

# The Base Load Fallacy

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The base-load fallacy is being disseminated by vested interests and their supporters in government. The fallacy is that renewable energy cannot supply base-load (24-hour) electric power.

Base-load alternatives to coal power can be provided by efficient energy use, bioenergy, large-scale wind power, solar thermal electricity with thermal storage, geothermal and gas.

Large-scale wind power from geographically distributed sites is not 'intermittent'. However it may require a little additional low-cost peak-load back-up from gas turbines.

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Opponents of renewable energy, from the coal and nuclear industries and from NIMBY (Not In My Backyard) groups, are disseminating the fallacy that renewable energy cannot provide base-load power to substitute for coal-fired electricity. Even Coalition Government Ministers and some ABC journalists are propagating this conventional 'wisdom', although it is false. The political implications are that, if the fallacy becomes widely believed to be true, renewable energy would always have to remain a niche market, rather than achieve its true potential of becoming a set of mainstream energy supply technologies.

### **The refutation of the fallacy has the following key logical steps:**

- With or without renewable energy, there is no such thing as a perfectly reliable power station or electricity generating system.
- Electricity grids are already designed to handle variability in both demand and supply. To do this, they have different types of power station (base-load, intermediate-load and peak-load) and reserve power stations.
- Some renewable electricity sources (e.g. bioenergy, solar thermal electricity with thermal storage and geothermal) have identical variability to coal-fired power stations and so they are base-load. They can be integrated without any additional back-up, as can efficient energy use.
- Other renewable electricity sources (e.g. wind, solar without storage, and run-of-river hydro) have different kinds of variability from coal-fired power stations and so have to be considered separately.
- Wind power provides a third source of variability to be integrated into a system that already has to balance a variable conventional supply against a variable demand.
- The variability of small amounts of wind power in a grid is indistinguishable from variations in demand. Therefore, existing peak-load plant and reserve plant can handle small amounts of wind power at negligible extra cost.
- For large amounts of wind power connected to the grid from several geographically dispersed wind farms, total wind power generally varies smoothly and therefore cannot be described accurately as 'intermittent'. Thus, the variability of large-scale dispersed wind power is unlike that of a single wind turbine. Nevertheless, it may require some additional back-up.
- As the penetration of wind power increases substantially, so do the additional costs of reserve plant and fuel used for balancing wind power variations. However, when wind power supplies up to 20% of electricity generation, these additional costs are still relatively small.

These steps are now discussed in more detail. First it is necessary to define 'base-load'.

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### **Base-load power stations**

A base-load power station is one that is in theory available 24 hours a day, seven days a week, and operates most of the time at full power. In practice, even base-load power stations break down from time to time and, as a result, can be out of action for weeks. Therefore, base-load power stations must have back-up.

In mainland Australia, base-load power stations are mostly coal-fired – a few are gas-fired. Coal-fired power stations are by far the most polluting of all power stations, both in terms of greenhouse gas emissions and local air pollution.

Overseas, some base-load power stations are nuclear. They produce little pollution during normal operation, but much pollution (including carbon dioxide emissions) from mining, enrichment, plant construction and decommissioning, reprocessing and waste management. They also increase the risks of proliferation of nuclear weapons, are potential targets for terrorism and have the capacity for rare but catastrophic accidents.

Renewable energy can provide several different clean, safe, base-load technologies to substitute for coal:

- bioenergy, based on the combustion of crops and crop residues, or their gasification followed by combustion of the gas;
- hot rock geothermal power, which is being developed in South Australia and Queensland;
- solar thermal electricity, with overnight heat storage in water or rocks or a thermochemical store; and
- large-scale, distributed wind power, with a small amount of occasional back-up from peakload plant.

It is obvious that the first three of these types of renewable power station are indeed base-load. Efficient energy use, the natural companion of renewable energy, can also substitute directly for base-load coal. However, the inclusion of large-scale wind power in the above list may be a surprise to some people, because wind power is often described as an 'intermittent' source, one that switches on and off frequently. Before discussing the variability of wind power, we introduce the concept of 'optimal mix'.

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## Optimal mix of base-load and peak-load power stations

An electricity supply system cannot be built out of base-load power stations alone. These stations take all day to start up from cold and in general their output cannot be changed up or down quickly enough to handle the peaks and other variations in demand. Base-load stations used as reserve cannot be started up quickly from cold. Base-load power stations, especially coal-fired and nuclear, are generally cheap to operate, but their capital costs are high. To pay back their high capital costs, base-load power stations must be operated as continuously as possible. A faster, cheaper, more flexible type of power station is needed to complement base-load and handle the peaks.

Peak-load power stations are designed to be run for short periods of time each day to supply the peaks in demand and to handle unpredictable fluctuations in demand and supply on timescales ranging from a few minutes to an hour or so. They can be started rapidly from cold and their output can be changed rapidly. Some peak-load stations are gas turbines, similar to jumbo jet engines, fuelled by gas or (rarely) by oil. They have low capital costs but high operating costs (mostly fuel costs). Hydro-electricity with dams is also used to provide peak-load power. Because the amount of water available is limited to that stored in the dam, the 'fuel' of a hydro power station is a scarce resource and therefore a valuable fuel that is best used when its value is highest, that is, during the peaks.

A third type of power station, intermediate-load, runs during the daytime and early evening, filling the gap in supply between base- and peak-load power (see Figure 1). Its output is more readily changed than base-load, but less than peak-load. Its operating cost lies between those of base- and peak-load. Sometimes intermediate load is supplied by gas-fired power stations and sometimes by older, smaller, coal-fired stations.

Clearly, if an electricity generating system has too much peak-load plant, it will become very expensive to operate, but if it has too much base-load plant, it will be very expensive to buy. For a particular pattern of demand there is a mix of base-load, intermediate-load and peak-load plant that gives the minimum annual cost. This is known as the *optimal mix* of generating plant.

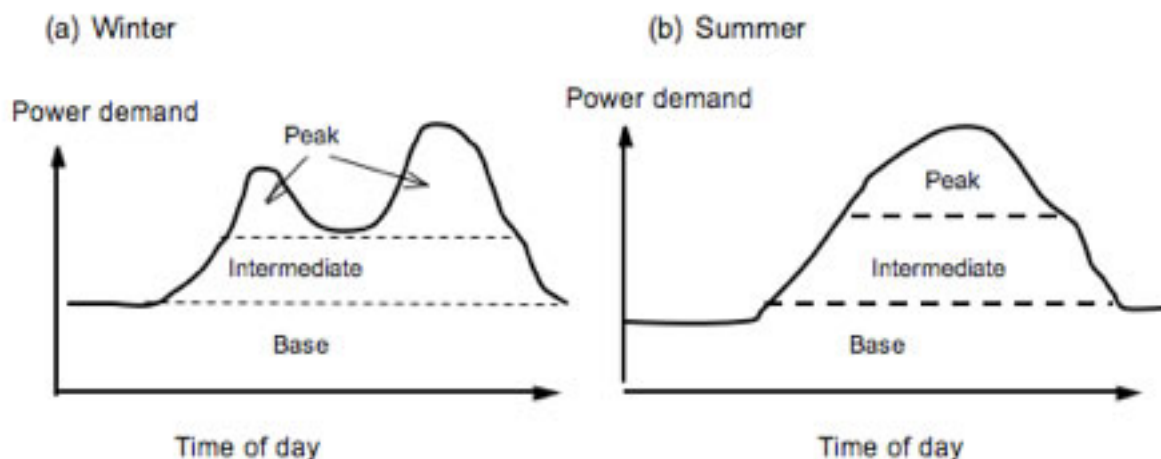
Figure 1 sketches how an optimal mix of base-load, intermediate-load and peak-load generation combines to meet the daily variations in demand in Summer and Winter. In Winter the two peaks occur at breakfast and dinner time. In Summer the single broad peak occurs in early to mid-afternoon.

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## Reliability of generating systems

Even an optimal mix of fossil-fuelled power stations is not 100% reliable. To achieve this would require an infinite amount of back-up and hence an infinite cost. In practice, a generating system has a limited amount of back-up and a specified reliability. This can be measured in terms of the average number of hours per year that supply fails to meet demand or by the frequency and duration of failures to meet demand.

**Figure 1: Typical power demand (load) by time of day in (a) winter and (b) summer**



## Wind power as base-load

To replace the electricity generated by a 1000 megawatt (MW) coal-fired power station, with annual average power output of about 850 MW, a group of wind farms with capacity (rated power) of about 2600 MW, located in windy sites, is required. The higher wind capacity allows for the variations in wind power and is taken into account in the economics of wind power.

Although this substitution involves a large number of wind turbines (for example, 1300 turbines, each rated at 2 MW), the area of land actually occupied by the wind turbines and access roads is only 5–20 square km, depending upon wind speed. Farming continues between the wind turbines. For comparison, the coal-fired power station and its open-cut coal-mine may occupy over 50 square km.

Although a single wind turbine is indeed intermittent, this is not generally true of a system of several wind farms, separated by several hundred kilometres and experiencing different wind regimes. The total output of such a system generally varies smoothly and only rarely experiences a situation where there is no wind at any site. As a result, this system can be made as reliable as a conventional base-load power station by adding a small amount of dedicated peak-load plant (say, gas turbines) that is only operated when required.

Computer simulations and modelling show that the integration of wind power into an electricity grid changes the optimal mix of conventional base-load and peak-load power stations. Wind power replaces base-load with the same annual average power output. However, to maintain the reliability of the generating system at the same level as before the substitution, some additional peak-load plant may be needed. This back-up does not have to have the same capacity as the group of wind farms. For widely dispersed wind farms, the back-up capacity only has to be one-fifth to one-third of the wind capacity. In the special case when all the wind power is concentrated at a single site, the required back-up is about half the wind capacity (Martin & Diesendorf 1982; Grubb 1988a & b; ILEX 2002; Carbon Trust & DTI 2004; Dale et al. 2004; UKERC 2006).

Furthermore, because the back-up is peak-load plant, it does not have to be run continuously while the wind is blowing. Instead the gas turbines can be switched on and off quickly when necessary. Since the gas turbine has low capital cost and low fuel use, it may be considered to be reliability insurance with a small premium.

Of course, if a national electricity grid is connected by transmission line to another country (for example, as Western Denmark is connected to Norway), it does not need to install any back-up for wind, because it purchases supplementary power from its neighbours when required and sells excess wind energy to its neighbours. In practice it makes little difference whether a generating system installs a little of its own back-up or purchases it from neighbours.

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## Solar electricity

Because it is still very expensive to store electricity on a large scale, grid-connected solar electricity from photovoltaic (PV) modules is not usually stored. If and when advanced batteries become less expensive, PV electricity could become base-load. However, it may be more economically advantageous to keep it as intermediate- and peak-load. Even without storage, a large amount of solar PV can substitute for coal and/or gas combusted in intermediate-load power stations. Furthermore, by orienting the solar collectors to the north-west instead of to the usual north (in the southern hemisphere), the peak in solar generation overlaps to a large degree with the broad daily peak in Summer demand (Figure 1b). Thus, statistically speaking, even solar electricity without storage has a significant degree of reliability during the daytime.

Solar energy can be stored at low cost as heat in water, rocks or thermochemical systems. Therefore, solar thermal electricity with thermal storage can supply base-load and can be just as reliable as base-load coal.

New technological developments in solar electricity, coupled with expanding overseas markets, will gradually bring down prices.

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## How much base-load do we really need?

Much base-load power is unnecessary. For example, between midnight and dawn, about one-quarter of Australia's base-load coal-fired power stations are used to heat water, which is supplied to customers at cheap off-peak rates. This is the result of the operational inflexibility of base-load power stations, which cannot be switched off overnight.

If cheap off-peak electric hot water prices were banned and hot water systems based on electric resistance heating were phased out, most of these unnecessary coal-fired power stations could be retired. Water would be heated efficiently by solar, gas and electric heat pump. The power that is today supplied by the unnecessary coal-fired power stations between dawn and midnight would be provided by increasing the amount of intermediate-load combined-cycle gas-fired power stations and, as its price declines, by solar electric power. The net reduction in greenhouse gas emissions would be substantial.

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## Conclusion

Combinations of efficient energy use and renewable sources of electricity can replace electricity generating systems based on fossil fuels and nuclear power. With renewable sources, base-load electricity could be provided to the grid by bioenergy, hot rock geothermal, solar thermal electricity with thermal storage in water, rock or thermochemical systems, and wind power with a little back-up from gas turbines. Natural gas and coal seam methane can also substitute for some base-load coal-fired power stations, although supplies of these gases are limited in eastern Australia. The demand for base-load power can be reduced by efficient energy use and solar hot water. Intermediate load power can be supplied by solar PV electricity without storage, when it becomes less expensive. When natural gas supplies become scarce, gas turbines used for peak-load supply can be fuelled by biomass.

By 2040 renewable energy could supply over half of Australia's electricity, reducing CO<sub>2</sub> emissions from electricity generation by nearly 80 per cent (Saddler, Diesendorf & Denniss 2004; Diesendorf 2007a & b). In the longer term, there is no technical reason to stopping renewable energy from supplying 100 per cent of grid electricity. The system could be just as reliable as the dirty, fossil-fuelled system that it replaces. Taking account of the high costs of greenhouse impacts (Stern 2006), the barriers to a sustainable energy future are neither technological nor economic, but rather are the immense political power of the big greenhouse gas polluting industries: coal, aluminium, iron and steel, cement, motor vehicles and part of the oil industry.

Actually, there is one constraint on a renewable electricity future. Growth in demand has to be levelled off, or eventually there will not be enough land for wind and bioenergy. In the long run, stabilisation of demand will entail a change in the national economic structure and the stabilisation of Australia's population.

A more detailed discussion is given in the book by Diesendorf (2007a).

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