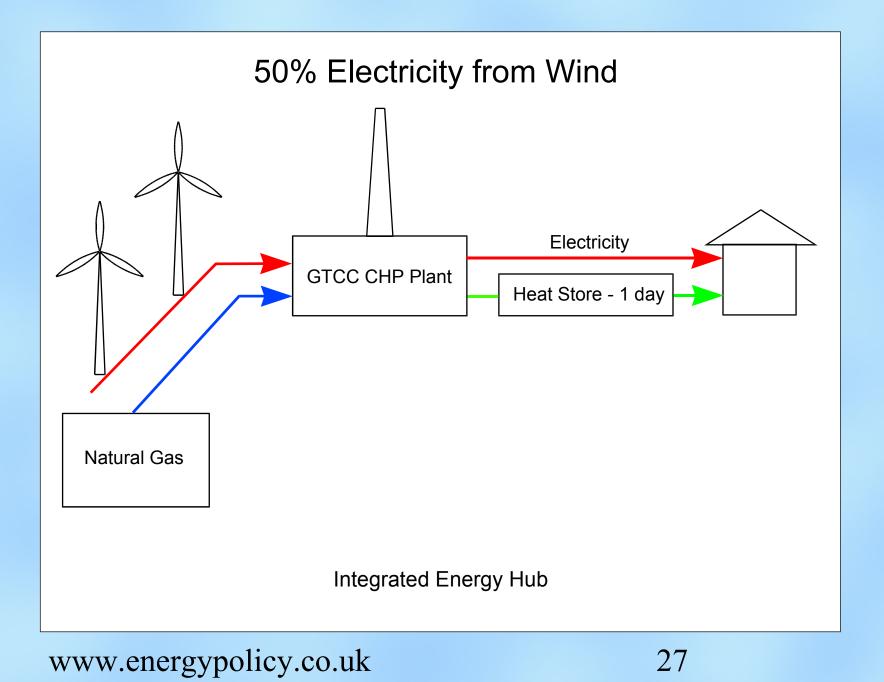
0% Electricity from Wind

- This was true of the UK a few years ago
- Depletable power is represented by gas-fired GTCC power plants, the youngest in the fleet
- Even without wind power, GHG emissions can be reduced by co-generating heat at up to 100 C
- This could be supplied via district heating networks and displace electric and gas heating
- The resulting carbon saving would be about 80%
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50% Electricity from Wind

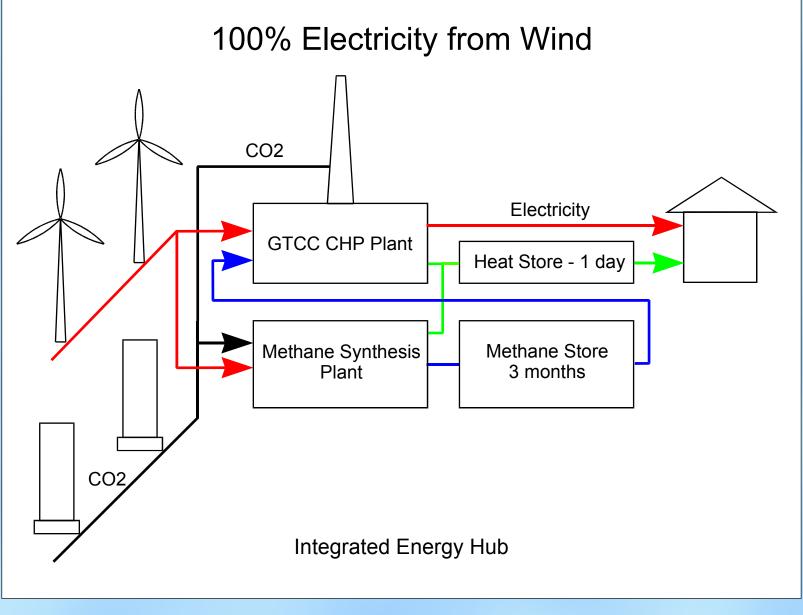
- Wind power is predictable days ahead and has annual average Capacity Factors of 0.20 – 0.45
- When wind power is less than the electric load, balancing power is required
- This can come from existing GTCC plants fuelled initially with natural gas
- But the wind power would reduce gas use and GHG emissions



100% Electricity from Wind

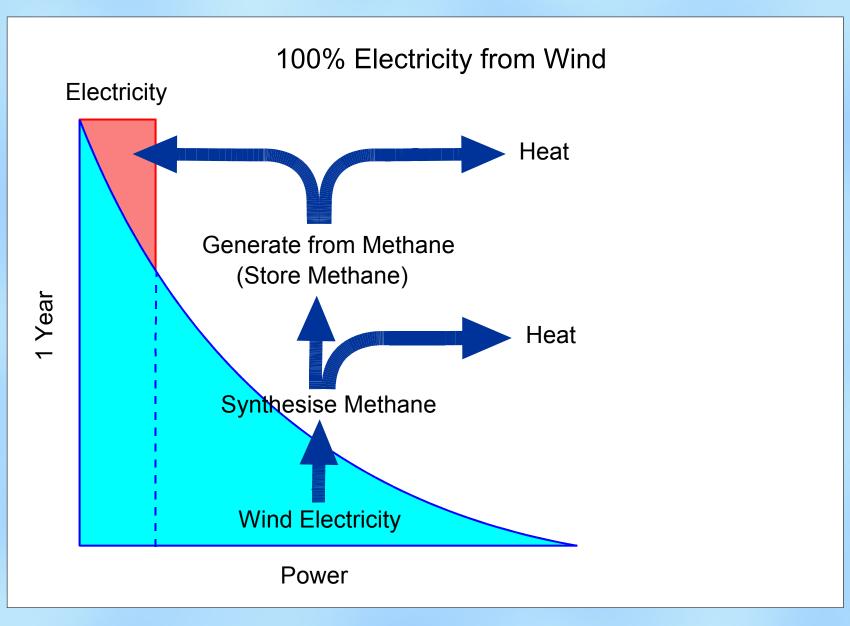
- At high wind percentages, wind power surplus to load could produce Renewable Power Methane
- This could be stored in the existing gas network and stores, enough for several months of electricity
- The existing GTCC plants could then be fuelled with Renewable Power Methane
- With such plants providing all the balancing power, 100% of electricity would be from wind

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100% Electricity from Wind

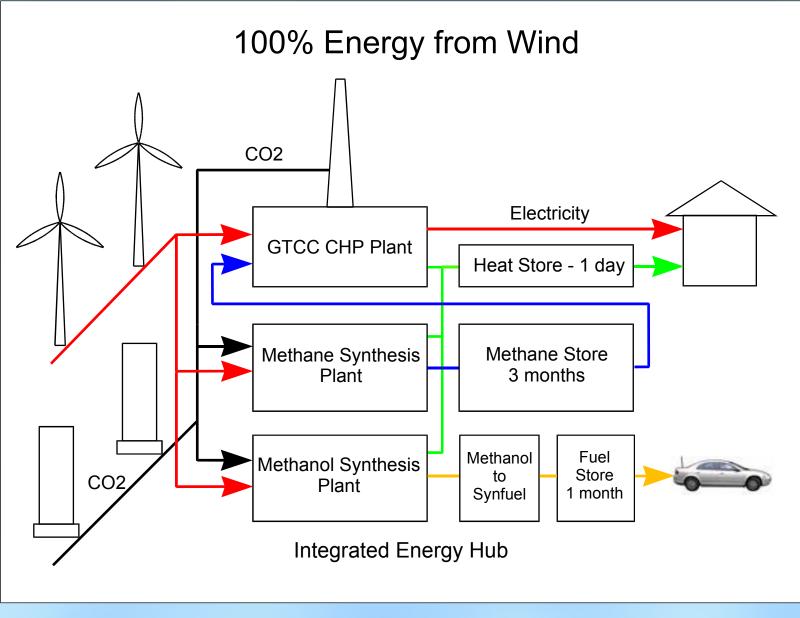
- The average world electrical load is about 2 TW
- So the annual world electrical energy is about 2 TWy
- The Renewable Power Methane efficiency is ~ 0.5
- The Gas Turbine Combined Cycle efficiency is ~ 0.5



100% Electricity from Wind

- For an average conversion efficiency of 0.5, the average electricity input would be about 4 TW
- Compared with a world average wind resource of 96 TW, this would be only about 4 per cent
- For a Capacity Factor of 0.35, the required wind capacity is ~ 3 x the average input - i.e. ~ 12 TW
- More co-generated heat would be available for district heating of buildings and industry
- Such a 100% electricity solution would be indigenous, secure, renewable and carbon-free hence sustainable

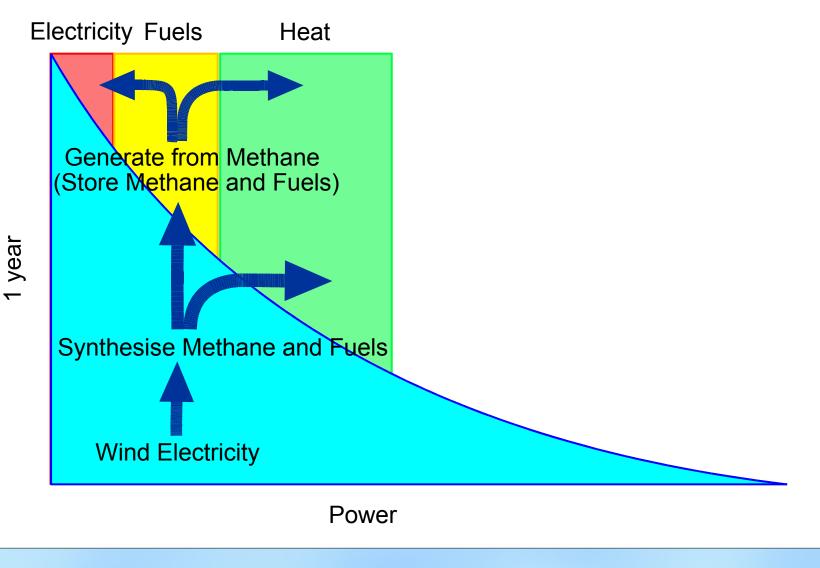
- Wind could also meet 100% of electricity, 100% of transport fuels and 100% of the heat demand
- Wind power in excess of the electric demand could produce RPM and Renewable Synthetic Fuels
- Producing balancing electricity with GTCC plants and RPM and Renewable Synthetic Fuels for transport could co-generate heat for buildings and industry
- In practice, the rural heat demand may be met from sustainable biomass and biogas



- The annual world electric energy is ~ 2 TWy
- The annual world transport fuel is ~ 3 TWy

• The annual world heat energy is ~ 5 TWy

The Renewable Synthetic Fuel effy is ~ 0.5



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- 100% final energy is ~ 10 TW, but by using the cogenerated heat, the electricity input could be ~ 10 TW
- Compared with the world average wind resource of 96 TW, this is only about one-tenth
- For a Capacity Factor of 0.35, the required wind capacity is ~ 3 x the average electricity input - i.e. ~ 30 TW
- Such a 100% energy solution would be indigenous, secure, renewable and carbon-free hence sustainable
- Investing in such a solution would increase indigenous employment and reduce overseas expenditure

Delivery – via ESCOs

- Grant access to UK energy markets only via franchises subject to agreed GHG outcomes
- Franchise holders would be Energy Service Companies, selling energy savings and services
- Unlike individuals or other companies, they could access both expertise and low-cost capital
- Combining savings and renewable energy supply would deliver the carbon-free sustainable outcome

CO2 Rollback

- CO2 from air would be needed to make methane and Renewable Synthetic Fuels for 100% energy
- More CO2 could be captured for sequestration and 'rollback' of the atmospheric concentration
- Hence stores under the North Sea should not be used for CCS, but reserved for 'rollback' CO2
- Governments should fund demonstrations of capturing CO2 from air and of sequestering it

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Key Players in 100% Wind Solutions

- The European Wind Energy Association (ewea.org), who expect 10,000 visitors at their Annual Event in Brussels on March 14-17
- Solar-Fuel.com, who have built a pilot plant capturing CO2 from air and making methane
- CarbonRecycling.is, who are completing an Industrial Scale Plant using renewable energy to make methanol

Videos on 100% Wind Solutions

 Statoil and Siemens 'HyWind' project on floating wind turbine of 2.3 MW – 1 minute & 7 minutes

 Solar-Fuel.com pilot plant capturing CO2 from air and making methane – 5 minutes

Thank you for your attention

Gordon Taylor

G T Systems

Several energy presentations are at: www.energypolicy.co.uk

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