Department of Meteorology School of Mathematical, Computational and Physical Sciences



Weather and climate impacts on the energy sector



David Brayshaw

Showing work by PhDs and postdocs: Hannah Bloomfield, Dan Drew, Dirk Cannon, Kieran Lynch, Caroline Holmes (nee Ely), Dan Hdidouan, Kostas Phillippopoulos, Francisco Santos-Alamillos & Emma Suckling With input from John Methven, Len Shaffrey, Andrew Charlton-Perez and others



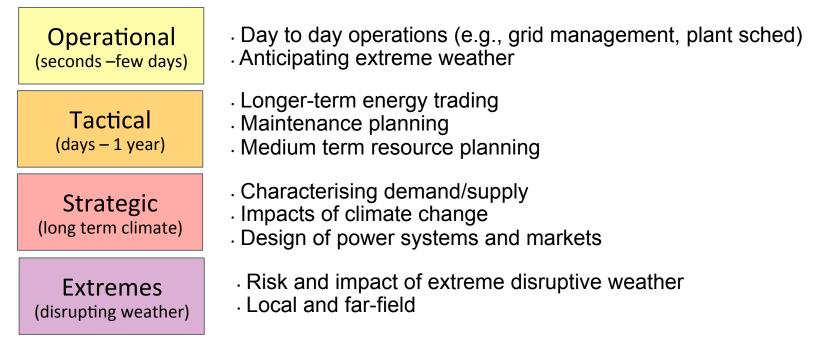


LIMITLESS POTENTIAL | LIMITLESS OPPORTUNITIES | LIMITLESS IMPACT

Power systems and meteorology



- Many impacts of weather on power (damage, demand, transmission, supply)
- Use of renewables: Increasing sensitivity to weather on generation side
- Climate change and variability: effects weather properties

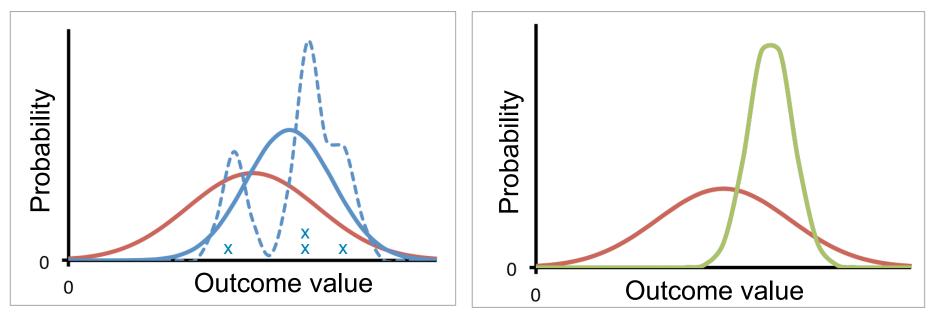


- Key challenge: how to use weather climate data effectively to understand behaviour of impacted system and develop risk management strategies
- Today: examples from operational, strategic and tactical
- Power-, Euro-, Renewables- centric (please ask for other areas!)





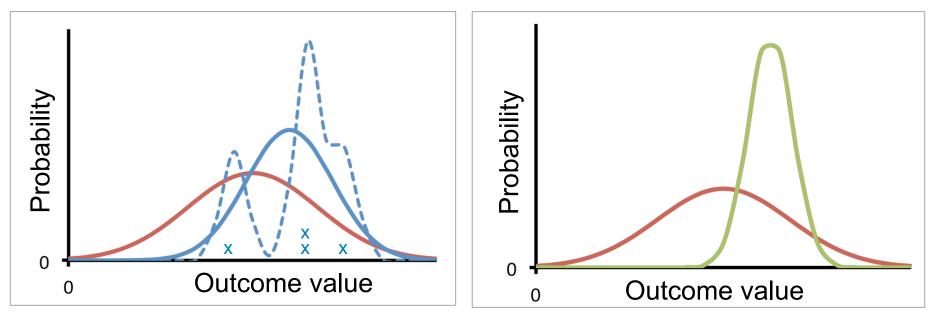
- Topic 1 climatologies of risk: understanding range of the possible (blue \rightarrow red)
 - Reanalysis
 - Climate model projections (GCMs)
- Topic 2 forecasting risk: anticipating outcomes (red \rightarrow green)
 - Ensemble prediction (subseasonal, seasonal and decadal)







- Topic 1 climatologies of risk: understanding range of the possible (blue \rightarrow red)
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Climatologies of risk



- Wind-power variability
 - Reserve holding, system planning, system management
 - Risks: persistent-high, persistent-low and rapid ramps in wind power
- Question 1: To what extent can historical meteorological data better characterize these three risks? (now and into the future)
- Climate impacts on "integrated" power systems
 - Load duration and operating opportunity for conventional plant
- Question 2: Are economic "system planning" models robust to climate change and variability?

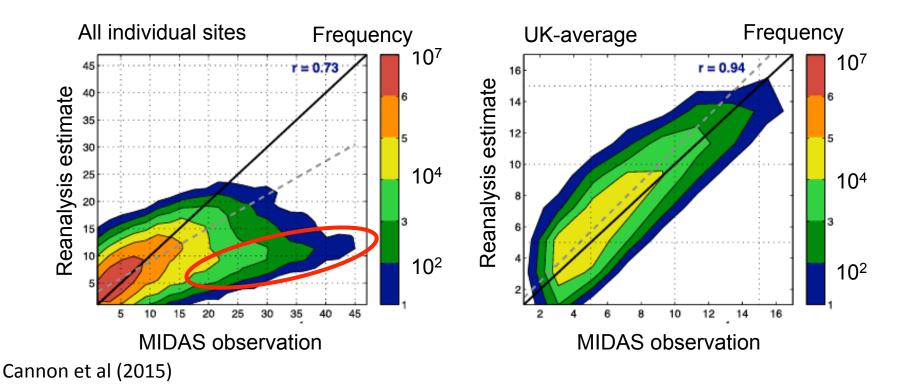


- Special thanks to: Dirk Cannon & Dan Drew (postdocs), John Methven & Phil Coker (UoReading), and David Lenaghan (National Grid)
- Insufficient direct power observation records (few years)
- Previous work largely based on met-station data (Sinden, Leahy, Earl, Fruh, ...)
 - Spatially sparse, inhomogenous (spatial, temporal)
 - Wrong height (10m), wrong location (relative to wind farms)
 - \rightarrow Conversion to "power" problematic
- Reanalysis
 - Full, gridded, 30+ years of homogenous coverage
 - Multiple vertical heights
 - Freely available, no need for additional simulations
 - NASA MERRA (Reinecker et al 2011); similar with ERA-Interim (Dee et al, 2011)

Wind evaluation



- MERRA comparison to 328 MIDAS 10m wind-mast observations
 - High altitude sites: likely underestimation of topographic height
 - National average: performs well compensation of uncorrelated small-scale "errors"



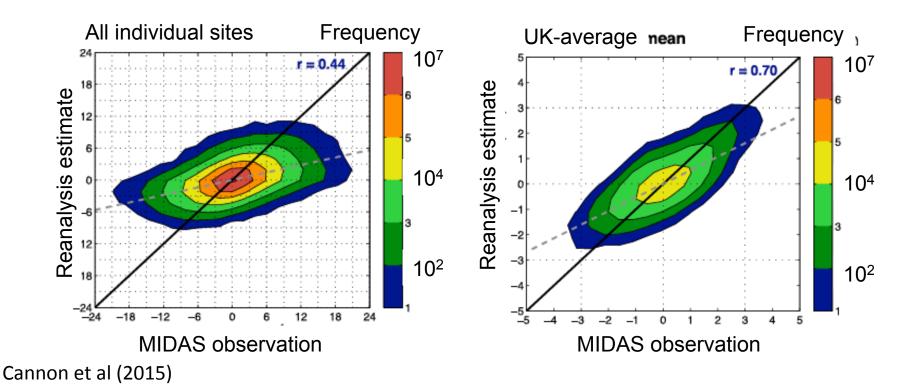
Absolute wind speed (10m, hourly)

Wind evaluation



- MERRA comparison to 328 MIDAS 10m wind-mast observations
 - High altitude sites: likely underestimation of topographic height
 - National average: performs well compensation of uncorrelated small-scale "errors"
 - National 3-6 hour "deltas" reproduced well

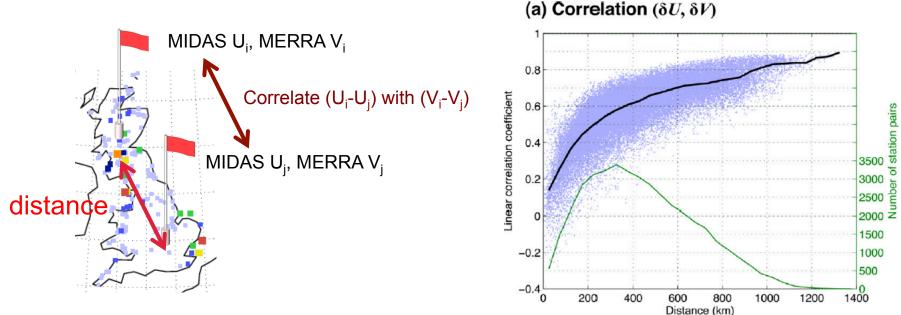
3-hour change in wind speed (10m, hourly)



Aside: The limits of reanalysis



GB wind strongly spatially correlated, decreasing with distance ~100's km (Sinden, 2007) **Question**: how well does MERRA capture *differences between sites*?



Correlation ~0.6 @ 300 km Interpretation:

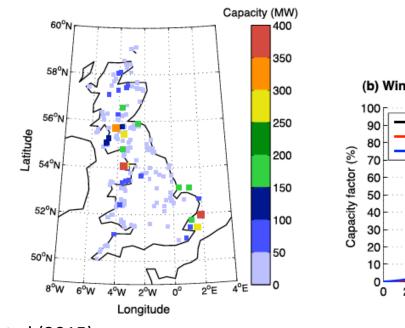
- dU contains contribution from "local situation" and "large-scale weather"
- MERRA captures the contribution from "large-scale" but "local" is unresolved
- Effective resolution on scale ~ 300km

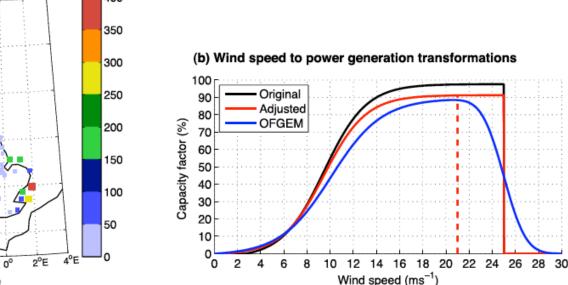
Cannon et al (2015)

Conversion to wind power



- Interpolate hourly wind-speed to each site in 2012 wind-farm list (2, 10, 50m)
- Extrapolate to turbine height using a fitted logarithmic profile
- Applying simple power curve to estimate capacity factor
- Weight by local installed capacity and aggregate nationally
- Calibrate power curve using observed 2012 wind-power records

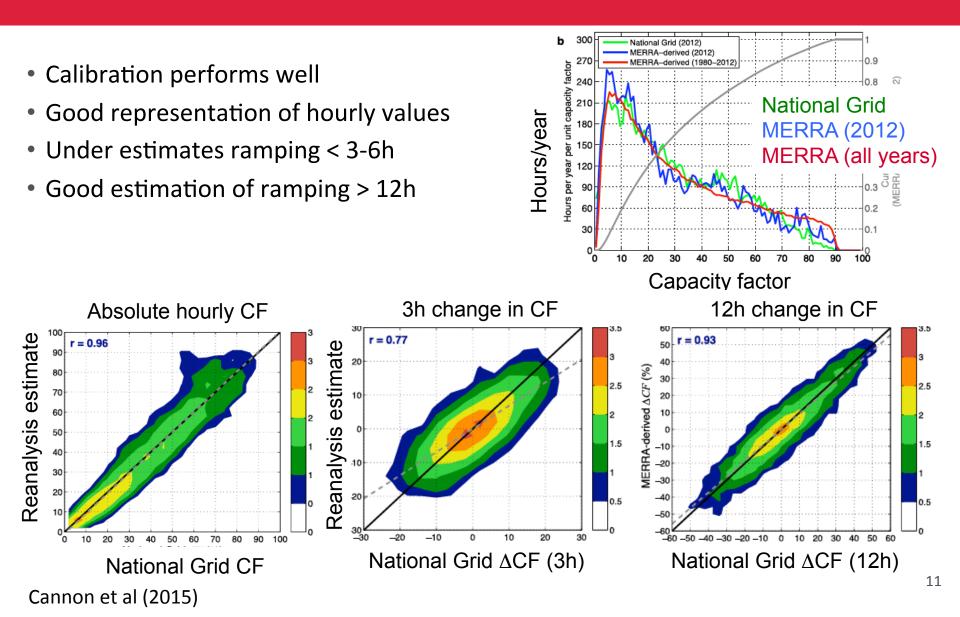




(a) September 2012 wind farm distribution

Wind power – 2012 period





Wind power synthetic record (Cannon et al, 2015, Renewable Energy)

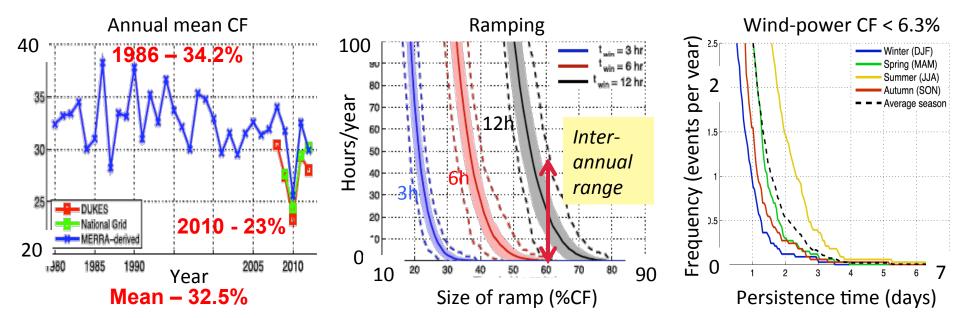


30+ year "synthetic history" of wind power

Model code and data freely available: <u>www.met.reading.ac.uk/~energymet</u>

Key points:

- Better quantification of risks associated with inter-annual climate variability
- Annual-mean capacity factor higher than previous estimates (32.5%) and highly variable (15pp range)
- Persistent high/low wind events approximately Poisson-like (exponential decay with persistence)
- Very large ramps can occur but caution required

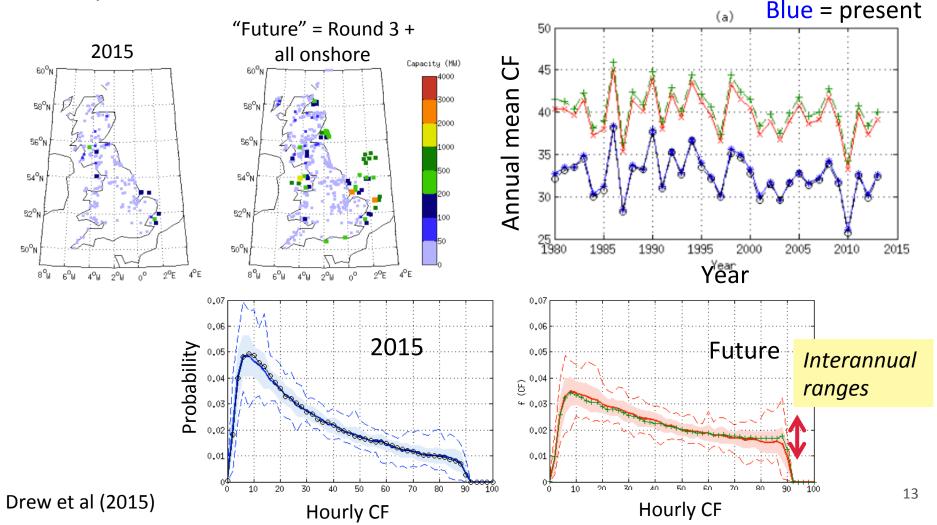


Future wind power installation (Drew et al, 2015, Resources)



Red = "future"

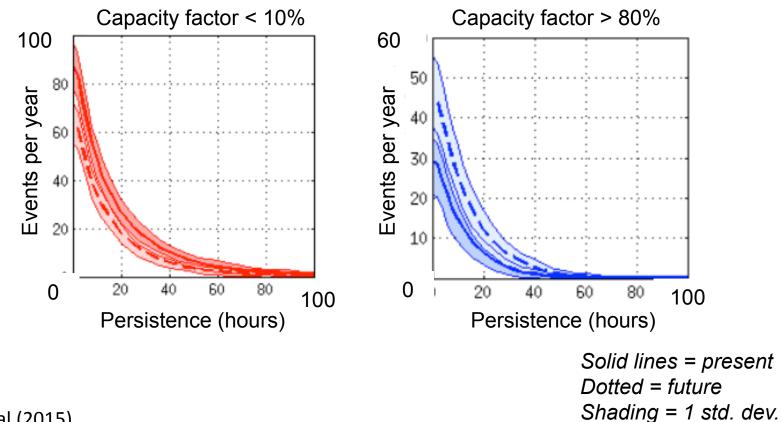
- "What if" scenarios: characteristics of future power systems
- Identify contributions from offshore/onshore



Future wind power installation (Drew et al, 2015, Resources)



- Fewer persistent low CF events ightarrow much fewer in terms of GW output
- More persistent high CF events \rightarrow much more in terms of GW output
- Ramps same size in CF terms \rightarrow larger ramp in GW



Drew et al (2015)

Integrated power systems (mainly work by Hannah Bloomfield, PhD student)



- Integration of renewables: more sensitive to weather
 - ... but climate impact work usually considers "ingredients", not power "systems"
- Perspective: two particular "classes" of problem

Short run	Long run
Operation of a "fixed" power system	Design of "best" power system
E.g., unit commitment, power flow, loss of load probability	E.g., capacity mix, policy choices, economic optimality

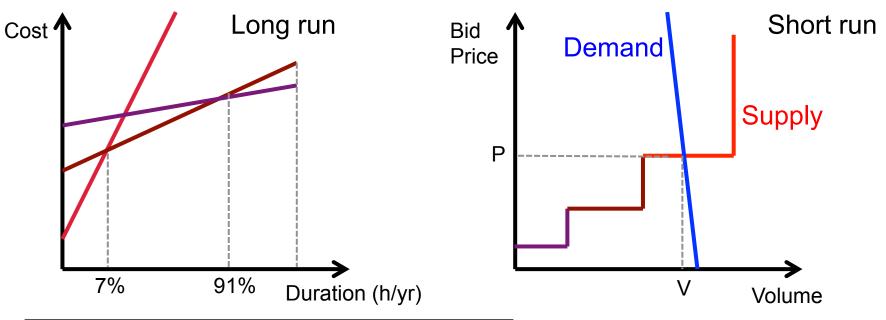
- Both challenging, both important, both focus of much energy-system research
- Highly complex, often drawing on numerical simulation (typically optimisation-based)
- However, many influential studies use short weather/climate records, e.g. (for long-run):
 - Grunewald 2011; Poyry 2009; Green 2010; Gerber 2012; Widen 2011; Buttler 2016; Schaber 2013; Macdonald (in press); EWITS, WWSIS

• Question: How robust are the results to climate variability and change?

Integrated power systems (mainly work by Hannah Bloomfield, PhD student)



- Simplified approach, based on "merit-order" principles
- Enables approximation of economic decision-making in power sector
- Intention to explore how climate information can/should be used...
- ... not to replace "more complex" power models, or to produce precise predictions



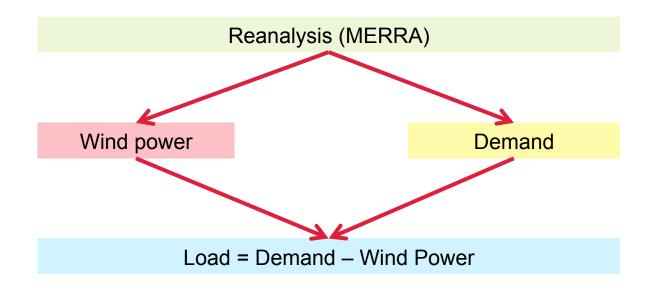
Туре	Capital cost	Operating cost	Example
Peaking	Low	High	OCGT, oil
Mid-merit	Medium	Medium	CCGT, coal
Baseload	High	Low	Nuclear

See, e.g., Stoft (2002) 7% and 91% thresholds based on DECC 2013

"Model" concept



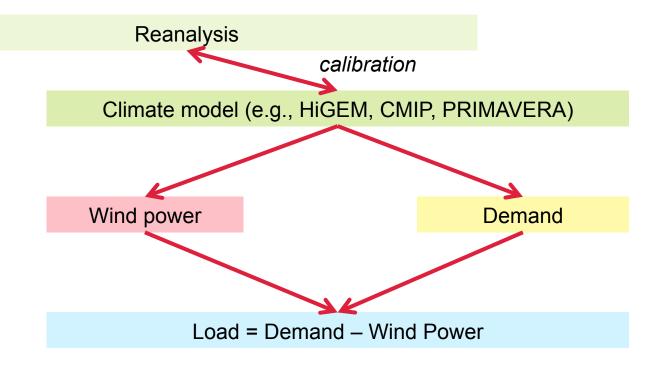
- Consider a one-zone (copper plate) model of the GB power system
- No transmission constraints, interconnectors, storage or ramping constraints
- Self-consistent weather impact scenarios from reanalysis



"Model" concept



- Consider a one-zone (copper plate) model of the GB power system
- No transmission constraints, interconnectors, storage or ramping constraints
- Self-consistent weather impact scenarios from reanalysis or climate model

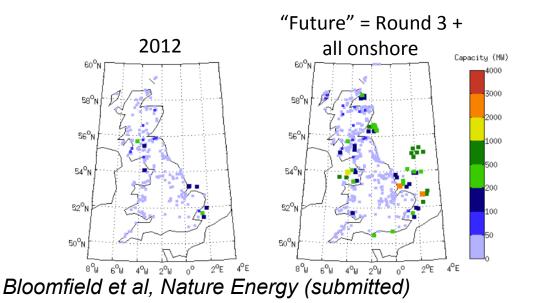


Wind power scenarios/model



• Constructed as previously, but using four different capacity scenarios:

Scenario	WP capacity	Distribution	Interpretation
NOWIND	0 GW		No use of wind power
LOW	15 GW	2012	Present day (2015)
MED	30 GW	2012	National Grid GG 2025
HIGH	45 GW	Future (Rd3)	National Grid GG 2035



GG = National Grid Future Energy Scenarios "Gone Green" (2015)

Note: interpretive comparisons indicate approximate consistencies, not precise definitions

Demand model



Three step approach:

- 1. Daily demand: multiple linear regression on temperature, c.f. Taylor & Buizza (2003)
 - Trained on recorded national demand 2006-2010; good fit $R^2 \sim 0.93$

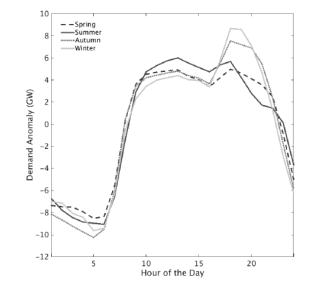
$$Demand(t) = \alpha_1 + \alpha_2(t) + \alpha_3 sin(\omega t) + \alpha_4 cos(\omega t) + \alpha_5 Te(t) + \alpha_6 Te^2(t)$$

+
$$\sum_{k=7}^{8} \alpha_k WE(t) + \sum_{l=9}^{12} \alpha_l WD(t) + \alpha_{13} HOL(t)$$

2. Simplify demand: remove "special days" with no meteorological significance

$$Demand = \alpha_1 + \alpha_3 sin(\omega t) + \alpha_4 cos(\omega t) + \alpha_5 T(t) + \alpha_6 T^2(t)$$

- 3. Simplified hourly demand:
 - "Downscaling" using observed diurnal curves
 - One curve per season

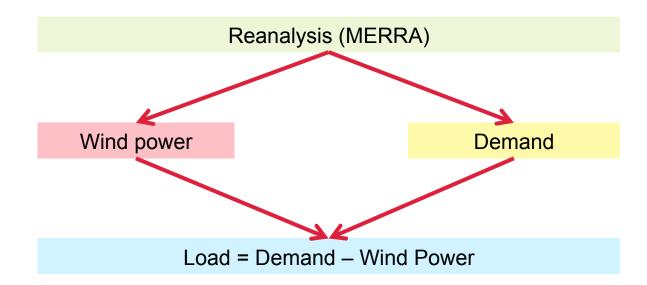


Bloomfield et al, Nature Energy (submitted)

"Model" concept



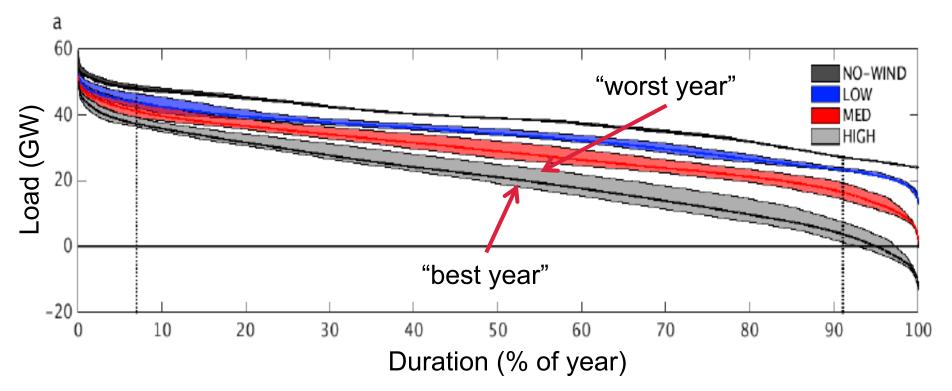
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Power system "model" concept Bloomfield et al, Nature Energy (submitted)

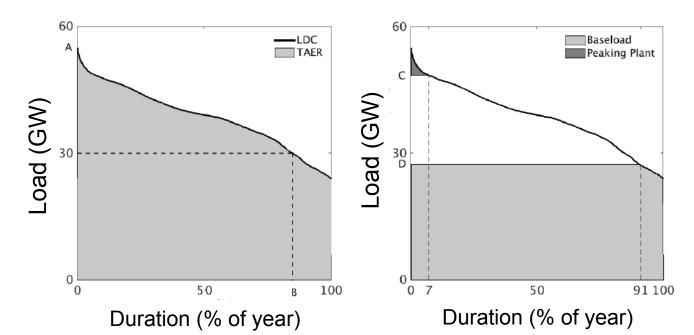


- Result:
 - 4 x 36 year scenarios (NO-WIND, LOW, MED, HIGH); hourly resolution
 - Convenient to display as annual load duration curves (\rightarrow 36 LDCs per scenario)





- Assume "load" must be met by schedulable plant (either peaking, mid-merit, or baseload)
- Six power system "impact metrics" defined
 - Total annual energy required
 - Peak load
 - Curtailed wind energy
 - Threshold of economic opportunity for 7% peaking plant (or volume of energy opportunity)
 - Threshold of economic opportunity for 91% baseload plant (or volume of energy opportunity)
 - Annual operating hours of 30GW marginal mid-merit plant

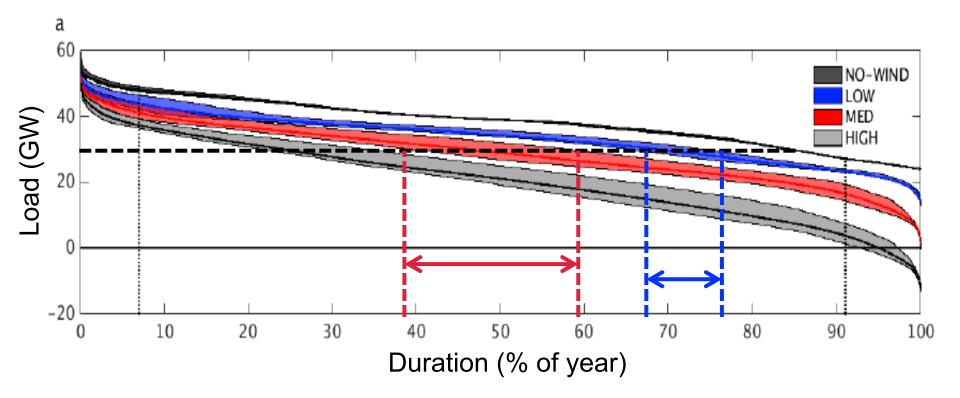


Mid-merit operating hours Bloomfield et al, Nature Energy (submitted)



Perspective: "Short run" problem

- Substantial decrease in number of hours where load exceeds 30GW (from ~73% to ~50%)
- Also: increase in the year-to-year range
 - Doubling from ~10pp to ~20pp
 - Significantly increased impact of climate on the operation opportunity



Baseload threshold of opportunity Bloomfield et al, Nature Energy (submitted)

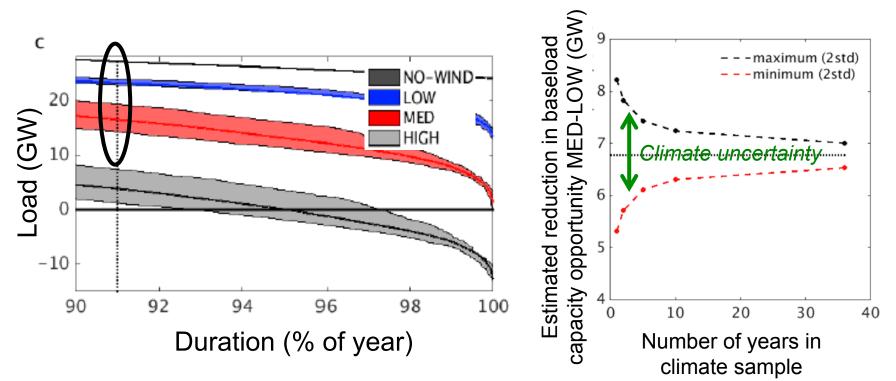


Perspective: "Long run" problem - optimal amount of "baseload type" plant capacity

- Mean decreases dramatically ightarrow less opportunity for this type of generation
- Inter-annual range significantly increases ightarrow more climate uncertainty

→ Estimates of the economically "optimal" opportunity for baseload which are reliant on short-data may be significantly in error:

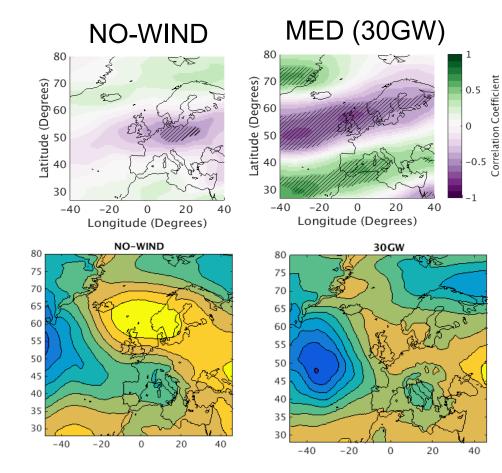
- Recall many studies use between 1 and 10 years of data
- 50% error in the change in optimal capacity for single year; 15% error for 10-year



Climate drivers (Hannah Bloomfield, PhD thesis in prep)



- Exploration of what *causes* climate impacts (work in progress)
 - Meteorological drivers sensitive to construction of power system
 - See also Brayshaw, Dent and Zachary (2012) for wind-during-peak-demand



Baseload energy opportunity

Correlation with zonal wind U850

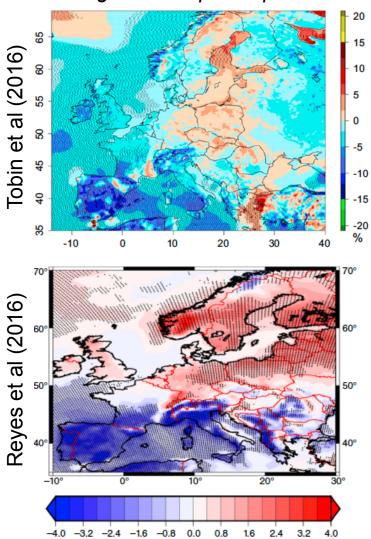
Peak Load

Composite MSLP (Top 10, 5d separation)

Climate change

- Growing number of studies addressing climate change on energy systems
- General consensus for wind:
 - Changes are "fairly small"
 - Increases in N. Europe
 - Decreases in S. Europe
 - Significant differences between models
 - Differences between studies even using same CMIP5 model archive!
- See, e.g., Bonjean-Stanton et al (2016) for a recent review across many technologies

RCP8.5 late C21 ENS mean Change in wind power potential



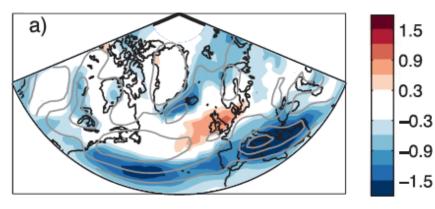


A note on climate change...



- Understanding the meteorological drivers is important...
- ... forced regional climate change signals can be quite uncertain (note: colour scales!)

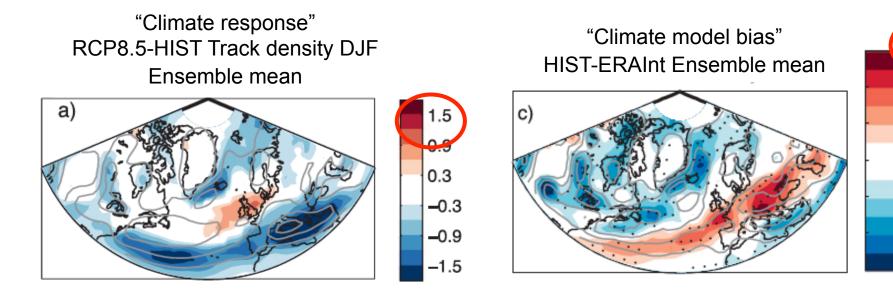
"Climate response" RCP8.5-HIST Track density DJF Ensemble mean



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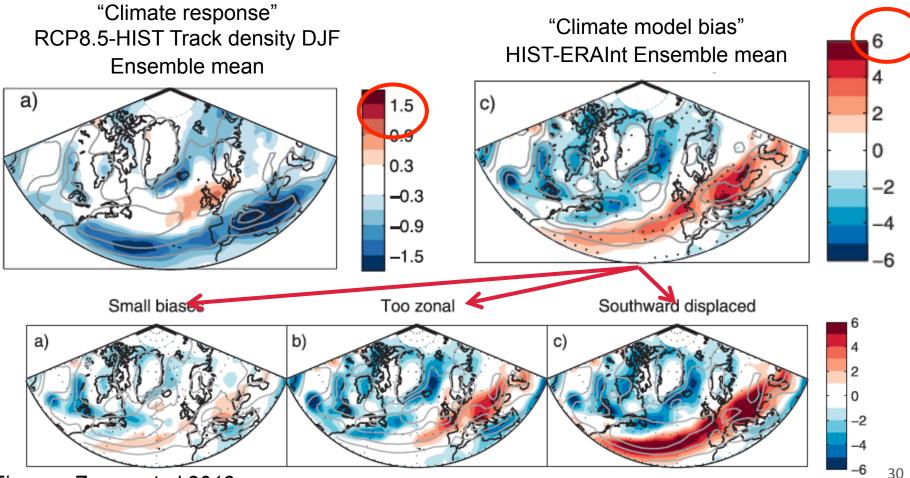
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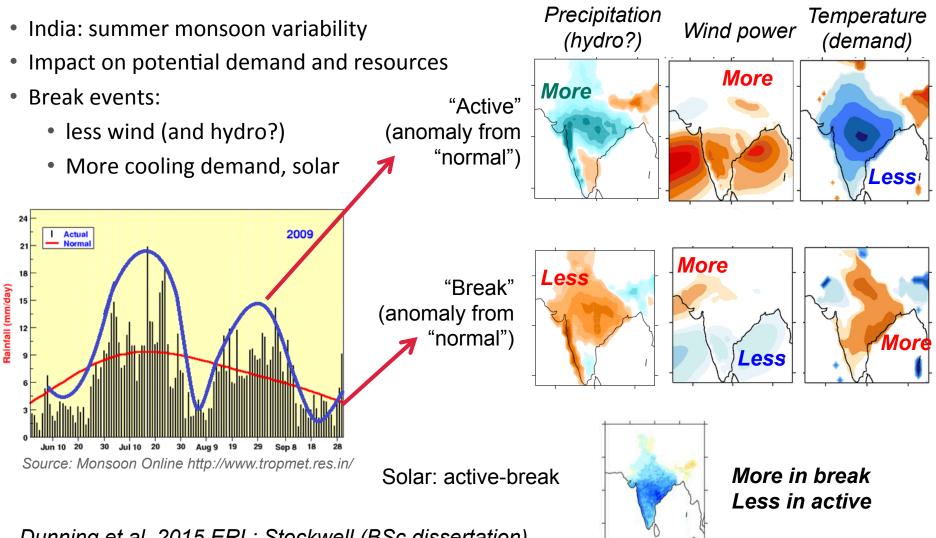


- Understanding the meteorological drivers is important...
- ... forced regional climate change signals can be quite uncertain (note: colour scales!)



Figures: Zappa et al 2013

Aside: Indian monsoon variability



Dunning et al, 2015 ERL; Stockwell (BSc dissertation)

******* University of

🐨 Reading

CNRM-CM5 Generally thought to be a "good"

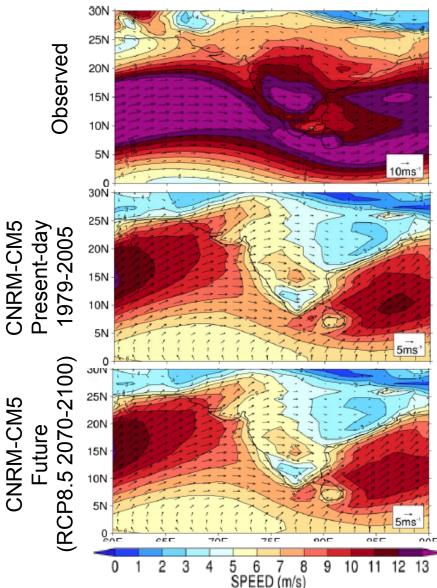
 Generally thought to be a "good CMIP5 model for monsoon!

GCM simulation of monsoon winds poor

- Simulates slight decrease in wind speed
- Is the climate "response" trustworthy?
 - Change much smaller than bias

Figures: Lee (MMet dissertation)

Aside: Indian monsoon variability

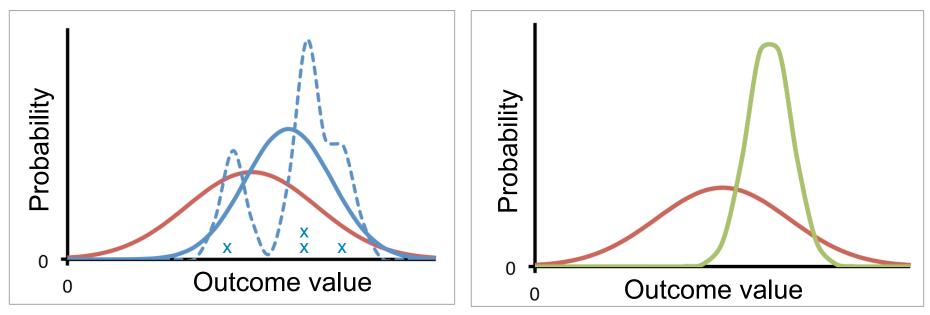








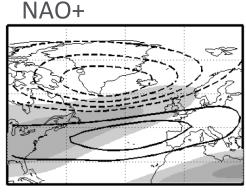
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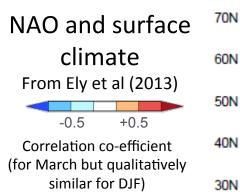
Forecasting risk: Physical basis Low frequency variability



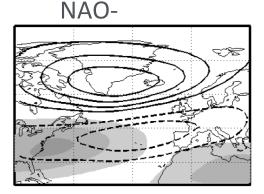
- Low-frequency variability exists in the climate system: ENSO, MJO, NAO, AMO, PDO, ...
- Effects regional climate
- NAO vs European wind as a simple example



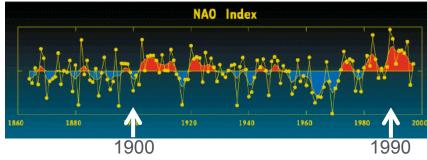
From Woollings et al (2010) Shading = U300, contours = Z500

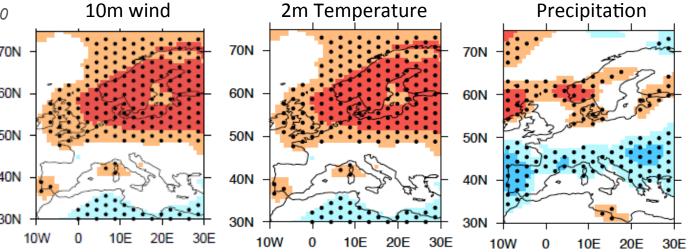


Stippling: significant at 95%



NAO timeseries (annual mean) From www.ldeo.columbia.edu/res/pi/NAO/



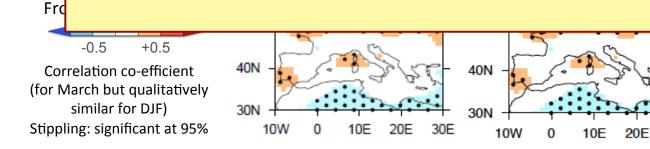


Forecasting risk: Physical basis Low frequency variability

- Low-frequency variability exists in the climate system: ENSO, MJO, NAO, AMO, PDO, ...
- Effects regional climate
- NAC



- NAO impacts relevant to energy, e.g.:
 - Ely et al (2013) UK-Norway hydro-wind-demand
 - Jerez et al (2013) NAO on renewables in SW Europe
 - Trigo et al (2011) hydrological resources
 - Brayshaw et al (2011) UK wind power
 - Pozo-Vazquez et al (2004) Solar
 - Castro-Diez et al (2002) Temperature
- ... and many others





1990

40N

10W

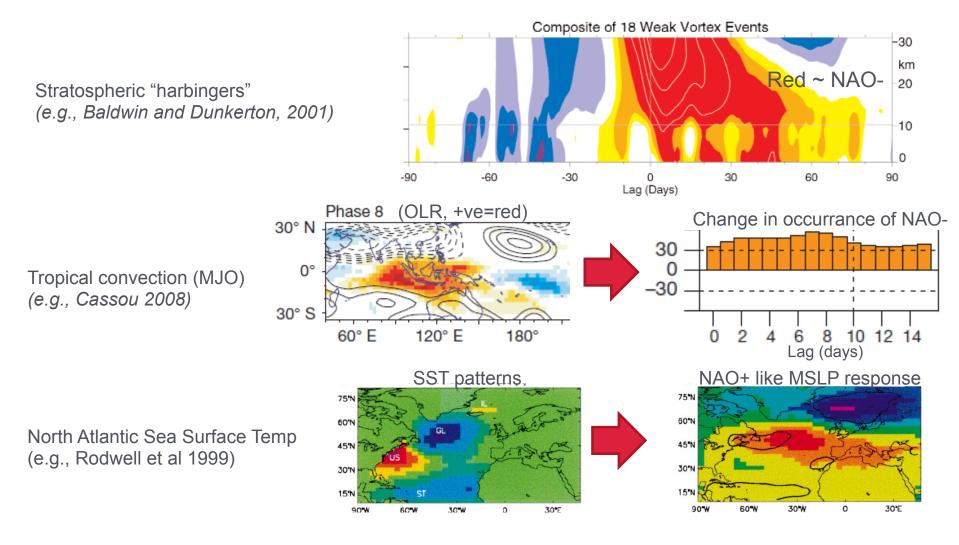
10E

20E

30E

30E

Long-range predictability - examples



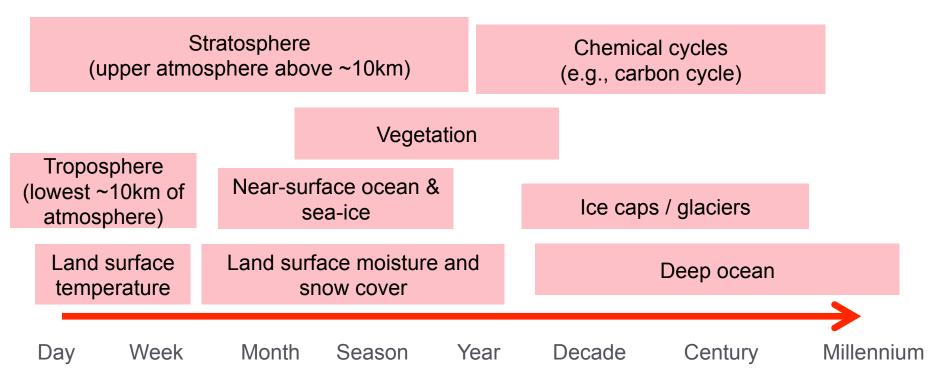
******* University of

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Climate components



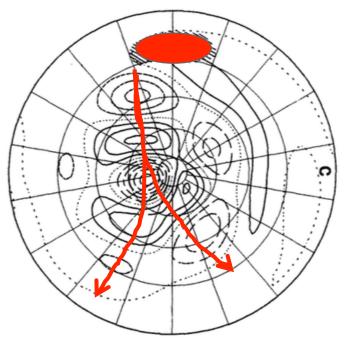
- Climate system contains more than just the atmosphere
- Components vary on very different timescales
 - "natural" or "internal" variability (no external forcing required)
- A very schematic diagram many interactions:

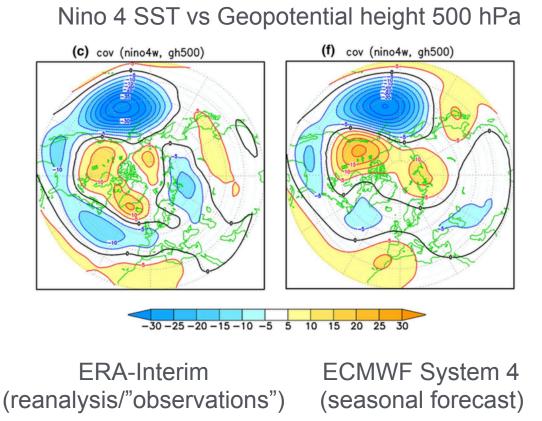


Remote communication pathways



Tropical heating vs geopotential 300 hPa





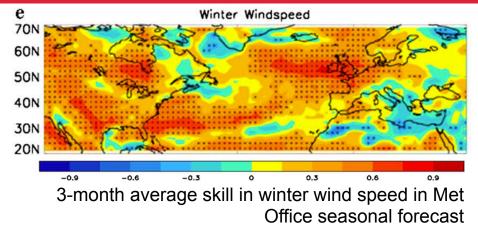
Wave propagation heavily dependent on background flow

Figures: Hoskins & Karoly 1981; Molteni et al 2015

Subseasonal and seasonal forecasting



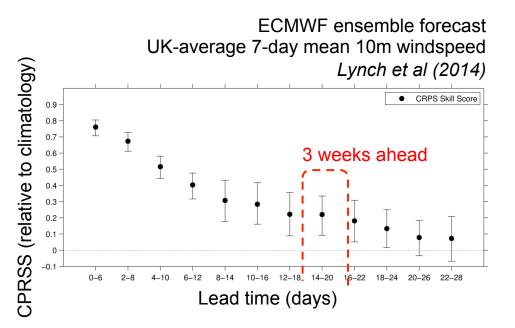
- Ensemble forecasts
- 3 weeks 4 months
- Skill at large scales (space & time)
- Inherently probabilistic



Scaife et al 2014

Country-average weekly-mean forecast skill for Temperature, wind and solar *Suckling (unpublished)*

	ouoluing (unp		
	Temperature	Wind speed	Cloud cover
Europe wide, wk1			
Country 1			
Country 2			
Country 3			
Country 4			
Country 5			
Europe, wk2			
Country 1			
Country 2			
Country 3			
Country 4			
Country 5			
Europe, wk3			
Country 1			
Country 2			
Country 3			
Country 4			
Country 5			
Europe, wk4			
Country 1			
Country 2			
Country 3			
Country 4			
Country 5			





ECMWF month-ahead forecast system:

- weeks 3 and 4 ahead (focus: week 3 in winter season)
- 51-member ensemble: multiple realisations of possible weather

1. Does it provide skillful predictions of wind and temperature?

- 2. To what extent does the forecast skill propagate into:
 - a. wind power volume
 - b. electricity demand
 - c. electricity price?

3. How can these forecasts be used to optimise trading decisions?



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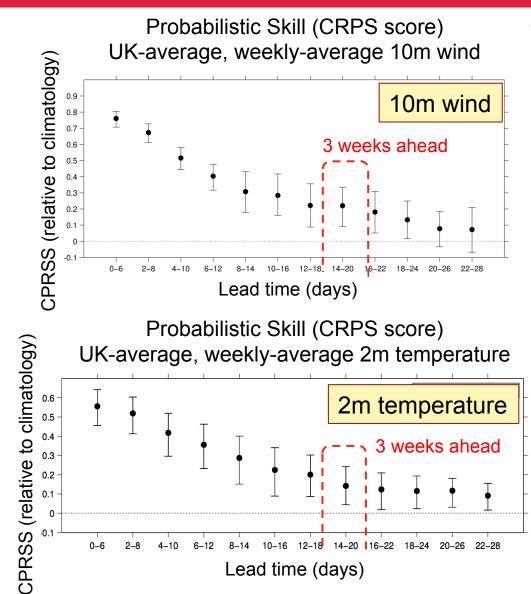
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Meteorological skill





Analysis shown for winter only

3-weeks ahead 7-day UK averages:

- Significant skill above climatology (99% confidence)
- CRPS 0.21 (wind); 0.17 (temperature)
- Consistent ROC / Reliability / ACC / RMSE
 - Lynch et al (2014). Monthly Weather Review, 142, 2978– 2990.
 - Emma Suckling other European countries and variables



ECMWF month-ahead forecast system:

• weeks 3 and 4 ahead (focus: week 3 in winter season)

1. Does it provide skillful predictions of wind and temperature? – Yes!

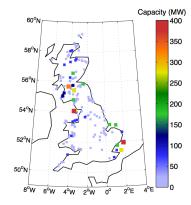
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Wind power





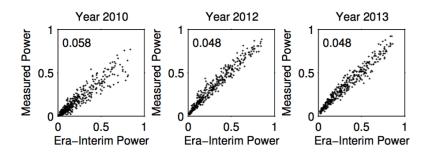
Evolving wind-farm distribution



Aggregate wind-farm power curve

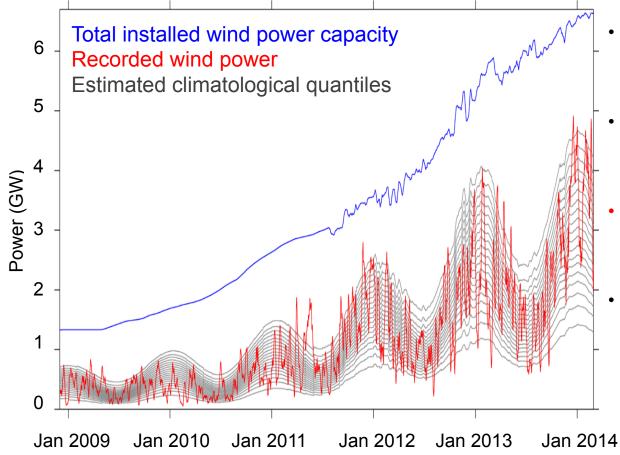


Calibration to observed power data



Wind power forecast





- Use the time-evolving set of wind farms to scale the wind-power PDF derived from ERA-Interim.
- Enables direct comparison with observed wind-power records

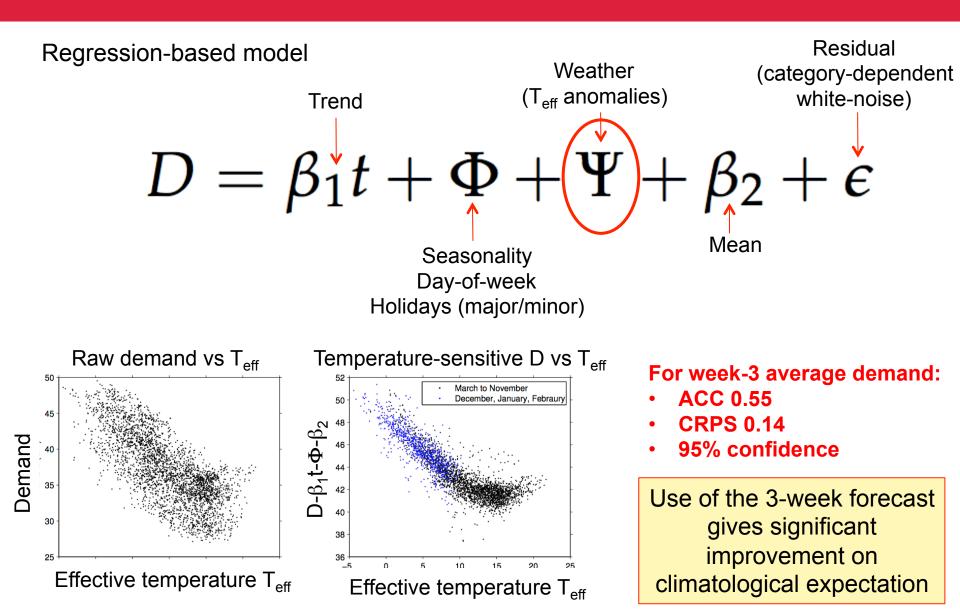
ACC 0.52; CRPS 0.17 (99% confidence)

Similar results if consider a fixed wind-farm distribution and compare entire 33-year synthetic wind-power record.

Use of the 3-week forecast gives significant improvement on climatological expectation

Demand model and forecast







ECMWF month-ahead forecast system:

• weeks 3 and 4 ahead (focus: week 3 in winter season)

1. Does it provide skillful predictions of wind and temperature? – Yes!

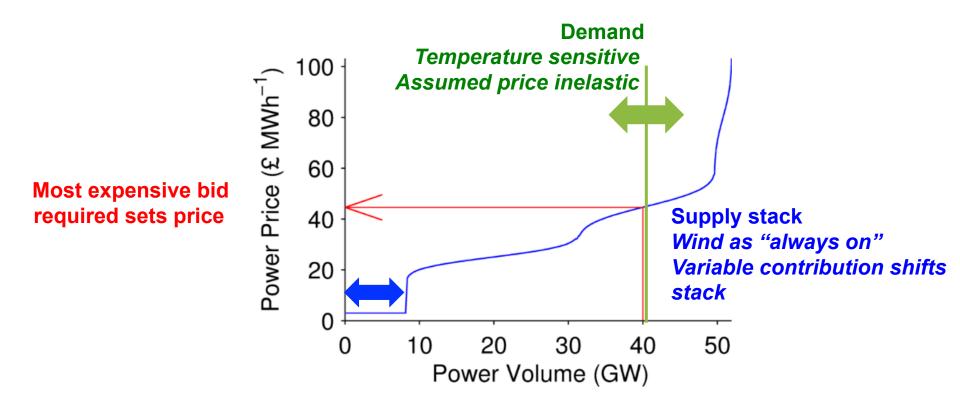
- 2. To what extent does the forecast skill propagate into:
 - a. wind power volume Yes!
 - b. electricity demand Yes!

c. electricity price?

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Modelling concept

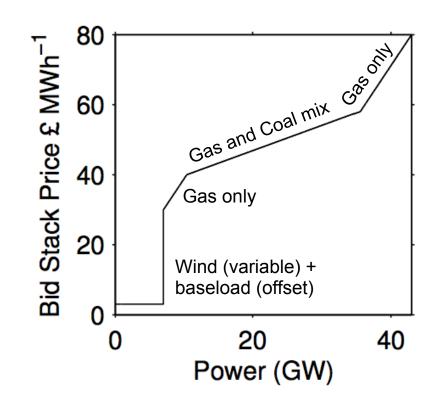




High frequency data (6h) used in the met → power conversion but interested in evaluating forecast skill for weekly-averaged blocks

Merit order fitting

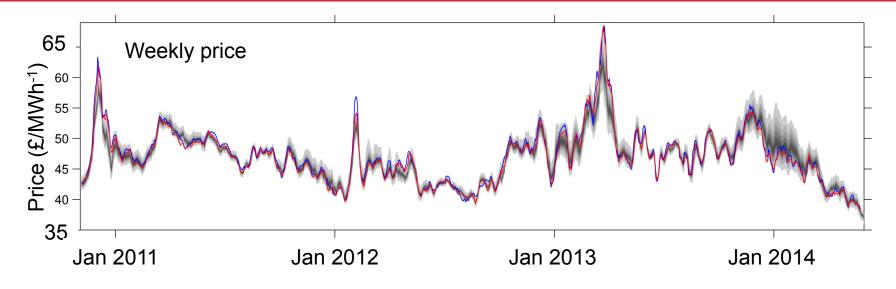
- Need to estimate the form of the supply curve
- Simplified stack model:
 - Three fuels:
 - Wind always on (price taker)
 - Coal and Gas fixed (capital) and variable (fuel, carbon) costs
 - No storage
 - No interconnection
 - Copper-plate transmission
 - No ramp constraints
- All assumptions are believed appropriate for an initial analysis of the GB power system
- Range of efficiencies for individual coal and gas plant: assume exponential curve
- Fit time-varying stack parameters broadly corresponding to plant "efficiency" - using recorded price, demand and wind generation data





Price climatology





Compare blue and red lines:

- Blue = actual price
- Red = price simulated by the power model, given perfect knowledge of wind and demand volumes

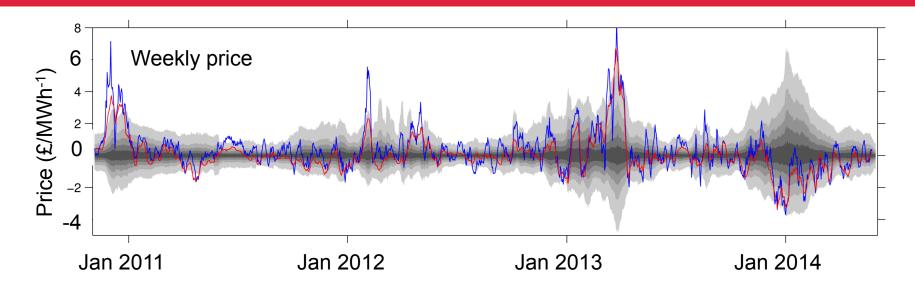
Grey shading:

- Price quantiles from climatological wind power / demand records (from ERA-Interim)
- Interpretation: Spread of "possible prices" given known historic weather variability

Good estimate of the mean. Climatological quantiles overconfident esp at daily time-scale.

Price forecast





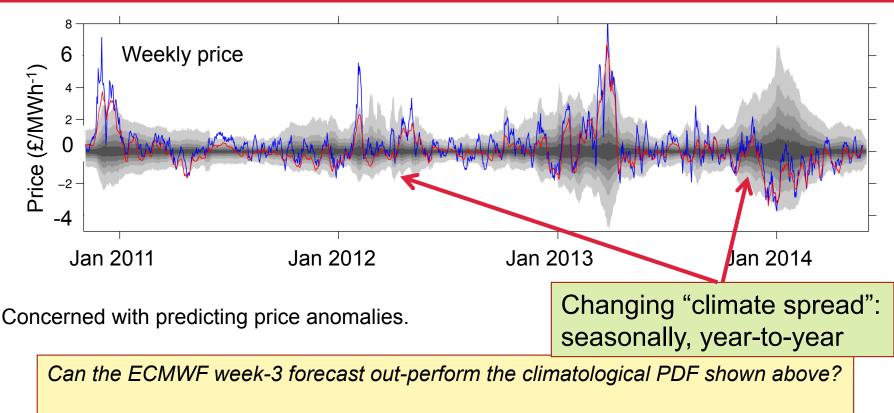
Concerned with predicting price anomalies.

Can the ECMWF week-3 forecast out-perform the climatological PDF shown above? Answer: Yes. • ACC 0.53; CRPS 0.15 (99% confidence)

Similar skill for both the "operational" method (using real price records) and "synthetic" method (reconstructing an estimate of price from recorded weather). ⁵¹

Price forecast





Answer: Yes.

• ACC 0.53; CRPS 0.15 (99% confidence)

Similar skill for both the "operational" method (using real price records) and "synthetic" method (reconstructing an estimate of price from recorded weather). 52



ECMWF month-ahead forecast system:

• weeks 3 and 4 ahead (focus: week 3 in winter season)

1. Does it provide skillful predictions of wind and temperature? – Yes!

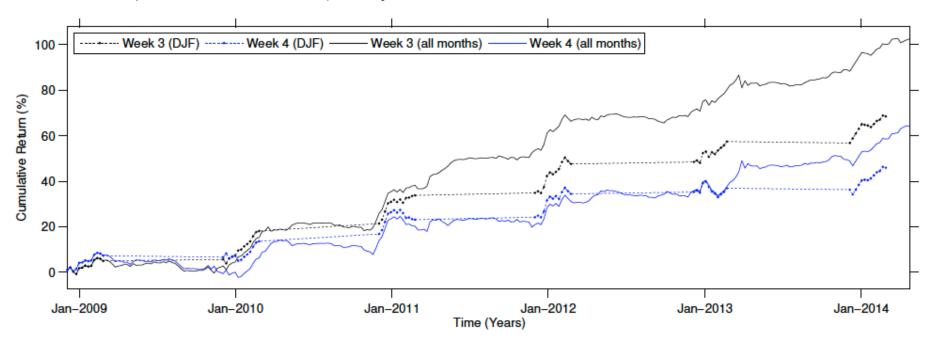
- 2. To what extent does the forecast skill propagate into:
 - a. wind power volume Yes!
 - b. electricity demand Yes!
 - c. electricity price? Yes!

3. How can these forecasts be used to optimise trading decisions?

Speculative trading application



- Simplest speculative strategy:
 - Assume market only acts on climatological expectation (i.e., does not use weather forecast for week 3 and 4)
 - Buy/sell one forward contract each week depending on forecast:
 - Forecast says less DNW / lower price than climatological expectation (i.e., market price is overvaluation) – sell one contract
 - Forecast says more DNW / higher price than climatological expectation (i.e., market price is undervalued) – buy one contract



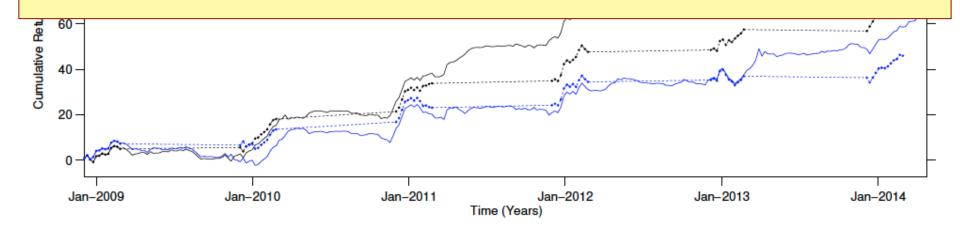
Speculative trading application



- Simplest speculative strategy:
 - Assume market only acts on climatological expectation (i.e., does not use weather forecast for week 3 and 4)
 - Buy/sell one forward contract each week depending on forecast:
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Demonstrates significant improvement over "mere climatology" but assumes:

- Perfect model of power system impact
- All other actors do not have access to the same information
- Asymmetric returns (c.f., call/put or other risk hedges)







- Weather and climate risk matters for energy applications
 - Climate variability and change (years-to-decades) can produces significant impacts on energy systems
 - Opportunities to better manage risk... but end-to-end process understanding and uncertainty quantification important
- Risk climatologies and climate change:
 - Reanalysis and GCMs are powerful tools but must be used carefully
 - Climate drivers need to be understood: does dataset include the relevant processes?
- Forecasting risk:
 - Subseasonal, seasonal and decadal forecast systems beginning to offer predictive skill
 - Evaluation should recognize the **integrated decision-making processes**
- Power system impacts (for climate impact modellers)
 - Power systems are "more" than just a set of ingredients
 - Dynamical downscaling is expensive and may not always be necessary (or helpful)

Citations and upcoming



Recruiting now!

Major projects:

- ECEM climate services for energy
- PRIMAVERA climate-energy impacts
- ODYSEA Ocean drivers of European climate variability

Contact details (including website for models and data):

<u>d.j.brayshaw@reading.ac.uk</u>; <u>www.met.reading.ac.uk/~energymet</u>

Citations:

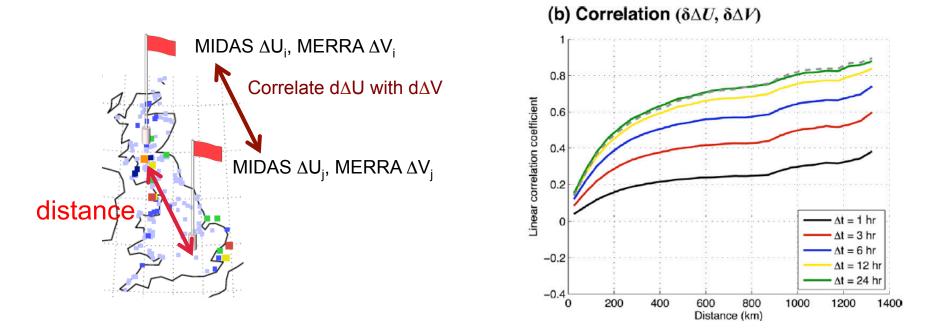
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Aside: The limits of reanalysis 2



Extension to time-variability: how well does MERRA capture *differences in changes in wind speed between sites*?

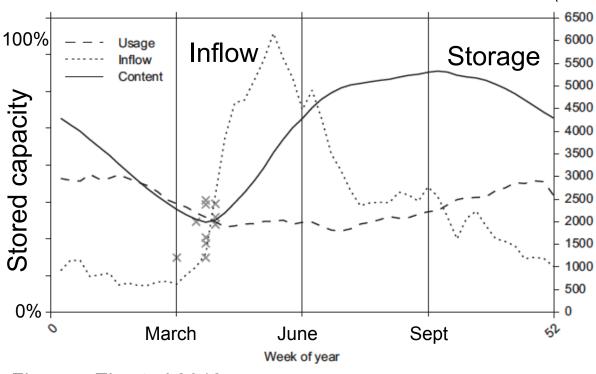


Correlation ~0.5 @ 300 km for 6-hour changes in wind speed

Aside: UK-Norway power system (Ely et al 2013)



- UK system: power limited (generating capacity to meet peak demand)
- Norway system: energy limited (energy storage to provide for total demand)
 - "what if" UK and Norway were connected?
 - Wind generation UK, hydro generation Norway, demand from both regions
 - Critical period: late winter/early spring



Inflow (GWh/wk)

NAO-negative winter/spring:

- Cold (high demand)
- Still (low wind)
- \rightarrow high load

And

Cold (inflow from snow delayed)

➔ NAO prediction in spring?

Figures: Ely et al 2013