

Appendix E

Alternative Approaches for Deriving Energy

Contents of Noncombustible Renewables

EIA compiles data on most energy sources in physical units, such as barrels and cubic feet, in order to calculate total primary energy consumption. To sum data for different energy sources, EIA converts the data to the common unit of British thermal units (Btu), a measure that is based on the thermal conversion of energy resources to heat and power.

Noncombustible renewables are resources from which energy is extracted without burning or combusting fuel. They include hydroelectric, geothermal, solar, and wind energy. When noncombustible renewables are used to generate electricity, there is no fuel combustion and, therefore, no set Btu conversion factors for the energy sources.¹ However, there are several possible approaches for converting that electricity to Btu. Three of these approaches are described below.

Fossil Fuel Equivalency Approach

In Sections 1, 2, and 10 of the *Monthly Energy Review*, EIA calculates total primary energy consumption for noncombustible renewable electricity in Btu by applying a fossil fuel equivalency factor. Under that approach, the primary energy consumption of noncombustible renewable electricity can be viewed as the sum of captured energy “transformed into electricity” and an “adjustment for fossil fuel equivalency.”

The adjustment for fossil fuel equivalency is equal to the difference between total primary consumption of noncombustible renewables for electricity generation in Btu (calculated using the fossil fuels heat rate in Table A6) and the captured energy of that electricity (calculated using the constant conversion factor of 3,412 Btu per kWh). The fossil fuels heat rate is equal to the thermal efficiency across fossil fuel-fired generating stations based on net generation. The fossil fuel equivalency adjustment represents the energy that would have been consumed if electricity had been generated by fossil fuels. By using that factor, it is possible, for example, to evaluate fossil fuel requirements for replacing electricity generation during periods of interruptions, such as droughts.

Captured Energy Approach

Captured energy (Tables E1a and E1b) reflects the primary energy captured for economic use and does not include

losses. Thus, it is the net energy available for direct consumption after transformation of a noncombustible renewable into electricity. In other words, captured energy is the energy measured as the “output” of a generating unit, such as electricity from a wind turbine or solar plant. The captured energy approach is often used to show the economically significant energy transformations in the United States. There is no market for the resource-specific energy apart from its immediate, site-specific energy conversion, and there is no substantive opportunity cost to its continued exploitation.²

Incident Energy Approach

Incident energy is the mechanical, radiation, or thermal energy that is measurable as the “input” of the device. EIA defines “incident energy” for noncombustible renewables as the gross energy that first strikes an energy conversion device:

- For hydroelectric, the energy contained in the water passing through the penstock (a closed conduit for carrying water to the turbines)
- For geothermal, the energy contained in the hot fluid at the surface of the wellbore
- For wind, the energy contained in the wind that passes through the rotor disc
- For solar, the energy contained in the sunlight that strikes the panel or collector mirror

The incident energy approach to converting noncombustible renewable electricity to Btu could, in theory, be used to account for “losses” that are due to the inability to convert 100% of incident energy to a useful form of energy. EIA does not publish total primary energy consumption estimates based on the incident energy approach because it would be difficult to obtain accurate estimates of input energy without creating undue burden on survey respondents. Few renewable electricity power plants track cumulative input energy due to its lack of economic significance or other purpose. In addition, estimated energy efficiencies of renewable conversion technologies vary significantly across technologies, site-specific configurations, and environmental factors.³

¹Direct use of noncombustible renewables in the form of heat (e.g., solar thermal heating) is estimated separately and is measured in Btu.

²There is an initial opportunity cost when a facility is first built: water behind a dam might flood land that could have been used for other purposes, or a solar panel might shade an area that could have used the sunlight. But that is a “fixed” opportunity cost that does not change during the operation of the plant.

³Based on EIA research conducted in 2016, engineering estimates of conversion efficiencies for noncombustible renewables range from less than 20% for solar photovoltaics and geothermal to 90% for large-scale hydroelectricity plants. Those estimates are notional indications of the energy output as a percent of energy input at each technology based on typical equipment operating within the normal operating range for that technology.