# Towards a New Renewable Power System using Energy Storage: an Economic and Social Analysis

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## 7 Abstract

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The energy transition is one of the main challenges in mitigating the  $CO_2$  emissions from the power sector. Solar and wind resources are presented as the two most promising alternatives in the future energy mix. However, the inherent fluctuations of these two resources jeopardize the stability of the grid. To overcome this issue, the combination of intermittent and non-intermittent renewable energies along with different storage technologies is proposed. In this work, the integration of these technologies is evaluated using different future scenarios. Three renewable resources have been analyzed (solar, wind, and biomass) in combination with four different storage systems (battery, hydrogen, methane, and ammonia). This problem has been evaluated from two different perspectives, economic and social (for which a new indicator is developed).Particularly, this methodology is applied to Spain where different provinces have been assessed to implement these integrated facilities. The results show the paramount importance of using storage alternatives to satisfy the demand and to store energy seasonally. In economic terms, an average cost of electricity of about 100-200 €/MWh is expected with a high influence of the ratios of wind and solar in the different locations and the selected storage alternatives. Additionally, the proposed social index indicates the regions where these facilities could be installed to mitigate social inequalities. With this two-pronged approach, an orderly, fair, and efficient planning of the energy transition can be realized to achieve climate sustainability goals.

<sup>8</sup> Keywords: Energy storage, Energy transition, Power-to-X, Renewable energy, Social

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# 10 1. Introduction

The energy transition is an especially urgent issue today to meet global environ-11 mental agreements. The Sustainable Development Goals (SDGs) by the United Nations 12 state, in SDG 7, that access to affordable, reliable, sustainable, and modern energy must 13 be ensured for all (UN General Assembly, 2015). In line with this goal, the Paris Agree-14 ment emphasizes sustainable energy production as a major mean to reduce global tem-15 perature rise to below 2°C above pre-industrial levels (Roelfsema et al., 2020). To meet 16 the proposed targets, the entire energy system needs to be decarbonized. In this objec-17 tive, the decarbonization of the power system is crucial since this sector accounts for 18 around 25% of the total CO<sub>2</sub> emissions (EPA, 2021). Increasing the share of renewable 19 energy sources (RES) will be the main strategy for sustainable electricity generation. 20 Wind and solar will represent the two main RES with 56% of the total electricity gener-21 ation by 2050 (BloombergNEF, 2020). However, these resources are inherently intermit-22 tent, and coping with this nature constitutes the main challenge for the new electricity 23 system. To ensure the robustness and stability of the grid as well as the balance be-24 tween electricity production and demand, a new integrated system based on intermit-25 tent and non-intermittent renewable sources and energy storage is needed (Bagherian 26 and Mehranzamir, 2020). 27

Numerous energy storage technologies have been proposed for various time scales 28 and power capacities (Gür, 2018), and with different environmental impacts (Sternberg 29 and Bardow, 2015). Compressed-air energy storage (CAES) and pumped-hydro are 30 the two options at commercial-scale currently (Alirahmi et al., 2021); however, there 31 have been significant barriers to the widespread deployment of these technologies. For 32 pumped-hydro, it is necessary to select a favorable geographical location with two wa-33 ter bodies separated by an appropriate vertical distance (Gür, 2018). In addition, water 34 scarcity is also a major challenge for this storage system due to the limited availability 35 of water and leading to conflicts over water use (Ali et al., 2021). In the case of CAES, a 36 suitable geological cavern is required for commercial deployment at competitive costs 37 (Tong et al., 2021). Therefore, limited expansion of these two technologies is expected 38 in the coming years. At this time, batteries and  $H_2$ -based alternatives have risen as the 39 two most promising choices for minimizing the cost of storage (Schmidt et al., 2019). 40 On the one hand, batteries have been proposed for different applications in residential 41 and grid-scale uses. Corengia and Torres (2018) optimized the operation of a consumer 42 Li-ion battery considering tariff policy and battery degradation. The main trade-off lies 43 between the energy saving due to the possibility of storing low-price electricity and the 44 cost of battery replacement. Different types of batteries have also been analyzed for this 45 storage purpose such as lead-acid, NaS, or Li-ion (Jiang et al., 2020). On the other hand,

H<sub>2</sub> and different H<sub>2</sub>-derived fuels (such as methanol (Chen and Yang, 2021) or ammonia 47 (Zhang et al., 2020)) have been considered for seasonal and long-term storage (Stančin 48 et al., 2020). Wulf et al. (2020) summarized the main Power-to-X projects in Europe 49 showing the rapid rate of increase in the current years with more than 220 projects by 50 June 2020. At this point, different works have addressed the problem of integrating re-51 newable power generation with energy storage. Leonard et al. (2018) integrated power 52 generation using wind turbines or solar PV panels with  $H_2$  production as a pathway 53 for energy storage. They proposed this alternative as an option to replace traditional 54 base load power production using coal. No restrictions have been imposed on H2 stor-55 age, resulting in large storage capacities that are a challenge today. Palys and Daoutidis 56 (2020) proposed a system with  $H_2$  and  $NH_3$  as energy storage alternatives. The cost 57 of electricity for different locations in the U.S. has been assessed using the proposed 58 system. The integrated ammonia energy storage framework is especially suitable for 59 areas with high wind potential and strong demand variability. Demirhan et al. (2020) 60 proposed the synthesis of dense energy carriers (DEC) to reduce the cost of renewable 61 energy in areas with lower potential, in particular, they studied the connection between 62 Texas and New York in the U.S. Other authors have evaluated the impact of integrating 63 intermittent and non-intermittent renewables. Bagheri et al. (2019) proposed a 100% 64 renewable system based on a combination of wind, solar, and biomass together with 65 batteries. According to their results, biomass can mitigate the high cost of electricity in 66 an integrated renewable system. The integration of concentrated solar power (CSP) and 67 different biomass (Vidal and Martín, 2015) or waste (de la Fuente and Martín, 2020) has 68 also been evaluated. The location plays a key role due to the different solar irradiance 69 profiles and the contrasting biomass/waste availability of rural and urban areas. 70

But, the energy transition is not only a technical or economic challenge. The social 71 impact of the energy transition must also be taken into account (Carley and Konisky, 72 2020). One of the main consequences of the energy transition is the decline in the use of 73 coal as an energy resource. Therefore, employment opportunities decrease in this sec-74 tor including mining and power facilities. In particular, job losses are concentrated in 75 rural areas with low population density, aging problems, etc. This is the case of Spain, 76 which this work focuses on, with the main traditional power plants located in rural ar-77 eas. The Spanish government has introduced a new strategy to try to mitigate the effects 78 of the energy transition in areas where coal and nuclear sources are in decline. The pub-79 lic policies are focused on creating new job opportunities, increasing the population in 80 rural areas, or promoting new economic activities. All these measures are included un-81 der the umbrella of the so-called "fair transition strategy" (Ministerio para la Transicion 82 Ecologica y el Reto Demografico, 2021). The introduction of renewable energies and also 83

the storage technologies at grid-scale can mitigate the social effects of the transition if 84 these facilities are installed in these particularly affected areas (Fragkos and Paroussos, 85 2018). Different job opportunities can be generated depending on the stage of the facil-86 ities: construction, manufacturing, etc. (Cartelle Barros et al., 2017). Additionally, the 87 investment associated with the new energy system can be a useful way to mitigate so-88 cial disturbances in societies, for instance, migration of youth from rural areas (Faggian 89 et al., 2017), different unemployment rates between regions (Boeri and Jimeno, 2016) or 90 low population density in certain areas (Syssner, 2020). But, clearly, this social factor 91 should be considered in the implementation of a new renewable energy system. 92

Therefore, a holistic approach is necessary to tackle this energy production/storage 93 problem in the context of the energy transition considering economic and social aspects. 94 First, an integrated facility for power production and storage is evaluated considering 95 a combination of intermittent (wind/solar) and non-intermittent (biomass) resources 96 together with energy storage. Four different storage alternatives have been evaluated: 97 batteries, hydrogen, and ammonia/methane to capture the different storage timescales. 98 In previous literature, only a partial approach is considered either using only batteries 99 or Power-to-X storage in combination with wind or solar production or considering 100 intermittent and non-intermittent sources but without energy storage. However, an 101 integrated approach is necessary to develop a new power system considering all the 102 available technologies to guarantee demand satisfaction. And this approach has been 103 developed in this work. But, it is not only the economic and technical aspects that 104 have been previously and traditionally mentioned. The social impact of the energy 105 transition to locate these integrated facilities have also been assessed. To evaluate this 106 impact, this work has proposed a new social index based on two main factors: the 107 impact of the energy transition and the general social environment of the region. Only 108 very few previous works have addressed this issue by quantifying the social impact 109 (Heras and Martín, 2020). Consequently, the integration of all sources and technologies 110 to ensure power production is required in addressing this challenge from a social and 111 economic perspective, and, to the best of our knowledge, no research in this area is 112 performed. Particularly, this work focuses on Spain where European goals are driving 113 a major challenge in order to achieve climate neutrality by 2050. The implementation of 114 the proposed integrated power production and storage facilities in different provinces 115 of Spain has been evaluated from an economic and social perspective. Special attention 116 is given to the regions most affected by the energy transition according to the Spanish 117 government's criteria and to those with high potential for wind and solar energies. 118

The remainder of this work is organized as follows. In Section 2, an overview of the proposed superstructure for an integrated facility including power production and stor-

age is included. The modeling approach followed in this work is also briefly presented
in this section. In Section 3, a new social index is proposed to evaluate the social impact of these facilities. The case study in which the proposed formulation is applied is
presented in Section 4. Section 5 presents the main results of the work grouped in three
blocks: operating, economic and social results. Finally, some conclusions are drawn in
Section 6.

# 127 2. Process Description and Model Formulation

The first goal of this work is to determine the optimal design and scheduling of 128 power facilities integrating different intermittent and non-intermittent renewable re-129 sources and various energy storage alternatives. This integrated system must minimize 130 the operating cost of satisfying a given power demand regardless of the availability of 131 renewable resources. For this purpose, the superstructure presented in Figure 1 is con-132 sidered with all the processes listed in Table 1. Two different intermittent RES have 133 been introduced in the framework: solar (photovoltaic panels) and wind (wind tur-134 bines). In addition, biomass is also incorporated as a non-intermittent RES. For energy 135 storage, four different pathways have been evaluated: Li-ion batteries, hydrogen, and 136 methane/ammonia. Methane has been selected due to the possibility of using the exist-137 ing natural gas infrastructure for energy storage. Furthermore, ammonia has also been 138 evaluated because it is a chemical without an associated carbon dioxide that can be used 139 for energy storage in the future scenario aiming for complete decarbonization. Using 140 this general framework, three different scenarios have been studied: 141

Scenario 1: Wind and solar have been considered as input resources. Biomass is not introduced in this case. Three different storage alternatives have been evaluated: Li-ion battery, hydrogen, and methane. This scenario is considered as the base case.

- Scenario 2: Wind and solar are introduced as intermittent renewable sources and, additionally, biomass is also included. The same three storage alternatives have been considered as in scenario 1. With this option, the integration of intermittent and non-intermittent resources together with energy storage is assessed.
- Scenario 3: Only wind and solar have been considered as input resources. In order to envision a future electricity system without associated CO<sub>2</sub>, biomass has not been introduced and, as forms of storage, battery, hydrogen, and ammonia (a carbon-free energy carrier) are used.



Figure 1: Process-resource network superstructure for power production. WT: Wind turbines; PV: Photovoltaic panels; BIO: Biomass; BC: Battery charge; BD: Battery discharge; EL: Water electrolysis; FC: Fuel cell; CH: Methane production; CHGT: Methane gas turbine; AS: Air separation unit; NH: Ammonia synthesis; NHGT: Ammonia-to-power.

The detailed models, technical and economic parameters, etc. for the different pro-154 cesses have been obtained from previous works (as shown in Table 1). For solar PV 155 panels, the efficiency is fixed to 25% and the performance ratio is calculated as a func-156 tion of the ambient temperature and incident radiation (Hlal et al., 2019). Each mod-157 ule has a nominal power of 0.3 kWp with an area of 1.96 m<sup>2</sup>. As a wind turbine, a 158 Nordex N100 (de la Cruz and Martín, 2016) with a nominal power of 2,500 kW is em-159 ployed with direct land requirement of  $7,500 \text{ m}^2$  per turbine (Denholm et al., 2009). A 160 Li-ion battery is selected due to its paramount properties for energy storage (Schmidt 161 et al., 2019). A maximum capacity of 30,000 kWh is set with a limiting charge or dis-162 charge ratio in a given hour of 10% of the total capacity (Allman et al., 2019). Hydrogen 163 is produced by electrolysis of water assuming a specific energy consumption of 53.14 164 kWh/kg H<sub>2</sub> (Yates et al., 2020). This hydrogen can be stored as such and, subsequently, 165 converted into power using a fuel cell yielding 50 kWh/kg H<sub>2</sub>. Alternatively, hydrogen 166 can be used for the synthesis of methane, with simple conditions for a long-term stor-167 age horizon (Davis and Martín, 2014). This methane can be transformed into power via 168

a gas turbine. From a carbon-free perspective, ammonia can be synthesized from  $H_2$ 169 and N<sub>2</sub>, which can be produced by different air separation technologies (Sánchez and 170 Martín, 2018b). Finally, power can be obtained from ammonia by two different routes: 171 electrochemical (fuel cell) or thermochemical (combustion). For large production ca-172 pacities, the most suitable is thermo-chemical using a combined cycle with an ammo-173 nia/hydrogen blend as the feed stream (Sánchez et al., 2021a). The use of biomass for 174 power production is based on the scheme of gasification plus gas turbine (Lan et al., 175 2018). Direct gasification as proposed by Sánchez et al. (2019) has been used to treat the 176 inlet biomass. The use of anaerobic digestion for biomass processing is discarded in this 177 work due to the low yields to biogas production of this technology (and, consequently, 178 for electricity) and the high requirements in terms of moisture content. For large-scale 179 power production, the use of thermochemical alternatives is more appropriate includ-180 ing the proposed gasification system (Banja et al., 2019). The data required in the model 181 for the different processes have been included in the Supporting Information. Each of 182 the processes has been previously analyzed by optimizing the operating conditions and 183 selecting the best technology. For each of them, a systematic economic evaluation is 184 performed, using the same methodology, which allows a fair comparison between the 185 different processes. 186

To model the operation of these integrated storage facilities, a scheduling model 187 is proposed based on the previous models of Zhang et al. (2016) and Sánchez et al. 188 (2021b). Only a brief description of the model is included here and the full formulation 189 is presented in the Supporting Information. The model is based on a multiscale time 190 representation where the time horizon of one year is divided into a set of arbitrary sea-191 sons. Each season can have diverse lengths to capture the different patterns of input 192 resources. Cyclic scheduling is applied to each season, although inventory can be car-193 ried over from one season to the next to allow for seasonal storage, which is key for the 194 long-term horizon. From a process perspective, each unit can operate in four different 195 operating modes (off, startup, on, and shutdown) with a minimum time period at each 196 stage. A given power demand must be satisfied by using the available power produc-197 tion technologies. As the objective function of the optimization problem, the operating 198 cost (OC) of the framework is used: 199

$$OC = \sum_{i} \sum_{m \in M_{i}} \sum_{h} \sum_{t} J_{imht} + \sum_{i} \sigma_{i} \left( \delta_{i} x_{i} + \gamma_{i} C_{i} \right) + \sum_{j \in \hat{S}} \left( \alpha_{j} \bar{x}_{j} + \beta_{j} \overline{C}_{j} \right) + \sum_{i} \sum_{j} \sum_{h} \sum_{t} \xi_{j} \rho_{ij} P_{iht}$$

$$+ \sum_{h} \sum_{t} \varphi_{CO_{2}} B_{CO_{2},ht}$$

$$T$$

$$(1)$$

Name	Description	Input Resources	Output Resources	Reference
WT	Wind turbines	Wind	Power	de la Cruz and Martín (2016)
PV	Photovoltaic panels	Solar	Power	Sánchez and Martín (2018a) ; Hlal et al. (2019)
BIO	Biomass integrated gasifier/gas turbine	Biomass, O <sub>2</sub>	Power	Sánchez et al. (2019) ; León and Martín (2016)
BC	Battery charge	Power	Battery power	Gonzalez-Castellanos et al. (2020)
BD	Battery discharge	Battery power	Power	Gonzalez-Castellanos et al. (2020)
EL	Water electrolysis	Power,Water	$O_2, H_2$	Sánchez and Martín (2018a)
FC	Hydrogen fuel cell	Hydrogen	Power	Kashefi Kaviani et al. (2009); Palys and Daoutidis (2020)
СН	Methane production	CO <sub>2</sub> , Hydrogen, Power	Methane	Davis and Martín (2014)
CHGT	Methane gas turbine	Methane	Power	León and Martín (2016)
AS	Air Separation Unit (PSA)	Air, Power	$N_2$	Sánchez and Martín (2018b)
NH	Ammonia synthesis	$N_2$ , $H_2$ , Power	NH <sub>3</sub>	Sánchez and Martín (2018a)
NHGT	Power production from ammonia	NH <sub>3</sub>	Power	Sánchez et al. (2021a)

Fable 1: Process desc	ription with th	e input/out	put resources
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which includes the operating cost of the production processes and storage. The cost 200 of the processes is divided into two terms. The first one,  $J_{imht}$ , includes all the terms 201 non-related to the capital cost of the facility as raw materials or utilities. The second 202 one, last term in the first line of the equation, includes all the operating costs associated 203 with the initial investment as capital charges or maintenance (Sinnott, 2014). A linear 204 approximation of the capital cost of the processes is considered. For the storage cost, 205 as in the previous case, two terms are included. One is related to the amortization of 206 the capital cost (also assuming a linear behavior, first term of the second line of the 207 equation) and the other to the operating and maintenance cost of storage (last term of 208 the second line). Finally, the cost of captured carbon dioxide ( $\varphi_{CO_2}$ ), the raw material of 209 methane production and captured in different industrial plants, is added with a price 210 of 50 \$/t (third line of the equation 1) (Rubin et al., 2015). 211

The optimization problem proposed is a mixed-integer linear program (MILP) that has been implemented in Julia using the JuMP package and solved with Gurobi with an <sup>214</sup> optimality gap of 1%.

# 215 3. Social Index

To be able to quantify the social impact of the energy transition and to provide tools 216 to determine the best location of the energy facilities involving the social impact, a 217 new social index has been developed. In this particular case, the social index has been 218 used to determine the social effects of the installation of one integrated power produc-219 tion/storage facility in the different study regions. The social index proposed in this 220 work is organized into ten different items. The first three involve the social impact of 221 the energy transition in the studied area, and the rest quantify the global social situation 222 of the region. All the items are normalized (as shown in equation 2) using a minimum 223 score of 0 and a maximum of 10, with this value corresponding to the worst social sit-224 uation of the indicator. Therefore, the maximum score of the index is equal to 100, 225 corresponding to regions very affected by social issues and where the installation of dif-226 ferent facilities is highly beneficial from a social perspective. This index is calculated in 227 parallel to the economic optimization of the system. This proposed indicator assesses 228 the social situation of the region prior to the implementation of the integrated power 229 facilities. The objective is to determine the best location in social terms, based on the 230 assumption that if one of these plants is installed in a region, new investments, employ-231 ment opportunities, local taxes, etc. could be generated. Throughout this section, each 232 of the items of the social index has been explained and further details can be found in 233 the Supporting Information. 234

$$SocialScore = 10 \left( \frac{Value - Value_{Min}}{Value_{Max} - Value_{Min}} \right)$$
(2)

 Loss of installed capacity in the region vs. total capacity lost: in the energy transition, some facilities will be decommissioned, mainly coal and nuclear power plants. The regions where these units are installed are particularly affected by the loss of job opportunities, economic activities, local taxes, etc. Therefore, regions with a higher rate of decommissioning will have a higher social impact. The lost installed capacity is calculated by multiplying the total capacity by a factor that is the inverse of the remaining useful life years. This factor takes into account facilities with an established closing date in the near future.

243 2. Loss of jobs related to energy transition vs. total employment in the region:
 244 The decommissioning of the traditional power facilities involves a loss of direct

and indirect jobs in the region. And, this loss is especially significant in those regions where the total active population is reduced. Therefore, regions with a high percentage of loss of jobs versus the total active population will have a higher social impact on the energy transition. To compute the loss of jobs, as in the previous item, the factor to take into account the active life years is applied. The number of employments in the sectors concerned has been obtained from different reports from trade unions, employers' organizations, or public authorities.

Loss of installed capacity vs. total GDP of the region: The aim of this item is
to reflect the relative importance of the power industry in the productive sector
of the region. If the power sector represents an important share of the total GDP
of the province, the social importance of the energy transition increases. Due to
the difficulty in obtaining the contribution to GDP of the power sector in specific
regions, the ratio of the total loss of installed capacity to the GDP of the region is
employed as an indicator.

4. **GDP of the region vs. total GDP of the country**: This component is the first item related to the total social environment of the region. In regions with a lower share of the total GDP of the country, the social impact of introducing new facilities such as the one proposed in this work is higher.

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5. Unemployment rate: Some regions are especially affected by higher unemploy ment rates, therefore, the power production/storage facilities could be an attrac tive measure to alleviate this to some extent. Thus, regions with higher unemploy ment rates required more social actions and higher scores on the social index.

6. Population decline over the last 20 years: The population decline, expressed as
percentage of decrease, is particularly significant in some rural areas where the
migration from small/medium villages to towns has reduced the population at
alarming levels. The introduction of the facilities studied in this work could help
to fix the population and to fight against this demographic problem. Therefore, a
higher social impact is expected in those regions where a deep population decline
has taken place.

7. Aging index: the aging of the population is one of the emerging problems in some 274 areas due to the migration of young people to other areas with larger economic 275 perspectives and the low birth rate. This is a challenge for the authorities in terms 276 of public services, the sustainability of the pension system, etc. To take into ac-277 count this aspect in the proposed metric, the aging index is used. This index is 278 determined as the ratio between the number of elderly people (over 64) and the 279 number of children and young people (under 16) and is reported by national sta-280 tistical offices. The higher the rate of aging, the greater the social impact. 281

- 8. Population density: Some areas are severely affected by the problem of the low population over a very large territory. This problem is a major challenge for the different governments because of the cost of public services, maintenance of infrastructures, etc. In the proposed metric, population density is introduced considering the high social impact of new facilities in those areas with lower levels of this parameter.
- 9. Youth migration in the last 10 years: A migratory movement of the youth from, mainly, rural to urban areas is taking place. This leads to a loss of productive labor
  in villages, a lack of generational replacement in certain economic activities, or a major demographic problem. Therefore, the installation of new infrastructures associated with the energy transition could help to mitigate this problem. Data on youth migration, measured as number of migrations, has been collected from the national statistical office and the time period is set between 2010 and 2020.
- 10. GDP per capita: GDP per capita is often linked to a better economic situation,
   better public services, etc. Thus, the new energy infrastructure in areas with low
   GDP per capita can contribute to mitigating inequalities in income distribution,
   reducing the social gap between territories.



# 299 4. Case Study

Figure 2: Selected regions in Spain for the analysis including the current nuclear or coal power plants

The case study evaluates the implementation of the proposed integrated power pro-300 duction/storage facilities in different regions (provinces) of Spain. A technical and eco-301 nomic perspective is followed using the design and scheduling methodology of section 302 2 and, from a social angle, using the new social index proposed in section 3. The energy 303 transition is a major challenge in Spain due to the new European aims to be climate-304 neutral by 2050 and, therefore, the necessary high penetration of renewables in the en-305 ergy system. Fourteen locations have been evaluated (as shown in Figure 2). Six are 306 areas particularly affected by the energy transition due to the decommissioning of coal 307 and nuclear power plants and with special measures by the Spanish government (Min-308 isterio para la Transicion Ecologica y el Reto Demografico, 2021): Asturias, Teruel, Leon, 309 Coruña, Almeria, and Cordoba. There are other locations in Spain where nuclear power 310 facilities are installed such as Tarragona or Cáceres. However, the expected decommis-311 sioning date of these plants is 2030, therefore, the Spanish government has not included 312 these regions in the selected areas most affected by the energy transition. Hence, these 313 provinces have not been included in this case study. Three others are included for their 314 high solar potential: Badajoz, Ciudad Real, and Sevilla. Zaragoza, Burgos, and Navarra 315 are areas with high availability of wind resources. Finally, two areas with significant 316 social problems (such as depopulation or aging) have been included: Salamanca and 317 Soria. Solar irradiation and wind speed data have been obtained from public databases 318 (JRC European Commission, 2019; Energy Data, 2021). Additionally, the power demand 319 of Spain has been collected from the grid operator's website (Red Electrica de España, 320 2021). For the different installations analyzed in this work, the demand for electricity to 321 be satisfied is set at 0.5% of the total demand in Spain in each time period, which cor-322 responds with an energy demand of 1275 GWh per year with a maximum hourly peak 323 demand of about 205 MW. For the scenario in which biomass is introduced (scenario 2), 324 the total availability of biomass in the specific region is calculated (Cabrera et al., 2011). 325 For each region, it is determined which is the largest contributor to the total biomass 326 production: forest, herbaceous agricultural, or woody agricultural biomass. For this 327 value, the maximum biomass availability is taken, and only 10% of this biomass can be 328 processed in the proposed power plant to make a conservative estimation. 329

## 330 5. Results and discussion

#### 331 5.1. Operating results

In this section, the operation of integrated energy production and storage facilities is analyzed in depth. Only two different locations, for the sake of brevity, are shown in this section, Asturias and Almeria, in order to capture two different regions with contrasting weather conditions (additional operating results can be found in Figures S1-S3 and Tables S1-S3 of the Supporting Information). First, for scenario 1, Figure 3 shows the profile for two different weeks in July (summer) and December (winter) in Asturias. The columns, in different colors, indicate the power generation for each of the production technologies (including indirect production from storage). The black line shows the power demand to be satisfied, and the maroon line, the total power dispatched at the facility.



Figure 3: Scheduling results for the Scenario 1 in Asturias

In Asturias, wind is the preferred resource with about 71% of the total power gener-342 ation. This is reflected in the weekly profiles of Figure 3. In December, wind production 343 is the major contributor to meet the demand. In the summertime, solar production is 344 higher than in winter due to higher solar radiation and longer sunshine hours. How-345 ever, the wind resource is also significant in this season. Solar production follows a 346 more recurrent pattern with a range of sunshine hours (higher in summer) and with 347 different intensities (higher in summer). In contrast, wind availability is more volatile 348 and does not follow an expected pattern which is a major challenge in terms of the op-349 erability of these facilities. Storage technologies are used when solar/wind production 350 is not enough to meet the demand. If only wind/solar technologies are introduced, it is 351 not possible to guarantee demand satisfaction in this context of variable renewable en-352 ergy sources. Therefore, these technologies emerge as essential in the future energy sys-353 tem to ensure the robustness and stability of the grid. Storage technologies are mainly 354

operated at night due to the lack of solar resource and the fluctuating availability of 355 wind. Within the different storage technologies, batteries and fuel cells are first ones 356 used to bridge the gap between production and demand. If these alternatives are not 357 sufficient due to the limited capacity, methane is introduced, which allows for higher 358 storage and production capacities. Due to the use of energy storage, power demand 359 is satisfied in each time period regardless of the weather conditions. However, power 360 production is higher than the power demand at different times throughout the year, in 361 which wind/solar production exceeds energy demand (as can be seen in the black and 362 maroon lines in Figure 3). This excess of power could be used to store energy using the 363 different technologies proposed but energy storage is expensive and minimum required 364 levels are used to meet the demand. Therefore, even using these storage alternatives, 365 some of the excess energy must be discharged. This is particularly important in the 366 summer hours when high solar and wind generation converge. At this time, where, for 367 example, in the Spanish national grid about 40% of power is produced from renewables, 368 this excess could be also introduced in the grid by avoiding the introduction of natural 369 gas combined cycle or other non-renewable technologies in the power mix. However, in 370 a context where 97% of national electricity is expected to be produced from renewable 371 energies by 2050 (Ministerio para la Transicion Ecologica y el Reto Demografico, 2020), 372 this excess can hardly be integrated into the electricity grid. This raises the possibility 373 of integrating this excess energy with other electricity-consuming industries that do not 374 have such a restrictive hourly demand or where the storage of the products is possible. 375 A promising alternative is the integration of power and chemical industry due to the 376 future expected electrification of the latter sector. An interesting example is ammonia 377 synthesis where an increasing number of projects to electrify the current production de-378 voted to fertilizer require new renewable electricity. Therefore, excess of energy could 379 be used in ammonia production and the chemical could be stored for use on demand 380 (Sánchez and Martín, 2018a). This perspective can also be extended to other chemicals 381 although further research in the operation of these new non steady-state chemical plants 382 is required. Possible synergies between the use of these chemicals as a storage pathway 383 and the production as such for the chemical industry should be also explored. 384

In Figure 4, the results for scenario 2 for the province of Almeria are presented. In this scenario, biomass is introduced into the power generation pool to evaluate the optimal scenario in which a non-intermittent renewable source is available. The optimization results show that the biomass is used as a base-load generation source. The biomass-based power production is almost constant over time with only small fluctuations in time periods when solar and wind generation is particularly high (mainly during the central hours of the day). The fluctuations in the biomass units are limited



Figure 4: Scheduling results for the Scenario 2 in Almeria

in the model (using the minimum time period in each mode) due to this technology 392 normally operating at or near steady-state. The introduction of biomass power pro-393 duction reduces the installed capacity of wind and solar, thus, reducing the difference 394 between the total electricity discharged and the power demand. In terms of process ca-395 pacities, in Almeria, a reduction of more than 40% in solar PV panels and 50% in wind 396 turbines is expected compared to scenario 1 (as shown in Table 2). This reduction also 397 affects electrolysis/fuel cell and methane production/gas turbine due to lower storage 398 requirements. For example, the methane storage capacity decreases from about 5,700 t 399 of methane to around 3,100 t. As it is explained in the next section, the use of biomass is 400 economically beneficial compared to the use of storage technologies in order to ensure 401 demand satisfaction, which justifies the use of biomass in electricity production. Figure 402 4 shows the results for a province dominated by solar generation contrasting with the 403 case of Asturias. In scenario 2, almost 40% of the power is produced from solar PV pan-404 els in Almeria, and, this percentage increases to 55% in scenario 1. Due to this fact, the 405 excess of energy during the central hours of summertime is particularly significant in 406 locations such as Almeria. 407

Finally, Figure 5 shows the scheduling results in scenario 3 where ammonia is introduced and there are no direct CO<sub>2</sub> emissions associated with power production. In particular, the results are presented for the province of Asturias. A significant increase

	Scena	ario 1	Scena	ario 2	Scenario 3	
	Asturias	Almeria	Asturias	Almeria	Asturias	Almeria
Solar (ha)	193.18	282.87	103.59	158.03	317.52	438.76
Wind (ha)	107.55	98.22	59.09	48.17	127.51	134.02
Battery (MW)	3.00	3.00	3.00	3.00	3.00	3.00
Electrolysis (MW)	173.76	223.08	85.16	118.81	195.07	321.43
Fuel Cell (MW)	14.16	40.65	3.14	18.81	78.29	85.17
CH <sub>4</sub> production (kW)	6.64	7.90	3.10	3.69	0	0
CH <sub>4</sub> Turbine (MW)	174.55	148.06	117.52	101.85	0	0
Biomass (MW)	0	0	68.05	68.05	0	0
ASU (MW)	0	0	0	0	9.18	13.18
NH <sub>3</sub> (MW)	0	0	0	0	10.94	17.13
NH <sub>3</sub> power production (MW)	0	0	0	0	111.27	104.39

Table 2: Process capacities for the different scenarios in Asturias and Almeria

in the installed capacity takes place, mainly in the solar PV panels (as shown in Table 411 2), which is associated with an increase in the excess of produced power. For example, 412 in scenario 1 in Asturias, there is a 30% energy excess but, when scenario 3 is evaluated, 413 this value rises to about 60%. The use of  $H_2$  also grows compared to the previous sce-414 narios. The reason for this worst economic performance is the high cost of ammonia 415 production and its respective conversion into power. Hence, the use of ammonia is re-416 duced to the minimum necessary to meet the given demand prioritizing other forms of 417 storage. Therefore, the results in scenario 3 show an increase in the installed capacity 418 of the renewable sources, which implies a larger excess of energy when solar and wind 419 availabilities are higher. 420

It is also interesting to highlight that in all the locations, a combination of wind and solar energies is selected. In none of the locations studied has a single renewable source been chosen. The advantages in terms of operation of the facility justify the introduction of both technologies. Therefore, the use of scheduling models for this kind of problem is essential in order to determine the proper combination of renewable resources and the appropriate production capacities in each case.

The seasonal storage of chemicals as methane or ammonia in the different scenarios is one of the main advantages of the Power-to-X alternatives. In Figure 6, the storage results for methane in scenario 1 are presented for two different locations: Asturias and Almeria. Similar results are obtained for the other two scenarios. In both cases, there is a seasonal storage with different profiles depending on the weather conditions in the



Figure 5: Scheduling results for the Scenario 3 in Asturias



Figure 6: Storage results for methane in scenario 1

region. As a general trend, during spring/summer higher solar power production is
expected, which leads to an increase in the production of chemicals as storage systems.
Within the two locations shown, this is especially visible in Almeria, where solar radiation is predominant. Seasonal storage is a technology to ensure demand satisfaction
but also to reduce the installed capacity of the different power generation technologies,
because it is not necessary to increase it to meet the demand in all the time periods of

	Excess (%)	% Solar	% Wind	Demand cost (€/MWh)	Total cost (€/MWh)
Asturias	31.0	28.5	71.5	108.7	83.1
Almeria	42.7	54.7	45.3	127.8	89.8
Badajoz	113.9	67.7	32.3	168.7	79.0
Teruel	39.7	51.2	48.8	128.1	91.8
Leon	53.7	55.4	44.6	146.2	95.3
Coruña	29.0	29.8	70.2	100.8	78.3
Cordoba	165.1	70.8	29.2	196.2	74.2
Ciudad Real	107.6	66.1	33.9	167.8	81.0
Sevilla	59.8	58.2	41.8	142.9	89.6
Zaragoza	37.0	40.2	59.8	118.8	86.9
Burgos	38.2	48.6	51.4	131.5	95.4
Navarra	37.8	33.8	66.2	112.9	82.1
Soria	39.2	50.5	49.5	132.3	95.2
Salamanca	68.0	57.1	42.9	149.1	88.9

Table 3: Economic results for scenario 1

#### 438 the year.

#### 439 5.2. Economic Results

Based on the optimization results, the cost of electricity in the integrated facilities analyzed is calculated for each of the locations in the different scenarios proposed. Table 3 shows the results for scenario 1. Two different prices (annual average) are presented in the table. The "Demand cost" assumes that only the power that satisfies the demand can be sold. Therefore, the excess of energy in periods with a high generation rate cannot be computed in the cost of electricity. On the contrary, the "Total cost" assumes that all the power can be discharged at the same price including the excess of energy.

The demand costs for scenario 1 are in the range of 100-200 €/MWh which is higher 447 than the direct generation using solar/wind energy as expected. IRENA (2020) deter-448 mines an average electricity price of 53 €/MWh for wind energy and 68 €/MWh for 449 solar energy, therefore, the cost of electricity in an integrated facility is significantly 450 higher than the cost when only power caption units are included. The results are ex-451 pected because the investment and maintenance cost required when storage technolo-452 gies are included. If the total power that can be produced is computed, the range of 453 prices decreases to 70-90 €/MWh, closer to the renewable technologies themselves. The 454 main advantage of using these integrated facilities is that power demand can be guar-455

anteed regardless of the weather condition (security of the energy supply). If storage technologies are not included, in different periods of time, power production does not meet power demand, which cannot be assumed in a modern electricity system. This is particularly important in the context of a power generation mix where a 97-98% share of renewable resources is expected by 2050.

Looking at the cost behavior, when the excess of energy is higher, the demand cost 461 increases, and the total cost decreases. A larger excess of energy is due to the large 462 number of collection units, therefore higher investment is required and, if the excess 463 of energy cannot be sold, the demand cost significantly increases. As a general trend, 464 locations where solar energy is predominant, have larger excess of power production 465 compared to those where the wind is the principal source where the excess is consider-466 ably less. To illustrate this point, the largest excess takes place in Cordoba where solar 467 generation rises to about 71%. On the contrary, Coruña is the location with the lowest 468 excess and, in this area, 70% of the power is produced from wind turbines. In general, 469 when the solar share increases, the total demand cost is higher. The reason for this lies in 470 the strong seasonal nature of solar energy. Solar availability follows a recurring pattern 471 during the day and night hours but the differences between seasons are very significant. 472 In summer, solar production is clearly higher than in winter. Therefore, satisfying the 473 power demand in the most restrictive time periods, implies a certain installed capac-474 ity leading to an excess of energy during the time when the resource is more available. 475 In contrast, wind production is more volatile but does not show such strong seasonal 476 differences. 477

Table 4 includes all the economic information about scenario 2 where biomass is 478 introduced in order to assess the combination of intermittent and non-intermittent 479 sources, and storage alternatives. As a general comment, the introduction of biomass 480 is beneficial in economic terms with a significant reduction in the demand cost of more 481 than 20% in most cases. One of the main reasons for the decrease in the cost of elec-482 tricity when biomass is introduced is the level of utilization of the different production 483 technologies. One of the most extended indexes to measure this utilization ratio is the 484 capacity factor (George, 2015). For scenario 2, the average capacity factors are around 485 29% for solar PV panels, 37% for wind turbines, and 94% for biomass (as mentioned 486 in the previous section, biomass operates almost as a base load generation). This large 487 difference makes investment in biomass much more profitable (due to longer hours of 488 operation) comparatively than in the case of solar or wind energy and can reduce the 489 overall price of electricity. In the results of scenario 2, the excess of energy is signifi-490 cantly lower than in the case of scenario 1. The average value for the excess in scenario 491 1 is approximately 62% which decreases to about 23% when biomass is introduced. The 492

	Excess (%)	% Solar	% Wind	% Biomass	Demand Cost (€/MWh)	Total Cost (€/MWh)
Asturias	14.2	19.2	49.3	31.5	87.8	76.8
Almeria	19.7	39.3	28.6	32.1	96.2	80.3
Badajoz	28.3	56.7	15.7	27.6	113.2	88.3
Teruel	19.0	36.6	30.8	32.6	96.1	80.9
Leon	23.4	46.8	29.3	23.9	112.3	91.2
Coruña	12.8	20.5	48.1	31.4	83.6	74.2
Cordoba	27.5	58.1	10.7	31.2	110.4	86.7
Ciudad Real	31.5	58.3	19.1	22.6	117.9	89.4
Sevilla	21.5	46.7	20.4	32.9	101.2	83.5
Zaragoza	18.6	28.3	40.2	31.5	91.6	77.3
Burgos	22.3	39.2	36.8	24.0	105.1	86.1
Navarra	19.3	24.6	48.0	27.4	92.9	78.1
Soria	20.5	40.9	34.8	24.3	105.1	87.3
Salamanca	39.5	53.6	27.5	18.9	116.4	83.6

Table 4: Economic results for scenario 2

addition of biomass in the generation pool reduces the variability in power production 493 because it is a non-intermittent renewable source. The reduction in the excess of energy 494 also implies a reduction in the gap between the demand and the total cost. These re-495 sults show the large potential of the combination of intermittent and non-intermittent 496 production technologies together with storage alternatives to meet a given demand in-497 dependently of the weather conditions at competitive costs. The use of biomass could 498 be an interesting option due to the reduction of the production cost using only a small 499 fraction of the total biomass in the region. 500

Finally, Table 5 contains the main results of scenario 3, where the use of ammonia is 501 introduced as a storage alternative to develop a power facility without direct CO<sub>2</sub> emis-502 sions. This scenario could be feasible in a horizon in which a complete decarbonization 503 is achieved. Ammonia as a long-term storage pathway significantly increases the cost 504 of electricity. For the demand cost, the average value is around 280 €/MWh, and for 505 the total cost around 145 €/MWh. Ammonia technology is a more complex process that 506 requires higher power consumption to synthesize this chemical. All these factors trans-507 late into higher capital and operating costs which determine the final cost of electricity. 508 Further improvements in the Haber-Bosch ammonia process could lead to a substantial 509 reduction of the operating cost, for example, by reducing the pressure of the synthesis 510 loop (Smith et al., 2020). On a long-term horizon, the use of electrochemical methods 511 to produce ammonia could turn this option into a technically and economically feasible 512 solution (MacFarlane et al., 2020). The high cost of storage leads to high excess of elec-513

	Excess (%)	% Solar	% Wind	Demand Cost (€/MWh)	Total Cost (€/MWh)
Asturias	60.6	35.7	64.3	223.0	139.3
Almeria	78.0	57.6	42.4	259.8	146.6
Badajoz	135.9	64.9	35.1	344.9	146.5
Teruel	76.5	55.4	44.6	263.9	149.8
Leon	71.4	54.7	45.3	291.4	170.4
Coruña	64.7	37.8	62.2	213.5	129.9
Cordoba	188.9	64.5	35.5	389.3	135.0
Ciudad Real	122.3	62.7	37.3	340.5	153.5
Sevilla	80.7	57.1	42.9	277.6	153.9
Zaragoza	87.3	48.1	51.9	246.1	131.7
Burgos	80.4	55.4	44.6	266.6	148.1
Navarra	73.4	40.1	59.9	222.9	128.9
Soria	70.0	48.1	51.9	266.8	157.2
Salamanca	122.0	63.3	36.7	310.3	140.0

Table 5: Economic results for scenario 3

tricity. While the average excess in scenario 1 was about 60%, in this case, the average
rises to about 90%. The results minimize the storage increasing the installed capacity of

<sup>516</sup> wind/solar resources, which on high production days leads to large energy excesses.



Figure 7: Capital cost for the different locations and scenarios

Regarding the total investment required, Figure 7 shows the capital costs for the 517 different scenarios and for the different regions with an associated satisfied demand 518 of about 1275 GWh per year. For scenario 1, capital costs range between 1,000-2,000 519 MM€. The main source of this investment is the power production technologies. In all 520 cases, wind and solar accounts for about 60-70% of the total capital cost. Investment in 521 wind/solar falls sharply in scenario 2 to levels close to 50%. The share of storage tech-522 nologies also decreases due to the non-intermittent nature of the biomass source. The 523 introduction of this renewable resource also reduces the total capital cost in all regions, 524 as expected based on the capacity factor calculated above. To satisfy a given level of 525 demand, the lower the capacity factor of a technology, the higher the installed capacity 526 required and, hence, the higher the investment. Finally, when scenario 3 is analyzed, 527 there is a very substantial increase in the total capital cost. Investment in solar/wind 528 technology and in electrolysis rises to avoid the use of ammonia that presents a higher 529 cost. Large differences can be found between investments in the different regions. In 530 general, in locations with a high proportion of solar-based power production, the to-531 tal capital cost of the integrated facility increases. For example, Cordoba is one of the 532 provinces with the highest share of solar energy, and the investment in this region, for 533 example in scenario 3, exceeds 4,000 MM€ while in Coruña, with high wind penetration, 534 the total capital cost is around 2,000 MM€. 535

As expected, the introduction of storage technologies into power generation in order 536 to ensure demand satisfaction in the context of a new energy system based on variable 537 renewable energies is a challenge in economic terms. The use of storage technologies 538 increases the cost of electricity, but is necessary for a robust power system. To incen-539 tivize the introduction of storage technologies in the power grid, an interesting option 540 could be to use the existing capacity payments. These, in the current system, guarantee 541 a sufficient generation capacity to meet the demand for electricity at all times (including 542 the peak demand). In the case study assessed in this work, the capacity payment budget 543 amounts to around 658 MM€ per year distributed, mainly, between natural gas power 544 plants and, during the last years, also coal-based facilities (now decommissioned) (Fun-545 dacion Naturgy, 2020). Therefore, if this budget is used in terms of energy storage tech-546 nologies, the cost of electricity in these integrated facilities could be reduced targeting a 547 competitive cost. All these measurements to introduce energy storage at grid scale will 548 be included in the future regulations of the capacity market, the tool to face the new 549 power system with high penetration of renewable generation (Huhta, 2019). 550

#### 551 5.3. Social results

In addition to the economic results, the social impact of the energy transition must also be assessed. The results for the proposed social index are presented in Table 6.

	1 - MW	2- Loss of jobs	3- MW/GDI	P 4 - % GDP	5 - Unemployment	6 - Loss of pop	. 7- Ageing 8	3 - Pop. density	9 - Youth mig.	10 - GDP per cap.	Total
Asturias	7,47	6,53	2,84	4,38	3,10	9,25	8,95	3,40	4,38	8,95	59,24
Teruel	3,80	10,00	10,00	9,73	0,62	8,50	5,84	9,97	7,94	5,84	72,24
Leon	6,99	6,06	6,19	7,95	3,12	10,00	10,00	8,44	7,36	10,00	76,11
Coruña	10,00	1,05	3,32	3,46	2,11	7,92	6,97	0,00	1,99	6,97	43,78
Almeria	4,00	0,92	2,54	6,88	5,26	0,00	0,00	4,39	3,41	0,00	27,40
Cordoba	1,12	0,42	0,68	6,73	7,34	7,84	2,58	6,37	7,68	2,58	43,35
Badajoz	0,00	0,00	0,00	7,30	8,34	7,85	2,86	8,32	7,01	2,86	44,54
Ciudad Real	0,00	0,00	0,00	7,76	7,29	7,38	3,19	8,77	10,00	3,19	47,57
Sevilla	0,00	0,00	0,00	0,00	10,00	5,66	0,69	0,16	3,38	0,69	20,59
Zaragoza	0,00	0,00	0,00	3,28	2,30	5,20	3,51	6,40	1,67	3,51	25,86
Burgos	1,61	3,14	1,36	7,81	0,11	7,56	5,82	8,73	6,28	5,82	48,22
Navarra	0,00	0,00	0,00	5,25	1,22	3,81	2,37	5,56	0,00	2,37	20,56
Soria	0,00	0,00	0,00	10,00	0,00	8,61	7,05	10,00	6,95	7,05	49,66
Salamanca	0,00	0,00	0,00	8,74	4,62	9,35	8,39	8,64	9,88	8,39	58,01

Table 6: Results of the social index for the studied locations

As indicated, the higher the social index, the worse the social situation of the region under study. The original data to calculate this index for each location is presented in the Supplementary Information.

As mentioned above, the first three items of the index are related to the energy tran-557 sition and its social impact, and the last seven are to the general social situation of the 558 region. In terms of the social impact of the energy transition, Teruel emerges as one of 559 the regions with the highest impact. The small size in economic and employment terms 560 of this province means that the relative importance of the traditional electricity sector is 561 high. In general, the regions located in the northwest of Spain (Leon, Asturias, Coruña) 562 are the most affected group by the energy transition due to the high importance of the 563 coal sector (including mining and power generation). If the entire social environment 564 is analyzed, the results are different. Various regions of the center of Spain are the most 565 affected by social issues, for example, Leon, Soria, Salamanca, or Ciudad Real. There-566 fore, the investment in the new energy system can help to mitigate the social distance to 567 other parts of the country. Job opportunities could be created in the different phases of 568 the plant. During operating and maintenance of the solar PV panels and wind turbines, 569 around 0.4 jobs/MW and 0.3 jobs/MW respectively could be generated (Cartelle Barros 570 et al., 2017). For the Power-to-X storage processes, the correlation for job creation in 571 chemical plants developed by Heras and Martín (2020) could quantify the new jobs op-572 portunities. Additionally, in the areas where these facilities are installed, different local 573 and regional taxes on these facilities could improve public services in the selected areas. 574 Furthermore, the region's economic activity is boosted by new capital investments, land 575 rental fees, etc. (Springer and Daue, 2020). 576

If all factors of the index are included, Leon is selected as the region with the most

social disturbances (the highest social index) and, therefore, where the new investment 578 and the public policies should be targeted to ensure equal opportunities for citizens 579 regardless of territory. This region is affected by the energy transition, with important 580 mines and about 2,000 MW of the coal-based power capacity decommissioned, and, 581 also, by social problems such as aging or low population density. On the other end, 582 regions such as Sevilla or Navarra have the lowest social impact. Although these regions 583 have been selected to be included in this work due to the high potential in wind or 584 solar energy, the social impact of the investment in these locations is significantly lower. 585 Therefore, a trade-off between economic and social impact arises. For scenario 1, Figure 586 8 shows the comparison between the social index and the cost of electricity (demand 587 cost) for all the studied regions. Similar results are obtained for the other two proposed 588 scenarios (as shown in the Supporting Information). 589



Figure 8: Social and economic results for scenario 1

In this Figure, it is possible to divide the space into four different sections: high so-590 cial impact and low cost of electricity (1), high social impact and high cost of electricity 591 (2), low social impact and low cost of electricity (3) and low social impact and high cost 592 of electricity (4). The most promising regions are those in the first sector (1) where the 593 social impact of the new facilities is high and it is possible to produce renewable elec-594 tricity at a low cost. Particularly, Asturias and Teruel could be the two best performing 595 locations in both indexes. In these two locations, the energy transition is significant and 596 the weather conditions make it possible to reduce the electricity cost. In other places, 597

the cost of electricity may be reduced or be similar, however, the social impact is lower.
For example, Navarra and Asturias have similar costs of electricity, but, if the facility is
located in Asturias, the social impact increases drastically, helping to mitigate the effects
of energy transition and social problems in these areas.

Therefore, these results show the paramount importance of using these two indicators, economic and social, to plan the energy transition in a scenario targeting a 100% renewable power system. Using this dual perspective, stakeholders could make the fair decisions in the uncertain horizon of a new energy system.

#### 606 6. Conclusions

This work presents an optimization analysis of integrated facilities combining in-607 termittent and non-intermittent renewable sources together with different storage tech-608 nologies. The objective is to ensure demand satisfaction regardless of the weather con-609 ditions. Three different scenarios are evaluated for various power sources and energy 610 storage alternatives. For all regions and scenarios, it is demonstrated that the use of stor-611 age alternatives is required to meet the demand at all times of the year. These storage 612 technologies also allow for seasonal storage of energy since solar energy is more intense 613 during summertime. In all cases, there is an excess of power production, mainly, when 614 high availability of solar and wind is expected. From an economic perspective, the de-615 mand cost of electricity for the base case scenario is about 138 €/MWh, depending on 616 the selected location. 617

If biomass is introduced in the power generation pool, the optimization results show 618 that a base-load behavior is expected with only small fluctuations when the solar/wind 619 based power production is high. The use of this non-intermittent renewable source is 620 beneficial from an operational and economic point of view, with a reduction of about 621 20% in the cost of electricity. In this work, the use of biomass has been assessed due 622 to the more mature state of the art. Other non-intermittent sources such as geothermal, 623 with a more limited expansion at present, could be analyzed in future works. Finally, 624 in a forthcoming economic system free of  $CO_2$  emissions, the use of ammonia as an 625 energy storage alternative could be an interesting and feasible solution. According to 626 the results presented, ammonia-based storage is expensive compared to the methane 627 alternatives evaluated in scenarios 1 and 2, reaching values for the cost of electricity of 628 around 280 €/MWh. 629

In the planning of the new energy system based on sustainable criteria, the economic factor should not be the only one evaluated, directing the actions of all actors involved. The social aspect is very significant, in order to mitigate the negative social effects of the energy transition and the social inequalities of the society. In this work, a new social

indicator has been developed to determine the regions that require special social sup-634 port to mitigate the social impact and, therefore, where investment in the new energy 635 system could have the strongest impact. The results show that in certain regions (as 636 Teruel or Asturias), it is possible to ensure a good economic performance of the inte-637 grated facilities in locations with a high positive social impact of the new projects. The 638 complete planning of the new energy system using this methodology (social and eco-639 nomic perspectives) at country/continent level is a challenging future work in this area. 640 To conclude, the importance of introducing non-intermittent renewable sources and en-641 ergy storage at the grid level is demonstrated in order to guarantee demand satisfaction 642 in a new energy paradigm based on, mainly, solar and wind renewable sources. To 643 deploy these new technical requirements, this work provides an economic and social 644 evaluation for different regions with the objective of providing the tools to make the 645 best decisions to achieve a fairer and more sustainable society. 646

# 647 Nomenclature

#### 648 Indices / sets/ subsets

- $h \in H$  Seasons in the multiscale time representation
- $i \in I$  Processes evaluated in network
- $j \in J$  Resources involved in the network
- $m \in M$  Operating modes for each of the process
- $M_i$  Operating modes for a process
- $\hat{S}$  Resources that could be stored
- $t \in T$  Time periods in the multiscale time representation

# 649 Variables/ parameters

 $B_{CO_2,ht}$  Amount of CO<sub>2</sub> introduced

- $C_i$  Production capacity for different processes
- $\bar{C}_{j}$  Storage capacity for different resources
- *J<sub>imht</sub>* Process operating cost not related to capital cost
- *OC* Operating cost
- *P<sub>iht</sub>* Amount of reference resource produced
- $x_i$  Binary variable to select process units
- $\bar{x}_j$  Binary variable to select storage units
- $\alpha_j$  Annualized fixed capital cost for storing
- $\beta_j$  Annualized unit capital cost for storing

- $\gamma_i$  Unit capital cost coefficient
- $\delta_i$  Fixed capital cost coefficient
- $\rho_{ij}$  Conversion factor of the different products with respect to the reference resource
- $\sigma_i$  Conversion factor between capital and operating cost for a process
- $\xi_i$  O&M cost for storing
- $\varphi_{CO_2}$  Cost of carbon dioxide

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