MULTI-OBJECTIVE OPTIMIZATION OF THE DESIGN AND OPERATION OF AN ENERGY HUB FOR THE EMPA CAMPUS

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ABSTRACT

This paper presents a comparison of two multi-objective optimization processes used to simultaneously select and size the components of an energy hub and to determine their optimal operation according to net present value and carbon emissions. The first is a single-level optimization process that uses a mixed-linear integer programming (MILP) model based on the energy hub concept in which time-varying demands and supply availabilities must be matched using conversion and storage options. The second is a bi-level optimization process composed of a multi-objective genetic algorithm (GA) as the upper level to optimize selection and sizing of components. A linear programme is nested within the GA as the lower level to optimize the operation of each proposed system.

The study uses measured data from the Empa research campus in Dübendorf, Switzerland for the heating, cooling and electricity demands that must be met. Appropriate values for solar availability, energy prices and equipment costs were used. The optimization process is conducted for a whole year, allowing the consideration of seasonal storage. The energy hub includes electricity, gas, solar power, and medium temperature and high temperature thermal networks. The technologies considered include boilers, chillers, photovoltaic panels, combined heat and power plants, heat pumps and storage.

Results presented give trade-off fronts of the competing objectives (carbon emissions and discounted costs) that reveal a set of optimal design solutions, including their optimized hourly operational schedules. The effectiveness of the two approaches is compared, including the convergence of the optimization, necessary computing time and the identification of solution characteristics. It is shown that the single-level optimization finds a better Pareto front in much shorter time than the bi-level approach for this problem instance.

Keywords: Multi-objective, Bi-Level, Optimisation, Energy Hub, Measured data

INTRODUCTION

Research facilities often consume large amounts of energy for heating, cooling and operation. Budget constraints and environmental considerations make it necessary to minimise costs and emissions of the energy consumption. As shown in [1], optimization techniques are increasingly used to design and operate multi-carrier energy systems. The optimization methods are used in combination with modelling frameworks such as the energy hub concept of [2]. District systems that also include cooling and operate on different temperature levels
can reduce energy consumption and emissions of buildings [3]. The design of a new energy system is a multi-objective problem as costs and environmental impacts must be considered together.

A single-level optimization process was compared to a bi-level optimization process in order to address the multi-objective problem based on monthly samples in [4]. In [5], a bi-level optimization process in combination with the energy hub model operating on an hourly basis was proposed. The contribution of this paper is the comparison of a single-level optimization process to a bi-level optimization process for a large energy system including short- and long-term storage based on hourly measurement data for a whole year, including time-varying electricity prices.

**METHOD**

The energy system of the research facility is modelled using the energy hub approach. The model consists of energy streams for electricity, gas, solar power, medium temperature and high temperature thermal networks, and represents their interdependencies via conversion and storage technologies. The model expresses these energy system constraints as a mixed-integer linear programming (MILP) model implemented in Matlab using Yalmip [6] and solved using IBM CPLEX.

The optimization process is conducted for a whole year, allowing the consideration of seasonal storage. The temporal resolution is hourly. The objective is to minimize the net present value of the capital and operational costs. A single-level multi-objective optimization process, composed of a mixed-integer linear program, is compared to a bi-level multi-objective optimization process. The single-level optimization process is extended with the \( \varepsilon \)-constrained technique in order to obtain a multi-objective Pareto front.

**Problem formulation**

The energy hub concept [2] allows the modelling of multi-carrier energy systems in terms of power flows. In this paper, a slightly modified representation is used. A carrier node \( k \) connects different storage devices, expressed as \( q_{i,k}^{\text{store}} \) (storing) and \( q_{i,k}^{\text{dis}} \) (discharging), conversion devices, expressed as \( p_{i,k}^{\text{in}} \) and \( p_{i,k}^{\text{out}} \), supply grids \( g_{i,k} \) and loads \( l_{i,k} \). The power flows of a carrier node must be balanced at every time step \( t \) as in equation (1). Conversion devices are represented by a linear input-output relationship determined by the efficiency matrix \( A \), as shown by equation (2). The state-of-charge of storage devices are represented by a dynamic discrete linear equation (3) and characterized by the charging and discharging matrices \( A_+ \) and \( A_- \) and the loss coefficient \( a \). The operational decision variables are constrained by the design variables (i.e. equipment capacities) (4).

\[
p_{i,k}^{\text{out}} - p_{i,k}^{\text{in}} - q_{i,k}^{\text{store}} + q_{i,k}^{\text{dis}} - l_{i,k} + g_{i,k} = 0 \quad \forall t, k
\]

\[
p_{i,k}^{\text{out}} = A p_{i,k}^{\text{in}}
\]

\[
e_{i+1} = a e_i + A_i q_{i,k}^{\text{store}} - A_i q_{i,k}^{\text{dis}} \quad \forall t
\]

\[
0 \leq p_{i,k}^{\text{out}} \leq p_{\text{max}}, \quad 0 \leq q_{i,k}^{\text{store}} \leq q_{\text{max}}, \quad 0 \leq e_i \leq e_{\text{max}}
\]
capacities and the binary variables that state if devices are present in the energy hub. Equations (1) to (4) express the constraint set of the optimization problem.

The single-stage optimization process incorporates both the design decision variables and the operational decision variables in the MILP model. In order to conduct a multi-objective optimization, the carbon dioxide emissions are constrained by a maximum amount $\varepsilon$ that is consecutively reduced to give a spread of solutions.

In the bi-level optimization process, the design variables are determined by the genetic algorithm NSGA-II [7] and the operation variables by a MILP model. Because the MILP does not contain capacities it solves much faster. The objective functions of the genetic algorithm are the net present value of the total costs and the carbon emissions. The linear program in the inner loop optimizes the operational costs. The GA runs for 50 generations, with a population size of 50.

**Case Study**

The case study is based on the Empa/Eawag research facility in Dübendorf, near Zürich, Switzerland. The energy demand data used for this study originates from hourly measurements for 2012 of electricity, cooling and heating demand. The annual total demand is found in Table 2. The demand for the medium temperature heating power has been estimated based on the profile from the high temperature grid.

Figure 1 illustrates all possible technology options of the energy hub. The high temperature (HT) grid is at 65°C. The medium temperature (MT) grid is at 38°C. The different temperature gaps of the heat pumps lead to different coefficients of performance (see Table 1). A varying percentage of biogas can be added to the gas consumption of the CHP and the boiler. The cooling towers ensure that excess power in the medium temperature grid is exhausted.

The efficiency coefficients, the unit costs and fixed costs of the equipment are listed in Table 1. The costs of the geothermal storage depend only on the input/output capacity and not on the storage capacity. The hot water tank costs depend on both the input/output capacity and the storage capacity. The costs and efficiency values are based on industry estimates. Operational costs of 0.046 CHF/kWh and carbon emissions of 0.099 tCO$_2$/MWh are added to the objective function for the photovoltaic panels.

The electricity prices are varying on a daily, weekly and seasonal basis. All pricing data is taken from the local distribution company. Carbon emissions are based on the European UCTE electricity mix. The time frame of the total net present costs is 20 years. The discount rate is 2.5%. Energy costs are assumed to increase by 2.5% per year.
### RESULTS AND DISCUSSION

The single-level optimization requires two optimization runs (one minimizing emissions, the other costs) to determine the minimum and maximum emissions to use as bounds for the $\varepsilon$-constraints. The single-level outperforms the bi-level optimization for this type of problem, as seen in Figure 2. The computation time for the single-level problem with 16 $\varepsilon$ points was 2.15 hours, whereas the bi-level algorithm took 28 hours for 50 generations. From the evolution of the hypervolume shown in Figure 3, it appears that the bi-level algorithm has not yet fully converged. The solutions obtained by the bi-level method after 5 generations are also shown, as this corresponds to the same runtime as the single-level case. It is clear that the optimization has not progressed at all by this point.

Figure 4 presents the design variables of the single-level optimization solutions. The dominant mitigation measure to reduce the carbon emissions is the use of biogas in combination with the CHP. The UCTE electricity mix includes a lot of power generated by coal plants, giving very high carbon emissions for electricity. The installation of storage and heat pumps results in only a limited reduction of emissions because the heat pumps increase the electricity demand to some degree. Hence, only the use of biogas and electricity production through the CHP can reduce the emissions further. Lots of heat is wasted for very low levels emissions due to the overproduction of heat by the CHP. This mode of operation is not permitted in many countries. High capacities of the heat exchanger and the cooling tower are good indicators that excess heat from the CHP is wasted. These points on the Pareto fronts should not be considered for the implementation of the energy system. The high electricity base load and the high electricity prices favour the use of photovoltaics panels, which are

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**Table 1: Parameters of the devices in the energy hub**

<table>
<thead>
<tr>
<th>Equipment</th>
<th>Efficiency/COP</th>
<th>Unit costs [CHF/kW]</th>
<th>Fixed costs [CHF]</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHP</td>
<td>$\varepsilon_{el} : 0.3$, $\varepsilon_{th} : 0.4$</td>
<td>500</td>
<td>50000</td>
</tr>
<tr>
<td>PV</td>
<td>0.18</td>
<td>300 [CHF/m²]</td>
<td>100000</td>
</tr>
<tr>
<td>Boiler</td>
<td>0.7</td>
<td>200</td>
<td>50000</td>
</tr>
<tr>
<td>Chiller</td>
<td>$\varepsilon_{cool} : 4.9$, $\varepsilon_{th} : 5.8$</td>
<td>400</td>
<td>100000</td>
</tr>
<tr>
<td>HP MT-HT</td>
<td>5</td>
<td>550</td>
<td>120000</td>
</tr>
<tr>
<td>HP Ground-HT</td>
<td>3</td>
<td>550</td>
<td>120000</td>
</tr>
<tr>
<td>HP Ground-MT</td>
<td>4.5</td>
<td>550</td>
<td>120000</td>
</tr>
<tr>
<td>Heat exchanger</td>
<td>0.9</td>
<td>200</td>
<td>-</td>
</tr>
<tr>
<td>Pump MT-Ground</td>
<td>45</td>
<td>10</td>
<td>5000</td>
</tr>
<tr>
<td>Cooling tower</td>
<td>-</td>
<td>240</td>
<td>-</td>
</tr>
<tr>
<td>Ground storage</td>
<td>0.003%/hour</td>
<td>2000</td>
<td>-</td>
</tr>
<tr>
<td>MT storage</td>
<td>0.5%/hour</td>
<td>10 [CHF/kW], 4 [CHF/kWh]</td>
<td>10000</td>
</tr>
<tr>
<td>HT storage</td>
<td>0.5%/hour</td>
<td>10 [CHF/kW], 2 [CHF/kWh]</td>
<td>10000</td>
</tr>
</tbody>
</table>

**Table 2: Parameters of the carriers, including loads to be met.**

<table>
<thead>
<tr>
<th>Carrier</th>
<th>Price [CHF/MWh]</th>
<th>Carbon emissions [tCO₂/MWh]</th>
<th>Load [MWh/yr]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>0.0951-0.1361</td>
<td>0.594</td>
<td>10204</td>
</tr>
<tr>
<td>Natural gas</td>
<td>0.0632</td>
<td>0.237</td>
<td>-</td>
</tr>
<tr>
<td>Biogas</td>
<td>0.1452</td>
<td>0.125</td>
<td>-</td>
</tr>
<tr>
<td>MT heat</td>
<td>-</td>
<td>-</td>
<td>1369</td>
</tr>
<tr>
<td>HT heat</td>
<td>-</td>
<td>-</td>
<td>5627</td>
</tr>
<tr>
<td>Cooling</td>
<td>-</td>
<td>-</td>
<td>3899</td>
</tr>
</tbody>
</table>
installed at the maximum capacity for all solutions (even the cheapest, since the capital cost is easily paid back through lower electricity bills within the timeframe considered).

![Figure 2: Pareto front for the single and bi-level optimizations](image)

![Figure 3: Hypervolume of the Pareto front and the change in hypervolume for the bi-level optimisation](image)

![Figure 4: Design variables (Input/output capacities of conversion and storage devices, storage capacities and biogas use) of selected Pareto solutions.](image)

![Figure 5: Operation of the medium temperature grid](image)

![Figure 6: Operation of the high temperature grid](image)

Figures 5 and 6 illustrate a year of operation of the medium temperature grid and the high temperature grid for the single-level solution with emissions of 4600 tCO₂/yr. The low level
of high temperature heat needed in summer is supplied by a heat pump using the waste heat from the chiller as a source. The boiler and a small heat pump using the ground as a source are switched on to meet peak demands. The necessity of reducing the emissions of the UCTE electricity mix does not allow the replacement of CHP by large heat pumps. Hence, a lot of waste heat of the chiller is exhausted via the cooling towers.

**CONCLUSION**

The single-level optimization finds a better Pareto front in much shorter time than the bi-level approach for this problem instance. Further investigation is needed to establish whether this is true for many types of problem (e.g. if the runtime of the MILP with sizing is higher), or if improvements to the bi-level process can overcome this (e.g. seeding with good solutions).

The case study illustrates the importance of a multi-carrier perspective on the reduction of carbon emissions. The high carbon emissions of the European electricity mix lead to high biogas consumption and costly operational solutions. PV is installed at the maximum permitted level of 15,000m² in all cases due to high energy prices.

Further research that considers scenarios with different electricity generation mixes is required. A more accurate modelling of the geothermal and short-term storages using temperature nodes is suggested, along with constraints on dumping excess heat from CHP if applicable.

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**REFERENCES**