## Costs impact of a transition to hydrogen-fueled vehicles on the Spanish power sector

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## Abstract-

It is expected that demand response might provide soon ancillary services to the power system. This could be done, for example, by managing the use of Electric Vehicles (EV) batteries, or the production of flexible energy commodities such as hydrogen (H2), that can be used for fuel cell vehicles (H2EV) or in industrial processes. This paper analyses the impact of a transition to H2EV as an alternative to EV for passengers' cars on a Spanish-like power sector. A simple H2 demand estimation is developed and provided to CEVESA, an operation and expansion model for the Iberian Power System Electricity Market (MIBEL). For this study, CEVESA was extended to include the investments and operation decisions of H2 production. Simulations were performed to determine the optimal evolution of the H2 production capacity and of the electricity generation mix, considering scenarios with different shares of EV and H2EV. The impact of H2EV vs EV mobility is assessed based on the recent Spanish National Plan for Energy and Climate (NECP) as the base case scenario. Results show that, even if H2EV mobility alternative is still more costly than EV, H2 production could provide a significant flexibility to the system that should also be appraised. Indeed, H2EV mobility could become a feasible and complementary alternative to decarbonize mobility by powering H2 production with the renewable generation surplus. This, together with the on-going learning process of this technology that will decrease its production costs and increase its efficiency in the coming years, could boost, even more, the development of the H2 economy.

Index Terms- Hydrogen fuel cellEnergy transitionElectricity marketRenewable generationNECP

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