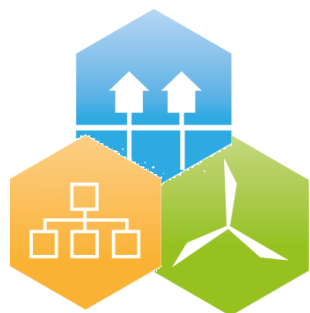


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District Heating  
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# System dynamics model analysis of pathway to 4<sup>th</sup> GDH systems in the Baltic States



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AALBORG UNIVERSITY  
DENMARK



**4DH**  
4th Generation District Heating  
Technologies and Systems

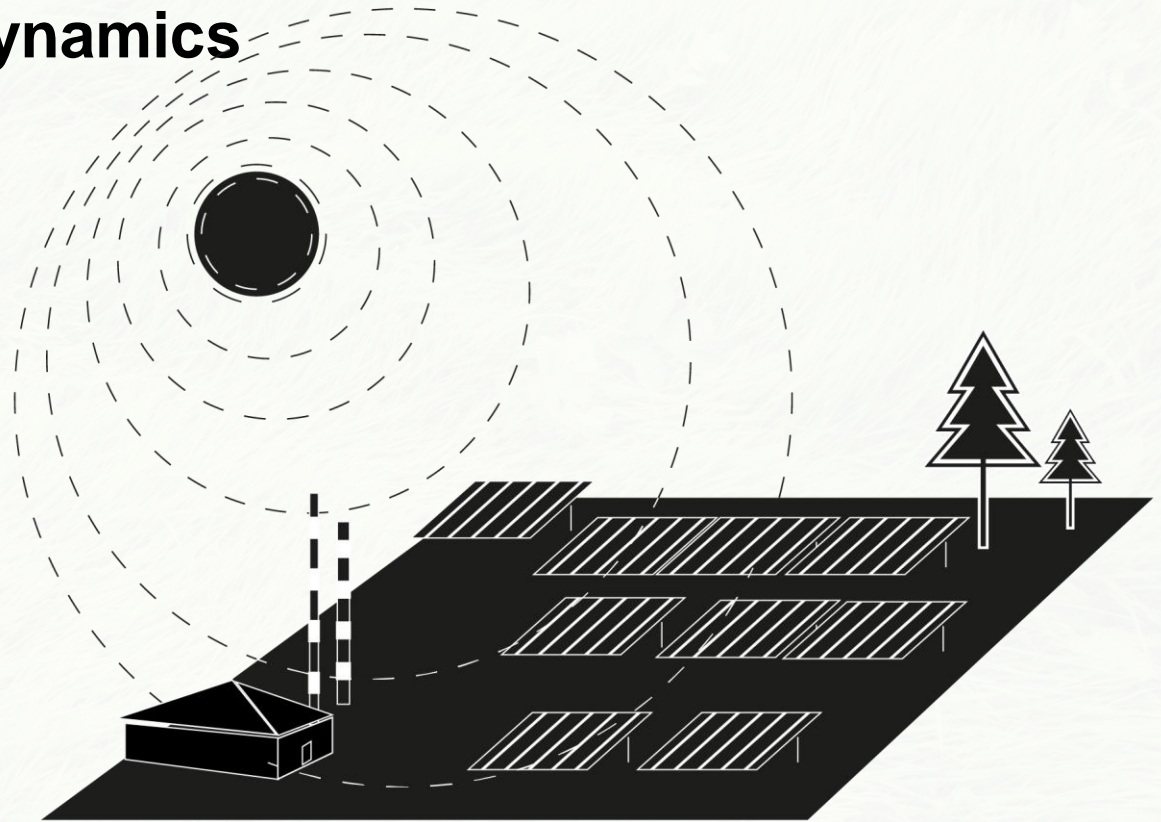
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  - 1.1 4GDH elements of the existing heating system
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  - 2.3 The scenarios of transition from existing DH to 4GDH
3. Results
4. Conclusions



# Goal of research

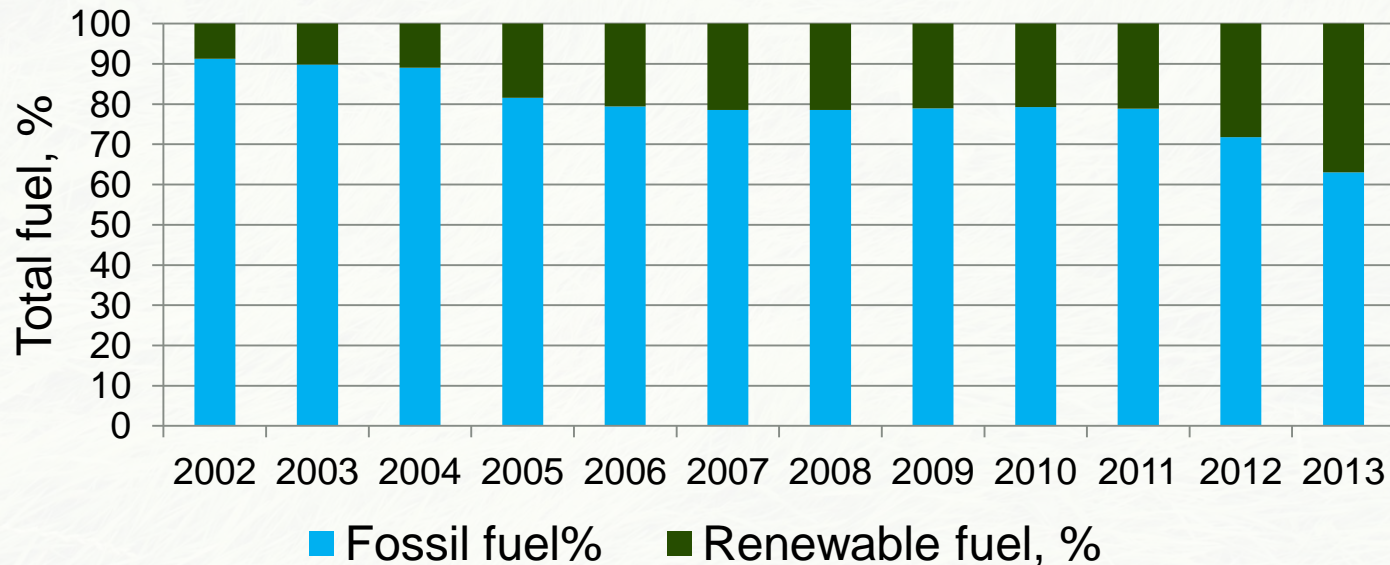
To evaluate policy tools to reach 4 generation DH system by use of system dynamics model



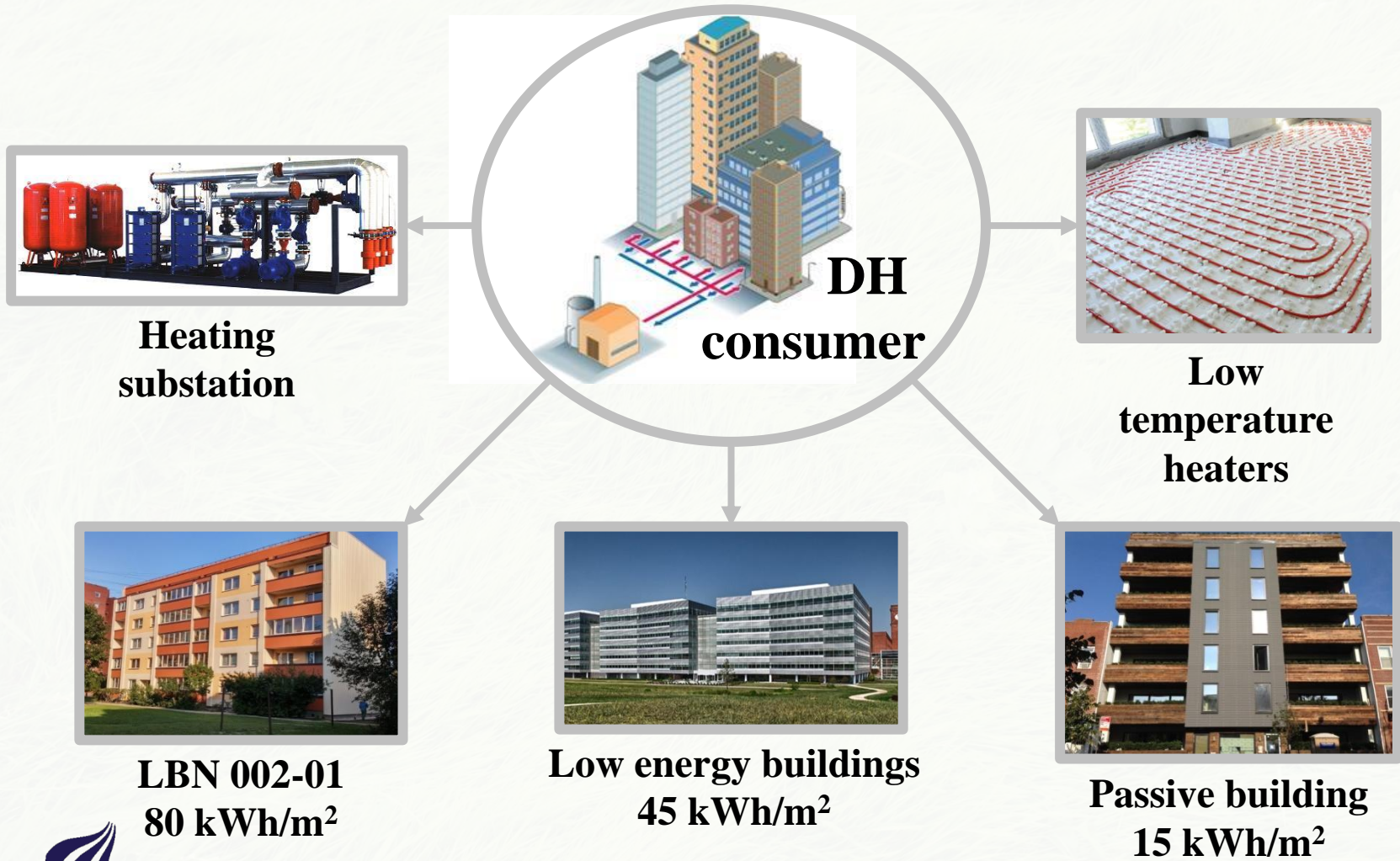
# Current Situation in the Latvian District heating



## Share of fuels in Latvian DH



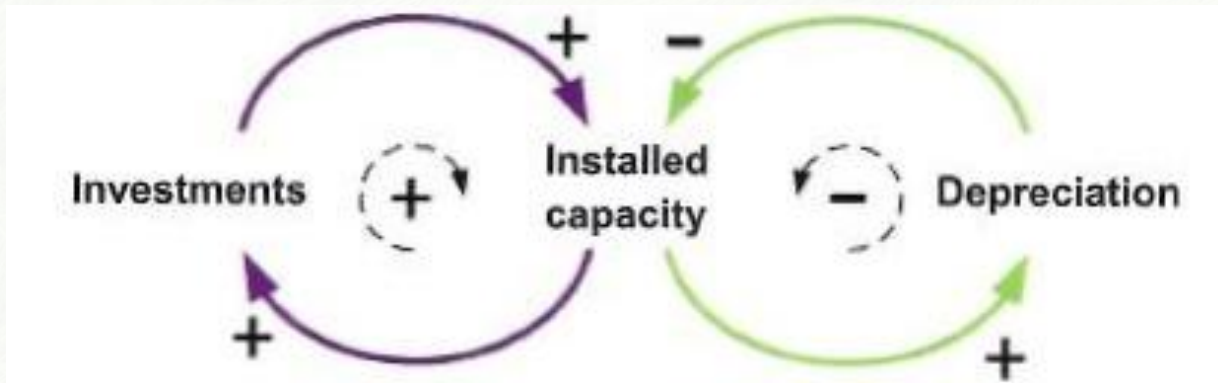
# 4GDH elements of the existing system: the consumer



# Creation of dynamic hypotheses

The diffusion of 4GDH concept within traditional DH :

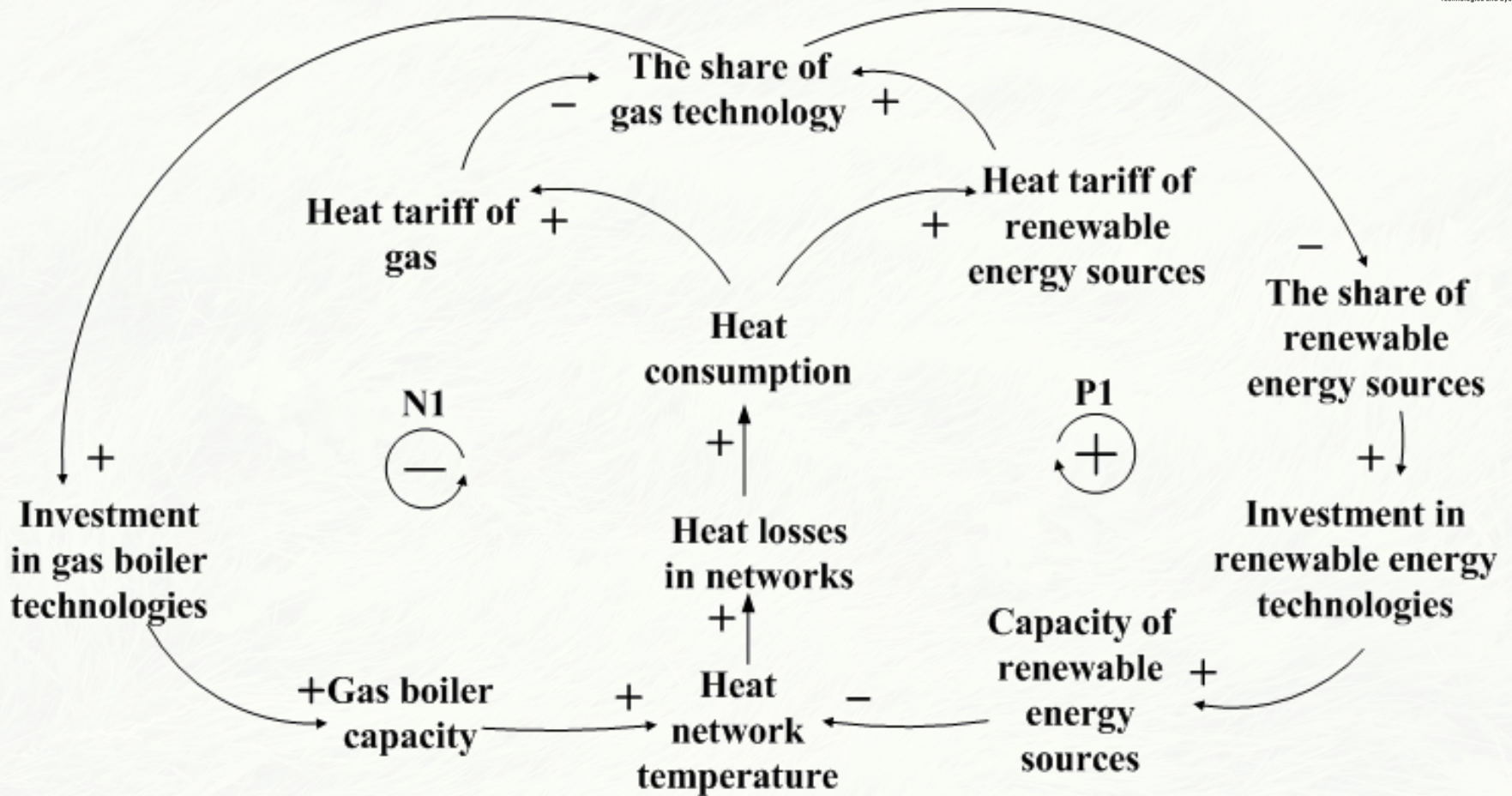
- a renewable energy technology,
- low temperature networks
- low energy consumers



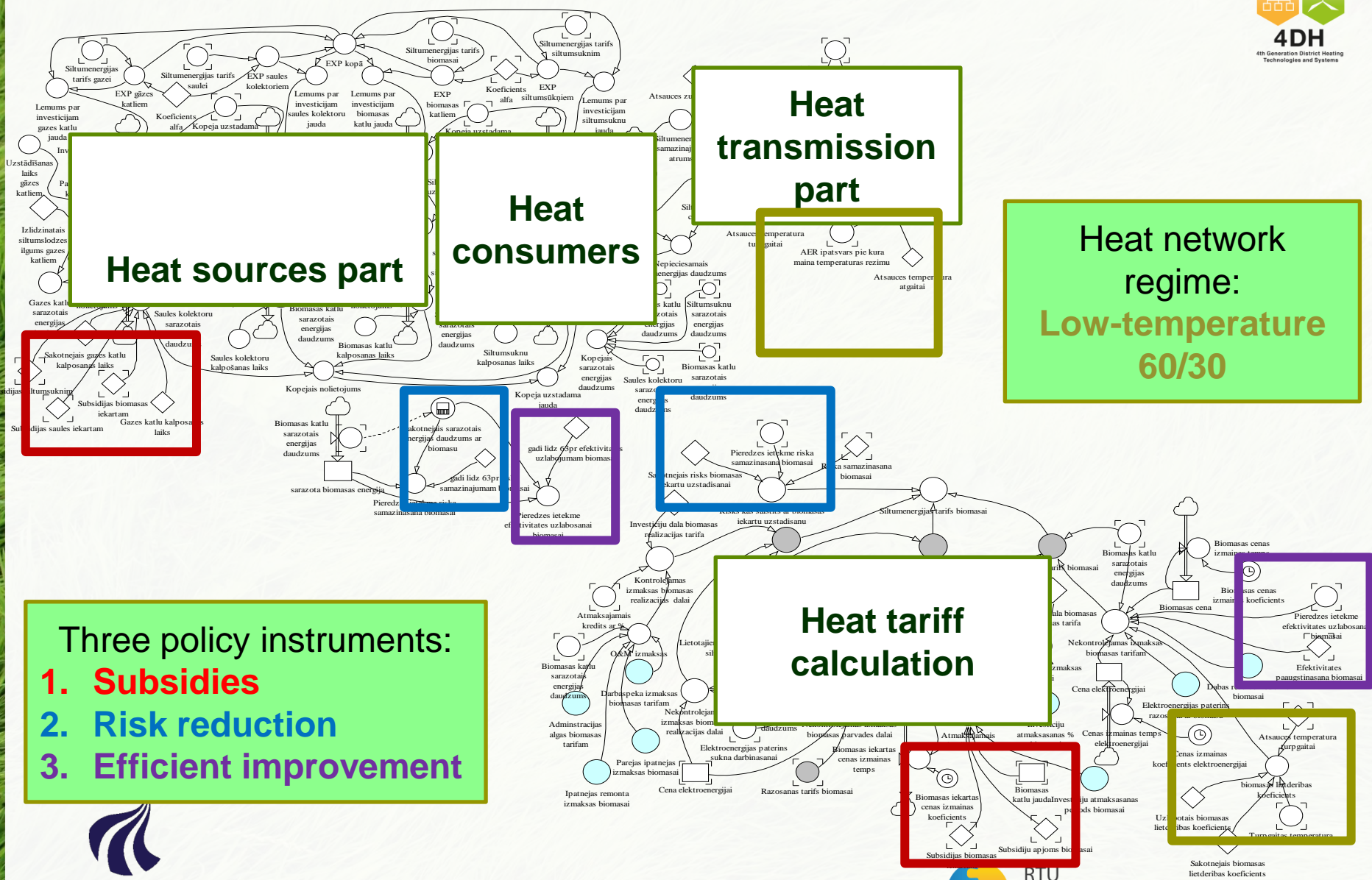
Causal loop diagram representing the relationships between the total capacity of installations and investment and depreciation flows \*

\*"System Dynamics" edited by A.Blumberga, RTU, 2011

# Causal loop



# System dynamics model structure

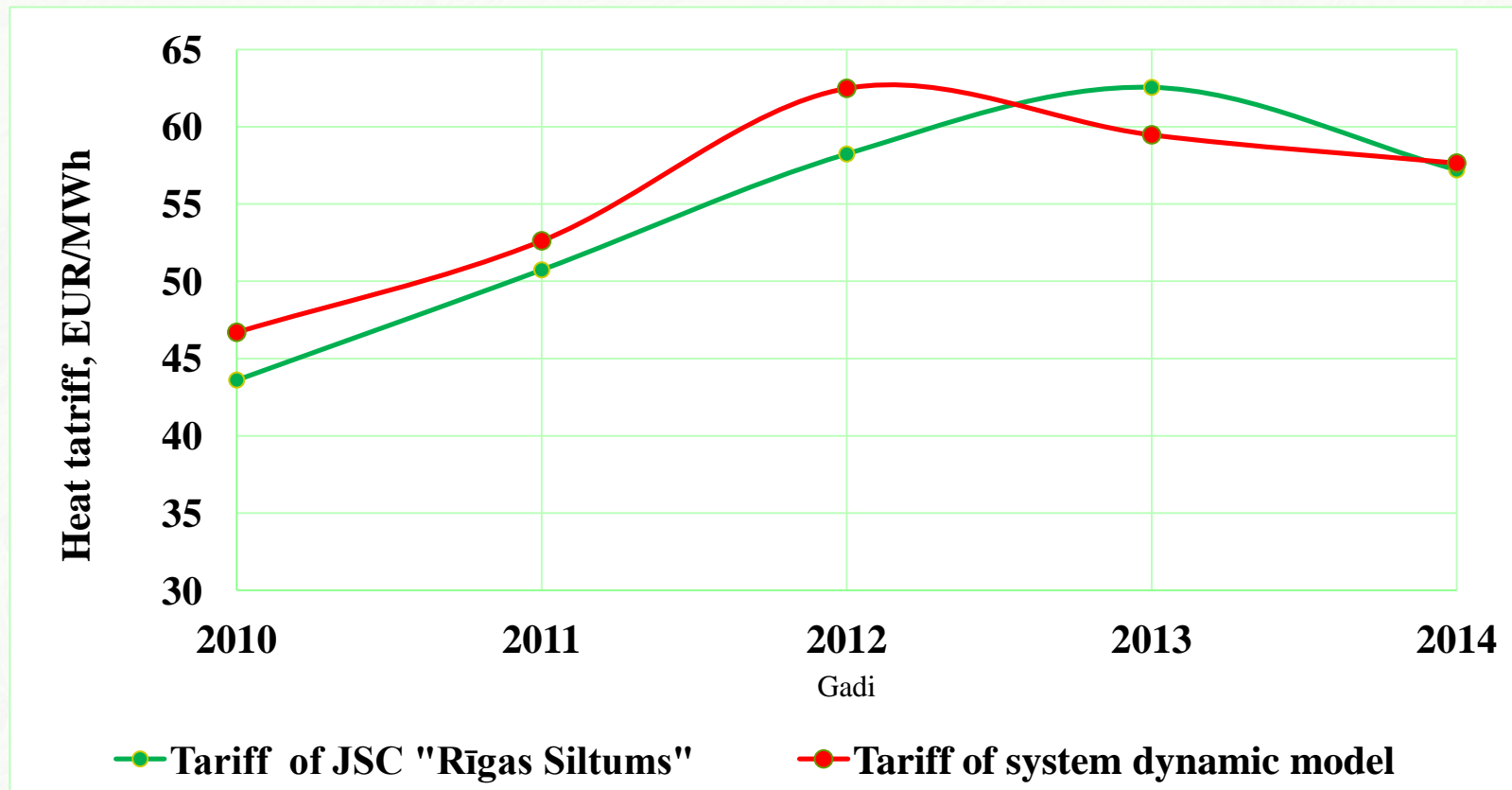


Three policy instruments:

1. **Subsidies**
2. **Risk reduction**
3. **Efficient improvement**



# Model verification

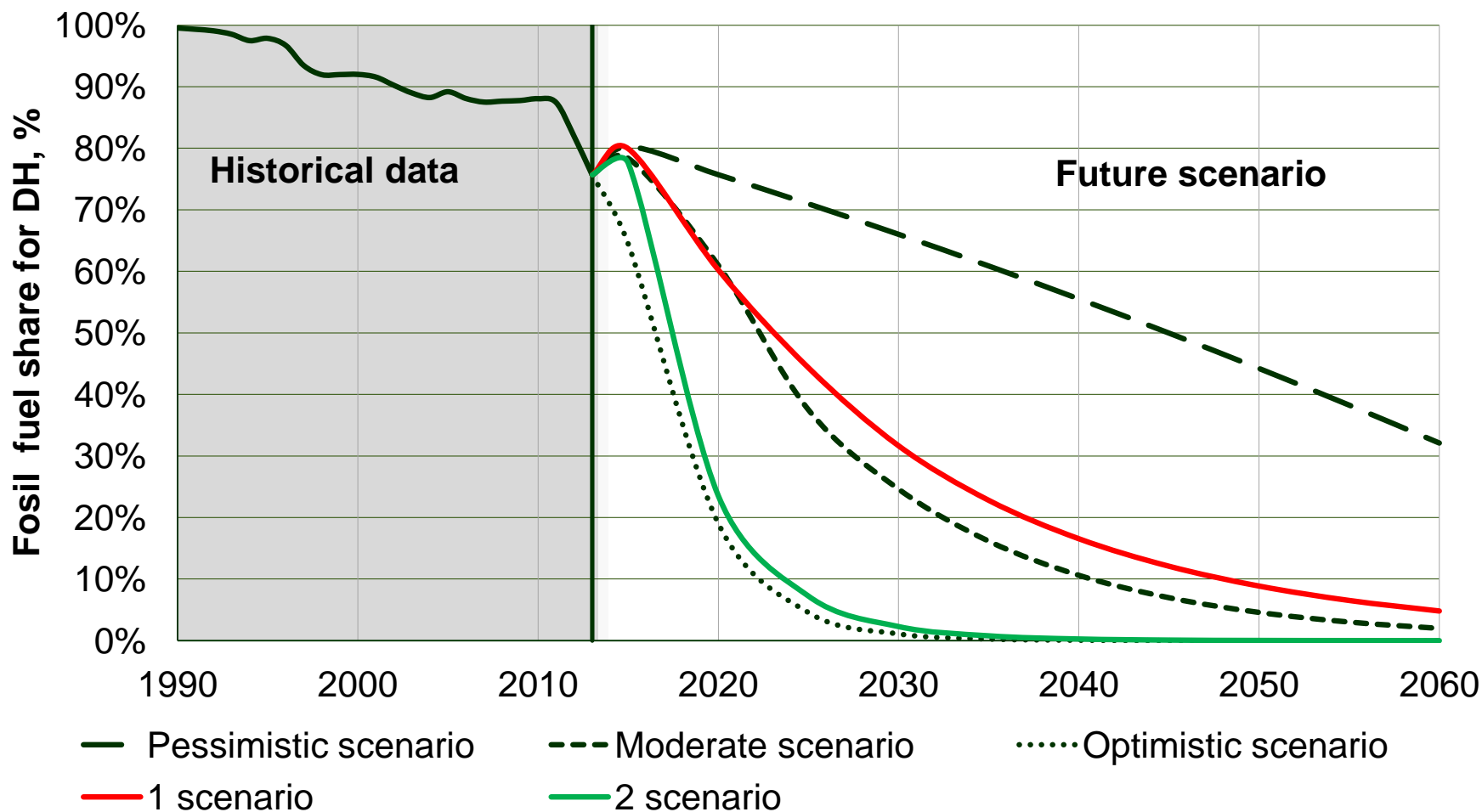


# Description of Scenarios

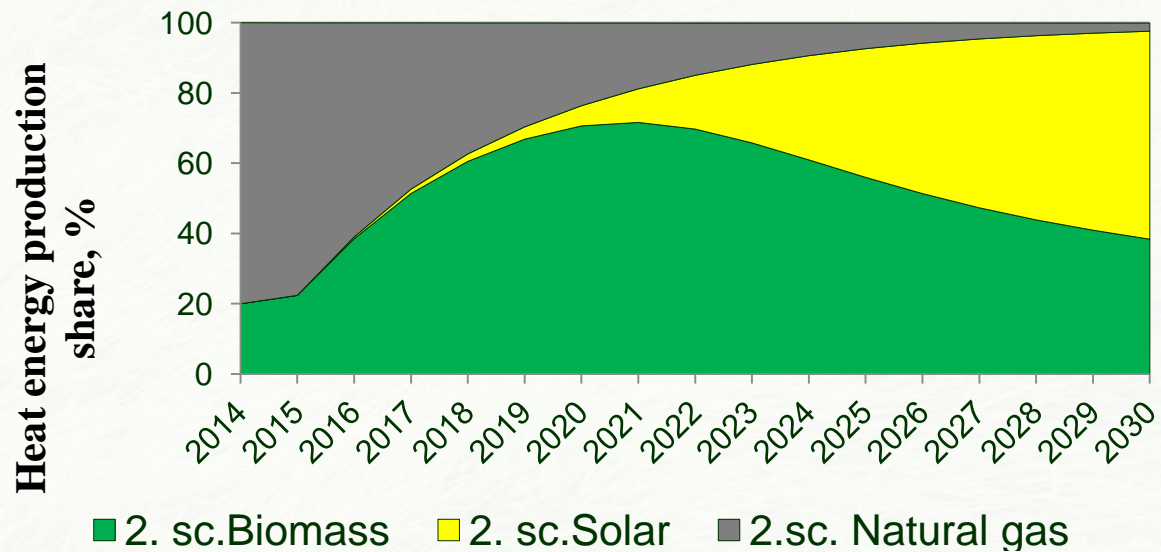
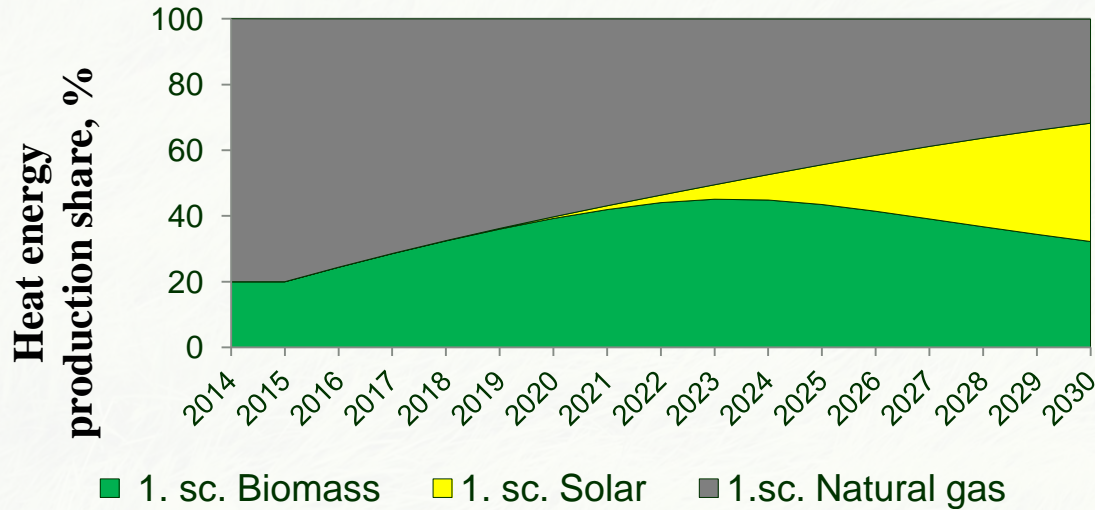
Scenarios	Policy instruments								
	Subsidies			Risk reduction			Efficient improvement		
	B*	S*	HP*	B	S	HP	B	S	HP
1 <sup>st</sup> scenario	0	0	0	0	0	0	0	0	0
2 <sup>nd</sup> scenario	1	1	1	1	1	1	1	1	1
3 <sup>rd</sup> scenario	0	0	1	0	0	1	0	0	1
4 <sup>th</sup> scenario	0	1	0	0	0	0	0	0	0
5 <sup>th</sup> scenario	0	0	0	0	1	0	0	0	0
6 <sup>th</sup> scenario	0	0	0	0	0	0	0	1	0

**B - biomass; S- solar collector; HP – heat pump; 1- activ; 0- non activ**

# Hypothetical scenarios compared with the model results




# Result of different policy strategies



# Conclusions (1)

1. The modeled scenarios show that the pace of 4GDH implementation depends on the policies used by each country. Subsidies are the most effective mechanisms for increasing of renewable energy share.
2. The developed system dynamic model could be applied to other heating systems if corresponding initial data and other renewable technologies are added.
3. In the base scenario 68,4 % renewable share was achieved, thus confirming the hypothesis. Results are based on existing industry development pace and on fuel and technology cost dynamics. The proportion of biomass is projected to increase till 2024 but then part of renewable resources are replaced by solar energy

 technologies

# Conclusions (2)

4. The transition to a low-temperature regime (60/30) at different share of renewable energy (60%, 80%, 95%) was included in system dynamics model. Thermal regime change increases the efficiency of renewable technologies, but does not change the share of renewable energy in the common system. Policy instruments contribute to a faster transition to a low-temperature regime.

## Acknowledgements

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