

EV fleets and Grids

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What is the Armand Peugeot Chair?

- One Donor PSA Group
- Two leading institutions :
 - CentraleSupélec & ESSEC Business School
- A team :
 - Professor in Management - J Lepoutre
 - Professor in Engineering - M. Petit
 - Professor In Economics – Y. Perez
 - 3 PhDs Students (P Codani ; Y. Chen ; O. Borne)
 - 1 Postdoc (H. Idjis)
- International Partners
 - Delaware University and DTU (W. Kempton) => Vehicle to Grid
 - Wharton School (J-P Mc Duffie) => Management studies
 - La Laguna University (F. Ramos-Real) => EV and Islands
- 2011-2016 toward 2021...

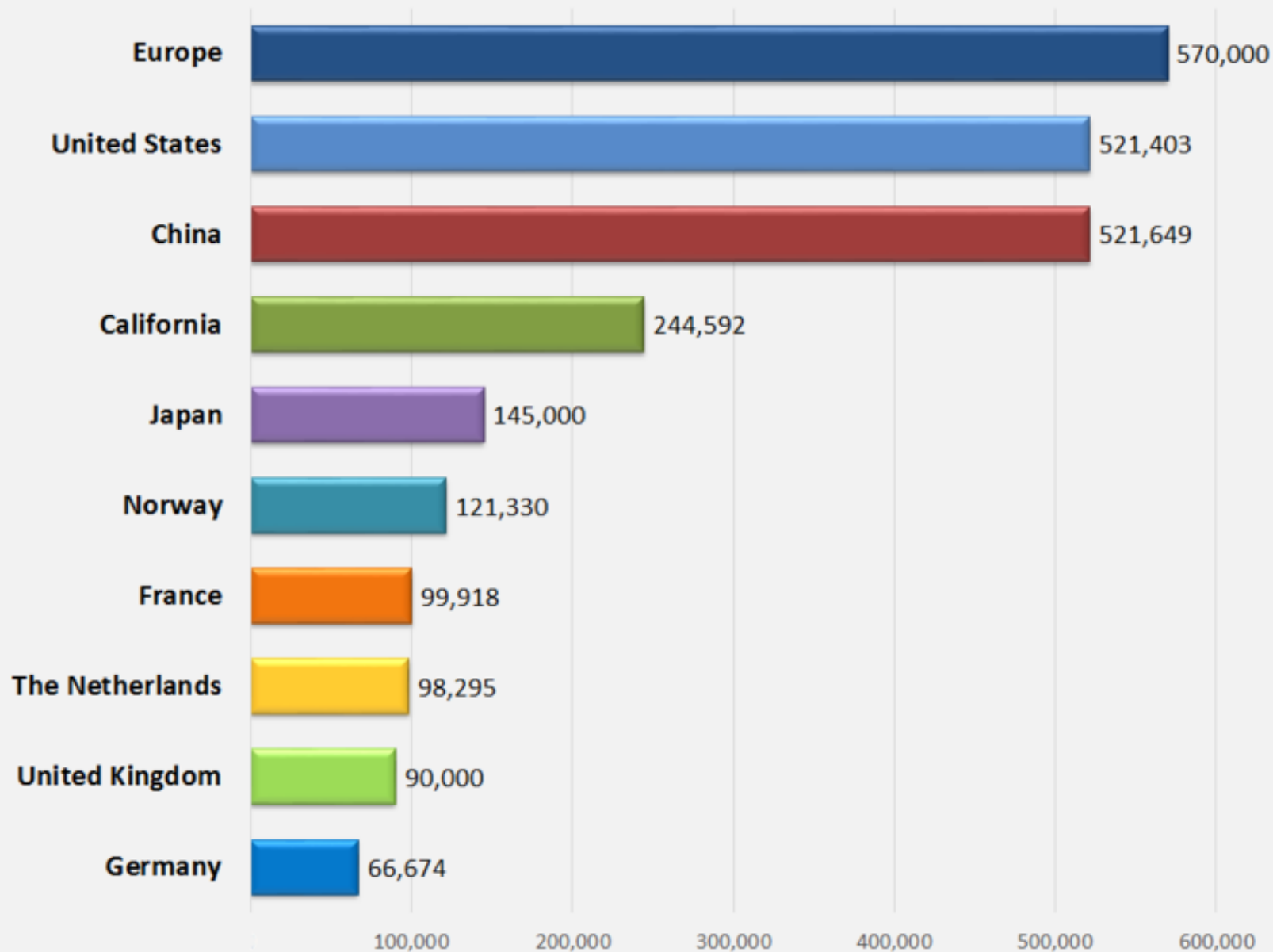
Electric vehicle fleets are challenging

- Vehicle to Transmission grid = VtoG
- Vehicle to Distribution grid = VtoG
- Vehicle to buildings = VtoB
- Vehicle to Home = VtoH
- Vehicle to Load = VtoL

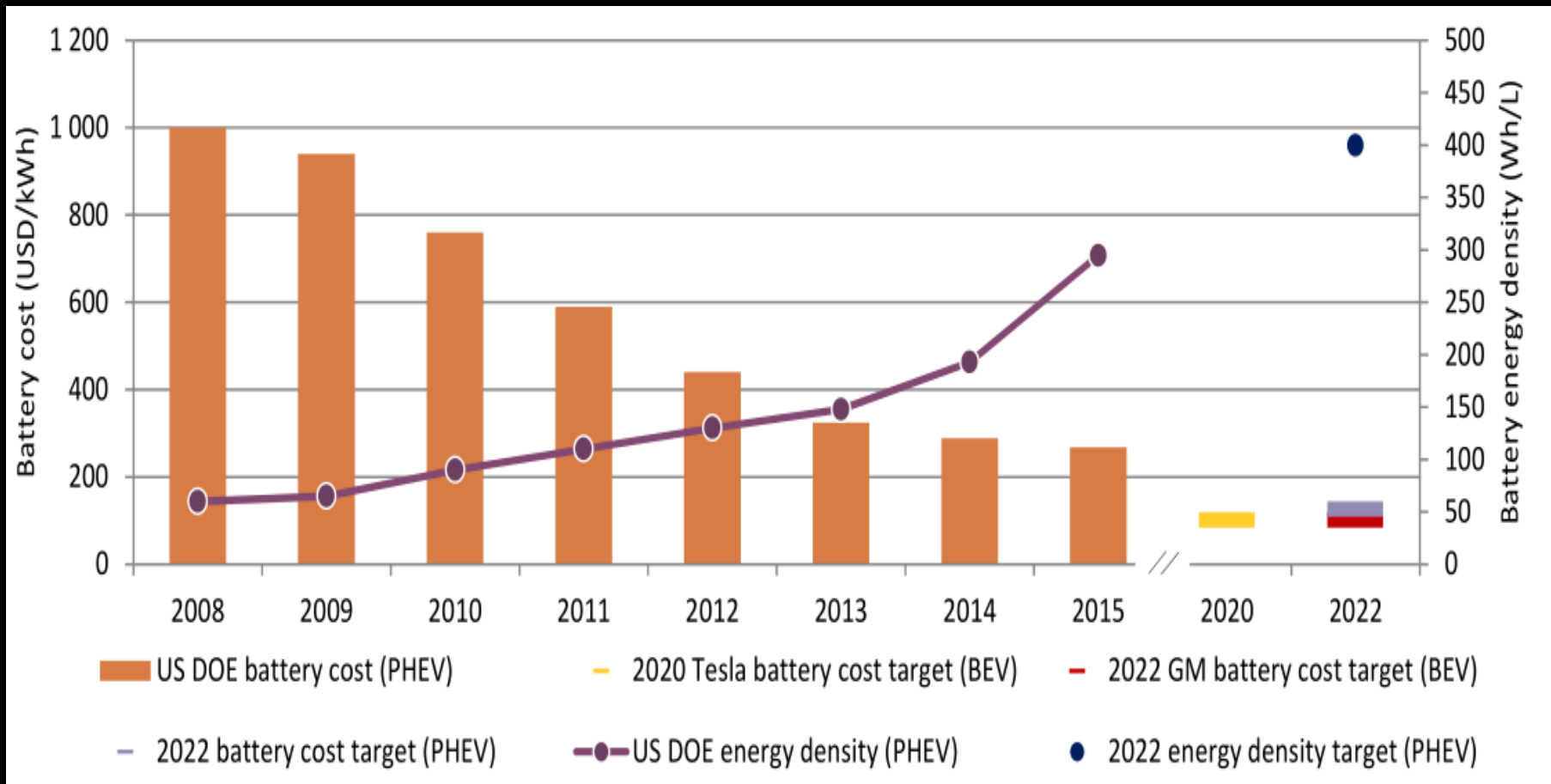
Outline

1. The electromobility challenge
2. Solution by markets coordination
3. Solution by contrats
4. Conclusion

Top-selling light-duty plug-in electric vehicle global markets (cumulative sales through September 2016 by country/region)

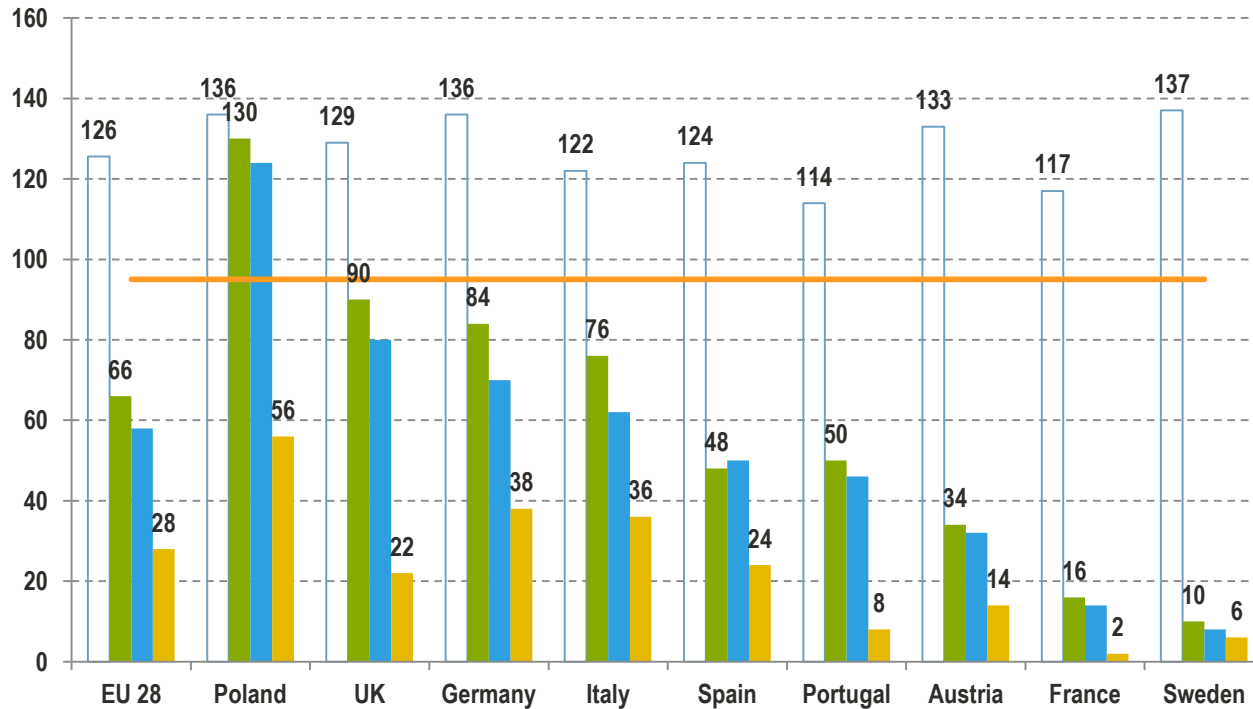


EVs enjoy a Double dynamic: Increase in ENERGY DENSITY & decrease of COST



Source: IEA Global EV Outlook 2016

EVs emit less CO₂ than conventional cars



□ Average of CO₂ of new cars

■ Average of CO₂ EVs (2015)

— 2021 Goal 95 gr

■ Average of CO₂ EVs (2010)

■ Average of CO₂ EVs (2035)Ref Scenario 2013

- With the 2010 carbon intensity, a typical EV emits about 66g CO₂/km
- EVs will be even cleaner in the future as the power sector continues to decarbonise by 2050

Electromobility : Energy or Capacity issue ?

In energy (TWh)

- In France
- 2020 : 525 000 VE
 - = 1,3 TWh (source : RTE)
 - 0,2% of the total
 - => no energy problem

In capacity (MW)

- Max peak consumption:
 - 100.5 GW (7 feb 2012, 19h)
 - 3% per year
 - + 28% in 10 years
- 2020 : 525 000 VE-VHR
 - No coordination with 3 kW → 1,5%
 - No coordination with 22 kW → 11,5%
 - Today Fast charger technologies are booming : 120 kW to 350 kW
 - + local issues with distribution grid / RES

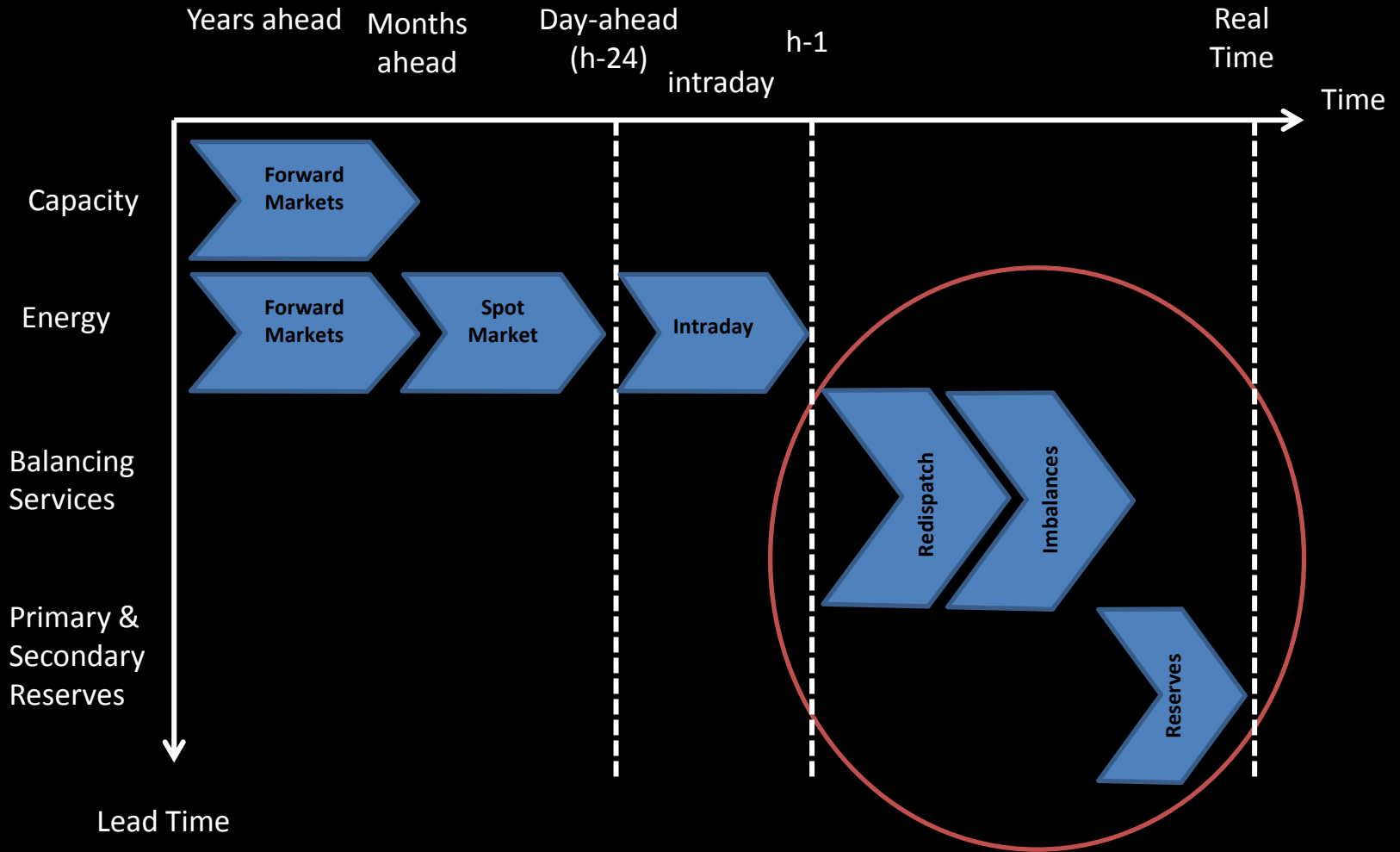
The electricity sector needs more flexibility provision

Connected EV Fleets are potentially very flexible resources...

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2. **Solution by market coordination**
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TYPICAL ELECTRICITY MARKETS ORGANIZATION and EV Fleet



And best adapted grid services for ev fleets

Bigdata to create “bundle of valuable flexible resources” for potential markets

Times	MW or MWh	Services on market base if exist
Second	MW	<ul style="list-style-type: none"> - Frequency regulation - Voltage regulation - Quality of delivery
Hour	MW Or MWh	<ul style="list-style-type: none"> - Tertiary reserve market - Demand response - Balancing services - Congestion management - Intraday-market - Coupling With RES - ...
Block orders	MWh	<ul style="list-style-type: none"> - Day head market - Time of Use - Coupling with RES 12 ...

Frequency remunerations for EV :

PJM real case / France exploration/ Denmark and France under construction

Charging point capacity (kW)		Revenus /VE/ year
Primary	Secondary	
3	0	179,4 €
3	3	310,7 €
3	7	505,7 €
3	22	1346,8 €
7	0	474,5 €
7	3	543,4 €
7	7	780 €
7	22	1448,2 €

**1500 €/ year and per car
in PJM Zone
for only « frequency
regulation market base
Provision »
Kempton (2016)**

Sources: Codani, Petit & Perez (2016)

Remarks on frequency regulation

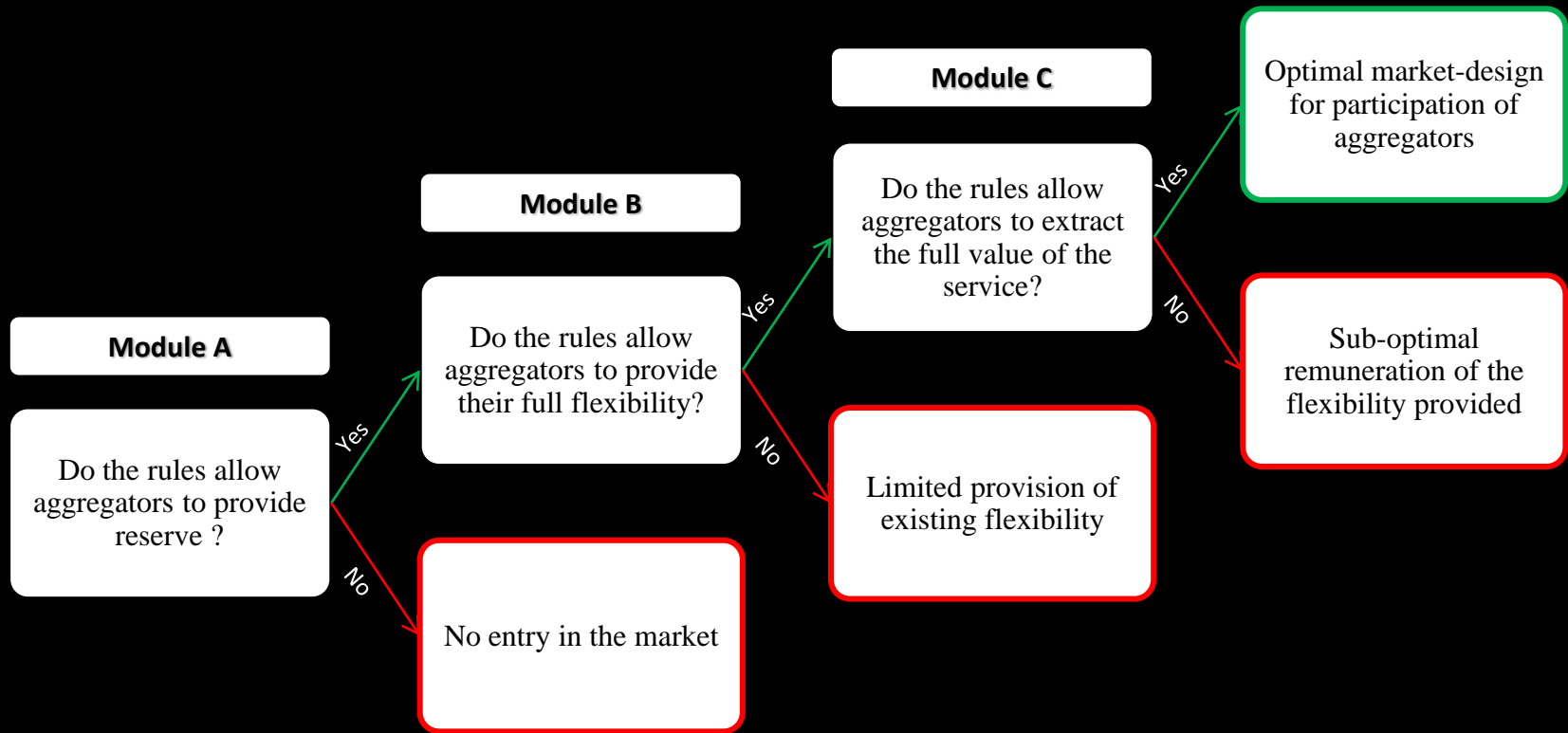
Rules of the game are created for previous
generation technologies

and

They can act as barrier to entry for new tech

Borne , Korte , Perez, Petit and Purkus (2016)

- We built a framework in order to understand where the barriers are, and to rank them for different countries: France, Germany, UK and Denmark.



2017

Modifications of French market design for FCR procurement

French Market Design until 01/01/2017

- Mandatory provision for every large generation units
- RTE allocates reserve to generation units pro-rata their generation for every half-hour time-step on D-1
- Regulated tariff
- Other prequalified actors can sell reserves through bilateral negotiation
- Amount of reserve which can be provided by aggregators limited to 40 MW

ADMINISTRATIVE MECHANISM

FCR Cooperation

- Common market between Germany, Austria, Switzerland, Belgium and Netherlands
- Each prequalified actor can offer reserve on a market
- Product duration of one entire week, from Monday 0am to Sunday 12pm
- TSOs select offers with lowest price. Pay-as-bid remuneration
- Minimum bid of 1 MW, bid increment of 1 MW

Borne, Perez & Petit (2017)

- With the actual settings of rules in the FCR Cooperation, entry of aggregators is virtually impossible
- Changing time granularity (Week => Second), but also volume granularity (MW to kW), could allow entry of these actors.
- It would also allow to have a more flexible procurement of reserve, which appears to be important when generation patterns are becoming more volatiles
- Or other solutions must be explored for EV fleets...

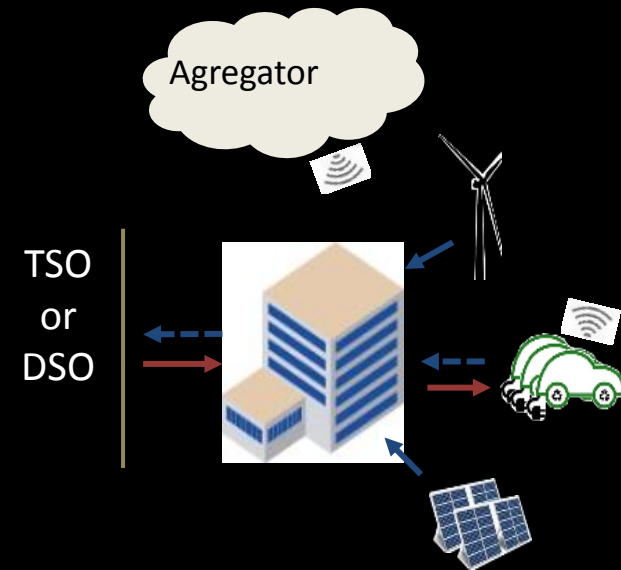
Outline

1. The electromobility challenge in energy markets
2. Solution by markets coordination
3. **Solution by contrats**
4. Conclusion

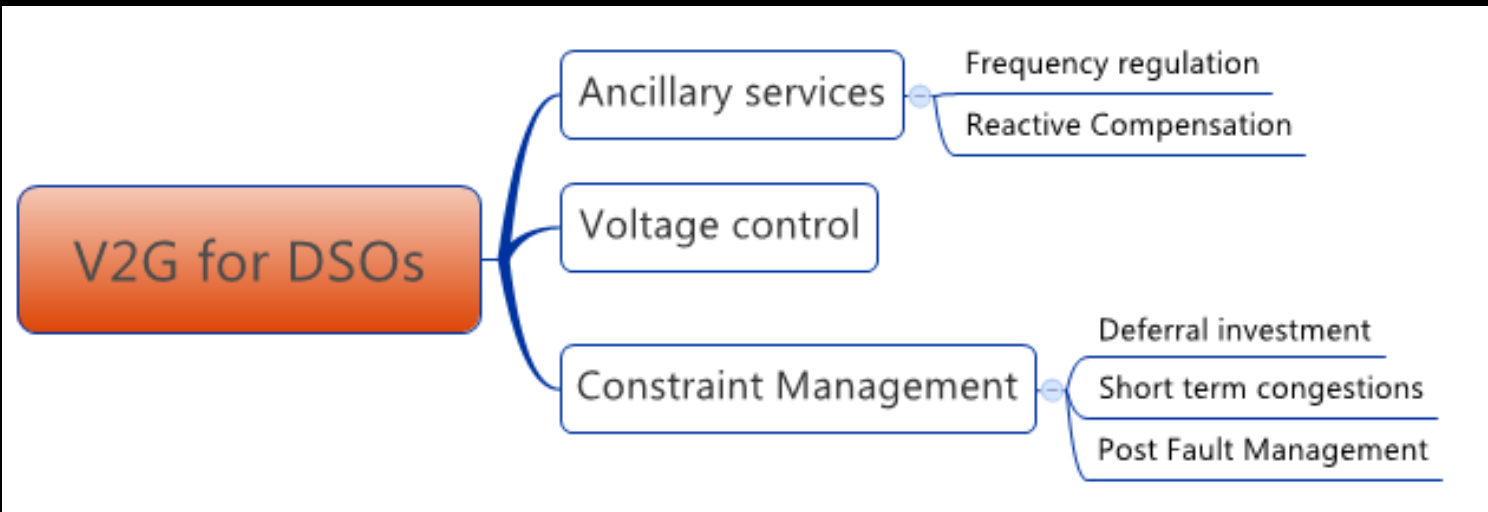
Contractual solutions for VtoB

- Objectives of the site manager
 - Minimizing energy cost over time
 - Maximizing self-consumption of local renewable energies
 - Minimizing the peak demand toward networks
 - Reducing the network connexion fee
- Sharing potential benefits with the consumers and / or DSO

Vehicle-to-building



Contractual solution with the Distribution Service Operator (DSO)



If V2G avoids investments, at least the value of V2G has to equal CAPEX and OPEX of the avoided reinforcement.

Contractual solutions for VtoH

- Objectives of the House manager
 - Minimizing energy cost over time
 - Maximizing self-consumption of local renewable energies if incentives are aligned
 - Providing Distribution grid services (optional)



And the off-grid « solution » VtoL

- Tesla proposes implicitly “off grid green” solution
 - Home Storage Solution + Solar Roof + EV with 100kWh batteries...



Conclusions

Flexibility provision with EV fleets

- **Not perfectly done yet...**
 - VtoG experiment around the world (US / Denmark...)
 - Majors success with regulation power : mainly frequency
 - New projects are starting
- **3 Main problems to overcome**
 - Rules and Market regulation are barrier to entry for EV Fleets in most VtoG services or markets
 - Communication standards (15118 / CHAdeMO...) need to be clarified
 - Engaging cooperation between Electricity and automotive industries for optimal charging infrastructure deployment

May 2017-2019: Gridmotion project

- **Project partners are looking for volunteers to start the experiment.**
- Participants should be based in France and own a Peugeot or Citroën electric vehicle produced from January 2015 onwards.
- The role of each partner is detailed below:
 - **Groupe PSA** is in charge of recruiting customers and managing the project;
 - **Direct Energie** will act as an aggregator towards RTE² and will make bids in the electricity and reserve markets by taking advantage of EV battery flexibility;
 - **Nuvve** will be in charge of controlling the charging/discharging patterns of electric vehicles;
 - **Enel** will provide the bidirectional charging stations and its expertise in smart grids;
 - **Proxiserve** will install the B2C and B2B charging stations;
 - **DTU** will provide academic support and testing systems.
- <http://media.groupe-psa.com/en/gridmotion-project-reducing-electric-vehicle-usage-cost-thanks-smart-charging-process>

Predicting the future of EV is hard

If you were asked in the 1980s about having a camera in your phone...

what would you have imagined?





Selected Literature of the Armand Peugeot Chair

- Olivier Borne, Yannick Perez and Marc Petit (2017) Market Integration VS Temporal Granularity: How to provide needed flexibility resources, EEM conference 2017.
- Olivier Borne, Klaas Korte, Yannick Perez, Marc Petit and Alexandra Purkus 2016 *Barriers to entry in Frequency-Regulation Services Markets: Review of the status quo and options for improvements*, Forthcoming in **Renewable and Sustainable Energy Review**.
- Codani Paul, Perez Yannick and Petit Marc 2016, *Financial Shortfall for Electric Vehicles: economic impacts of Transmission System Operators market designs*, **Energy**, Volume 113, pp 422-431.
- Eid Cherrelle, Codani Paul, Perez Yannick, Reneses Javier, Hakvoort Rudi, 2016, *Managing electric flexibility from Distributed Energy Resources: A review of incentives for market design*, **Renewable and Sustainable Energy Reviews**, 64 (2016) pp 237–247.
- Donada Carole et Perez Yannick (eds) 2015, *Electromobility : Challenging Issues*. **International Journal of Automotive Technology and Management**. Vol. 15, No. 2.
- Codani Paul, Petit Marc and Perez Yannick, 2015, *Participation of an Electric Vehicle fleet to primary frequency control in France*, **International Journal of Electric and Hybrid Vehicles**, Vol 7, N°3, pp 233-249.
- Kempton Willett, Perez Yannick, and Petit Marc, 2014, *Public Policy Strategies for Electric Vehicles and for Vehicle to Grid Power*. **Revue d'Economie Industrielle**. N° 148, pp 263-291.