"Innovating Photovoltaics: the way ahead" *Grid integration*





Solar Europe Initiative Workshop NH Fiera, Milan 07.05.2013

Disclaimer

IMPORTANT LEGAL NOTICE

This presentation does not constitute or form part of, and should not be construed as, an offer or invitation to subscribe for, underwrite or otherwise acquire, any securities of SMA Solar Technology AG (the "Company") or any present or future subsidiary of the Company (together with the Company, the "SMA Group") nor should it or any part of it form the basis of, or be relied upon in connection with, any contract to purchase or subscribe for any securities in the Company or any member of the SMA Group or commitment whatsoever.

All information contained herein has been carefully prepared. Nevertheless, we do not guarantee its accuracy or completeness and nothing herein shall be construed to be a representation of such guarantee.

The information contained in this presentation is subject to amendment, revision and updating. Certain statements contained in this presentation may be statements of future expectations and other forward-looking statements that are based on the management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those in such statements as a result of, among others, factors, changing business or other market conditions and the prospects for growth anticipated by the management of the Company. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements which speak only as of the date of this presentation.

This presentation is for information purposes only and may not be further distributed or passed on to any party which is not the addressee of this presentation. No part of this presentation must be copied, reproduced or cited by the addressees hereof other than for the purpose for which it has been provided to the addressee.

This document is not an offer of securities for sale in the United States of America. Securities may not be offered or sold in the United States of America absent registration or an exemption from registration under the U.S. Securities Act of 1933 as amended.

SMA is the global market and technology leader for solar inverters



Leading the way to optimized self-consumption

The SMA Smart Energy solution



Intelligent forecast and energy management



New Sunny Boy with integrated battery



Plant monitoring

- > Without FITs solar needs to compete with electricity tariffs for households and mid-sized businesses.
- > Power that is produced and used on-site does not need to be fed into the distribution grid.
- Linking the PV system with the forecast and consumption behavior is paramount.

>> Technologies in grid and energy management are the key to the energy transition.

Agenda

1	Grid integration of PV Power Plants
2	Voltage Support
3	Balancing PV Power
4	Roadmap

Requirements in Germany and Italy



> Ability to control PV generation to a specified % of nominal power rating (Remote Dispatch)

BDEW* Guidelines, CEI 0-21, CEI 0-16



 Ability to automatically reduce active power with frequency deviations (Over Frequency Response)

BDEW* Guidelines, VDE AR-N 4105, CEI 0-21, CEI 0-16





- > Ability to supply/absorb reactive power during PV operation
- > Ability to control power factor (PF Control Mode)
 BDEW* Guidelines, VDE AR-N 4105, CEI 0-21, CEI 0-16
- > Fault Ride-Through (LVRT)
- > Ability to supply reactive current during fault ride-through period BDEW* Guidelines, VDE AR-N 4105, CEI 0-21, CEI 0-16

* German Association of Energy and Water Industries (BDEW)

Agenda

1	Grid integration of PV Power Plants
2	Voltage Support
3	Balancing PV Power
4	Roadmap

Voltage support: power flow reversal – a technical issue?

> Example:

Installation of a PV system

Few loads in the morning \rightarrow reverse power flow & surpassing of EN 50160 thresholds



Voltage Problems were previously associated with costly grid development involving increased amounts of copper, new cables and more powerful transformers.

Supporting voltage through reactive power supply





>> PV plants are the only possibility to realise decentralised voltage control on the LV grid

Solutions for Voltage Support in Distribution Networks

Investigations regarding

- Measures to increase the Hosting Capacity of existing Networks for PV-Plants
- Interactions between different network operating equipment devices (Controllable PV-Plants, Transformers with On-Load-Tap-Changers, Storage, Voltage Controllers etc.)



within several national and international research projects

[Bülo, 2012]



BMU-funded Project Aktives, intelligentes Niederspannungsnetz

SMA Solar Technology AG

1	Grid integration of PV Power Plants
2	Voltage Support
3	Balancing PV power

PV Performance in Germany

(http://www.sma.de/unternehmen/pv-leistung-in-deutschland.html)

Relative Leistung vom 25.05.2012-5:30 Uhr



Source: SMA, Sunny Portal

Generation in Germany on Friday, May 25th 2012 PV Performance compared with conventional Generation



Up to 34 % of the load covered by PV on a sunny Friday.

Generation in Germany on Saturday, May 26th 2012 PV Performance compared with conventional Generation



Up to 43 % of the load covered by PV on a sunny Saturday.

In 2013 50% of load covered by PV is expected at times.

Integration of Renewable Energy into the Grid Structure



In Germany:

- just 15% of the PV-infeed fall upon PV-plants in the Megawatt-power range [BSW 2012]
- Solar Power is mainly provided by PV-plants in the kW-power range
- app. 98% of all PV-plants / 70% of Energy are fed into low voltage networks

Paradigm replacement in electrical power supply:

- From top-down structure to fluctuating bidirectional power flows
- > Distribution grids need to be "collection grids"

>> Challenges:

- 1. Rising Hosting Capacity of distribution networks
- Maximizing concordance of production and consumption → Energy Management
- 3. Provision of **System Services** for a secure and robust network operation

Motivation

PV achievements until now

- > Significant contribution to electricity supply
- > Midday peak load increasingly covered



Key challenges for the energy revolution

- > More dynamic grid load
- Storage -- essential in various manifestations

How can PV utilize its unique strengths in combination with local energy storage?

Harmonization of production and consumption using Energy Management (1)



20 – 40 % possible private consumption Rate without special measures



Increase of private consumption rate using manual or automatic load management



Further increase of the self consumption using battery storage

Harmonization of production and consumption using Energy Management (2)

Storage provides more than just increase of the rate of self-consumption

- > Feed-in-Management (e.g. 70%-Limitation)
- > Limitation of (local) Feed-in peaks
- > Limitation of (local) Load peaks
- > Equalization of Load Curve
- > Provision of (pooled) active power reserve
- Local Energy Management must become a part of a electricity production system with even better balancing technologies
- For a target-oriented Energy Management, a good prediction of feed-in-power and load are needed



1	Grid integration of PV Power Plants
2	Voltage Support
3	Balancing PV Power
4	Roadmap

Vision of the future role of Smart inverter based systems



Example 1: Response to signals of the grid operator

>> Fulfilling today requirements^{*}



Example 2: Controlling a group of PV systems though an aggregator^{*}



*Use Case tested within the project "Aktives, intelligentes Niederspannungsnetz", funded by the German Ministery of Environment (FKZ 0325202). Partners: SMA, Fraunhofer IWES, Uni Kassel, E-on Mitte, J. Schneider Elektrotechnik GmbH

Outlook on future Developments

- > Standard communication protocol (IEC 61850) and data models
- > **PV and storage** as integrated system components
- > Aggregation of distributed PV-plants \rightarrow Virtual Power Plants
 - > PV-plants become flexible controllable for different applications
 - > Targeted system services using distributed PV-Systems becomes possible
- > Extended system services and more flexible control of large PV-plants
 - > Extended reactive power range (also in the night)
 - > Active power reserve and limitation of negative power gradients

Conclusions

- > The PV systems are evolving from passive inverters to Smart inverter based systems, assuming a keystone function in the Smart Grid
- In the future, PV systems will assume different roles depending on the grid state, facing new challenges and new opportunities, from market driven to grid supporting
- > The main barriers opposing high penetration of PV in the future Smart Grid go from market design to standardization of communication technologies or regulation of roles
- > Expensive network reinforcements can be avoided by intelligent use of converters in PV-plants
- > Especially aggregated and combined with Storage and Energy Management Systems, the power provided by PV-plants can be integrated into the utility very well



SOLAR TECHNOLOGY

Thank You

Ing. Edoardo Tognon <u>Edoardo.Tognon@SMA.de</u> (cell phone) +49 151 54345929 (office) +49 561 95224127