

# **Intro to Exergo-Economics**

**Exergo-Economic Analysis (EEA)** is a combination of exergy and economic analysis.

The goal is not only to determine the cost of one or more products (this could be done by a traditional input/output cost analysis) but rather to understand the **process of cost build-up** along the **transformation of energy** and its depreciation, described by the progressive decrease of exergy.

This type of information is very valuable, as it allows to identify the most relevant stages within the process, thereby paving the way to system **improvement and optimization**.



An Exergo-Economic analysis allows to reconstruct the progressive buildup of the cost of products along the several components within the system, and also to analyze systems with **multiple products<sup>1</sup>** (e.g., heat, electricity, cold and secondary material streams) attributing the correct cost to the products exiting the system in different locations.

An exergo-economic analysis is also very useful for **maintenance<sup>2</sup>** , as – once it is done for the reference system – it allows to identify malfunctions and attribute the relative cost, thereby allowing an effective planning of interventions and parts substitution.

<sup>1</sup>El-Sayed Y. M., and Evans R. B. (1970). Thermoeconomics and the design of heat systems. Journal of Engineering for Power 92(1), 27-35. <sup>2</sup> Reini, M., Taccani, R., On the Thermoeconomic Approach to the Diagnosis of Energy System Malfunctions, Int.J. Thermodynamics, 7, 2, 1-72, 2004



# **EEA - System level**



Referring to the system as a whole, operating in steady-state conditions:

$$
\dot{C}_{P,tot} = \dot{C}_{f,tot} + \dot{Z}_{CI,tot} + \dot{Z}_{OM,tot}
$$
  
etc j  
EE.1

 $\dot{C}_{p,tot}$ 

 $\dot{C}_{F,tot}$ 



 $\dot{Z}_{\text{CI},\text{tot}}$ 

 $\dot{Z}_{OM,tot}$ 

is the overall plant capital investement cost rate  $\lfloor \frac{\epsilon}{s} \rfloor$  (from design to financing, construction and decommissioning), reduced to unit time considering the life span of the plant

is the overall cost of Operation&Maintenance (personnel, spare parts, consumables, ...), also reduced to unit time  $\varepsilon$ /s]

Typically the **Capital & Investment** cost is calculated from a component inventory, adding construction costs and considering discount rates for project financing

The **Operation& Maintenance** cost is generally evaluated on an annual basis, or  $-$  when personnel costs are prevailing  $-$  over the month. O&M includes spare parts substitution, often performed on a monthly, yearly, 5-yrs or 15 yrs schedule depending on component practice and field of application

Capital Investment and O&M costs in the following will be considered together, reduced to unit time  $\lceil \frac{\epsilon}{s} \rceil$ :

$$
\dot{Z}_{tot} = \dot{Z}_{CI,tot} + \dot{Z}_{OM,tot} \qquad \text{EE.2}
$$



# **EEA - Component level**



The same approach can be repeated inside the system at the level of component k. It is convenient to separate mass, work and heat interactions. Arrows can represent inputs/outputs across the system boundaries, or exchanges (of matter, work or heat) with other components inside the system.

Separating inputs (i) and outputs (e) one can write the cost balance as:

$$
\sum_{e} (\dot{c}_{e} + \dot{c}_{qe} + \dot{c}_{we}) = \sum_{i} (\dot{c}_{i} + \dot{c}_{qi} + \dot{c}_{wi}) + Z_{CI,k} + Z_{OM,k}
$$

EE.3



## **EEA - Component level**



As we are interested in exergy tracking of the costs, it is recommendable to reduce costs to unit exergy c  $\lbrack \in /kJ \rbrack$  and use exergy rates  $E [kJ/s = kW]$ :

$$
\sum_{e} (c_e \dot{E}_e + c_{0e} \theta_e \dot{Q}_e + c_{We} \dot{W}_e) = \sum_{i} (c_i \dot{E}_i + c_{0i} \theta_i \dot{Q}_i + c_{Wi} \dot{W}_i) + \dot{Z}_{CI,k} + \dot{Z}_{OM,k}
$$

#### EE.5





$$
\dot{C}_{gas,e} + \dot{C}_{W,e} = \dot{C}_{gas,i} + \dot{C}_{Q,i} + \dot{Z}_{CI,T} + \dot{Z}_{OM,T}
$$
  
Arrows out  
The same equation can be re-formulated using the cost of re-heat c<sub>Q</sub>; the cost of work c<sub>W</sub> (to be determined), and the cost of the i, e unit exergy:

$$
c_e \dot{E}_{gas,e} + c_W \dot{W}_e = c_i \dot{E}_{gas,i} + c_Q \dot{Q}_i + \dot{Z}_{CI,T} + \dot{Z}_{OM,T}
$$

Or, with the exergy/thermodynamics sign assumption (i=positive; e=negative):

$$
c_i \dot{E}_{gas,i} + c_Q \dot{Q}_i - c_e \dot{E}_{gas,e} - c_W \dot{W}_e + \dot{Z}_{CI,T} + \dot{Z}_{OM,T} = 0
$$

which is very attractive from a machine-learning point of view.





In Exergo-Economics it is very important to identify the purpose of plant components.

As the purpose of a turbine is producing work, in order to determine  $c_W$  [ $\varepsilon/MJ$  or  $\varepsilon/kWh$ ], the logical assumption is to consider constant the unit cost of input and output exergy,  $c_i = c_e$ .

This allows to solve for the cost of work produced:

$$
c_W = \frac{c_i[\dot{m}_i(e_i - e_e)] + c_Q \dot{Q}_i + \dot{Z}_T}{\dot{W}_e}
$$

The reheat turbine case includes the simple turbine one :  $Q_i = 0$ *EC\_TG\_reheat\_simple.ees; EC\_TG\_reheat\_detailed.ees; EC\_TG\_reheat\_det\_EXD.ees*





In this equation, the costs of inlet streams (fuel, air and feedwater)  $c_1$ ,  $c_2$ ,  $c_3$ are known (either from market price, or from the solutions of components placed ahead of the steam generator); it is necessary to make realistic logical assumptions for the unit exit costs  $c_4$ ,  $c_5$ ,  $c_8$ .

*Boiler. ees*



## **EEA Example 2 – Steam Generator**



We are interested in the main product of the steam generator, which is steam (stream 4).

Streams Q and 5 represent exergy losses: namely, 5 is the steam generator sensible heat loss; while Q is the Radiative Loss.

It makes sense to consider the **cost of loss equal to the cost of fuel<sup>a</sup>** [€/MJ] necessary to have the component working (that is, the market cost of fuel):

$$
c_5 = c_1 \qquad \qquad c_Q = c_1
$$

*<sup>a</sup> This is a common assumption in exergo-economics. There is one alternative, that is, to consider zero the cost of the exergy loss.*



With these hypotheses on the cost of exergy losses, one can solve for the unit exergy cost of steam  $c_4$ :

$$
c_4 = \frac{c_1 \dot{m}_1 e_1 - \dot{m}_5 e_5 - \dot{E}_2 + c_2 \dot{m}_2 e_2 + c_3 \dot{m}_3 e_3 + \dot{Z}_{Boiler}}{\dot{m}_4 e_4}
$$

The cost of the radiative (heat) loss is priced at the cost of heat-exergy  $E_{\Omega}$ .

$$
\dot{E}_{\varrho}\ \ =\dot{\mathcal{Q}}\ \ \, \left(1-\ \, \frac{T_{\scriptscriptstyle 0}}{T_{\scriptscriptstyle s}}\right)
$$



The idea is that the cost of heat loss should reflect the temperature level at which the heat loss is taking place.

This figure shows the cost of heat loss as a function of temperature Ts, starting from the fuel cost of natural gas at  $c_1 = c_F = 6 \text{ E/GJ}.$ 





The CHP system example is taken from the textbook  $BMT<sup>3</sup>$ , but it is completely reworked and is accompanied by a working EES program.

The steam generator is treated as a simplified system, considering only the cost of the fuel (disregarding that of the other inlet streams: air, feedwater).

The cost of the sensible heat loss (stream 3, hot combustion products) is neglected<sup>b</sup>.

*<sup>b</sup> This is the alternative to pricing the loss at the cost of the fuel.*

<sup>3</sup>Bejan A, Tsatsaronis G, Moran M Thermal design and optimization. Wiley, 1996, New York *Tab81Tsa.ees* 





The high pressure (point 2: 50 bar, 466,1 $^{\circ}$ C) steam flow rate is given m<sub>2</sub> = 26,15 kg/s. The inlet flow of exergy (fuel) is 100 MW, at a cost of 4  $\epsilon$ /GJ.

The steam generator destroys 60 MW of exergy.

The capital costs (including O&M) are estimated at  $\mathbf{Z}_b = 0,3 \in \mathcal{S}$  for the steam generator and  $\mathbf{Z}_t = 0.2$  (W / 10)  $\epsilon$ /s for the backpressure turbine.

W is the power of the turbine expressed in  $MW_e$  (ref. Size = 10  $MW_e$ )

*Tab81Tsa.ees*



# **Example 3 – CHP system (Backpressure steam turbine)**



The example considers the possibility of producing steam for the process at different pressures  $p_4$ , from 50 bars (no backpressure turbine  $\eta_t = 0.8$ , direct steam output) to 1 bar.

*Tab81Tsa.ees*

Thermodynamic' and cost<sup>6</sup> data for the turbine of Figure

$p_4$ (bars)	$T_{4}$ $({}^{\circ}C)$		$(mh_4)$ (MW)	$(m_{\Delta 4})$ (KW/K)	Ŵ (MW)	$\dot{E}_D$ (MW)	$\dot{E}_4$ . Ż, (MW) (S/s)	$C_{\mu\nu}$ . (S/GJ)	$C_{\rm d}^{\rm 3g}$ $(*/kg)$
50	466.1		$-329.909$	271.682	0. $\Omega$		35.000 $\sigma$	$\Omega$	2.677
40	435.8		$-331.389$	272.206	1.480	0.156	33.364 0.0030	24.135	2.552
30	398.4		$-333.211$	272.888	3.302	0.360	31.338 0.0066	24.179	2.397
20	349.0		$-335.632$	273,845	5.723	0.645	28.632 0.0114	24.246	2.190
9	261.9		$-339.912$	275.756	10.003	1.215	23.782 0.0200	24.435	1.819
	205.2		$-342.694$	277.160	12.785	1.633	20.582 0.0256	24.555	1.574
	128.3		$-346.434$	279.433	16.525	2.311	16.164 0.0330	24.797	1.236
	99.6		$-348.906$	281.134	18.997	2.818	13.185 0.0380	24.997	1.008
		W							
	$\mathbf{Z} _2$ p <sub>4</sub> [bar]	$\Box$ 3 Τ4 [C]	$\mathbb{Z}$ 4 $h_{g,4}$ [kW]	$\mathbb{Z}[5]$ $S_{\text{g}$ 4 [kW/K]	⊡ം W [kW]	$\blacksquare$ $e_d$ [kW]	⊡ः $e_{g;4}$ [kW]	⊡७ $h_4$ [kJ/kg]	$s_4$ [kJ/kg-K]
	50	466,1	$-329910$	271,4	0	0	34269	$-12616$	10,38
	40	435,8	$-331401$	272	1490	152,4	32626	$-12673$	10,4
	30	398,4	$-333241$	272,6	3330	348,5	30590	$-12743$	10,42
	20	349	-335666	273,6	5756	632,5	27881	$-12836$	10,46
	9	261,9	-339924	275,5	10013	1213	23042	$-12998$	10,54
	5.	205,2	$-342682$	277	12772	1645	19852	$-13104$	10,59
	2	128,3	$-346407$	279,3	16497	2333	15439	$-13246$	10,68
		100	-347654	284,3	17744	3821	12704	$-13294$	10,87



Enthalpies and entropies for water are referenced to standard conditions (JANAF Tables); the following corrections apply with respect to steam tale values:

 $h_I = h_{ST} - 15970$  [kJ/kg]  $s_J = s_{ST} + 3{,}509$  [kJ/(kgK)]

The turbine power output and exergy destruction are:

 $W = m * (h_2 - h_4)$  $E_{dT} = m * T_0 * (s_2 - s_4)$ 



Costing Equations:

$$
c_2 \dot{E}_2 + c_3 \dot{E}_3 = c_1 \dot{E}_1 + \dot{Z}_{Boiler}
$$
 Steam Generator  

$$
c_4 \dot{E}_4 + c_W \dot{E}_W = c_2 \dot{E}_2 + \dot{Z}_{Turbine}
$$
 Turbine

Assuming  $c_3 = 0$  (cost of sensible heat loss neglected); from the Steam Generator cost equation (with  $p_4 = p_2 = 50$  bar):

$$
C_2 = \frac{C_1 \dot{E}_1 + \dot{Z}_{Boiler}}{\dot{E}_2} = \frac{4*100/1000+0.3}{34,269/1000} = 20,43 \quad \text{e/GJ}
$$



Process steam is usually sold per unit mass; the c<sup>\*</sup> cost per kg can be calculated multiplying by the specific exergy  $e_2$  [GJ/kg]

$$
c^* = c_2 e_2 = c_2 \frac{\dot{E}_2}{\dot{m}} = 20,43 * \frac{34,269/1000}{26,151} = 2,677 \text{ c} \in \text{/kg}
$$

The turbine cost equation has two unknowns:  $c_4$  (cost of low-pressure steam at turbine outlet and  $c_w$  cost of work. As in the first example, the purpose of a turbine is doing work.

This allows to consider constant the unit cost of exergy cost of the input and output streams,  $c_4 = c_2 = 20,43 \in GJ$  (calculated before). Then:

$$
C_W = \frac{C_2(\dot{E}_2 - \dot{E}_4) + \dot{Z}_{Turbine}}{W} =
$$
  

$$
\frac{20,43*(34,269-23,042)/100+0,02*10,013/10}{10,013/100} = 24,9 \quad \text{E/GJ}
$$



The assumption  $c_4 = c_2 = 20,43 \text{ E/GJ does not mean that the cost of }$ high-pressure and low-pressure steam is the same; in terms of mass, for the low-pressure steam:

$$
c^*_{4} = c_4 e_4 =
$$
  $c_4 \frac{\dot{E}_4}{\dot{m}} = 20.43 * \frac{23.042/1000}{26.151} = 1.819$  c€/kg

That is, low-pressure steam is less valuable than high-pressure steam steam; this happens because its exergy is lower.

This example addresses effectively one of the core problems of exergo-economic analysis, that is, attributing the correct cost to different products in case of a multi-purpose plant (power and heat).



# **Example 3 – CHP system (Backpressure steam turbine)**





Figure 8.3 Cost of low-pressure steam per unit of mass, as a function of the turbine exhaust conditions for the system of Figure 8.2.

The parametric analysis screens the trend of the costs (power and lowpressure steam) with variable process pressure  $p_4$ .

**Decreasing p<sup>4</sup> , the cost of work is augmented and the cost of lowpressure steam decreases.**





# **Example 3 – Effect of aggregation level - CHP system**



The Aggregation Level should be set at the finest possible level possible for the analysis of the system.

Of course, detailed info about component cost should be available.

Let's say that there is no detailed info about the separate costs of the Steam generator and Turbine. The only info from cost reduction to unit time is that  $\dot{Z}_{Boliert} + \dot{Z}_{Turbine} = 0,3+0,02 = 0,32$   $\epsilon/s$  (referring to a 1 MWe turbine). The costing equation with this limited info is:  $\mathbf{v}$  +  $\ddot{\mathbf{z}}$ 

$$
\left(\overrightarrow{C_4}\overrightarrow{E}_4+\overrightarrow{C_w}\overrightarrow{E}_w+\overrightarrow{C_3}\overrightarrow{E}_3=C_1\overrightarrow{E}_1+\left(\overrightarrow{Z}_{Boiler}+\overrightarrow{Z}_{Turbine}\right)
$$

#### DEGLI STUDI<br>FIRENZE **Example 3 – Effect of aggregation level - CHP system**

Without internal info about the turbine we cannot set  $c_4 = c_2$  as before; the only possible way to solve the global cost equation is to take the plant cost as a whole, and attribute equal cost to the two products, work and lowpressure steam, that is:  $c_4 = c_W$ :





$$
\frac{4*(100/1000) + (0,3+0,02)}{(23,042+10)/1000} = 21,3
$$
  $\text{E/GJ}$ 

This is quite different from the previous result, 24,4  $\epsilon$ /GJ for work and 20,43  $\epsilon$ /GJ for steam. Actually we are under-pricing one of the products (**work** ) and over-pricing the other product (**steam**).

#### Table 8.3 Auxiliary thermoeconomic relations for selected components at steady-state operation when physical and chemical exergy are considered separately<sup>2</sup>



"The cost rates  $C_F$  and  $\dot{C}_P$  for these components are defined in Table 8.2.

These relations assume that the purpose of the heat exchanger is to heat the cold stream  $(T_1 \ge T_0)$ . If the purpose of the heat exchanger is to provide cooling  $(T_3 \leq T_0)$ , then the following relations should be used:  $C_P = C_4 - C_3$ ;  $C_F = C_1 - C_2$ ;  $c_2^{\text{PH}} = c_1^{\text{PH}}$ ;  $c_2^{\text{CH}} = c_1^{\text{CH}}$ ; and  $c_4^{\text{CH}} = c_3^{\text{CH}}$ . The variable  $c_4^{\text{PH}}$ is calculated from the cost balance.

## A general rule is that a numer of **n-1** auxiliary equations are needed for a component with **n** outputs.



#### **Steam turbine with extraction**



$$
N = 3 \text{ (stress 2, 3 + W)}
$$

Auxiliary equations (the purpose of a turbine is producing work):

$$
c_2 = c_1
$$
,  $c_3 = c_1$  (constant cost per unit exergy)

$$
c_{w} = \frac{c_{1}(\dot{E}_{1}-\dot{E}_{2}-\dot{E}_{3})+\dot{Z}_{\text{Turbine}}}{\dot{W}}
$$

Direct solution









Surface Heat Exchangers are common relevant components. We assume here perfect external insulation (no Exergy Loss; only heat transfer exrgy destruction); the Heat Exchanger operates above the reference temperature\*. The Cost Equation is:

$$
\dot{C}_2 + \dot{C}_4 = \dot{C}_1 + \dot{C}_3 + \dot{Z}_{\text{HeatExch}}
$$

Which can be rearranged considering stream continuity:

$$
\mathbf{C}_2 + \mathbf{C}_4 = \mathbf{C}_1 + \mathbf{C}_3 + \mathbf{Z}_{\text{HeatExch}}
$$
  
\nWhich can be rearranged considering stream continuity:  
\n
$$
\left(\mathbf{C}_2 \dot{\mathbf{E}}_2 - \mathbf{C}_1 \dot{\mathbf{E}}_1\right) = \dot{\mathbf{m}}_2 \left(\mathbf{C}_2 \mathbf{e}_2 - \mathbf{C}_1 \mathbf{e}_1\right) =
$$
\n
$$
\left(\mathbf{C}_3 \dot{\mathbf{E}}_3 - \mathbf{C}_4 \dot{\mathbf{E}}_4\right) + \dot{\mathbf{Z}}_{\text{HeatExch}} = \dot{\mathbf{m}}_3 \left(\mathbf{C}_3 \mathbf{e}_3 - \mathbf{C}_4 \mathbf{e}_4\right) + \dot{\mathbf{Z}}_{\text{HeatExch}}
$$
\n\* Special treatment is necessary for heat exchanges operating below ambient temperature!





$$
c_2 = \frac{c_1 \dot{E}_1 + c_3 (\dot{E}_3 - \dot{E}_4) + \dot{Z}_{\text{HeatExch}}}{\dot{E}_2}
$$

It appears that the HE has **1 Product** (**stream** 2), and uses **2 Fuel streams**: stream 1 (to be upgraded) + the decrease of exergy of the hot  $\tilde{\overline{E}}$  $\vec{E}_3$  –  $\dot{E}_4$ )





# P F1 F2

As  $n = 2$ , we need 1 additional equation. The solution depends on the purpose of the heat exchanger.

If the purpose of the HE is to cool the hot stream, we should assume that the cost of the Cold Stream is constant,  $c_2 = c_1$ . This allows to solve for the unknown  $c_4$ :

The solution can also be set using the HE exergy **Destruction** 

$$
c_4 = \frac{c_3 \dot{E}_3 + c_1(\dot{E}_2 - \dot{E}_1) + \dot{Z}_{\text{HeatExch}}}{\dot{E}_4}
$$

It appears that the HE has **1 Product** (**stream** 2), and uses **2 Fuel streams**: stream 3 (to be cooled) + the increase of exergy of the cold Hot stream<br>  $\int_{3}^{16} \frac{F_1}{F_2}$ <br>  $\int_{-\frac{1}{2} \text{ terms}}^{\frac{1}{2} \text{ terms}} A S n = 2$ , we need 1 additional equation. The solution<br>  $\int_{0}^{2\pi} \frac{F_2}{F_1}$ <br>  $\int_{0}^{2\pi} \frac{F_1}{F_2}$ <br>  $\int_{0}^{2\pi} \frac{F_1}{F_2}$ <br>
If the purpose of the HE is  $\overline{\overline{E}}$  $E_2$ <sup>-</sup> $\dot{E}_1$ )





From a System point of view, we can consider a component with an exergy Loss (dispersion of Exergy to the Environment). The cost balance is:

$$
\dot{\boldsymbol{C}}_{Pk} = \dot{\boldsymbol{C}}_{Fk} - \dot{\boldsymbol{C}}_{Lk} + \dot{\boldsymbol{Z}}_{k}
$$

 $c$ <sub>*Pk</sub>*  $\dot{E}_{p_k}$  =  $c$ <sub>*Fk*</sub>  $\dot{E}_{Fk}$   $-\dot{C}_{Lk}$   $+\dot{Z}_{k}$ </sub> Referring to unit cost of exergy:  $\sqrt{ }$   $=$  $\dot{r}$   $-\dot{r}$  + . Assumption 1:  $\dot{C}_{ik} = 0$ **Cost of exergy**  $Loss = 0$  (Loss attributed to system functionality)  $c_{Lk} = 0$ 

This is a reasonable assumption when the purpose is to evaluate the final cost of a product as output of the system, or general optimization (minimization of product cost) at system level. Assumption 1:  $C_{Lk} = 0$   $c_{Lk}$ <br>Cost of exergy Loss = 0 (Loss<br>This is a reasonable assumption wh<br>final cost of a product as output of 1<br>(minimization of product cost) at sy<br>Examples: Condenser, Stack losses





Assumption 2: **Cost of exergy Loss = Cost of Component Fuel stream**  (Loss attributed to component )

Examples: HE with defective insulation, Radiative Heat Loss in Steam Generator

$$
\dot{C}_{\rm\scriptscriptstyle Lk}\ \, =\! c_{\rm\scriptscriptstyle Lk}\,\dot{E}_{\rm\scriptscriptstyle Lk}\! =\! c_{\rm\scriptscriptstyle Fk}\,\dot{E}_{\rm\scriptscriptstyle Lk}
$$

 $\bm{\mathcal{C}}_{L\!k}\equiv \bm{\mathcal{C}}_{F\!k}$ This is a reasonable assumption when the purpose is to improve the performance of a defective component; the loss – taking place in the component - is priced at the cost of the component fuel stream.





In general, a component has both an Exergy Destruction and an Exergy Loss. The Component Exergy Balance is then :

$$
\hat{\boldsymbol{E}}_{Fk} = \hat{\boldsymbol{E}}_{Pk} + (\hat{\boldsymbol{E}}_{Lk} + \hat{\boldsymbol{E}}_{Dk})
$$

 $c$ <sub>*Pk*</sub>  $\dot{E}_{p_k}$  =  $c$   $_{Fk}$   $\dot{E}_{Fk}$   $-\dot{C}_{Lk}$  +  $\dot{Z}_{k}$  $\mathcal{L} \quad =$  $\frac{1}{2}$  -  $\dot{\mathcal{C}}$  + e The Component Cost Equation was:

Substituting the Component Exergy Balance in the Cost Equation:

$$
c_{\scriptscriptstyle{PK}}\dot{E}_{\scriptscriptstyle{PK}} = c_{\scriptscriptstyle{FK}}\dot{E}_{\scriptscriptstyle{PK}} + (c_{\scriptscriptstyle{FK}}\dot{E}_{\scriptscriptstyle{LK}} - \dot{C}_{\scriptscriptstyle{LK}}) + \dot{Z}_{\scriptscriptstyle{k}} + c_{\scriptscriptstyle{FK}}\dot{E}_{\scriptscriptstyle{DK}}
$$

 $(E_{fk}$  was eliminated through the Component Exergy Balance – Product-oriented approach)





$$
c_{Pk} \dot{E}_{Pk} = c_{Fk} \dot{E}_{Pk} + (c_{Fk} \dot{E}_{Lk} - \dot{C}_{Lk}) + \dot{Z}_{k} + \dot{c}_{Fk} \dot{E}_{Dk}
$$

This equation shows that in EEA the Exergy Destruction **should be priced at the cost of the Fuel entering the component** k\*:

$$
C_{Dk} = C_{Fk}
$$

Remember that for the Cost of Exergy Loss, two different assumptions are common:

$$
c_{Lk} = 0
$$
 (system approach)  

$$
c_{Lk} = c_{Fk}
$$
 (component - progressive approach)

\* In strict terms this is true only for "isolated" components, whose performance does not depend on that of other components. In this case, the Exergy destruction is called "Endogenous"



An important performance indicator is the relative cost increase across the component,  $r_k$ :



Using the Component Exergy Balance in the Cost Equation:

$$
c_{\scriptscriptstyle{Pk}}\dot{E}_{\scriptscriptstyle{Pk}} = c_{\scriptscriptstyle{Fk}}\dot{E}_{\scriptscriptstyle{Pk}} + (c_{\scriptscriptstyle{Fk}}\dot{E}_{\scriptscriptstyle{Lk}} - \dot{C}_{\scriptscriptstyle{Lk}}) + \dot{Z}_{\scriptscriptstyle{k}} + c_{\scriptscriptstyle{Fk}}\dot{E}_{\scriptscriptstyle{Dk}}
$$

And assuming (system level)  $C_{\mu} = 0$ : c

The relative cost increase  $r_k$  across the component is a function of the component cost, and of the costs of exergy destructions and exergy losses across the component:

$$
r_k = \frac{C_{Fk}(\overbrace{E_{Lk}})^{1/2} + (\overbrace{E_{Dk}})^{1/2}}{C_{Fk} \overbrace{E_{Pk}}^{1/2}}
$$



## **EEA - Component Performance Indicators**

Another important performance indicator is the component exergy efficiency,  $\varepsilon_{k}$ :

$$
\varepsilon_{\scriptscriptstyle k} = \frac{\dot{E}_{\scriptscriptstyle P k}}{\dot{E}_{\scriptscriptstyle F k}} = 1 - \frac{\langle \dot{\bar{E}}_{\scriptscriptstyle D k} + \dot{\bar{E}}_{\scriptscriptstyle J k} \rangle}{\bar{E}_{\scriptscriptstyle F k}}
$$

Substituting for the group  $(\dot{E}_{1k} + \dot{E}_{1}$  inside  $r_k$ : ۰  $\ddot{a}$  +  $\ddot{b}$ 

$$
r_{k} = \frac{c_{Fk}(\dot{E}_{Lk} + \dot{E}_{Dk}) + \dot{Z}_{k}}{c_{Fk} \dot{E}_{Pk}}
$$
\n
$$
r_{k} = \frac{1 - \varepsilon_{k}}{\varepsilon_{k}} + \frac{Z_{k}}{c_{fk} \dot{E}_{Pk}}
$$

The relative cost increase across the component  $r_k$  results to be a function of the exergetic efficiency  $\varepsilon_k$  of the component (including exergy destruction and loss), plus a contribution associated to the capital cost of the component. (Product-based approach)



The Exergo-Economic Factor  $f_k$  is useful as a non-dimensional indicator, stating how much the capital cost is relevant with respect to the costs of exergy destructions and losses.

$$
f_{k} = \frac{\dot{Z}_{k}}{\dot{Z}_{k} + c_{Fk}(\dot{E}_{Dk} + \dot{E}_{Lk})}
$$

When analyizing the results of an EEA, it is recommended for system improvement to focus on components combining a low  $f_k$  and a low  $\varepsilon_k$ ; in these components, it is worth to apply a higher investment in order to reduce exergy destructions and losses at a low cost.

From a system point of view, however, one should also keep an eye at the size of the component exergy destruction  $y_k$ :  $y_k = \frac{E_{D,k}}{\dot{E}_{D,k}}$ 

It is not important to increase the performance of components with small exergy destructions; one should focus on components responsible of large irreversibilities.



UnavoidableExergy Destruction



A breaktrough in technology is represented by a shift to a curve (B) with lower cost and better exergy performance than the base case (A).






#### **CGAM – Capital Costs**



Levelization of cost with time (turbine)





#### Compressor AC:

 $C_1 + C_{11} + Z_c = C_2$   $C_1 = 0$   $\dot{C}_{11} = c_{11} \dot{E}_{11}$   $E_{11} = W_c = 30$  MW

No additional equations needed  $(n=1)$ 

### Turbine GT:

$$
C_4 + Z_t = C_5 + C_{11} + C_{12}
$$

1 additional equations needed (n=2):  $c_5 = c_4$ 

$$
\frac{C_4}{E_4} = \frac{C_5}{E_5}
$$

 $C_{11} = C_{12}$ 

The compressor shaft work is provided by the turbine (to be determined, mechanical energy loop)



. . 12 Y<sub>11</sub>

*C C*

*W W*  $\equiv$ 

12 **11** 



### Air Pre-Heater APH:

$$
C_5 + C_2 + Z_{ph} = C_3 + C_6
$$

1additional equation needed (n=2):  $C_5 = C_6$ (constant cost of hot stream per unit exergy)  $c_2$  known from compressor outlet. Unknown  $c_3$ .

Combustion Chamber CC:

$$
C_3 + C_{10} + Z_{cc} = C_4
$$

No additional equation needed  $(n=1)$ :  $c_3$  known from APH outlet. Unknown  $c_4$ .  $c_{10}$  is the cost of natural gas,  $E/GJ$ 



Only now we can solve for: AC, GT, APH, CC.

4 unknowns, 4 equations.

Two loops: mechanical energy, work stream 11-12; and stream 3 at APH exit.



## Heat Recovery Steam Generator (HRSG):

$$
C_6 + C_8 + Z_{\text{hrg}} = C_7 + C_9
$$

1additional equation needed (n=2):  $c_7 = c_6$ (constant cost of hot stream per unit exergy)



The unknown is  $c_9$ , that is, the cost of the steam produced per unit exergy:  $\vec{C}_6 + \vec{C}_8 + \vec{Z}_{hrsg} = \vec{C}_7 + \vec{C}_9$ <br>
additional equation needed (n=2):  $c_7 = c_6$ <br>
constant cost of hot stream per unit exergy)<br>  $\frac{\vec{C}_6}{\vec{E}_6} = \frac{\vec{C}_7}{\vec{E}_7}$ <br>
The unknown is  $c_9$ , that is, the cost of the steam

*c8 is assumed here to be equal to zero (cost of recovered condensate stream)*

Rather, it is relevant to know  $c*_9$  in [ $\varepsilon$ /kg]:



### **CGAM – Streams, cost rates, unit exergy costs**



Stream n. 7 is the Stack Exergy Loss. Here it is priced at the cost of the fuel  $(c_7 = c_6 = c_5 = c_4).$ 







The result is a cost of electricity of  $c_{12} = 25.4$  \$/GJ, that is: **9,1 c**\$/kWh; and for steam,  $c_9 = 36.8$ \$/**GJ, or**  $c^*$ <sub>9</sub> = **0,0337** \$/kg. (e<sub>9</sub> = E<sub>9</sub>/m<sub>9</sub> = 12810/14 = 915 kJ/kg).

The Largest Exergy Destruction  $E_D = 25.5$  MW is in the CC, with a large cost  $C_D = 630$  \$/h. The low  $f_{CC} = 11.9\%$  indicates that the cost of the exergy destruction dominates over the capital cost.

The second largest  $E_D = 6,22$  MW is in the HRSG, with a large  $C_D = 449$  \$/h and a relatively low  $f_{H RSG} = 42,4\%$ . The HRSG also has the largest cost increase  $r_{H RSG} = 84\%$  (product/fuel). Indeed the HRSG is not well matched from the point of view of hot gas/steam temperature profile.



#### **Exergoeconomic Analysis - Base Case**

#### Mass flow rate, temperature, pressure, exergy rate, and cost data for the streams



10





For the overall plant:  $C_{P,tot}$ =\$3617/h and  $C_{L,tot}$ = $C_{\overline{C}}$ =\$145/h.

The Combustion Chamber, the Gas Turbine, and the Air Compressor have the highest values of the sum  $(Z_k + C_{D,k})$  and are, therefore, the most important components from the thermoeconomic viewpoint.

















HRSG deserves some capital cost increase (surface, DT pinch). Its performance is affected by that of other components (Turbine)







#### CGAM – EEA - Official Results – Improvement



#### **First iteration**



### CGAM – EEA - Official Results – Optimization



 $p_1$  /  $p_2$  = 5.77





What is Unavoidable…? In terms of…

- A) Exergy Destruction **ED** ….?
- B) Investment cost **IC** ….?

…for each component…?

### CGAM AEA Example













- Isentropic efficiency
- … stall margin…?









•  $T_5$  too high = special materials and difficult design for APH







#### CGAM – AEA – Unavoidable/Avoidable – Indicators



Capital Cost + Cost of exergy Destruction Relative incidence of Capital Cost

AEA - Splitting Exergy Destruction: **Endogenous, Exogenous**, AV, UN

**DEGLI STUDI<br>FIRENZE** 





AEA - Endogenous, Exogenous

$$
\dot{E}_{Fk} = \dot{E}_{Pk} + (\dot{E}_{Lk} + \dot{E}_{Dk}) \qquad \dots \quad \text{Slice } 30 \dots
$$

$$
\dot{E}_{F,k} = \dot{E}_{P,k} + \dot{E}_{D,k} \overbrace{\hspace{2cm}\dot{E}_{D,k}^{EN}}^{\dot{E}_{D,k}^{EN}}
$$

The endogenous (EN) part of exergy destruction is associated only with the irreversibilities occurring within the  $k$ -th component when all other components operate in an ideal way and the component being considered operates with its current efficiency.

The exogenous  $(EX)$  part of exergy destruction in the  $k$ -th component is caused in this component by the irreversibilities that occur in the remaining components.







$$
\dot{Z}_k^{\text{AV}} + \dot{Z}_k^{\text{UN}} \longrightarrow \dot{Z}_k^{\text{UN,EN}} \longrightarrow \dot{Z}_k^{\text{UN,EN}} = \dot{E}_{P,k}^{\text{EN}} \left( \frac{\dot{Z}_k}{\dot{E}_{P,k}} \right)^{\text{UN}} \\ \dot{Z}_k^{\text{AN}} + \dot{Z}_k^{\text{UN}} \longrightarrow \dot{Z}_k^{\text{UN,EX}} \longrightarrow \dot{Z}_k^{\text{UN,EN}} = \dot{Z}_k^{\text{LN}} - \dot{Z}_k^{\text{UN,EN}}
$$
\n
$$
\dot{Z}_k^{\text{EN}} + \dot{Z}_k^{\text{EX}} \longrightarrow \dot{Z}_k^{\text{AV,EN}} \longrightarrow \dot{Z}_k^{\text{AV,EN}} = \dot{Z}_k^{\text{EN}} - \dot{Z}_k^{\text{UN,EN}}
$$
\n
$$
\dot{Z}_k = \dot{Z}_k^{\text{UN,EN}} + \dot{Z}_k^{\text{UN,EX}} + \dot{Z}_k^{\text{AV,EN}} + \dot{Z}_k^{\text{AV,EN}} + \dot{Z}_k^{\text{AV,EX}}
$$

# **Capital Cost**





Steps:

1. Exergy analysis

Each relevant system component

All relevant input streams to the overall system



2. LCA

Assigning environmental impacts to exergy systems

Calculation of exergoenvironmental variables

Exergoenvironmental evaluation



**65**





## **Life-Cycle Analysis**

#### General structure and model of the Eco-Indicator 99 LCA method.









Environmental impact of stream j

\n
$$
\vec{B}_j = b_j \vec{E}_j
$$

$$
\overset{\textbf{B}}{b}_{j}\bigl(\overset{\textbf{P}}{f} \overset{\textbf{f}}{f} \overset{\textbf{f}}{f} \overset{\textbf{f}}{g} \overset{\textbf{f}}{f} \overset{\textbf{f}}{g} \overset{\textbf{f}}{f} \overset{\textbf{f}}{g} \overset{\textbf{f}}{f} \overset{\textbf{f}}{g} \overset{\textbf{f}}{g}
$$

Environmental

Impact

balances

al impact of stream j  
\n
$$
\vec{B}_j = b_j \vec{E}_j
$$
  
\n $\vec{B}_{p,k} = \vec{B}_{F,k} + \vec{Y}_k$   
\n $b_{p,k} \vec{E}_{p,k} = b_{F,k} \vec{E}_{F,k} + \vec{Y}_k$   
\n $\vec{Y}_k = \vec{Y}_k^{CO} + \vec{Y}_k^{OM} + \vec{Y}_k^{DI}$ 

[Auxiliary environmental](#page-22-0)  impact equations  $\overline{M}$  (Meyer et al, 2008)

Environmental impact of exergy destruction  $B_{\overline{D}, k} = b_{\overline{F}, k} E_{\overline{D}, k}$  $\dot{B}_{TOT,k}^{\phantom{\dag}}=\dot{Y}_{k}+\dot{B}_{D,k}^{\phantom{\dag}}$ 

Relative difference  

$$
r_{b,k} = \frac{b_{P,k} - b_{F,k}}{b_{F,k}}
$$

Exergoenvironmental factor  
\n
$$
f_{b,k} = \frac{Y_k}{\dot{Y}_k + \dot{B}_{D,k}} = \frac{Y_k}{\dot{B}_{TOT,k}}
$$



Steps:

- 1. Identify the environmentally relevant system components:  $\uparrow \dot{B}_{\tau \circ \tau,k}$
- 2. Select the ones that have the highest improvement potential:  $\int r_{b,k}$

 $3. f_{b,k}$  $\uparrow f_{b,k} \Rightarrow \uparrow \dot{Y}_k$  $\downarrow$   $f^{\,}_{b,k} \Rightarrow \uparrow \dot{B}^{\,}_{D,k}$ 

- The component related impact dominates the overall impact
- The thermodynamic inefficiencies are the dominant source of environmental impact



#### **Advanced Exergo-Environmental Analysis AEEA**



# Avoidable/Unavoidable



The *unavoidable* component-related environmental impact is calculated using the minimal environmental impact from each category, combining materials and manufacturing methods.

## *AEA- AEEA -* Endogenous/Exogenous

$$
\dot{E}_{D,k}^{EN} \qquad \dot{E}_{D,k} \text{ when } \varepsilon_k = \varepsilon_{real} \text{ and } \varepsilon_{j \neq k} = 1
$$
\n
$$
\dot{E}_{D,k}^{EX} = \dot{E}_{D,k} - \dot{E}_{D,k}^{EN} \qquad \dot{E}_{D,k} = \dot{E}_{D,k}^{EN} + \dot{E}_{D,k}^{EX}
$$

$$
\dot{Z}_k = \dot{Z}_k^{EN} + \dot{Z}_k^{EX}
$$

$$
\dot{Z}_k^{EN} = \dot{E}_{P,k}^{EN} \left( \frac{\dot{Z}_k}{\dot{E}_{P,k}} \right)^{real}
$$

$$
\dot{Y}_k = \dot{Y}_k^{EN} + \dot{Y}_k^{EX}
$$

$$
\dot{Y}^{EN}_k = \dot{E}^{EN}_{P,k} \Bigg(\frac{\dot{Y}_k}{\dot{E}_{P,k}}\Bigg)^{real}
$$


$$
\begin{aligned}\n\dot{Y}_k^{AV} + \dot{Y}_k^{UN} & \qquad \hat{Y}_k^{UN,EN} = \dot{E}_{P,k}^{EN} \left( \frac{\dot{Y}_k}{\dot{E}_{P,k}} \right)^{UN} \\
\dot{Y}_k^{UN,EX} + \dot{Y}_k^{EN} & \qquad \dot{Y}_k^{UN,EX} = \dot{Y}_k^{UN} - \dot{Y}_k^{UN,EN} \\
\dot{Y}_k^{AV,EN} + \dot{Y}_k^{EX} & \qquad \dot{Y}_k^{AV,EN} = \dot{Y}_k^{EN} - \dot{Y}_k^{UN,EN} \\
\dot{Y}_k^{AV,EX} + \dot{Y}_k^{AV,EX} + \dot{Y}_k^{AV,EX} + \dot{Y}_k^{AV,EX} + \dot{Y}_k^{AV,EX}\n\end{aligned}
$$

$$
\dot{Y}_k = \dot{Y}_k^{UN,EN} + \dot{Y}_k^{UN,EX} + \dot{Y}_k^{AV,EN} + \dot{Y}_k^{AV,EX}
$$



# **CCGT IS CCGT (Integrated Solar) Power Plant**





Natural Gas only (marginal efficiency)



## **IS-CCGT Power Plant**



**Smart** Integrated Solar CCGT Purpose: promote heat recovery from CCGT exhaust gas stream



#### **CCGT Power Plant**

■ Compressor

3% 1% 2% 2%

4%

### Component EA

### Exergy efficiency:

 $n_x = 0,557$ 



### $Sum = 100%$

68%





Component EA

**Grassmann Diagram**



Compressor **E** 



### **IS-CCGT Power Plan**

■ Compressor

Evap HP-gas

 $\blacksquare$  Turbine

### Component EA

### Exergy efficiency:

 $n_x = 0,478$ 







# **IS-CCGT Power Plant**



Component EA (follows)

Exergy efficiency:

$$
\eta_x=0,\!478
$$

Carbon Footprint pay-off

Solar Hybridization of a CCGT

20 yrs = 200000  $T_{CO2}$  avoided





Component EA

**Grassmann Diagram**











Decrease

Increase



- Installation  $20 90 %$  of PEC
- Piping  $10 70$  % of PEC
- Instruments and control systems  $6 40$  % of PEC
- Land occupation  $10 15$  % of PEC
- Civil works  $10 80$  % of PEC
- Service facilities  $30 100$  % of PEC
- Design 25-75 % of PEC
- Construction 15 % of DC
- Start-up  $5 12\%$  of PEC





### Increase of steam flow rate







e e























#### **Material needed for each section of the HRSG (CCGT power plant)**





Material needed for each section of the HRSG (ISCCGT power plant)



















### **Environmental impacts : Exergy Destruction and Component –related**





### **IS CCGT Power Plant**

EEnvA

# Exergo - Environmental Analysis





### **Environmental impacts: Exergy Destruction and Component – related**









#### **Resource (NG) savings and avoided CO2 Emissions**

