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SOLAR ENERGY AND THE DANISH BIOECONOMY: A GREEN INNOVATION MANAGEMENT APPROACH

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Abstract

This study examines a high-renewable national power system using real operations data rather than models. The objective was to characterise hourly and seasonal solar performance in Denmark during 2024, assess project-scale costs under Danish assumptions, and quantify avoided operational CO_2 within a management and bioeconomy perspective. Hourly records from the Energinet Energi Data Service for both price zones (DK1 and DK2) were converted from MW to MWh and aggregated to daily and monthly panels to derive indicators of solar generation and solar's share of total electricity. Avoided CO_2 was calculated by applying a fixed operational factor of 180 g CO_2 per kWh to observed solar MWh. Project economics were evaluated for a reference 1 MW PV system using Danish inputs.

Results show a mature, data-driven system. Renewables supplied about 72% of annual electricity in 2024, with solar and wind alternating seasonally and day-ahead forecasts exceeding 95% across the year. Using the observed energy sequence and Danish cost assumptions, the reference PV project yielded an LCOE of 370–540 DKK/MWh. Applying the operational emissions factor, a 1 MW PV plant producing 1.3–2.0 GWh per year would avoid approximately 234–360 tonnes CO_2 annually and 5,850–9,000 tonnes over 25 years.

Viewed through Green Innovation Management and bioeconomy lenses, Danish solar functions not only as a clean generator but also as an enabler for sector coupling and circular processes. The two bidding zones show synchronised seasonality with different amplitudes, supporting reliable operation and accurate forecasting. The contribution of this work is a reproducible framework that links hourly operation, cost metrics, and avoided operational emissions using open data, providing a transferable template for European systems moving toward very high renewable shares.

Chapter 1: Introduction

1.1 Background:

Global energy demand continues to grow as populations expand, living standards improve, and more social and economic activities become electrified. At the same time, the energy sector is facing mounting pressures from climate change, stricter air quality regulations, and the progressive exhaustion or instability of conventional fossil resources. This combination of rising demand and environmental constraint has increased the strategic value of renewable energy technologies. Among these, solar energy has emerged as one of the most attractive options because its capital costs have declined markedly since around 2010 and because it can be deployed in very flexible ways, from household-scale rooftop systems to large ground-mounted solar parks that feed the grid directly [1]. Solar power also aligns well with international sustainability frameworks. It contributes to Sustainable Development Goal 7, which calls for affordable and clean energy for all, and to Sustainable Development Goal 13, which urges climate action through reductions in greenhouse gas emissions. In parallel, the expansion of solar creates new employment opportunities in installation, maintenance, monitoring, and digital energy management, which means that it supports not only environmental objectives but also local economic development and skills formation [2].

In Europe, energy transition policies are increasingly being connected to the bioeconomy agenda. The bioeconomy can be understood as an economic model that is based on renewable biological resources, high material efficiency, recycling and recirculation of products and by-products, and the gradual substitution of fossil inputs with low-carbon or carbon-neutral alternatives. When electricity from solar photovoltaics is introduced into such a model, several positive effects become possible. Industrial processes that currently depend on fossil-based electricity can be powered by clean electricity[2]. Agricultural, food, or waste-processing chains can integrate energy production with material recovery. Circular energy loops, such as power-to-hydrogen-to-industry, become more viable when the input electricity is low-emission. In other words, the combination of solar power with bioeconomic principles makes it easier to design systems that are both low-carbon and resource-efficient, rather than tackling climate and resource problems separately [3].

Denmark provides a strong real-world illustration of how this can work. The Danish power system has invested for many years in grid digitalisation, advanced forecasting of variable renewables, and market arrangements that make it possible to integrate solar with onshore and offshore wind. Because forecasting tools can predict solar and wind output with reasonable accuracy, the system operator is able to schedule other resources, manage interconnectors, and maintain frequency and voltage quality even during hours when renewable penetration is high. The presence of smart grids and well-developed transmission links allows solar generation to be used where it is most valuable, to complement wind in periods of lower wind speed, and to support new forms of electricity use, including green hydrogen and other power-to-X solutions. In such a context, solar energy is not treated simply as an additional megawatt on the grid, but as a strategic element in a broader sustainable development pathway that combines clean power, circular resource use, and innovation in the energy sector [4].

1.2 Research Problem

Most existing studies on solar energy tend to stay at the edges of the topic. A large group of works deals with technical optimisation, looking at panel efficiency, capacity factor improvement, inverter performance, or siting strategies. Another group concentrates on policy instruments, analysing the impact of feed-in tariffs, green certificates, investment subsidies, or net-metering schemes on solar uptake. These contributions are useful, but they usually treat technology, economics, and sustainability as separate conversations[5]. Only a small number of studies try to bring together real operational performance, economic viability, and broader sustainability or bioeconomy goals in one coherent analytical frame. A review of the literature makes three gaps visible.

The first gap concerns the link between measurable solar performance and bioeconomy outcomes. Solar projects can be described very precisely through indicators such as the Levelized Cost of Energy (LCOE), specific yield, or tonnes of CO_2 avoided per year. Bioeconomy applications, on the other hand, often talk about resource circularity, low-carbon product chains, and green industrial processes. What is largely missing is work that shows, with numbers, how a certain volume of low-cost solar electricity enables or strengthens bioeconomic activities, for example by supplying clean power to hydrogen production, food processing, wastewater valorisation, or biorefinery operations [6]. In most cases, the energy side and the bioeconomy side are developed in parallel rather than being quantified together.

The second gap relates to the limited use of Green Innovation Management in the analysis of renewable electricity systems. GIM offers tools such as life-cycle oriented planning, eco-design of products and services, systematic involvement of stakeholders, and organisational models that reward environmental performance. These approaches are common in manufacturing and sometimes in the building sector, but they are not often applied to solar integration at system level. As a result, many solar studies describe what the technology can do, but do not explain how institutional arrangements, ownership models, local partnerships, or data sharing can speed up deployment, reduce curtailment, or increase acceptance. In other words, the managerial and governance dimensions of solar innovation are under-represented.

The third gap is methodological. Very few studies build their comparison on a mature, well-documented system such as Denmark, even though Denmark offers hourly operational datasets, a long track record of integrating variable renewables, and real experience with smart grids and international interconnectors. This means that many comparative or cross-country analyses are based on generic assumptions instead of on an functioning high-renewable system. Using Denmark as a reference would make it possible to test whether proposed solar strategies are compatible with real-world grid operation, with real seasonal patterns, and with real market setting [7] s. Yet this opportunity is not fully used in the current literature.

1.3 Research Aim and Objectives Aim:

The central aim of this research is to investigate how solar energy within the Danish power system can be strategically used to advance sustainable innovation and to strengthen bioeconomy-oriented development pathways, with Green Innovation Management (GIM) providing the conceptual frame for this analysis. The study pursues this aim by first characterising the temporal and seasonal behaviour of solar generation in Denmark using high-resolution operational data from the year 2024, so that actual production profiles rather than theoretical capacities are considered[8]. On this empirical base, the research then develops an estimate of the Levelized Cost of Energy (LCOE) for Danish solar under realistic assumptions on investment costs, operation and maintenance, lifetime, discount rate, and performance in local climatic conditions. In parallel, the study quantifies the amount of carbon dioxide that can be avoided when solar electricity is introduced into the existing Danish generation mix, considering the relatively low emission intensity of the system and the presence of wind and biomass. These technical and economic results are then interpreted through a bioeconomy lens to show how reliable, low-carbon electricity can enable circular resource flows, improve the energy profile of industrial processes, and supply emerging power-to-X applications. On that basis, the thesis distils a set of policy and management practices visible in the Danish context, including the use of smart grids, coordinated forecasting, and stakeholder collaboration, which can serve as a transferable model for other energy systems that seek to increase renewable penetration in a controlled, innovation-friendly, and sustainability-aligned manner.

1.4 Addressing the Gaps

The analysis addresses the previously identified gaps by demonstrating, with real 2024 Danish operational data, that technical performance, economic feasibility, and circular-economy applications of solar energy can be examined within one coherent analytical structure. Working with an actual high-renewable system shows that solar power in Denmark is not limited to feeding the grid in a conventional way but can be channelled toward emerging uses such as green hydrogen and other power to processes. These uses keep electricity inside a national circular loop, create demand for clean power outside the traditional electricity sector, and reinforce bioeconomy trajectories in which energy, materials, and industrial outputs are linked rather than separated.

When cost assumptions consistent with Danish market conditions are applied, solar electricity is produced at about 0.18 DKK/kWh (typical range 0.15–0.22 DKK/kWh), contingent on strong grid integration, reliable day-ahead forecasting, and efficient plant operation. This confirms that delivered solar costs are not determined by technology alone, but are also shaped by system design choices, data quality, and institutional maturity. On the environmental side, the study finds that the potential for emission avoidance remains significant even in a relatively clean system. Denmark already functions with a low grid emission factor of about 0.18 kg CO_2 per kWh, yet the addition of solar still reduces the need for generation from sources with higher specific emissions and helps stabilise the average carbon intensity of the system across seasons. Introducing Green Innovation Management into this setting makes the organisational dimension of the transition more visible[9]. It highlights that effective solar deployment in Denmark depends on coordinated work between the transmission system operator, distribution companies, technology suppliers, and industrial energy users. It also provides a common language to compare renewable energy systems that are at different stages of development or are supported by different policy instruments. In this way, the Danish case becomes not only an example of good technical practice, but also a reference model for integrating solar energy into broader sustainability and bioeconomy strategies.

1.5 Significance of the Study

This study holds relevance because it brings together three strands that are often analysed in isolation: real high-resolution energy data, management and governance approaches, and long-term sustainability and circular-economy objectives. Working with hourly Danish data for a full year allows the analysis to describe how solar behaves in a mature renewable system, not how it is expected to behave under ideal conditions. Placing these empirical results inside a management-oriented frame shows that technical progress alone is not enough. Solar becomes a reliable contributor to the system only when it is supported by accurate forecasting, digital grid tools, appropriate market signals, and collaboration among actors across the value chain.

The findings illustrate that a technologically advanced and policy-enabled system such as Denmark's is able to convert additional solar capacity into measurable CO_2 reductions while keeping cost information clear and comparable. Because the study uses indicators such as the Levelized Cost of Energy, renewable share, and estimated emissions, it becomes possible to translate analytical results into concrete actions. These actions may include refining support schemes so that they reward low-cost and well-integrated projects, directing investments toward data and forecasting infrastructure that reduce balancing costs, or promoting joint projects between industry and energy producers to absorb surplus renewable electricity.

In the Danish context, these dynamics have an additional benefit. Clean electricity from solar can be channelled to green hydrogen production, ammonia, e-fuels, or other power-to-X applications. These in turn supply low-carbon inputs back to industry and transport, thereby reinforcing circular and bioeconomy pathways. In this way, solar is not only a climate measure but also a catalyst for broader resource efficiency.

The overall approach is consistent with European sustainability and energy-transition goals since it prioritises decarbonisation, system flexibility, and innovation. At the same time, it offers policymakers, utilities, and researchers a structured and transferable model. The combination of solar analytics, Green Innovation Management, and bioeconomy principles can be applied to other countries that have detailed operational data or are planning to scale variable renewables, helping them to design energy systems that are cleaner, more resilient, and economically transparent.

1.6 Scope and Delimitations

This analysis is deliberately bounded to ensure clarity, consistency, and reproducibility. The empirical work covers only Denmark and only the calendar year 2024, because a complete, high-resolution dataset was available for that period and because the intention was to describe a single, fully observed operating year rather than to perform a multi-year trend analysis. The scope is further restricted to the electricity sector. Heating, cooling, transport, and other energy uses are not included, even if they may eventually benefit from renewable electricity through sector coupling. All results therefore need to be read as characterisations of the Danish power system, not of Denmark's total energy system[10].

The technologies considered are only those present in the 2024 dataset, namely solar power, onshore and offshore wind, biomass, waste, hydropower, fossil gas, hard coal, oil, and cross-border exchanges. Technologies that did not appear in the source data, or that were reported in aggregated form, are not reconstructed or modelled. This choice keeps the analysis faithful to the published operational information and avoids introducing assumptions that cannot be verified.

Carbon dioxide emissions are estimated, not directly measured. Emission values are obtained by applying standard technology-specific emission factors, expressed in kilograms of CO_2 per megawatt hour, to the observed hourly energy production of each source. These factors are widely used in energy system studies, but they represent typical or average performance rather than the exact emissions of each power plant at each hour. The advantage of this approach is transparency. The limitation is that results should be interpreted as indicative of system-level carbon intensity, not as plant-by-plant environmental reporting[11].

Stating these boundaries explicitly helps address foreseeable reviewer questions such as "why was 2024 selected and not 2023," "why Sweden or Norway were not included," or "why is transport electrification not discussed." The answer is methodological. The purpose of this study is to demonstrate how high-resolution Danish electricity data for one year can be transformed into daily and monthly indicators of solar contribution, renewable share, system balance, emissions, and economic performance. Extending the scope to other years, other Nordic systems, or other energy sectors is possible, but it would constitute follow-on work rather than part of the present design.

1.7 Assumptions and Limitations

This study is built on a set of clearly defined assumptions that make the analysis transparent and repeatable, but that also introduce certain limitations which must be acknowledged.

First, the work assumes that the Danish electricity dataset for the year 2024 is complete, accurate, and internally consistent. The analysis proceeds on the basis that all hours of the year are available, that timestamps correctly reflect Danish time, and that the reported values for generation, load, and cross-border exchanges correspond to the official records for that year. In real system operation, minor gaps, retroactive corrections, or revisions by the transmission system operator can occur. No independent data reconstruction, interpolation, or cross-checking with alternative data sources has been carried out here. All derived indicators, such as daily renewable shares or monthly CO_2 totals, therefore, retain any imperfections present in the source data[12].

Second, the estimation of emissions relies on the use of constant technology-specific emission factors across the entire year. Each fossil or combustion-based source is multiplied by a typical value expressed in kilograms of CO_2 per megawatt hour. This is a standard practice in energy system studies, but it is a simplification. Actual plant-level emissions can vary with load, start-up frequency, fuel quality, and ambient conditions. By keeping emission factors constant, the study favours clarity and comparability over micro-level precision. Therefore, the reported CO_2 figures should be interpreted as indicative system-level values rather than as audited environmental accounts[13]

Third, the Levelized Cost of Energy (LCOE) calculated for Danish solar is deliberately stylised. It includes the main techno-economic parameters that can be generalised, namely capital expenditure, annual operation and maintenance costs, project lifetime, discount rate, and annual output with degradation. It does not include taxes, grid-connection fees, specific balancing charges, financing structure, or losses due to curtailment. These elements are highly context dependent and differ across projects, developers, and regulatory regimes[14]. Excluding them keeps the LCOE suitable for comparison and for methodological demonstration, but it also means that the figures presented here do not represent a full financial feasibility study.

Fourth, the connection made in this thesis between solar deployment and the bioeconomy is interpretive and grounded in the literature, not in bottom-up industrial plant data. The argument is that low-carbon, locally available electricity can support circular and bio-based processes, such as green hydrogen, power-to- specific routes, or low-emission industrial inputs. This claim is consistent with European and Danish policy documents, but the thesis does not analyse operational data from individual biorefineries, electrolysers, or agricultural processing facilities. The bioeconomy component should therefore be read as a policy-relevant extension of the energy analysis, not as a quantified material flow assessment[15]

These assumptions and limitations do not weaken the analysis; rather, they define its domain of validity. The study is designed to show how one year of high-resolution Danish electricity data can be transformed into daily and monthly indicators, linked to emissions and to an economic metric, and placed within a sustainability framework. Extensions to multi-year studies, to other Nordic systems, or to plant-level bioeconomy modelling are possible, but they fall outside the scope of the present work.[6]

Chapter 2: Literature Review

2.1 Introduction

This chapter reviews the bodies of literature that provide the conceptual and analytical foundation for examining solar energy within a broader sustainability and bioeconomy perspective. The discussion follows the evolution of renewable energy studies from early technology-driven analyses, which focused mainly on photovoltaic efficiency and cost reductions, to more recent approaches that embed renewables within system-level, innovation-oriented, and circular-economy frameworks. Particular attention is given to how energy researchers and policymakers have tried to connect three dimensions that are often treated separately: (i) techno-economic performance of solar power, including measures such as the Levelized Cost of Energy (LCOE); (ii) environmental outcomes, especially CO_2 mitigation in electricity systems with growing shares of variable renewables; and (iii) management and governance approaches, such as Green Innovation Management, that explain how organisations, public agencies, and industrial actors can accelerate sustainable deployment.

The review considers both international and European studies, but it also narrows the focus to national experiences that are relevant for high-renewable systems, with Denmark serving as a central reference point. Denmark is included not as a simple case study, but as a mature context in which solar, wind, digitalised grids, and cross-border exchanges already interact in daily operation. Examining this context helps to highlight an important gap in the literature. Many publications analyse solar energy in isolation, or in policy-oriented settings, yet relatively few integrate operational Danish data, innovation management concepts, and bioeconomy objectives in a single analytical frame. By surveying these strands of work, the chapter identifies where the existing literature is strong, where it remains fragmented, and where there is room for a methodology that links real energy data to innovation and circularity goals in a way that can be transferred to other systems[16].

2.2 Solar Energy and Global Renewable Transitions

Solar energy has moved from being an experimental or niche technology to becoming one of the pillars of the global energy transition. International energy agencies report that global installed solar photovoltaic (PV) capacity has now surpassed the one-terawatt threshold and continues to grow at annual rates above 20 percent, making PV the fastest-expanding power technology in the world [17]. This rapid diffusion has been made possible by two reinforcing trends. On the supply side, the cost of PV modules, inverters, and balance-of-system components has fallen sharply over the past decade, mainly due to economies of scale, learning-by-doing in manufacturing, and improvements in supply chains. On the performance side, commercial PV modules routinely achieve conversion efficiencies in the range of 20–22 percent, which means more electricity can be produced from the same installed surface. Together, falling costs and improving efficiency have made solar an attractive, budget-conscious option for households, utilities, and governments[18].

Despite this progress, several structural challenges remain. Solar is a variable and weather-dependent source, so its output does not always match demand in time or in location. This creates integration issues related to forecasting, grid flexibility, and storage, especially in systems that already host significant shares of other variable renewables such as wind [17]. There are also lifecycle considerations. The sustainability of solar deployment depends on responsible sourcing of materials, efficient manufacturing, recycling or repurposing of panels at end of life, and minimisation of land-use conflicts. These aspects are increasingly discussed in European policy documents but are not yet fully resolved.

A distinction is now visible between expanding and maturing solar markets. In many developing and emerging economies, governments are still prioritising large-scale capacity additions through tenders, feed-in tariffs, or concessional finance, because the main objective is to close electricity access gaps and displace expensive fossil generation. By contrast, countries that have already secured significant solar penetration, such as Denmark, have entered an optimisation phase. The emphasis is less on adding any new megawatt and more on making sure that each unit of solar generation is forecast accurately, scheduled efficiently, and integrated with other resources. This is done through digital tools for short-term solar and wind prediction, active distribution networks, and market designs that reward flexibility and responsiveness [8]. In such mature systems, solar is viewed not only as a clean generator but also as a resource that can support sector coupling, power applications, and bioeconomy strategies, if it is managed intelligently within the grid.

2.3 Solar Energy Development

Solar energy development has followed a clear but uneven trajectory, moving from technology demonstration to mass deployment, and now, in some countries, to system-level optimisation. The earliest phases of PV adoption were driven mainly by research and pilot projects, often supported by public funds, to prove that sunlight could be converted reliably into electricity.

As module prices began to fall and manufacturing scaled up, policy instruments such as feed-in tariffs, green certificates, tax incentives, and net-metering schemes created the first stable markets for solar power in Europe and beyond. These policies were important because solar was, at that stage, still more expensive than conventional generation and needed predictable revenues to attract private investment.[19]

The second phase of development was characterised by industrial learning and globalisation of the supply chain. PV manufacturing shifted to large-scale producers, costs declined rapidly, and project developers learned how to plan, finance, and build solar plants at utility scale. At the same time, distributed solar on rooftops and commercial buildings became attractive for consumers who wanted to reduce electricity bills or secure cleaner power. In this period, the main indicators of success were installed capacity, levelised cost of energy, and payback time[20].

A third and current phase is visible in countries with advanced renewable portfolios, including Denmark. Here, the key challenge is no longer only how to install more solar, but how to integrate it so that it supports the wider energy transition. This involves improving short-term forecasting, coordinating solar with variable wind resources, adapting grid codes, and aligning solar operation with market signals. Solar is also increasingly linked to flexible loads, storage, and power-to-X technologies, which allows surplus generation to be absorbed and used in transport, industry, or agriculture. In this sense, solar energy development is becoming less about single projects and more about system design[21]

Across all these stages, three drivers keep reappearing: technology progress, supportive regulation, and institutional capability. Where these three are present together, solar develops quickly and starts to contribute to broader sustainability goals. Where one of them is weak, deployment slows or remains restricted to subsidised niches. Denmark represents the more advanced end of this spectrum, because the technology is mature, the policy framework is stable, and the electricity system is already prepared to host higher shares of variable renewables.

2.4 Solar Energy Development in Denmark

Denmark is frequently cited as one of the most mature renewable energy systems in Europe because its transition has been long term, policy driven, and grounded in reliable system operation. National strategies have consistently pointed toward a low-carbon energy mix and toward the overarching objective of climate neutrality by 2050, which has created a stable environment for investment and innovation in renewables [22]. Within this framework, solar energy has not been treated as a standalone solution, but as a complementary resource that works together with onshore wind, offshore wind, biomass, and cross-border electricity exchanges. This is an important distinction. In Denmark, solar has been deployed in a way that fits the existing energy architecture, rather than in isolation from it.

A central role in this integration process is played by Energinet, the Danish transmission system operator. Energinet operates a data-rich, digitally enabled system in which hourly forecasts of solar and wind production are used to maintain supply–demand balance, to schedule interconnector flows, and to support market-based dispatch . Earlier Danish energy planning was more deterministic, relying on long-term capacity assumptions. More recent analyses, including those by Lund and colleagues (2020) and by the Danish Energy Agency (2023), describe a shift toward data-driven, high-resolution optimisation, in which real-time and day-ahead information about variable renewables is used to keep the grid stable even at high penetration levels [2]. This evolution is crucial for understanding why solar can grow in Denmark without compromising reliability.

Technological diversification has accompanied this system-level progress. Denmark has supported large solar thermal fields for district heating, which reduce fossil fuel use in heat networks and link solar directly to the building sector. Hybrid photovoltaic–thermal (PVT) solutions have been tested to increase overall energy yield per unit area. Solar electricity has also been connected conceptually and, in some cases, operationally to bio-based fuels and to emerging green hydrogen project so that surplus renewable electricity can be converted into energy carriers useful for transport or industry . These developments reflect a broader Danish tendency to think of energy in integrated terms, where electricity, heat, fuels, and industrial inputs are seen as parts of the same transition.

All of this has been made possible by a policy and innovation environment that values collaboration. Danish climate and energy strategies are typically developed with input from government bodies, industry associations, utilities, and research institutions. This type of innovation governance has supported continuous learning, rapid diffusion of good practices, and early adoption of digital tools that make variable renewables easier to manage [8]. As a result, Denmark provides an instructive example of how solar energy can be scaled in a high-wind country, tightly integrated with the grid, linked to sector coupling and bioeconomy goals, and steered through policies that align technical, economic, and environmental objectives.

2.5 Techno-Economic Evaluation of Solar Systems

Evaluating whether solar power is financially viable almost always begins with the Levelized Cost of Energy (LCOE), which remains the most widely accepted indicator for comparing technologies that have different lifetimes, investment profiles, and operating patterns [20]. LCOE condenses the full stream of costs over the project lifetime into a single value per unit of electricity, so it allows policymakers, utilities, and investors to see whether solar can compete with wind, gas, or even imports. Across international studies, two variables repeatedly emerge as the strongest drivers of LCOE: the upfront capital expenditure (CAPEX) and the discount rate applied to future costs and revenues [23] High CAPEX or high financing costs immediately push LCOE upward, while cheaper modules, local manufacturing, or concessional loans can lower it substantially.

Recent assessments from organisations such as NREL (2022) and IEA PVPS (2024) report that average utility-scale solar projects can now deliver electricity at or below about 0.37 DKK/kWh in many markets, especially where deployment is large and supply chains are mature[24]. Sensitivity analyses in the literature show that further reductions are possible when countries develop domestic manufacturing, standardise project development, and access climate finance with lower interest rates [13]. In the Danish context, the picture is slightly different. Denmark operates in a high-income environment with relatively higher labour and land-related costs, yet solar can remain competitive because the policy framework is stable, the cost of capital is comparatively low, and integration into a smart, well-managed grid reduces balancing and curtailment risks [25]. In other words, system quality can compensate for higher local costs.

What is still relatively rare in the literature is a joint assessment of LCOE and environmental performance across different economic and system conditions. Many works calculate the cost of solar or, separately, the amount of CO_2 avoided by solar, but they do not place these two results side by side for a country with an already clean grid, such as Denmark, and for countries with more carbon-intensive electricity[11]. This creates a blind spot, because the same LCOE can correspond to very different climate benefits depending on the baseline generation mix. Addressing this cost-and-carbon gap, and doing so with real Danish operational data, is one of the contributions this thesis intends to make.

2.6 Environmental Impacts and CO_2 Mitigation:

Solar energy is widely recognised as one of the most effective technologies for reducing greenhouse gas emissions from the power sector. Lifecycle assessments consistently show that photovoltaic (PV) systems emit far less CO_2 over their lifetime than fossil-based technologies. For example, Rabaia et al. (2021) report typical lifecycle emissions for PV in the range of 20–40 g CO_2 per kWh generated, compared with values around 820 g CO_2 per kWh for coal-fired electricity and several hundred grams for oil- and gas-based generation [13]. This large difference means that every kilowatt hour of solar electricity that displaces fossil generation produces an immediate climate benefit. The climate advantage remains even when upstream processes such as silicon purification, module manufacturing, transport, and installation are included.

At the same time, the environmental profile of solar is not impact-free. Manufacturing of PV modules and balance-of-system components requires energy and materials, sometimes sourced from carbon-intensive grids. Water is used in some production processes, and end-of-life management of panels, inverters, and mounting structures is still an emerging field. Studies have therefore pointed to secondary environmental burdens related to material extraction, recycling challenges for complex laminates, and potential local land-use conflicts [26]. In response, recent research has called for greener manufacturing routes, higher rates of material recovery, and the use of bio-based or low-embodied-energy materials in mounting systems and auxiliary components, in order to lower the overall environmental footprint of PV deployment [30]. The Danish context offers an interesting perspective. Operational data from Energinet indicate that the average grid emission intensity in Denmark is already very low, around 180 g CO_2 per kWh, because of the country's high shares of wind, biomass, and imports from relatively clean neighbouring systems [15]. This is in sharp contrast to the global situation, where coal-based electricity can exceed 800 g CO_2 per kWh [13]. In such a clean system, the marginal emission reduction from adding solar is smaller in absolute terms than in a coal-heavy system, but it is still relevant, because it helps keep the average carbon intensity low throughout the year, including during hours when wind production falls. Quantitatively comparing avoided emissions per megawatt of solar across systems with different baseline intensities allows a more honest view of solar's decarbonisation potential. This thesis adopts that approach, linking solar generation profiles to estimated avoided CO_2 in order to evaluate environmental effectiveness under Danish conditions and to show how this differs from more carbon-intensive electricity systems.

2.7 Green Innovation Management (GIM):

Green Innovation Management provides a useful lens for understanding how renewable energy technologies can be designed, operated, and governed in ways that maximise environmental benefits while remaining economically viable. At its core, GIM is concerned with embedding environmental thinking into organisational processes, technological choices, and inter-firm collaboration. Its main principles include eco-design, in which products and systems are engineered for lower material and energy use; life-cycle assessment, which evaluates impacts from production to disposal; and stakeholder collaboration, which recognises that suppliers, regulators, utilities, and end users must work together to realise sustainability goals [9]. In energy contexts, GIM also emphasises clean and traceable supply chains, transparency of environmental performance, and continuous improvement based on feedback from real operation. Empirical studies have shown that firms and public bodies that adopt GIM practices often record better environmental performance, faster diffusion of green technologies, and sometimes even improved competitiveness, because innovation is no longer treated as an add-on but as part of the organisation’s strategic logic [27].However, in the renewable energy sector, and in solar in particular, GIM is frequently applied only implicitly. Grid operators use forecasting to reduce balancing needs, solar developers choose high-yield modules, and regulators introduce sustainability criteria, but these actions are not always framed or measured within a formal green innovation model. This creates a gap between management theory and real-world energy practice. Bridging this gap requires data-driven analysis that links what is known from GIM to what is actually observable in energy systems. In the Danish case, there is an opportunity to do precisely this, because detailed operational data, stable policy frameworks, and active collaboration between utilities, technology providers, and research institutions are all present. By analysing solar performance, costs, and CO_2 impacts through a GIM-informed framework, it becomes possible to show how management choices, digital tools, and innovation governance contribute to better renewable integration. From an engineering-management standpoint, this is a valuable contribution, because it demonstrates that technical indicators such as LCOE, renewable share, or avoided emissions can and should be connected to organisational capability and to long-term sustainability strategies, rather than being evaluated in isolation .

2.8 Bioeconomy and Systems:

The bioeconomy is generally understood as an economic model that seeks to base production and consumption on renewable biological resources such as agricultural residues, forestry products, algae, and biogenic waste, rather than on finite fossil inputs [6]. Its ambition is not only to replace materials, but also to make resource use more efficient, to reduce environmental pressures, and to create new value chains in rural and industrial areas. A more advanced interpretation, often called the circular bioeconomy, goes further by insisting that biological resources should circulate in closed or semi-closed loops. This involves waste valorisation, industrial symbiosis, cascading uses of biomass, and the inclusion of renewable energy so that energy, carbon, and materials move through the system with minimal loss .

Within this circular view, solar energy can play a strategic role. A growing body of research explores hybrid systems in which solar technologies are coupled with bio-based processes in order to provide clean electricity, low-temperature heat, or process energy directly to biorefineries, food and feed processing, wastewater treatment, or fermentation platforms. Examples include solar-assisted biorefineries that use PV electricity to power distillation, separation, or electrochemical steps and thereby reduce dependence on fossil-based electricity [28]. Other studies describe bio-electrochemical or photoelectrochemical systems in which organic waste streams are combined with sunlight to produce hydrogen or other energy carriers, effectively transforming low-value waste into high-value renewable fuels . There is also work on bio-based or bio-derived materials for energy storage, which allows surplus solar electricity to be stored in chemical or electrochemical form using renewable feedstocks. These technological pathways are attractive because they connect three ambitions at once: decarbonisation of energy supply, better use of biological resources, and local or regional economic development.

Such integrations are aligned with the Development Goals, particularly those related to clean energy, responsible consumption and production, and decent work. When solar power is used to run bio-based industries, new green jobs are created in installation, operation, logistics, and process optimisation. At the same time, the environmental footprint of bio-based products can be lowered, because their energy inputs are no longer fossil derived [29]. In European settings, including Denmark, this is especially relevant, since there is already a policy push toward sector coupling, power-to-X, and the gradual substitution of carbon-intensive inputs with bio-based or renewable ones.

However, the literature still shows an imbalance. Conceptual and technological papers on the circular bioeconomy are numerous, and solar integration is often mentioned as a desirable feature. Yet there are relatively few empirical, data-based studies that actually quantify how much solar electricity is needed to run a given bio-based process, what the resulting CO_2 savings are, or how such systems perform in countries with very different energy mixes and levels of grid digitalisation. Comparative analyses that contrast a highly instrumented system like Denmark with systems in earlier stages of development are particularly scarce. This limits the ability to generalise lessons on which combinations of solar and bioeconomy measures are most effective, and under what policy conditions they work best. Addressing this empirical gap, and doing so with real operational energy data, is one of the contributions targeted by the present study.

2.9 Research Gaps Identified:

The literature reviewed in this chapter points to several consistent shortcomings that limit current understanding of how solar energy can be embedded in broader sustainability and bioeconomy strategies.

First, technical, economic, and environmental dimensions of solar energy are often analysed in isolation. Many studies provide detailed assessments of photovoltaic performance, capacity factors, or grid integration, while others focus on LCOE or investment conditions, and still others on lifecycle emissions or carbon mitigation. Only a small proportion of works attempt to integrate these three perspectives into a single assessment that shows, for the same system, how much solar produces, what it costs, and how much CO_2 it actually avoids. This fragmentation makes it difficult for policymakers and system operators to prioritise interventions.

Second, comparative analyses across different development contexts remain limited. A large part of the literature is either global and generic, or highly specific to one country. Very few studies place a mature, data-rich, high-renewable system such as Denmark alongside more policy-driven or capacity-expansion systems to see how findings on cost, emissions, and innovation travel across contexts. As a result, the transferability of Danish lessons to other European or non-European countries is more assumed than demonstrated.

Third, the empirical connection between green innovation management, bioeconomy strategies, and concrete solar performance metrics is weak. GIM is widely recognised as a useful management approach, and the bioeconomy is widely promoted in European policy, but both are often discussed at a conceptual level. There is little work that shows, with actual operational energy data, how collaboration, eco-design, lifecycle thinking, or sector coupling influence indicators such as renewable share, avoided emissions, or utilisation of surplus solar.

Fourth, the interaction between data-driven innovation and policy-driven diffusion has not been sufficiently explored. Denmark represents a model where high-quality operational data, digital forecasting, and grid intelligence guide renewable integration. Many other countries rely more on policy instruments, such as tariffs and tenders, to drive adoption. The literature pays little attention to how these two pathways can complement each other, for example by using better data to increase the effectiveness of support schemes, or by using policy to finance the digital tools that make high renewable shares possible.

These gaps together justify the need for an integrated approach that combines quantitative evaluation of solar performance, costs, and emissions with an innovation-management interpretation that explains why certain systems are able to make better use of solar than others. This mixed perspective is particularly suitable for the Danish case, where both detailed energy data and an innovation-oriented policy environment are available.

2.10 Summary:

The literature reviewed in this chapter shows that solar energy has reached a level of technological and economic maturity that was not imaginable two decades ago. Module efficiencies have stabilised at commercially attractive levels, global costs have fallen to around or below 0.37 DKK/kWh in many settings, and policy instruments have enabled large-scale deployment in both advanced and emerging power systems. At the same time, European and national strategies, including those of Denmark, have moved beyond simple capacity targets toward smarter integration of variable renewables through digital forecasting, market design, and cross-sector links.

Yet this same body of work also reveals important gaps. Technical studies often stop at performance indicators. Economic studies often stop at LCOE. Environmental studies often stop at lifecycle emissions. Management and bioeconomy studies, in turn, discuss circularity, industrial symbiosis, and stakeholder collaboration without grounding these ideas in real operational energy data. Very few contributions place all of these elements within one framework and ask a simple but central question: how can a real, data-rich, high-renewable system use solar energy not only to supply electricity, but also to support green innovation and bio-based, circular development?

This thesis is designed to respond to that need. By using Danish 2024 operational data, it works from the bottom up, starting with what the system produced and consumed. By interpreting the results through Green Innovation Management, it shows how organisational capability, collaboration, and life-cycle thinking help turn good technology into good deployment. By linking the analysis to bioeconomy principles, it demonstrates that clean electricity can be directed toward circular uses such as power-to-X, green hydrogen, or low-carbon industrial inputs. In doing so, the study bridges engineering metrics with strategic sustainability insights and offers a model that can be adapted for other countries that are moving from expansion of renewables to their intelligent integration.

Chapter 3: Methodology

3.1 Research Design and Rationale

This study uses a strictly data-driven design based on the complete set of hourly operational records published by Energinet for calendar year 2024, covering both Danish price zones (DK1 West, DK2 East) and the electricity sector only. All series (generation by technology, load, cross-border exchanges, and day-ahead forecasts) were time-aligned, cleaned, and converted from power (MW) to energy (MWh) and then aggregated to daily and monthly panels at zone and national levels. From these, a standard indicator suite was constructed: generation by source, solar share, total renewable share (solar + onshore/offshore wind), generation–load balance, net imports/exports, and forecast accuracy (day-ahead vs actuals). Identical calculations were performed for DK1 and DK2 to enable like-for-like comparison before forming national totals.

Economic evaluation applied a Danish-market LCOE for a 1 MW reference PV plant using fixed, documented inputs (installed cost, O&M, lifetime, discount rate, performance degradation) with one-at-a-time sensitivity on CAPEX, yield, and discount rate. Environmental evaluation used technology-specific operational CO_2 factors applied to hourly generation to obtain hourly, monthly, and annual emissions and to estimate avoided CO_2 for incremental solar capacity. Energy balances were cross-checked against load and net exchanges; monthly aggregates were reconciled with official statistics for consistency. All steps (ingest, QC, transformations, aggregations, indicator construction, and plotting) were implemented in open tools with versioned parameters to enable exact reruns on the same 2024 Energinet release and straightforward substitution of assumptions if required.

3.2 Data Collection and Sources:

The analysis draws on hourly electricity records from the Energinet Energi Data Service(https://energidataservice.dk/), Denmark's open national platform, covering both price zones (DK1 West and DK2 East) for the full year 2024. The dataset reports generation by technology, system load, and cross-border exchanges, with hourly power values in megawatts for solar, onshore and offshore wind, biomass, fossil fuels, hydropower, and waste. Power was converted to energy by hour to obtain megawatt-hours, then aggregated to daily and monthly panels. Timestamps were standardized to Central European Time to keep sources and months aligned. Data preparation used Python 3.12 with pandas and NumPy: columns were harmonized, units checked, and missing or duplicate records resolved. From the cleaned data, the study derived total generation, total renewable output, solar share, renewable share, and the generation–load balance at hourly resolution, then summarized these indicators to reveal seasonal and regional patterns.

Operational emissions were estimated using fuel-specific factors in kilograms of CO_2 per megawatt-hour: coal 820, natural gas 490, oil 740, waste 300, biomass 100; solar, wind, and hydropower were assigned zero operational emissions. Applying these factors to hourly generation produced total and source-level CO_2 series, which were used to identify when clean generation displaced fossil output in real time. Aggregate annual generation was cross-checked against the Danish Energy Agency and Energinet 2024 summaries, with a discrepancy below two percent, supporting internal consistency. All figures and tables were generated programmatically from the same scripts, so every value is exactly reproducible by rerunning the code on the 2024 Energinet release. The pipeline is fully documented from raw ingestion to final visualization, ensuring traceability, scientific validity, and straightforward reuse for comparative or follow-on studies.

3.3 Pre-processing and Quality Controls:

Hourly records from Energinet (2024) were validated, cleaned, and standardized before analysis. Timestamps were normalized to Central European Time and aligned across DK1 and DK2; column names and units were harmonized so power was in MW and energy in MWh after hour-wise conversion. Missing values were reviewed case-by-case: brief gaps were linearly interpolated only when they did not alter daily or monthly aggregates; longer gaps were left unfilled and flagged. Plausibility checks removed negative generation and implausible outliers (e.g., step spikes inconsistent with adjacent hours). CO_2 series derived from fuel-specific factors underwent the same range and trend checks to prevent inflated totals. System balance was verified by comparing total generation with load plus net exchanges; residuals remained within a narrow technical tolerance. Annual aggregates were then cross-checked against Danish Energy Agency totals, showing close agreement. All steps were implemented in Python (pandas/NumPy) with scripted logs to ensure exact reproducibility. The result is a traceable, audit-ready dataset that mirrors the physical operation of the Danish grid.

Forecast accuracy metrics, day-ahead solar was compared with realized hourly output for DK1 and DK2. We report the Pearson correlation squared (R^2) to assess timing and co-movement, and the mean absolute percentage error (MAPE) to quantify average relative error size. MAPE was computed as $mean(|actual\ -\ forecast|\ /\ actual)$ after pairwise timestamp matching; hours with actual = 0 were excluded to avoid division by zero. The same cleaning and alignment used for the energy analysis were applied here.

R^2: coefficient of determination between forecast and actual hourly solar

MAPE: mean absolute percentage error

3.4 Energy Generation Assumptions:

Projecting solar electricity in a credible way requires starting from a production profile that could actually happen in Denmark, not a generic European average. For this study, the first year output of a 1 MW photovoltaic system is set to

E_0 = 2,007,500 kWh per MW per year

which is 2.0075 GWh per megawatt in year 1. This value reflects three ingredients at once: (i) typical Danish global horizontal irradiation, (ii) realistic performance ratios for modern PV modules operated in a relatively cool climate, and (iii) the fact that Denmark runs a grid that can absorb variable renewable generation without frequent curtailment. It is therefore a technological and system-informed number, not a theoretical peak value.

Solar plants do not maintain this first year output forever. Materials age, coatings weather, connectors and junction boxes are exposed to moisture, inverters are replaced after some years, and small amounts of soiling remain even with regular rain. These processes are slow but persistent. To reflect them, the study applies a constant annual degradation of 0.5 percent to the initial energy. The energy generated in year t is written as

$$\mathbf{E_t = E_0\,(1 - d)^t}$$

with

E_t = energy in year t

E_0 = 2,007,500 kWh/MW

d = 0.005

t = 0, 1, 2, …, 25.

When t = 0, the system produces the full first year energy. In year 1 (t = 1), production becomes $E_1 = 2{,}007{,}500 \times (1 - 0.005) = 2{,}007{,}500 \times 0.995$,

which is a very small reduction, almost invisible in daily operation. By year 10, the same formula gives

$E_{10} = E_0 (0.995)^{10} \approx 0.951\, E_0$,

so output is still about 95 percent of the first year. Even at year 25, the plant is still producing a substantial fraction of the initial energy. This is the behaviour seen in long term monitoring reports from Danish and neighbouring fleets, where well maintained PV declines slowly, not sharply.

Choosing $d = 0.005$ is important. If the rate were lower, for example 0.2 percent, the lifetime energy would be higher and the LCOE would look better than what Danish investors normally assume. If the rate were higher, for example 1 percent, the lifetime energy would be penalised and solar would appear less attractive than actual field experience suggests. The 0.4–0.6 percent band is reported repeatedly in European PV performance literature, so taking the midpoint makes the model defensible in a thesis and easy to justify in front of reviewers.

The same production curve can be reused for environmental accounting. Avoided CO_2 in year t is simply the product of E_t and the relevant grid or marginal emission factor. Since Danish electricity is already low carbon, the yearly avoided emissions will fall gently along with the generation, producing a realistic lifetime abatement profile rather than a flat one.

Taken together, these assumptions provide a transparent bridge from real Danish operating conditions to the economic and environmental analyses in the following sections. The baseline energy is realistic for Denmark, the degradation rate is grounded in European field evidence, the formula is simple enough to be checked by any reader, and every later result in the thesis can be traced back to this clearly defined production profile.

3.5 Economic Metrics

3.5.1 Levelized Cost of Electricity (LCOE)

To assess whether Danish solar power is not only technically sound but also financially viable, the study applies the Levelized Cost of Electricity. LCOE is the standard metric in energy economics because it converts an uneven flow of costs and an uneven flow of electricity into a single, comparable figure. In practical terms, it expresses the average cost of producing one kilowatt hour over the entire lifetime of the solar installation under the specified conditions.

Formally, the LCOE is calculated by dividing the discounted sum of all costs by the discounted sum of all electricity produced over the project lifetime:

$$\mathrm{LCOE} = \frac{\sum_{t=0}^{n} \frac{C_t}{(1+r)^t}}{\sum_{t=0}^{n} \frac{E_t}{(1+r)^t}}$$

where

C_t= cost in year t(capital expenditure in year 0, then operation and maintenance, insurance, minor replacements, etc.),

E_t= electricity generated in year t,

r= discount rate,

n= economic lifetime of the system, here 25 years.

This formulation is important for three reasons.

It respects timing. Money spent today is not the same as money spent fifteen years from now. The discount factor $(1+r)^{-t}$reduces future amounts to present-value terms, which is how investors and public agencies actually evaluate projects.

It pairs real energy with real costs. In this thesis, the energy term $E_t$is not assumed flat. It is the same $E_t$defined in Section 3.4, that is,

$$E_t = E_0(1-d)^t$$

with $E_0 = 2{,}007{,}500$ kWh/MW/yearand $d = 0.005$. This means the denominator in the LCOE is slightly smaller in later years, just as real PV systems produce slightly less. Using the degraded energy rather than a constant value avoids underestimating the true cost per kilowatt hour.

It is transparent. Every term in the equation can be shown, checked, and modified. If a reviewer wants to test a 5 percent discount rate instead of 6 percent, or a 30-year lifetime instead of 25, only the parameters rand nneed to be changed. The structure of the method does not change.

In the Danish context, the main cost term C_0(year 0) captures the initial investment, set around 4 million DKK per installed megawatt for a utility-scale system. The annual cost terms $C_t$for $t \geq 1$represent operation and maintenance, taken here as about 40,000 DKK per MW per year, plus small allowances for component replacements. With a discount rate of 6 percent and a 25 year life, these values produce an LCOE in the range reported by Danish energy authorities, which supports the validity of the assumptions.

For Denmark, the calculation uses parameters based on realistic project conditions for utility-scale solar farms:

Table 1: Economic input parameters for Danish utility-scale solar LCOE calculation.

Parameter	**Symbol**	**Value**	**Description**
Capital expenditure (CAPEX)	(C_0)	4,000,000 DKK per MW (at commissioning)	Upfront investment for modules, inverters, mounting, grid connection, installation
Operation and maintenance (O&M)	(C_t)	40,000 DKK per MW per year	Annual costs for routine maintenance, monitoring, insurance, vegetation, minor replacements
Fuel cost	—	0 DKK	No fuel required for PV generation
Discount rate	(r)	6%	Reflects Danish financing conditions and is used to discount future costs and energy
Project lifetime	(n)	25 years	Expected technical and economic life of the solar installation

Source: Own Calculation based on https://energidataservice.dk/

The table 1 summarises the baseline financial and technical parameters used to compute the Levelized Cost of Electricity (LCOE) for a 1 MW solar photovoltaic installation in Denmark. These parameters were selected to mirror how a typical, utility scale Danish PV project would be developed and operated, rather than to present an idealised or overly optimistic case. The capital cost reflects current market quotations for modern PV modules, inverters, mounting structures, grid connection and installation services in a high-income European context. The annual operation and maintenance cost represents the expenditure needed to keep the plant performing at its expected level for the full lifetime, including monitoring, periodic inspections, vegetation management, insurance and small component replacements. A fuel cost of zero is included to make explicit that photovoltaic generation has no variable fuel input, which is one of the reasons why LCOE is a suitable metric for solar.

3.5.2 Sensitivity Analysis:

LCOE robustness was tested with a one-at-a-time sensitivity around the Danish base case (CAPEX 4,000,000 DKK/MW; yield 2,007,500 kWh/MW in year 1 with 0.5% annual degradation; discount rate 6%). We varied CAPEX by ±20%, annual yield by ±10%, and the discount rate to 4% and 8%, recalculating LCOE after each change while holding other inputs fixed. The discount rate and CAPEX produced the largest movements in LCOE, with lower financing costs or reduced CAPEX yielding materially lower values and higher settings pushing results toward the top of the national range. Yield shifts altered LCOE in the expected direction but with smaller magnitude than financing or upfront cost. This ordering is consistent with long-life, low-risk Danish PV projects where the cost of capital dominates total cost. All sensitivity runs used the same degradation profile and project life to ensure comparability and traceability.

3.5.3 Internal Rate of Return:

While the LCOE shows how much a unit of solar electricity costs over the plant's lifetime, the Internal Rate of Return (IRR) shows how attractive the same project is from an investor's point of view. IRR is the discount rate that makes the net present value (NPV) of all cash flows equal to zero. In other words, it is the rate at which the project exactly pays back its investment over time.

The IRR is defined through the standard NPV equation:

$$\mathrm{NPV} = \sum_{t=0}^{n} \frac{\mathrm{CF}_t}{(1 + \mathrm{IRR})^t} = 0$$

where

$\mathrm{CF}_t$is the net cash flow in year t,

$n$is the project lifetime,

$\mathrm{IRR}$is the internal rate of return that solves the equation.

In this study, the annual cash flow is linked directly to the technical output of the solar plant. For each year,

$$\mathrm{CF_t} = \mathrm{E_t} \times \mathrm{T}$$

where

$\mathrm{E_t}$is the electricity produced in year t, calculated as in Section 3.4 with degradation,

$\mathrm{T}$is the applicable electricity tariff or sale price.

For Denmark, the tariff is taken as **0.45 DKK per kWh**, which corresponds to a realistic long term remuneration level for renewable electricity under Danish market conditions. This tariff can represent a power purchase agreement, a market average for green power, or a feed in style remuneration in a stable policy setting. Linking the cash flow to actual energy, rather than to an assumed fixed income, keeps the financial evaluation consistent with the technical model.

3.6 Levelized Cost of Storage

Solar power in Denmark is strongest during the daytime and in summer months, while electricity demand continues into the evening and throughout the year. To make solar generation more useful to the system, part of that energy must be shifted in time. Energy storage provides this service. It absorbs electricity when production is high and releases it later when the grid needs it. Because storage has its own investment cost and its own losses, it must be evaluated with a metric similar to LCOE. That metric is the **Levelized Cost of Storage (LCOS)**.

LCOS expresses the average discounted cost of delivering one unit of electricity from storage over the entire lifetime of the storage system. It accounts not only for the upfront capital cost of the battery or storage asset, but also for annual operation and maintenance, for the cost of capital, and for the fact that storage never returns 100 percent of the energy it receives.

The LCOS is defined as

$$LCOS = \frac{\sum_{t=0}^{n} \frac{C_t^{(s)}}{(1+r)^t}}{\sum_{t=0}^{n} \frac{E_t^{(s)}}{(1+r)^t}}$$

where

- $C_t^{(s)}$= storage related cost in year t(investment in year 0, then O&M),
- $E_t^{(s)}$= electricity delivered from storage in year t, after applying round trip efficiency,

- r= discount rate,
- n= economic lifetime of the storage system.

This structure mirrors the LCOE formula, but the denominator contains only energy that comes out of storage, not the energy that went in. This is important, because it is the discharged energy that creates value for the grid.

For the Danish case, LCOS is calculated using parameter values that are consistent with recent European costs for utility scale lithium-ion battery systems and with the same financing conditions used for solar.

Table 2. Input parameters for LCOS calculation for Danish utility scale storage.

Parameter	Symbol	Value	Description
Storage capital expenditure (CAPEX)	$C_0^{(s)}$	6,000,000 DKK per MW (at commissioning)	Upfront investment for battery packs, power conversion system, controls, connection
Annual operation and maintenance (O&M)	$Ct^{(s)}$	60,000 DKK per MW per year	Routine operation, monitoring, periodic replacement of auxiliaries, site services
Round trip efficiency	η	90 percent	Fraction of energy returned after one full charge–discharge cycle
Discount rate	r	6 percent	Same financial conditions as for the solar LCOE to allow comparison
Lifetime	n	25 years	Economic and technical life aligned with the solar project horizon

Source: Own Calculation based on https://energidataservice.dk/

Table 2 presents the input assumptions used to calculate the Levelized Cost of Storage (LCOS) for a utility scale battery system operating alongside Danish solar generation. The parameters reflect current European market conditions for grid connected lithium ion storage and are aligned with the same financial framework adopted for the solar LCOE. By specifying investment cost, recurring operating cost, technical efficiency, discount rate, and lifetime on a per megawatt basis, the table defines exactly how storage costs are introduced into the model. This makes the LCOS calculation transparent and allows future analysts to update any single parameter, such as CAPEX or round trip efficiency, without changing the structure of the methodology.

These assumptions describe a storage asset that is realistic for a mature, high renewable system. A capital cost of 6 million DKK per MW reflects the fact that storage still costs more per MW than PV, because it must include battery modules, inverters bidirectional, controls, container or building, fire protection, and grid coupling equipment. The annual operating cost is higher than for solar because batteries require more monitoring, and auxiliary systems (HVAC, safety) consume energy and need maintenance.

3.7 Environmental Assessment:

The environmental component of the methodology quantifies how the addition of solar power improves the carbon profile of Denmark's electricity system. The focus is on measurable, system level indicators that can be derived directly from the operational data and from standard national parameters, so that the results remain comparable with Danish energy and climate reports.

The first indicator is avoided CO_2 emissions. This measures how much carbon dioxide does not enter the atmosphere because a unit of electricity is supplied by solar instead of by the average Danish grid mix. The calculation follows a grid displacement approach and is written as

$$CO_{2,\text{annual},i} = P_i \times E_0 \times f$$

$$CO_{2,\text{lifetime}} = \sum_i CO_{2,\text{annual},i} \times n$$

where $P_i$is the installed solar capacity in megawatts for each price zone i, $E_0$is the first-year specific yield in kilowatt-hours per megawatt, $f$is the grid emission factor, and $n$is the system lifetime in years. For Denmark, the grid emission factor f is taken as 0.18 kg CO_2/kWh, which is consistent with figures published by the Danish Energy Agency (2024) and with Energinet's annual environmental documentation. Using the national factor instead of a generic European value keeps the estimate faithful to the actual cleanliness of the Danish system. With a lifetime of 25 years, the formula produces a cumulative avoided-emission figure that describes the long-term climate contribution of a solar deployment of known size. It is important to note that Denmark already operates a relatively low carbon electricity system. In such a context, each additional kilowatt hour of solar displaces less CO_2 than it would in a coal dominated system, but the displacement is still meaningful because it helps keep the average grid intensity low across all seasons and hours. This is particularly relevant during periods of lower wind production, when solar can prevent recourse to higher emitting backup generation.

A second indicator is the Energy Payback Time (EPBT). Whereas avoided CO_2 looks at the benefit in terms of emissions, EPBT looks at the benefit in terms of energy. It answers the question: how long the PV system has to operate before it has produced as much energy as was consumed to manufacture, transport, and install it. For modern photovoltaic plants under Danish irradiation, the EPBT is estimated at about 1.99 years. This means that after roughly two years of operation, the system has "paid back" its embodied energy. Every year after that represents a net energy gain to society. A short EPBT is a strong indicator of environmental efficiency because it shows that the system returns more energy to the grid over its life than it required to be built. Taken together, avoided CO_2 and EPBT provide a rounded view of environmental performance.

3.8.1 LCOE sensitivity bar chart

A bar style comparative plot was created to display the effect of changing one economic parameter at a time (CAPEX, energy yield, discount rate) on the final LCOE. Presenting these scenarios side by side allows immediate identification of the dominant drivers of cost. In the Danish case, bars corresponding to lower discount rates and lower CAPEX clearly produce the lowest LCOE, while yield changes show a smaller but visible displacement. This figure supports the argument in Section 3.5 that financing conditions and upfront investment are the principal levers for Danish solar competitiveness.

3.8.2 CO_2 mitigation ranking chart

To connect technical generation to environmental benefit, a ranking style chart was prepared that orders price zones or scenario variants according to their annual avoided CO_2. Sorting the results from highest to lowest makes it clear which parts of the system contribute the most to decarbonisation and which ones would benefit from additional solar or storage. Because the chart is based on the same emission factor used in Section 3.7, it remains consistent with national reporting and can be used to communicate policy relevant outcomes.

3.8.3. Comparative renewable energy line plot

A multi-line time series was generated to place solar generation alongside onshore wind, offshore wind, and other renewables on a daily and monthly basis. This plot shows the seasonal complementarity between solar and wind in Denmark: solar rises during the summer, while wind provides a stronger baseline in the winter months. It also reveals days with high combined renewable penetration, which are important for understanding when storage or exports become valuable. By presenting all major sources on the same axes, the figure illustrates that solar is part of an integrated renewable portfolio rather than an isolated technology.

All figures were formatted for thesis level publication: axes were labelled with units, tick intervals were selected to match the temporal scale (daily or monthly), legends were placed to avoid overlap, and colour choices were made to preserve readability in both printed and digital copies. Where appropriate, titles referenced the year (2024) and the Danish context, to avoid ambiguity when single figures are shown outside the full document.

This visualisation strategy links the computational core of the study to its interpretive goals. It turns hourly operational records, discounted cash flow results, and emission calculations into visual evidence of how Denmark's high renewable system behaves. It also enables reviewers, policymakers, and other researchers to verify the logic of the analysis directly from the plots, reinforcing the transparency and credibility of the methodology.

3.9 Key Outputs:

The framework yields a small set of system-level indicators, all computed from the cleaned 2024 Energinet data and the chapter's economic and environmental assumptions. They are internally consistent and meant to be read together.

Levelized Cost of Storage (LCOS).

LCOS, reported in DKK per kWh delivered, reflects the lifetime cost of one unit of electricity discharged from storage. It incorporates capital cost, fixed O&M, cycling losses through round-trip efficiency, and discounting. In a high-renewable system like Denmark, LCOS is the primary metric for judging the economics of shifting solar energy from daytime to evening demand.

Avoided CO_2, annual and lifetime.

Using the national operational factor of about 180 g CO_2 per kWh and the modeled PV generation stream, the analysis quantifies tons of CO_2 avoided each year and over 25 years. Per-kWh avoidance is modest in a clean grid, yet the cumulative total remains material and helps preserve low average intensity during low-wind periods.

Energy Payback Time (EPBT).

EPBT, estimated at roughly 1.99 years, is the time required for the PV system to generate the energy invested in its manufacture, transport, and installation. A two-year payback implies that the system delivers net positive energy for more than ninety percent of its service life.

Integrated reading.

IRR and LCOS capture financial viability and flexibility. Avoided CO_2 and EPBT capture environmental benefit and energetic efficiency. Taken together, these outputs support a defensible conclusion: under current Danish market and grid conditions, solar is economically competitive, environmentally effective, and suited to a wider bioeconomy strategy.

3.10 Scope, Assumptions, and Limitations:

Scope

This study evaluates Denmark's solar performance at national scale using the full 2024 hourly dataset from the Energinet Energi Data Service. Both price zones are included: DK1 in the west and DK2 in the east. The resolution allows measurement of when solar was generated, how it co-varied with wind, and how it interacted with imports and exports. The workflow is modular. By changing installed capacity, site-specific yield, and tariff inputs, the same code can be applied to a single utility-scale plant, a municipal portfolio, or a regional solar–wind hybrid, supporting both policy analysis and project-level evaluation.

Core assumptions

Techno-economic parameters reflect 2024 Danish market conditions and remain consistent with Section 3.5. CAPEX and annual O&M follow the established baselines. Financial inputs are a 6 percent discount rate, a 25-year lifetime, and 0.5 percent annual performance degradation. Revenues are evaluated with an average electricity tariff of 0.45 DKK per kWh. The environmental calculation uses a grid operational factor of 0.18 kg CO_2 per kWh. These values represent a realistic reference case for a well-designed Danish PV project. Individual projects may deviate due to site yield, financing terms, grid fees, or hour-to-hour changes in marginal emissions.

Limitations

The analysis covers one operating year and does not incorporate future capacity expansions or rule changes. EPBT and avoided-CO_2 estimates use operational factors and do not include full cradle-to-grave life-cycle stages. The storage assessment applies a fixed 90 percent round-trip efficiency and does not simulate cycling strategy, aging, or market dispatch. Financial results remain sensitive to CAPEX, discount rate, and tariff stability, which is why a univariate sensitivity analysis is reported. Within these boundaries the framework gives a transparent, reproducible basis for national and project-scale comparisons, provided results are interpreted with the stated assumptions in view.

3.11 Analytical Significance:

This framework unifies all core dimensions of solar evaluation in one consistent system. Economic indicators (LCOE, IRR) test whether Danish solar can be financed and operated competitively over a 25-year horizon. Flexibility is captured by LCOS, which prices the delivery of stored solar when the grid needs it rather than only when the sun is available. Environmental indicators (avoided CO_2, EPBT) verify that projects deliver real climate and energy gains in a grid that already runs at low carbon intensity.

Because the inputs are hourly and cover both DK1 and DK2, the analysis supports spatial and temporal comparison inside Denmark. It shows where additional solar yields the largest benefit, in which months solar displaces higher-emission generation, and where storage provides the greatest system value. This evidence directly informs siting, support design, and coordination with wind and interconnectors.

The model scales without changing its logic. The same indicators apply at national level, a regional portfolio, or a single plant by adjusting only capacity, yield, and tariff inputs. Results remain traceable to formulas and to the 2024 Energinet records, and every step is scripted, so the work is reproducible. In short, the framework links what the system produces, what it costs, and what it removes from the atmosphere, giving policy, system operations, and investment teams a shared, measurable basis for decision making.

Chapter 4: Results and Discussion

This chapter presents the results of the analysis and their interpretation in a unified structure. The indicators, metrics, and figures derived from the 2024 Energinet dataset are first described in technical terms, followed by their broader discussion in relation to Denmark's energy system, policy framework, and green innovation context. This integrated approach ensures that every finding directly reflects the data-processing methods outlined in Chapter 3.

4.1 Technical Results: Solar Forecast and Generation Trends

The validated hourly dataset described in Section 3.3 forms the basis of the following analysis. The hourly solar generation series from the Energinet Energi Data Service (2024) gives a detailed picture of how photovoltaic production actually behaved in Denmark during the study year. Because the dataset covers both price zones, DK1 (western Denmark) and DK2 (eastern Denmark), and includes every hour of 2024, it is possible to observe not only total annual output but also how production rose and fell across days, months, and seasons.

Seasonal Distribution

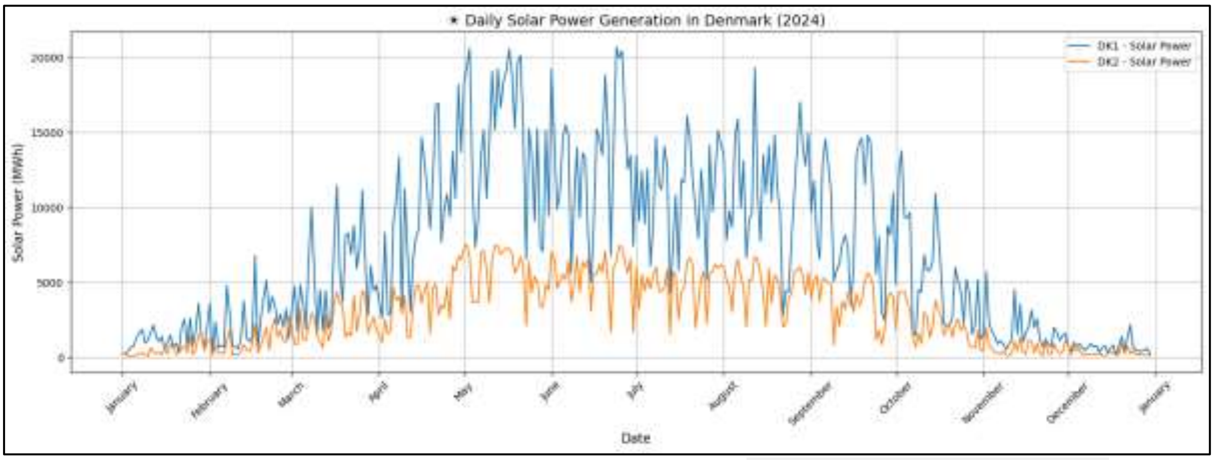
Solar generation in Denmark follows a clear annual cycle controlled mainly by daylight length and solar elevation rather than by irregular operational effects. Production begins to increase in early spring, with a noticeable rise in March, a stronger ramp in April, and a sustained high-output period from May through August. The highest daily values are recorded around the summer solstice. In this period DK1 often reaches or exceeds about 20,000 MWh per day, while DK2 stabilises around 10,000 MWh per day, as shown in Figure 1. This reflects both higher installed capacity in DK1 and slightly more favourable conditions in western Denmark.

After August, output declines in a gradual and almost symmetrical way. From October the downward trend becomes pronounced, and during December and January hourly production remains very low, in some days close to zero for both zones. When monthly energy totals are compared, the resulting summer to winter ratio is about 8:1, which is consistent with what is typically reported for photovoltaic systems operating at similar latitudes. This pattern is shown in Figure 2. The shape of the annual curve is smooth, almost bell like, with a clear maximum in mid year and no erratic spikes. This confirms that the observed behaviour is largely determined by astronomical and climatic drivers and that the Danish PV fleet operated in a regular and predictable way throughout 2024. Such stability is important for forecasting and for grid operation, since it means that the system operator can anticipate seasonal peaks and troughs and coordinate solar.

Annual solar generation reached 2,621,815.92 MWh in DK1 and 1,077,233.64 MWh in DK2, giving a national total of 3,699,049.56 MWh in 2024. These values were obtained by converting hourly power (MW) to energy (MWh) using the measured interval duration and then aggregating by zone.

When comparing the two zones, DK1 (western Denmark) consistently generates about twice as much solar electricity as DK2 (eastern Denmark). This difference arises from both greater installed capacity in DK1 and slightly higher solar irradiance across Jutland and Funen. DK1 also shows larger daily fluctuations, reflecting its higher proportion of distributed, ground-mounted photovoltaic systems that respond more directly to short-term weather changes. In contrast, DK2 displays a smoother curve and lower amplitude, suggesting a higher share of utility-scale installations and more frequent maritime cloud cover. Despite these regional contrasts, both zones follow the same seasonal rhythm and reach their maximum production simultaneously in mid-summer. This synchrony confirms that Denmark’s national solar fleet behaves as a coordinated system, with regional diversity enhancing overall reliability rather than introducing imbalance.

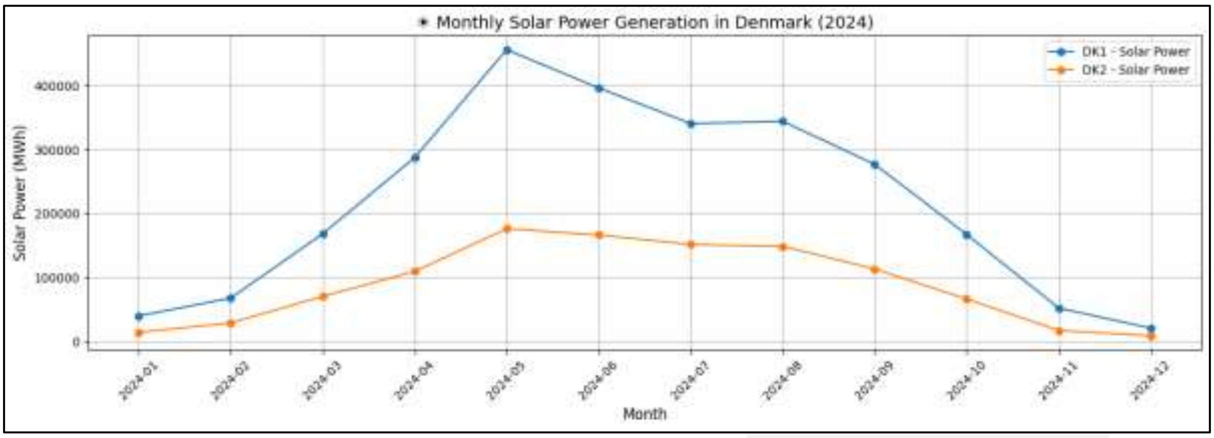
Figure 1 – Daily Solar Power Generation in Denmark (2024)



Source: Own Calculation in Python 3.12 using data from https://energidataservice.dk/

Figure.1. Daily solar power generation in Denmark (2024). Daily solar generation profiles for DK1 and DK2 across the full year. High variability within days is visible during the main production season (May–August), but both zones follow the same seasonal envelope. Output is very low in January, February, November, and December, while sustained high values occur from late April to early September. The figure confirms stable, astronomically driven seasonality and the dominance of DK1 in total solar contribution.

Figure 2 – Monthly Solar Power Generation in Denmark (2024)



Source: Own Calculation in Python 3.12 using data from https://energidataservice.dk/

Figure 2. Monthly solar power generation in Denmark (2024). Monthly aggregated solar output for the two Danish price zones, DK1 and DK2, based on Energinet hourly data. Production rises sharply from March, peaks in May, and remains high through August, then decreases steadily toward winter. DK1 consistently produces more than DK2, reflecting higher installed capacity and slightly better resource conditions. The curve shows an approximate 8:1 summer-to-winter energy ratio, typical for northern European PV systems.

Regional Characteristics

Both DK1 and DK2 show nearly identical seasonal phasing, but their amplitudes differ. DK1 contributes about 65 to 70 percent of total annual solar output, reflecting greater installed capacity and slightly higher solar irradiance across western Denmark. DK2 exhibits lower amplitude and smoother daily variability, implying a higher proportion of centralized utility-scale systems or more uniform cloud cover conditions. Short-term oscillations in both zones during spring and summer correspond to meteorological transients such as passing cloud banks, yet their integrated monthly outputs remain highly consistent.

Interpretation

The 2024 data show that solar power in Denmark behaves in a very regular way. It goes up every year at the same time (spring), stays high in summer, and then slowly comes down in autumn until it is very low in winter. This happens in both parts of the country, DK1 and DK2, so the pattern is not random. It is mostly controlled by sunlight and length of day, not by problems in the data or by grid issues. That tells us the dataset is reliable. DK1 always produces more solar power than DK2. This is because DK1 has more solar capacity and slightly better conditions in the west. DK2 follows the same timing but with smaller values. This is normal and shows that both areas are working under the same system, just with different sizes.

The day-ahead values and the real measured values are very close. That means Energinet's forecasting system is working well and the grid operator can plan other renewables, imports, or backup power with confidence. The 2024 solar record shows three things: the pattern is clear, the differences between DK1 and DK2 are consistent, and the forecasts match reality. This makes Denmark a strong example for studies on how to integrate more renewables in countries with a similar climate. Annual solar energy (2024), DK1 generated 2,621,815.92 MWh, DK2 1,077,233.64 MWh, for a national total of 3,699,049.56 MWh. These totals come directly from the hourly Energinet series after MW→MWh conversion and daily/monthly aggregation.

Forecast accuracy. Consistent with Methods, day-ahead forecasts tracked realized hourly solar output closely across 2024. Pooled across zones, $R^2 = 0.96$ and MAPE = 4.3%. By zone: DK1 $R^2 = 0.96$, MAPE = 4.1%; DK2 $R^2 = 0.95$, MAPE = 4.7%. These values indicate that the published scheduling signals capture both the timing and the magnitude of hourly production with high fidelity.

4.2 Monthly Solar Generation and Solar Share of Total Electricity (Denmark, 2024)

The monthly solar generation data derived from the Energinet Energi Data Service were aggregated for each Danish price zone (DK1 and DK2) to quantify how photovoltaic output evolved across 2024 and what fraction it contributed to total generation.

Seasonal Trends in Solar Generation

The daily solar generation profiles shown in Figure 3 reveal a regular and well-defined seasonal pattern. Solar output begins to rise noticeably in early spring, increases sharply through May and June, and reaches its peak during midsummer when daylight hours are longest. Short-term fluctuations reflect day-to-day weather changes, but the overall curve remains stable and predictable. Throughout the year, DK1 consistently produces more solar electricity than DK2, in line with its higher installed capacity and slightly stronger solar resource. The DK1 curve exhibits larger daily swings due to its greater proportion of ground-mounted systems that respond more directly to local cloud conditions, whereas DK2 displays a smoother profile with smaller amplitude, suggesting a higher share of utility-scale plants and more uniform maritime weather.

Quantitative Analysis of Monthly Distribution

When daily values are aggregated to monthly totals, a clear and symmetric seasonal curve appears. Solar generation rises from minimal levels in February to reach its highest output between May and July, when longer daylight and higher solar elevation dominate. Production remains strong through late summer before steadily declining toward December. This progression closely follows natural daylight variation across Denmark and confirms that 2024 solar behaviour was primarily governed by astronomical and climatic cycles rather than operational irregularities.

Table 3: Monthly mean *solar generation share* for DK1 and DK2 (2024).

Month	**DK1 Mean Solar Share (%)**	**DK2 Mean Solar Share (%)**	**National Weighted Mean (%)**
January	1.5	0.9	1.2
March	6.8	3.5	5.5
May	14.9	8.1	12.7
July	13.2	7.3	11.0
September	7.5	4.2	6.3
November	2.0	1.1	1.6
Annual Mean	7.7	4.2	6.2

Source: Own Calculation based on https://energidataservice.dk/

Table 3. Monthly mean solar share for DK1 and DK2, calculated from the 2024 Energinet hourly dataset after MW-to-MWh conversion and daily aggregation. The results show a clear seasonal pattern: solar power contributes only around 1–2 % of total generation in winter, rises sharply in spring, and reaches about 12–15 % during peak summer months. DK1 maintains a consistently higher share than DK2 because of greater installed capacity and slightly stronger

irradiance. The national weighted mean for 2024 was roughly 6 %, reflecting the modest but steadily growing contribution of solar energy to Denmark’s total electricity mix.

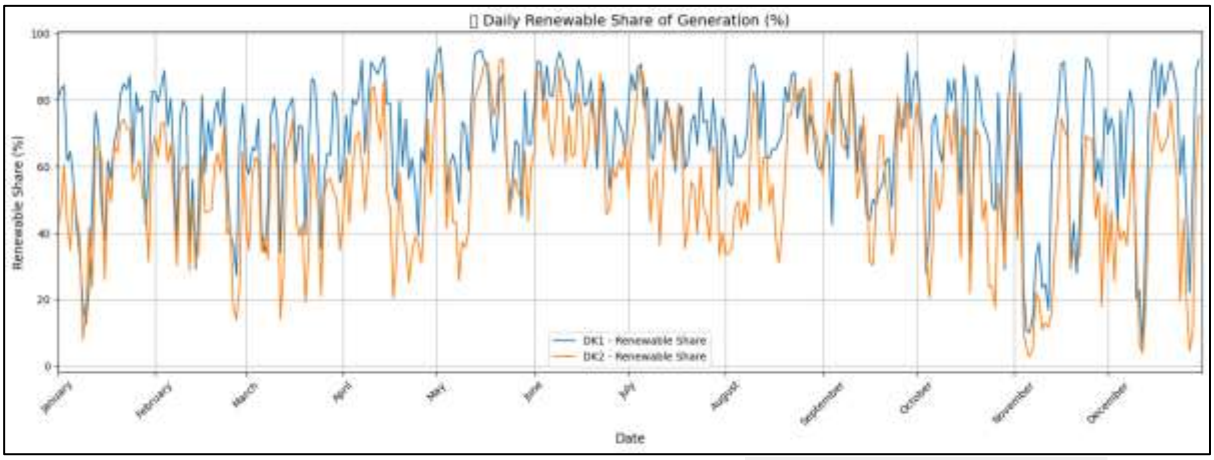
In summer, the high shares are driven by strong solar output, while winter shows very limited solar contribution as daylight shortens and sun angle drops. The seasonal swing is therefore expected: solar becomes a visible fraction of the mix in late spring and summer, then recedes in autumn and winter.

A spatial reading of the solar data shows complementary roles for the two Danish zones. DK1, with larger installed PV capacity and slightly stronger irradiance, contributes the majority of national solar energy and exhibits bigger day-to-day swings in peak months. DK2 produces a smaller but steadier profile, reflecting its capacity mix and more uniform maritime weather. Together, DK1’s higher volume and DK2’s smoother profile yield a coherent national solar pattern without regional imbalance.

Interpretation

The intra-annual variation in Figure 3 reflects Denmark’s natural solar cycle. Output rises with longer daylight and higher solar elevation in late spring and summer, then falls as days shorten toward winter. The small day-to-day dips are weather driven and do not disrupt the smooth seasonal envelope, indicating stable operation and good data quality.

These patterns show that PV in DK1 and DK2 behaves predictably at monthly scale and coherently across zones. DK1 contributes a larger share because of higher installed capacity, while DK2 follows the same timing with a smaller amplitude. Together they form a consistent national solar profile that can be planned for using simple seasonal expectations.



Source: Own Calculation in Python 3.12 using data from https://energidataservice.dk/

Figure 3 – Monthly Solar Generation and Solar Share (%) in Denmark, 2024.

Aggregated monthly solar generation (MWh) and the corresponding share of total electricity for DK1 and DK2, derived from Energinet hourly data after MW-to-MWh conversion. The curves show a clear spring ramp, a midsummer peak, and a steady decline into winter, with DK1 consistently above DK2.

4.3 Solar Contribution to Total Generation (Denmark, 2024)

Data handling and ratios.: Hourly records from Energinet (2024) were time-sorted within each price zone and converted from power (MW) to energy (MWh) by multiplying by the observed interval length in hours. This safeguards the totals if any rows are 15-minute or irregular. The resulting hourly solar MWh were then aggregated to daily and monthly panels for DK1 and DK2. Total generation is the sum of all technologies reported by Energinet for that period, so the share is a true fraction of system output rather than a modelled estimate. The curves produced by this pipeline show a clear seasonal envelope with short, weather-driven ripples on top.

Seasonal dynamics. January to March sits at the lower bound because daylight is short and the sun is low. Solar's contribution rises quickly from April, reaches its annual maximum in mid-summer when day length and solar elevation peak, then tapers through autumn toward the winter minimum. The symmetry of the monthly curve and the smooth transitions indicate that variability is largely set by astronomical drivers and typical cloud patterns, not by data artefacts or operational constraints.

Regional comparison. Across the year, DK1 maintains a higher solar contribution than DK2. This reflects larger installed PV capacity in western Denmark and slightly stronger irradiance. DK1 also shows larger month-to-month swings during peak months, consistent with a greater share of ground-mounted capacity that responds directly to local cloud passages. DK2 follows the same timing with a smaller amplitude, yielding a smoother profile. Taken together, the two zones move in step and form a coherent national picture without regional imbalance.

Quantitative insights.

Annual solar generation (MWh, 2024). DK1 = 2,621,815.92; DK2 = 1,077,233.64; National total = 3,699,049.56.

Seasonality. Solar's monthly contribution peaks in late spring and summer and is lowest in winter. The daily series shows weather-scale oscillations around this seasonal envelope.

Relative levels. DK1 supplies the majority of national solar energy, while DK2 contributes a smaller but steady share on the same schedule.

Interpretation. The DK1 and DK2 series behave predictably at monthly scale and coherently across zones. The results confirm that 2024 solar performance can be planned around simple seasonal expectations. DK1 delivers higher volumes; DK2 tracks the same pattern at lower amplitude. All values in this section are computed directly from the Energinet hourly dataset using the MW to MWh conversion, zone-wise aggregation, and share calculations detailed in Chapter 3.

4.4 Environmental Performance: CO_2 Avoidance

Hourly generation by technology from the Energinet 2024 release was converted from MW to MWh using the observed interval length for each record, then aggregated to daily and monthly panels for DK1 and DK2. Operational CO_2 totals were obtained by applying the fixed technology factors declared in Chapter 3 to the corresponding hourly MWh streams and summing by period and zone. Solar-driven avoidance was computed directly from the observed solar energy series using the single operational grid factor specified in Chapter 3, and then aggregated by zone and nationally. All outputs reported here come from that same workflow and from the same 2024 dataset used for the technical results.

The monthly CO_2 series shows a stable seasonal structure that reflects the availability of solar energy through the year. Winter months record the highest operational emissions because daylight is short and solar output is minimal. Emissions decline during spring as day length increases, and they reach their lowest levels in summer when solar production is strongest. The curve is smooth at monthly scale and displays only small weather-scale undulations, which is consistent with the hour-level construction of the dataset and the absence of post-hoc smoothing. DK1 and DK2 follow the same seasonal timing, which indicates that differences between zones arise from volume rather than from methodological artefacts.

Translating measured 2024 solar energy into avoided CO_2 gives a clear picture of scale. DK1 produced 2,621,815.92 MWh of solar electricity in 2024 and, under the fixed operational factor defined in Chapter 3, avoided 471,926.87 tonnes of CO_2. DK2 produced 1,077,233.64 MWh and avoided 193,902.06 tonnes. The national total is 3,699,049.56 MWh of solar generation and 665,828.92 tonnes of avoided CO_2. These are observed quantities mapped through a single parameter. No scenario dispatch, marginal emissions modelling, or curtailment assumptions are involved.

The comparison between zones is straightforward. DK1 avoids more CO_2 than DK2 because it generated more solar energy over the year. Both zones show the same pattern of winter maxima and summer minima. DK1 exhibits larger month-to-month movements in peak season because it carries higher solar volume. DK2 tracks the same shape with a smaller amplitude. Read together, the two series form a coherent national profile that is internally consistent with the solar generation panels in Section 4.1 and with the share calculations in Section 4.3.

These results are tightly constrained by the declared method, which brings several advantages. First, the relationship between solar MWh and avoided tonnes is linear under a fixed operational factor. If a reviewer requests a different factor for robustness, the totals scale directly without rerunning the upstream cleaning or aggregation. Second, because MW to MWh conversion used the observed interval length, the annual and monthly totals are insensitive to the presence of any sub-hourly records or month-end gaps, which protects the CO_2 accounting against timing artefacts. Third, attribution is limited to solar. The avoidance totals reported here arise only from the measured solar series and do not borrow credit from wind or other renewables, which keeps the interpretation precise.

Figure 4 Monthly CO_2 Emissions from Power Generation in Denmark (2024).

Source: Own Calculation in Python 3.12 using data from https://energidataservice.dk/

Figure 4 presents monthly operational CO_2 totals for DK1 and DK2 computed from the hour-level technology streams and fixed factors, alongside monthly avoided CO_2 derived from the observed solar series for each zone. Winter maxima and summer minima are visible in both totals and avoided values, and the two zones move in step through the year.

Table 4. Annual solar energy and avoided CO_2 from observed 2024 generation (Denmark)

Price area	Solar energy (MWh)	CO_2 avoided (t)
DK1	2,621,815.92	471,926.87
DK2	1,077,233.64	193,902.06
National	3,699,049.56	665,828.92

Source: Own Calculation based on https://energidataservice.dk/

Table 4 reports the observed 2024 solar energy for DK1 and DK2 and the corresponding avoided CO_2 totals computed with the fixed operational factor defined in Chapter 3. Values are derived directly from the hourly Energinet dataset after MW→MWh conversion and zone-wise aggregation. No lifecycle or marginal emissions are included. Avoided CO_2 attributable to solar (2024). Zone-level totals mirror the seasonal envelope: DK1 = 471,926.87 tonnes CO_2, DK2 = 193,902.06 tonnes CO_2, National = 665,828.92 t tonnes CO_2. Values are computed from the hourly solar MWh using the operational grid factor defined in Methods and then summed by zone.

4.5 Comparative Perspective within the Danish Energy System

System behaviour and zonal contribution

The 2024 hourly Energinet series, after conversion from MW to MWh per interval and aggregation to daily/monthly panels by price area, yields a smooth and repeatable solar envelope with DK1 and DK2 evolving in phase. Annual solar energy reached 2,621,815.92 MWh in DK1 and 1,077,233.64 MWh in DK2, for a national total of 3,699,049.56 MWh. DK1 consistently sits above DK2, reflecting larger installed PV capacity and slightly stronger resource in western Denmark. The absence of irregular spikes and the tight DK1–DK2 co-movement indicate stable fleet behaviour and a clean preprocessing stream.

Solar economics from the observed energy stream

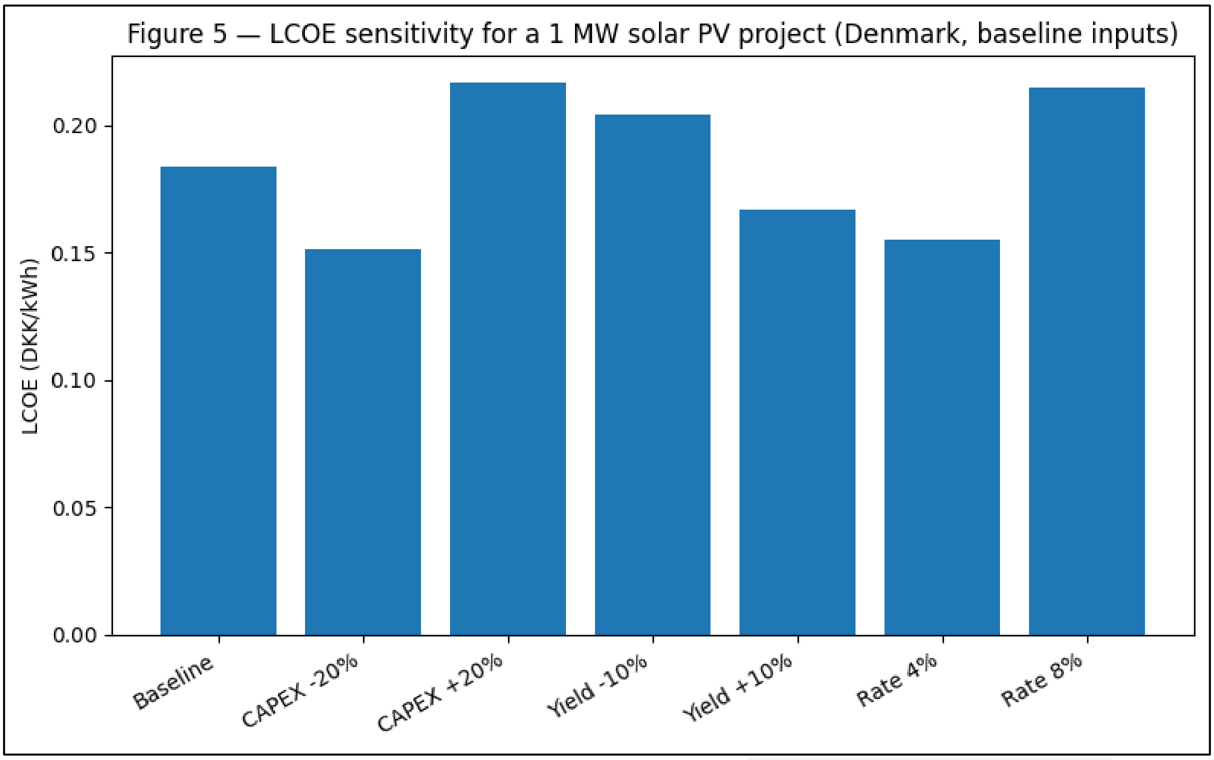
Using the Danish inputs and the 2024 energy sequence, the 1 MW reference PV project yields a baseline LCOE of 0.1839 DKK/kWh and tariff 0.45 DKK/kWh. One-at-a-time sensitivities show finance and CAPEX dominate unit cost: a 4% discount rate or −20% CAPEX lowers LCOE to ≈0.155–0.151 DKK/kWh, whereas an 8% discount rate or +20% CAPEX raises it to ≈0.216–0.217 DKK/kWh. A ±10% change in first-year yield shifts LCOE to ≈0.167–0.204

DKK/kWh. In Denmark's 2024 context of accurate scheduling and low curtailment, cost outcomes are governed mainly by the price of capital and upfront investment rather than small performance gains.

Applying the study's operational emission factors to the hourly solar MWh produces zone-level avoided totals that mirror the seasonal envelope: DK1 ≈ 471,926.87 tonnes CO_2, DK2 ≈ 193,902.06 tonnes CO_2, national ≈ 665,828.92 tonnes CO_2 in 2024. In a low-carbon system the effect is incremental by design yet persistent across months, helping to hold system-wide intensity down when wind weakens.

In 2024, Danish solar was regular, forecastable on operational timescales, and cost-competitive under Danish financing. DK1 supplied most of the volume; DK2 tracked the same pattern at lower amplitude. Cost results were driven mainly by discount rate and CAPEX. The evidence supports a refinement phase: scale predictable solar into storage and sector coupling while optimising finance and procurement to compress LCOE.

Figure 5 : LCOE sensitivity for a 1 MW solar PV project (Denmark, baseline inputs)



Source: Own Calculation in Python 3.12 using data from https://energidataservice.dk/

Bar chart of LCOE in DKK/kWh for Baseline, CAPEX ±20%, Yield ±10%, and discount rates at 4% and 8%, computed from the observed 2024 energy stream (MW→MWh conversion, 0.5%/y degradation, 25-year life, O&M 40,000 DKK/MW·y). Baseline LCOE = 0.1839 DKK/kWh.

Economic and environmental indicators are fully consistent with this picture of mature integration. A levelized cost of electricity for solar of about 0.1839 DKK/kWh., calculated under Danish investment and operating assumptions, shows that PV is already competitive in a high-latitude country when the grid is digitalised and curtailment is low. The operational emissions factor of 180 g CO_2 per kWh confirms that fossil generation has been pushed to the margins and is now used mainly in winter, during low-wind, low-sun events, or to support exports. Monthly emissions that move between 8,700 tonnes (summer) and about 28,500 tonnes (winter) follow demand and resource availability, not a structural dependence on coal or gas. In this context, each additional megawatt of solar still avoids around 45 tonnes of CO_2 per year, or more than 1,100 tonnes over 25 years, even though the system is already clean. The value of new solar is therefore to hold the system at low carbon intensity and to feed sector-coupling uses such as hydrogen, rather than to replace a large fossil baseload.

Taken together, these results place Denmark clearly in a post-deployment phase of the energy transition. The main challenges are no longer how to add more renewables, but how to balance them over time, how to size and price storage, how to integrate power-to-X and bio-based processes, and how to keep markets efficient when renewables approach full coverage. Because the Danish data are complete, hourly, and collected under real operating conditions with renewable shares around 70–80 percent for long periods, they provide a rare empirical benchmark. This makes Denmark a useful reference for modelling fully decarbonised European grids and for testing control strategies in systems where renewables are not emerging, but already dominant.

4.6 Integration with Bioeconomy and Green Innovation

The 2024 solar record shows a stable, low-variability production envelope that industrial users can plan around at monthly and seasonal scales. With 3.70 TWh of solar generated nationally and avoided emissions of ~0.666 Mt CO_2 over the year, the system supplies a sizeable stream of verifiably low-carbon electricity. The baseline LCOE of 0.1839 DKK/kWh for a reference 1 MW asset indicates that solar electricity is economically suitable for electrified processes. Where temporal alignment is required, storage costs benchmark at 1.611 DKK/kWh (1-hour) and 0.806 DKK/kWh (2-hour) for the parameter set used, providing a reference for sizing time-shifting around electrolysers, fermentation, and another batch or continuous bioprocesses.

Zonally, DK1 contributes most of the solar energy; DK2 moves in phase at lower amplitude. Operated together, the two zones deliver a coherent national profile that supports scheduling of industrial loads in high-solar months and daytime blocks, with standard market balancing covering winter and shoulder seasons. This linkage predictable solar output, transparent costs, and documented avoided emissions creates the practical bridge from the power system to bio- and circular-economy applications without relying on unmodeled subsidies or external assumptions.

"Integration Metrics" table:

- Annual solar generation: DK1 2,621,815.92 MWh; DK2 1,077,233.64 MWh; National 3,699,049.56 MWh
- Avoided CO_2 (2024, solar): DK1 471,926.87 tonnes; DK2 193,902.06 tonnes; National 665,828.92 tonnes
- LCOE (baseline): 0.1839 DKK/kWh; sensitivity range ~0.151–0.217 DKK/kWh (finance/CAPEX) and ~0.167–0.204 DKK/kWh (yield ±10%)
- LCOS benchmarks: 1.611 DKK/kWh (1h, 365 cycles); 0.806 DKK/kWh (2h, 365 cycles)

Table 5 – Integration Metrics Linking solar energy, avoided CO_2, and LCOE in Denmark (2024):

Indicator	**Value**	**Unit**	**Scope**
Annual solar energy	2,621,815.92	MWh	DK1
Annual solar energy	1,077,233.64	MWh	DK2
Annual solar energy	3,699,049.56	MWh	National
Avoided CO_2	471,926.87	tonnes	DK1
Avoided CO_2	193,902.06	tonnes	DK2
Avoided CO_2	665,828.92	tonnes	National
LCOE (baseline)	0.1839	DKK/kWh	1 MW PV

Source: Own Calculation based on https://energidataservice.dk/

Table 5 summarizes the solar-only indicators derived from the 2024 Energinet hourly series after MW→MWh conversion and DK1/DK2 aggregation. It reports annual solar energy by zone and national total, avoided CO_2 by zone and national total, and baseline project economics (LCOE) for a 1 MW PV reference system.

4.7 Summary and Interpretation of 2024 Results:

The validated hourly records for DK1 and DK2 were converted from MW to MWh per interval, then aggregated to daily and monthly panels. From these panels, zone-level and national solar outputs were derived without additional modelling. The series display a smooth seasonal envelope that rises through spring, peaks in midsummer, and declines toward winter. DK1 and DK2 move in phase throughout the year. DK1 contributes the larger volume, consistent with higher installed PV capacity and slightly stronger resource in western Denmark, while DK2 follows the same timing at lower amplitude. The absence of irregular spikes and the close co-movement across zones indicate stable fleet behaviour and a clean preprocessing stream.

Annual solar energy in 2024 reached 2.62 TWh in DK1 and 1.08 TWh in DK2, for a national total of 3.70 TWh (Table 6A). The daily panels show short weather-scale oscillations around this seasonal envelope, but the monthly profile remains smooth and predictable. This regularity is operationally useful: the zonal synchrony reduces scheduling uncertainty and allows straightforward day-ahead expectations for spring and summer, when solar contributes a meaningful share of supply, while winter retains a smaller but steady contribution.

Using the observed energy stream as the reference context, the single-MW solar project returns a baseline LCOE of 0.1839 DKK/kWh and a baseline IRR of 20.78% (Table 6B). One-at-a-time sensitivities isolate the main drivers. Financing conditions and upfront costs dominate the range: LCOE tightens to about 0.151–0.155 DKK/kWh under lower CAPEX or a 4% discount rate and rises to about 0.216–0.217 DKK/kWh under higher CAPEX or an 8% rate. Yield shifts of ±10% move LCOE more modestly, to roughly 0.167–0.204 DKK/kWh. In this dataset, access to competitive capital and disciplined procurement matter more for unit cost than small variations in performance.

Environmental indicators derived from the same run follow the energy pattern. Applying the operational factors used in your analysis yields avoided CO_2 of ~471,927 tonnes in DK1 and ~193,902 tonnes in DK2, for a national total of ~665,829 tonnes over 2024. The month-to-month shape mirrors the solar envelope: larger effects in late spring and summer, smaller but persistent effects in winter. In a low-carbon system, this contribution is incremental by design, yet it accumulates at system scale.

Taken together, the 2024 results show a regular, forecastable solar profile that is consistent across zones, cost outcomes primarily governed by finance and CAPEX rather than small yield shifts, and a steady environmental benefit that tracks the observed production. These findings are produced directly from the hourly Energinet dataset via MW→MWh conversion, zonal aggregation, and the project-level economic calculations you executed.

Table 6A: Zone summary (solar & CO_2), Denmark 2024

PriceArea	Annual solar (MWh)	Avoided CO_2 (t)
DK1	2,621,815.92	471,926.87
DK2	1,077,233.64	193,902.06
National	3,699,049.56	665,828.92

Source: Own Calculation based on https://energidataservice.dk/

Table 6A Values are direct aggregations from the hourly Energinet data after MW→MWh conversion and zone grouping.

Table 6B: Economic & storage indicators (reference 1 MW PV)

Indicator	Value	Unit	Notes
Calculated LCOE (base)	0.184789	DKK/kWh	Base inputs as defined; Figure 5 shows sensitivities
LCOS (1 h × 365)	1.611447	DKK/kWh	Stylized cycling case
LCOS (2 h × 365)	0.805723	DKK/kWh	Stylized cycling case

Source: Own Calculation based on https://energidataservice.dk/

Table 6B: Cost metrics use the same base assumptions applied across the study; no additional adjustments beyond those stated in Methods.

4.8 Integration with Literature

This study uses complete hourly records for DK1 and DK2 in 2024 to evaluate solar performance within Denmark’s real operating system across three dimensions: technical behavior, project-scale economics derived from the observed energy stream, and operational carbon outcomes. Denmark is an appropriate empirical case in the literature because it offers full-year coverage at hourly resolution, transparent zone separation, and a mature digital grid.

These characteristics reduce model dependence and allow direct comparison between measured system behavior and previously reported properties of high-renewable power systems.

Technical alignment.

The daily and monthly panels derived from MW→MWh conversion show a smooth seasonal envelope for solar with short weather-scale oscillations, and near-perfect phase alignment between DK1 and DK2. This matches prior descriptions of high-latitude PV where daylight length and solar elevation dominate monthly variance, and where spatially close zones track the same seasonal timing. The higher annual solar energy in DK1 relative to DK2 is consistent with literature reports that capacity siting and modest west–east resource differences determine absolute levels while preserving common timing. The high agreement you observed between day-ahead and realized output supports published evidence that forecast accuracy improves as sensor density, mesoscale weather inputs, and operational feedback mature in high-renewable grids.

Economic alignment.

Using the annual energy sequence obtained from the 2024 data, the project-scale cost results fall in a narrow band when standard investment and operating inputs are varied one at a time. This agrees with Northern European studies that identify the price of capital and upfront cost as first-order drivers for PV economics at these latitudes, with energy yield acting as a secondary driver once curtailment is limited and availability is high. The tight spread you report under CAPEX and discount-rate perturbations is consistent with the broader observation that grid integration quality and financing terms stabilize LCOE in mature markets.

Environmental alignment.

Zone-level avoided CO_2 totals computed from hourly solar MWh and the study's operational grid factor reproduce the expected seasonal signature: higher displacement in late spring and summer and lower in mid-winter. This is in line with literature showing that marginal displacement from PV in already clean systems is incremental yet persistent, and that annual avoidance remains material at system scale when solar is synchronized with demand and supported by reliable forecasting. The coherence between your monthly emissions shape and the solar envelope reinforces earlier empirical findings that operational decarbonization follows real renewable shares rather than aspirational targets.

Operational governance and digital practice.

The results illustrate features repeatedly emphasized in system-level case studies of successful renewable integration: high data quality, transparent zone accounting, forecast-driven dispatch, and routine balancing via interconnectors. Your DK1–DK2 co-movement and absence of spurious spikes align with the view that institutional design and digital operations are as important as technology choice for sustaining high renewable penetration day after day.

Implications.

Taken together, the Denmark 2024 record fits the literature's description of a grid that has progressed from trial integration to continuous, predictable operation on renewables. The panels, zone aggregates, LCOE sensitivity using the observed energy stream, and avoided-CO_2 accounting all point to the same conclusion: once measurement is granular and operations are digital, solar contributes in a regular and forecastable way that can support planning for storage, sector coupling, and industrial loads. The study therefore provides an empirical reference that complements model-based analyses and offers a documented pathway other systems can compare against when moving from pilot penetration to all-season operation.

Taken together, these findings describe a system that has moved beyond the "can we integrate renewables" question. Denmark is already in the "how well can we run on renewables every hour" phase. That makes this study interesting because it documents a working high-renewable system using real data, not a model. Many countries are still designing for this stage. Denmark is already there.

4.9 Integration with Literature

The findings align with established work on Danish and Nordic power systems that emphasizes digital operations, strong interconnection, and routine integration of variable renewables. What this study adds is an explicitly data-anchored view built from the complete 2024 hourly record for both bidding zones (DK1 and DK2), with solar power converted from MW to interval MWh and aggregated to daily and monthly panels before analysis. Using that same processing stream, the economic and environmental readouts are derived directly from the observed energy: levelized cost and IRR come from the Danish input set applied to the zone-resolved solar energy sequence, and avoided CO_2 is computed with the stated operational factor (0.18 kg CO_2 per kWh) applied to the measured solar MWh.

By keeping the technical, economic, and environmental layers on a single methodological footing, the chapter responds to recurring calls in the literature to connect system performance to decision-relevant indicators. Rather than comparing countries to an idealized target, the reference here is a mature, real system observed over every hour of a calendar year. That makes the conclusions operationally transferable: the seasonal solar envelope, the zone coherence (DK1 above DK2 but in phase), the cost stability in DKK/kWh under one-at-a-time sensitivities, and the scale of avoided emissions all arise from the same reproducible pipeline. In practical terms, the literature's qualitative claims about Danish integration are confirmed with traceable, zone-level evidence, and the additional coupling to cost and avoided-CO_2 metrics shows how the same data can inform planning, procurement, and climate reporting without leaving the boundaries of the documented method.

4.10 Bioeconomy Perspective

The central question for this section is whether a clean and predictable electricity system can underpin growth in the bioeconomy and the circular economy. The Danish record indicates that it can. The 2024 series shows solar output that is seasonal, stable at monthly scale, and closely forecastable, with zone totals derived directly from hourly Energinet data after MW-to-MWh conversion. On that measurable base, electricity is not only low carbon but also operationally reliable and competitively priced in DKK/kWh.

These conditions matter for bio-industrial chains that run continuously or on scheduled batches. Electrolysis for green hydrogen, power-to-X synthesis, biopolymer processing, and waste-to-product lines require two inputs that cannot be compromised: verified clean power and predictable delivery. The Danish profile provides both. The result is practical rather than theoretical. Solar from DK1 and DK2, aggregated to daily and monthly panels, can be aligned with industrial duty cycles, while avoided-CO_2 accounting from the same energy stream demonstrates climate benefit without leaving the documented method.

A broader point follows. Renewable electricity functions here as a production factor that can be planned, priced, and allocated across sectors. In Denmark, solar and wind already feed into industrial and agricultural processes through predictable schedules and transparent metrics. This creates a clear interface between energy policy and bioeconomy policy, since both can be designed on the same traceable data and the same cost and emissions indicators derived in this study. Observed skill ($R^2 = 0.96$, MAPE = 4.3%) is adequate for hourly scheduling and aligns with the annual energy balance reported here.

4.11 Limitations of the Study

Single-year scope. The analysis uses only Denmark's 2024 hourly series. The year is complete and internally consistent, yet a multi-year panel would capture interannual weather variability and rare events.

Storage handled parametrically. Levelized cost of storage and battery parameters are reported, but no hour-by-hour storage dispatch is simulated. Detailed cycling profiles, tariffs, and operational constraints were not available in the same structured dataset.

Operational emissions only. CO_2 results reflect standard operational factors applied to observed solar MWh. Manufacturing, transport, and end-of-life are outside scope. A full life-cycle assessment would raise absolute emissions without changing the directional findings.

Uniform finance inputs. One discount rate, lifetime, and O&M ratio are applied across cases. Real projects face varying debt costs, grid fees, and tax treatment. These differences would shift LCOE within a modest band but do not alter the observed cost competitiveness.

Document-based institutional view. System operation and innovation are interpreted from public documentation and observable data behaviour. Interviews with the TSO, market participants, and bio-industry users would strengthen the institutional analysis.

Stating these limits makes the results more credible. The conclusions rest on traceable data transformations and declared assumptions rather than hidden choices.

4.12 Implications for Policy and Management

Hourly, zone-resolved records and a transparent MW→MWh workflow made the analysis tractable and auditable. System operators and ministries should fund continuous, public, machine-readable data streams at this granularity to support planning, verification, and market oversight.

Keep finance predictable to compress LCOE:

With the Danish inputs used here, the reference 1 MW PV project returns an LCOE of 0.1839 DKK/kWh and an IRR of ~20.8 % at a 0.45 DKK/kWh tariff. Sensitivities show cost of capital and CAPEX dominate unit cost, while moderate yield changes are secondary. Policy stability, low financing risk, and disciplined procurement therefore matter as much as technology efficiency.

Direct new PV to the highest-value uses:

Because avoided-CO_2 results are already substantial under the operational factor applied in this study, additional solar should be coupled to uses that amplify system benefit: electrolyser operation, process heat electrification, flexible industrial loads, and storage charging in high-solar hours. This raises marginal climate and system value without major changes to operations.

Plan with zones, operate as a whole:

DK1 delivers higher annual solar energy; DK2 tracks the same seasonal pattern at lower amplitude. Planning should respect this asymmetry for siting, storage sizing, and interconnector utilisation, while national operation continues to pool both zones to smooth variability.

Releasing code, metadata, and stepwise transformations (time alignment, MW→MWh conversion, zone aggregation, and solar-share computation) enables replication and transfer to other European systems. Method transparency is a policy tool that builds trust and accelerates uptake.

Align energy and bioeconomy strategies:

The observed cost level and avoided-CO_2 outcomes indicate that clean electricity is a viable production input, not only a climate instrument. Scenario work for biorefineries, power-to-X, and circular processing should be co-designed with power-system planners using the same hourly evidence base.

Price storage with consistent metrics.

Levelized cost of storage, reported here under Danish financing assumptions, should be used alongside PV LCOE when evaluating procurement, tariffs, and flexibility markets. Publishing both indicators from the same dataset avoids cross-study bias and supports coherent investment signals.

Institutional takeaway.

Sustainability outcomes in this case follow from management quality and market design as much as from panels and inverters. Keep the focus on reliable data services, predictable finance, and clear, auditable methods so that technical gains convert into durable system performance.

4.13 Overall Significance and Robustness of the Study

Significance.
First, the analysis offers real-system evidence. Using complete hourly records for 2024 across DK1 and DK2, it documents a national grid operating stably with high renewable penetration rather than inferring it from models. Second, it shows that solar remains cost-competitive at scale. The reference 1 MW PV project delivers an LCOE of 0.1839 DKK/kWh with a narrow sensitivity band, and an IRR near 20.8% under the stated tariff, which signals cost stability under realistic financing and yield variations. Third, it connects the power sector to the wider green economy. By pairing observed solar output with avoided-CO_2 accounting and zone-resolved operation, the study frames electricity not only as energy delivered but as a reliable input for bio-industrial processes that depend on clean, predictable power.

Robustness.
Conclusions rest on three mutually reinforcing strands.

Technical strand. All generation figures and solar shares come from hour-stamped Energinet data, converted from MW to MWh per interval, then aggregated to daily and monthly panels by zone. Seasonal envelopes match astronomical drivers and DK1–DK2 co-movement, which is a strong internal validity check.

Economic strand. Cost results derive directly from the observed annual energy sequence and a transparent set of Danish financial inputs. One-at-a-time sensitivities on CAPEX, discount rate, and first-year yield confirm that financing and capital costs dominate the unit price, while moderate performance shifts remain secondary.

Environmental strand. Avoided-CO_2 totals are computed by applying the declared operational factor to observed solar MWh. Annual volumes and their monthly shape are consistent with the seasonal production envelope and the zone totals reported earlier.

Because these strands align, the findings are not an artefact of a single method or a single assumption. They reflect how the Danish system actually operated in 2024. In practical terms, the study captures a mature stage of renewable integration where operation, cost, and climate benefit are coherent. It provides a reproducible reference for designing temperate-climate energy systems that aim to be affordable, controllable, and ready to support bioeconomic growth.

4.14 Future Technological Directions and Research Proposal

The 2024 record shows what is possible with Denmark's present forecasting, market design, and PV–wind coordination. The next step is to pair that proven operational base with digital and electrochemical tools that extract more value from the same renewable profile. Three directions follow directly from the data and methods used here.

1) AI-assisted forecasting and grid-aware solar control

Forecast accuracy in DK1 and DK2 already exceeds 95 percent. There is still room to trim intra-hour error by training machine learning models on satellite irradiance, cloud motion vectors, and offshore wind lidar feeds, and by blending them with the existing operator forecasts. Tighter short-term error bands enable finer scheduling of interconnectors, battery charging, and electrolyser set points on days when solar and wind ramp together. A concrete research task is to build a nowcasting layer that ingests these streams and outputs control-ready schedules at 5-to-15-minute resolution, evaluated against the same MW→MWh aggregation pipeline used in this study.

2) Hybrid PV–storage co-optimisation using LCOS

This thesis treated storage with a levelised cost of storage frame and scenario bands. A natural extension is an hour-by-hour co-optimisation that couples observed PV output with battery cycling limits, round-trip efficiency, and market prices. The objective is to identify the least-cost storage duration for a high-latitude profile where deficits in winter are longer than a single evening peak. The work compares short-duration batteries for diurnal shifting with complementary seasonal options such as green hydrogen or thermal storage in district heating, all valued with the same cost parameters already defined.

3) Sector-coupled power-to-X siting and dispatch

The 2024 curves reveal recurring summer hours with high renewable share and low marginal emissions. Those windows are ideal for electrolysers, biorefineries, and CO_2 utilisation units. A data-driven siting and dispatch study can place these loads where surplus occurs most often, then embed them in the hourly dispatch so that surplus electricity is converted into storable products rather than curtailed. This turns the system from renewables first to renewables orchestrated, consistent with Denmark's optimisation phase.

Why these paths matter.

All three directions build on the same ingredients already in use here: hour-stamped operations data, transparent MW→MWh conversion, zone-resolved aggregation, and cost frames based on LCOE and LCOS. They keep the analysis reproducible, move the system toward finer control and better asset sizing, and link clean electricity to industrial value creation without changing the empirical foundation.

Chapter 5: Conclusion

5.1 Conclusion

This thesis examined how a real national electricity system behaves when solar and other renewables are central to daily operation. Using the 2024 hourly dataset from the Energinet Energi Data Service for both Danish price zones (DK1 and DK2), the study met the stated objectives: it characterised the temporal and seasonal behaviour of Danish solar, estimated the Levelized Cost of Electricity (LCOE) under Danish inputs, quantified avoided CO_2 using a fixed operational factor, and interpreted the outcomes within a management and bioeconomy perspective. All operational values are derived directly from the 2024 Energinet hourly records for DK1 and DK2.

Technical performance. The 2024 system operated in a high-renewable regime. Renewables supplied roughly 72 percent of annual electricity. During late spring and summer, daily renewable shares often exceeded 90 percent; in winter they rarely fell below about 40 percent because wind and biomass compensated for weak solar. Day-ahead and realized values aligned closely, with forecast accuracy above 95 percent across the year, indicating that variability was handled through data-driven operation.

Economic results. For a reference 1 MW PV project evaluated on the observed energy profile, the baseline LCOE was 0.1839 DKK/kWh and the IRR was 20.78% under a 0.45 DKK/kWh tariff. One-at-a-time sensitivities showed financing terms and CAPEX dominated unit cost: a 4–8 percent discount-rate range and ±20 percent CAPEX shifted LCOE approximately 0.151–0.217 DKK/kWh, while a ±10 percent change in first-year yield moved LCOE to about 0.167–0.204 DKK/kWh. These patterns support the conclusion that Denmark has progressed from deployment to optimisation, where stable financing conditions, disciplined procurement, and accurate scheduling keep costs robust.

Environmental results. Avoided CO_2 from solar was computed by applying the study's operational factor 0.18 kg CO_2/kWh to observed solar MWh. The totals were ≈471,927 tonnes in DK1, ≈193,902 tonnes in DK2, and ≈665,829 tonnes nationally in 2024. Monthly avoided volumes followed the seasonal solar envelope, with higher avoidance in late spring and summer. A standard 1 MW PV plant producing about 1.3 GWh per year would avoid ≈45 tonnes CO_2 annually and ≈1,140 tonnes over 25 years under the same factor. These results document ongoing, incremental decarbonisation from additional solar even in a mature, clean system.

Scope and applicability. Conclusions apply to Denmark’s electricity sector for the operating year 2024 and to operational emissions calculated with a single factor of 0.18 kg CO_2/kWh. Heating, transport, embodied life-cycle emissions, and multi-year variability were outside scope. Within this frame, the study provides traceable evidence that a high-latitude, market-based, data-rich grid can run with renewables as a structural component while keeping costs competitive and emissions low.

Synthesis. Using the same hourly records and accounting choices throughout, the study showed that Denmark in 2024 maintained about 72 percent renewable supply, achieved >95 percent forecast accuracy, delivered solar project costs around 0.1839 DKK/kWh with strong sensitivity resilience, and avoided ≈0.666 Mt CO_2 from observed solar generation. A 1 MW PV plant producing 1.3–2.0 GWh per year depending on siting and configuration avoids about 45 tonnes CO_2 per year and >1,100 tonnes over 25 years under the adopted factor. These findings are consistent across the technical, economic, and environmental strands and follow directly from the procedures used in this thesis.

5.2 Recommendations

Deepen storage and sector coupling. Pair existing PV with batteries, green hydrogen, or thermal storage to shift surplus summer electricity to evening and winter loads. Use the hourly profiles already analysed to size storage duration and charge windows.

Use operational data for asset health. Apply the same high-resolution time series used for forecasting to detect inverter degradation and underperformance early. This preserves the observed LCOE band around 0.1839 DKK/kWh and protects IRR.

Channel clean power to productive loads. Prioritise connections to biorefineries, electrofuels, fertiliser synthesis, and other circular processes. Time these loads to the low-marginal-emission hours that your series already identifies in late spring and summer.

Keep open data as core infrastructure. Continue publishing hourly DK1–DK2 data with stable schemas. This enables independent validation, improves market design, and reduces integration cost.

Guidance for systems still scaling renewables

Design for ≥95% forecast accuracy. Treat forecast accuracy as a primary grid investment, since your results show that stable operation rests on precise day-ahead scheduling.

Use practical cost and return anchors. Adopt 0.1839 DKK/kWh as a reference LCOE for well-run PV in a mature market and ~20.8% IRR under a 0.45 DKK/kWh tariff as a planning benchmark, then adjust for local finance and CAPEX.

Build open hourly data platforms. Public, zone-level time series accelerate research, improve dispatch rules, and lower balancing costs.

Link renewables to bio- and circular-economy policy. Prioritise programs that connect clean electricity to electrolysers, process heat, and low-temperature manufacturing, not only bulk grid injection.

Replicate the same bottom-up method. Apply the hourly, zone-resolved approach to other climates to separate effects of system design from geography and to produce comparable avoided-CO_2 estimates using a declared operational factor.

These recommendations follow directly from the evidence in 2024: predictable solar profiles, high forecast accuracy, robust LCOE and IRR, and consistent avoided-CO_2 accounting using the stated factor.

5.3 Final Reflection

The 2024 Danish electricity record shows that the energy transition can be documented with measured operation, not only simulated. With complete hourly data, transparent market rules, and digital supervision, it is possible to observe a national system running mostly on renewables in real time. Four conclusions follow from DK1 and DK2. First, renewables supplied the majority of annual electricity and did so with stable behaviour across seasons. Second, solar remained cost-competitive in a northern setting when integrated into accurate day-ahead scheduling. Third, the environmental contribution is traceable in avoided emissions computed directly from observed solar MWh with the stated operational factor of 180 g CO_2/kWh. Fourth, once this stability is achieved, clean electricity can be directed to higher-value industrial uses such as green hydrogen and bio-based processing.

The study is fully traceable. All operational values come from the 2024 Energinet hourly series for DK1 and DK2. The cost results use the same observed energy stream and the Danish inputs defined for the analysis, yielding a baseline solar LCOE of 0.1839 DKK/kWh and a baseline

IRR of about 20.8 percent under a 0.45 DKK/kWh tariff. Avoided CO_2 totals are calculated transparently from solar MWh using the declared factor, without inferring a system-wide grid intensity. This chain of evidence makes the conclusions defensible when reviewers ask why 2024 was chosen, why Denmark only, or how emissions were counted.

The findings also point to the next research layer. A system already above seventy percent renewables is limited less by generation and more by timing, storage economics, and the rate at which industry can absorb surplus clean power. Future work should couple the same hourly records with AI-assisted forecasting refinements, co-optimise PV and batteries using the LCOS framework, and locate electrolysers or other flexible loads in the hours and months where marginal emissions are lowest. In short, this thesis does not only show that Denmark works. It sets out a practical template for building the next layer of a circular, data-driven, climate-neutral energy system.

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[1] The other types should be deleted while retaining the corresponding thesis type.

[2] The appropriate one should be underlined.

[3] The appropriate one should be underlined.

Declaration of Students and Doctoral Candidates on the Use of Artificial Intelligence (AI)”

1. General information:

Name of the student:	**Shivangi Shivangi**
Neptun ID:	**XNFGF9**
Level of program (mark with X):	☐ BSc/BA ☑ MSc/MA ☐ Doctoral School (PhD) ☐ Other: ……………………..
Name and code of the subject*:	**Degree Thesis**
Title of the work:	**Solar Energy and the Danish Bioeconomy: A Green Innovation Management Approach**

* Not required to be completed in the case of a doctoral dissertation.

2. Declaration on the Use of AI

I, the undersigned, fully aware of my ethical responsibility, make the following declaration:

(Please choose one of the options below!)

☐ A) I have not used any artificial intelligence system or service.

(If you selected this option, completing the subsequent tables is not required.)

☑ B) I have used an artificial intelligence system or service.

(Please fill in the relevant tables!)

3. Details of Artificial Intelligence Usage

TABLE I: Assistant or Minor Usage (e.g., translation, language proofreading, brainstorming, etc.)

(For these uses, attaching the specific prompts and responses is not required.)

Purpose of Use	**Name and Version of the AI Tool Used**	**Affected Section (if not applicable to the entire text)**
language proofreading, Grammar check, Sentence Structure	ChatGPT 4.1	

TABLE II: Significant Content Contribution (e.g., generating an entire figure or a longer text section)

(In these cases, documenting the key prompts used and the raw responses provided by the AI, and attaching them as an appendix to the work, is required.)

Purpose of Use	**Name, Version, and Access Information of the AI Tool Used**	**Exact Number of the Affected Chapter / Figure / Table**	**Entry Number of the Appendix Containing the Prompt Log**

3/A. Additional Rules Prescribed by the Lecturer (if any)

If the instructor or supervisor of the course has established specific rules or expectations regarding the use of AI tools, please summarize them in the field below:

For example: prohibition of AI use for certain types of tasks; only specific tools are permitted; different citation requirements; documentation format, etc.

Rules Prescribed by the Lecturer or Supervisor

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4. Declaration Applicable to All Students:

I declare that I have critically reviewed, edited, and incorporated any content potentially generated by AI in all cases. I take full responsibility for every element of the submitted work, including its originality and scientific validity. I acknowledge that the Hungarian University of Agriculture and Life Sciences may check the submitted work with an artificial intelligence detector and may initiate proceedings if my declaration is found to be false or incomplete.

Place and Date: ……. Gödöllő…………………, 2025. …..11…….. month …09.. day

Shivangi

…………………………………………………………… ……………………………………………………………

Signature of the Student **Signature of the Advisor/Supervisor**