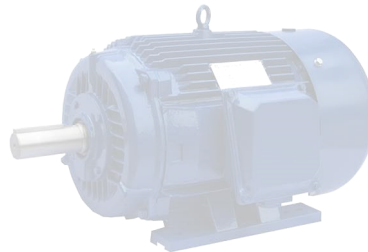


3rd International Workshop on Software Engineering Challenges for the Smart Grid (SE4SG @ ICSE '14)



DEMAND RESPONSE ALGORITHM INCORPORATING ELECTRICITY MARKET PRICES FOR RESIDENTIAL ENERGY MANAGEMENT



Outline

2

Technical Challenges

Demand Response: An Overview

Motivation

Problem Formulation

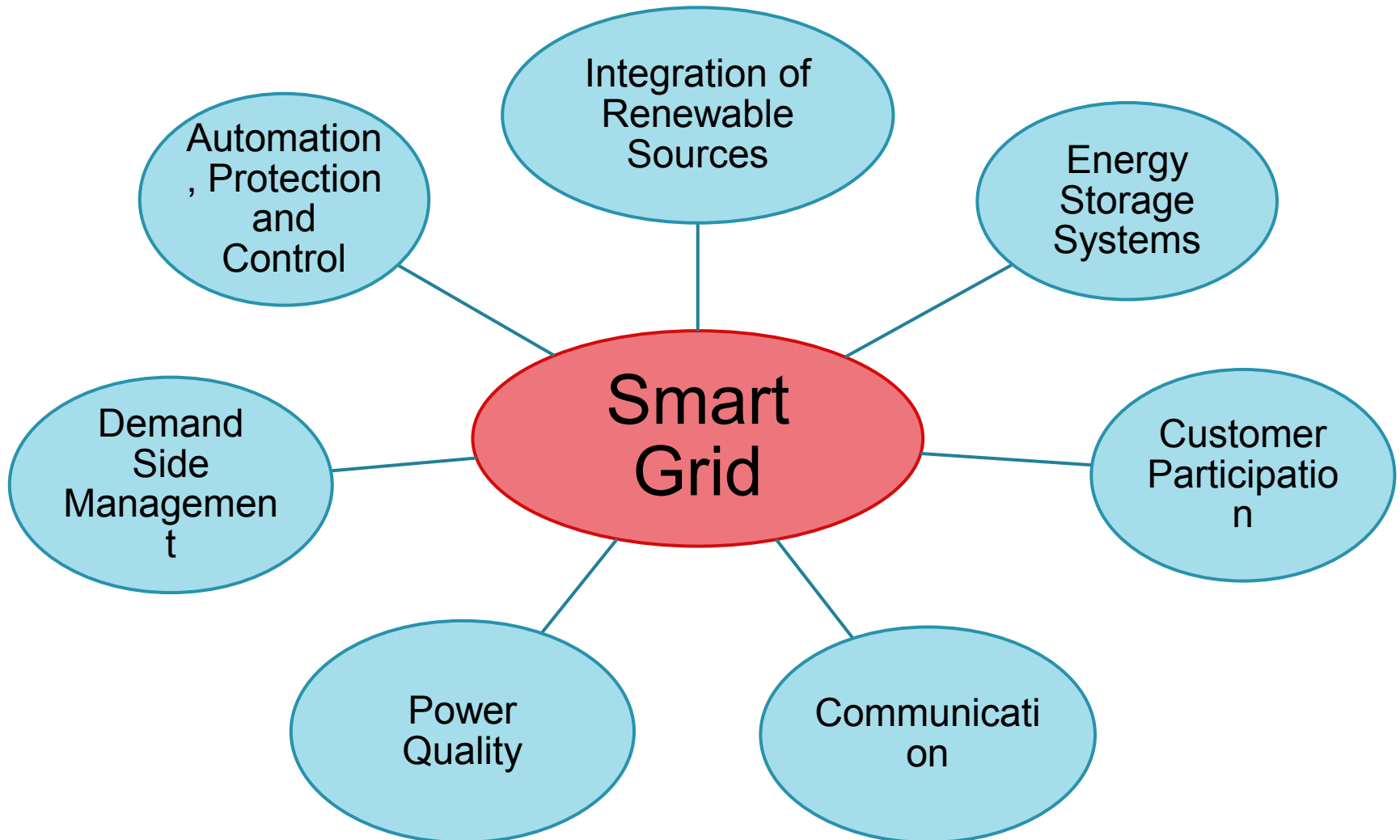
Simulation Results

Discussion

Future Scope

Technical Challenges

3



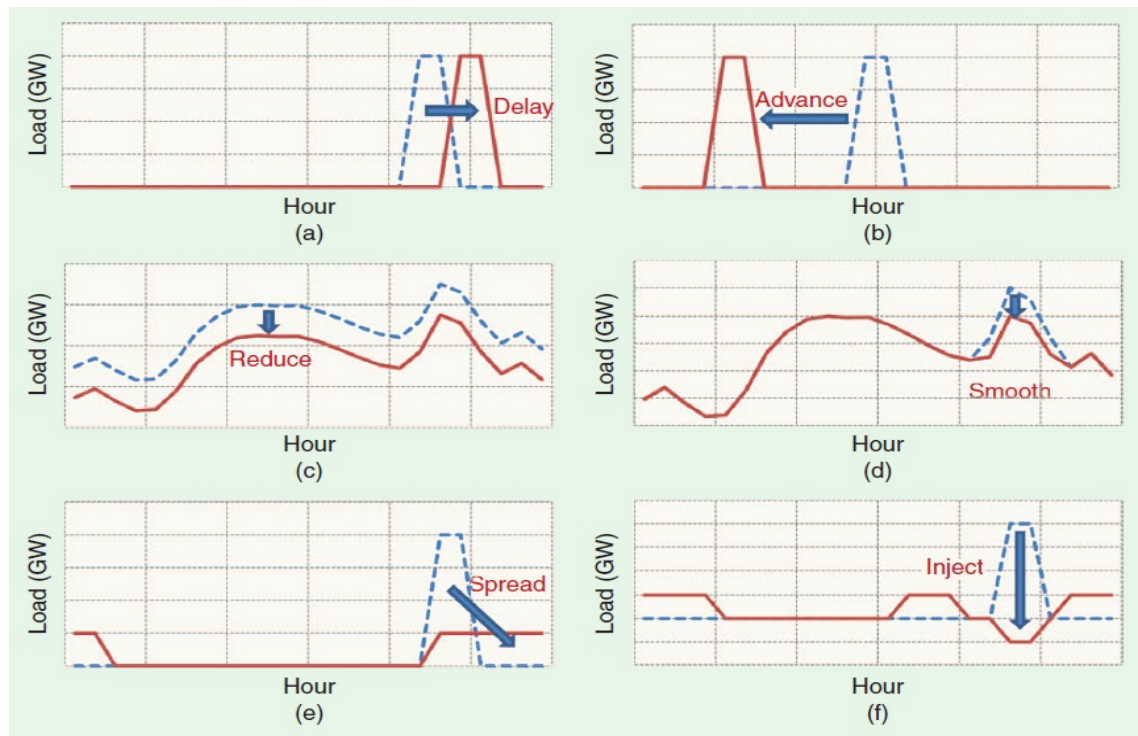
Demand Side Management

4

- Planning, implementation, and monitoring of those utility activities designed to influence customer's use of electricity in ways that will produce desired changes in the utility load shape

Load Shape Objectives

- ✓ Peak Clipping
- ✓ Valley Filling
- ✓ Load Shifting
- ✓ Strategic Conservation
- ✓ Strategic Load Growth
- ✓ Flexible Load Shape



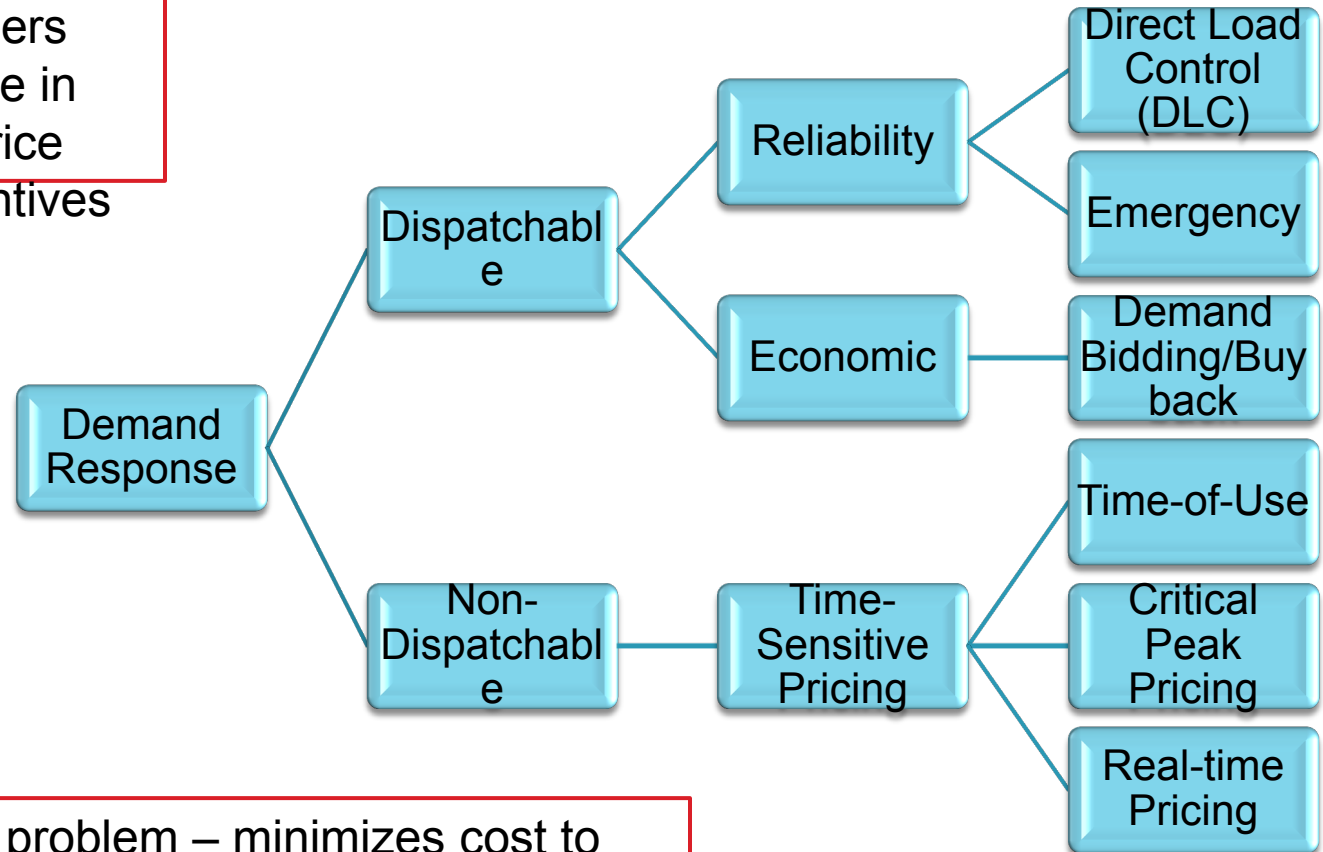
Source: Manz, D.; Walling, R.; Miller, N.; LaRose, B.; D'Aquila, R.; Daryanian, B.,
"The

Grid of the Future: Ten Trends That Will Shape the Grid Over the Next Decade,"

Demand Response

5

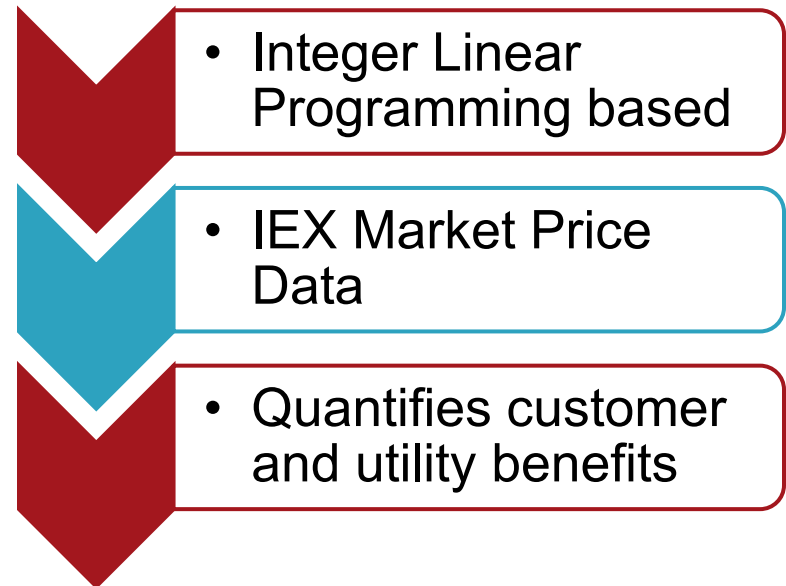
Modify customers electricity usage in response to price changes or incentives



An Optimization problem – minimizes cost to customer or maximizes utility profit – subject to user priorities, comfort levels and appliance types

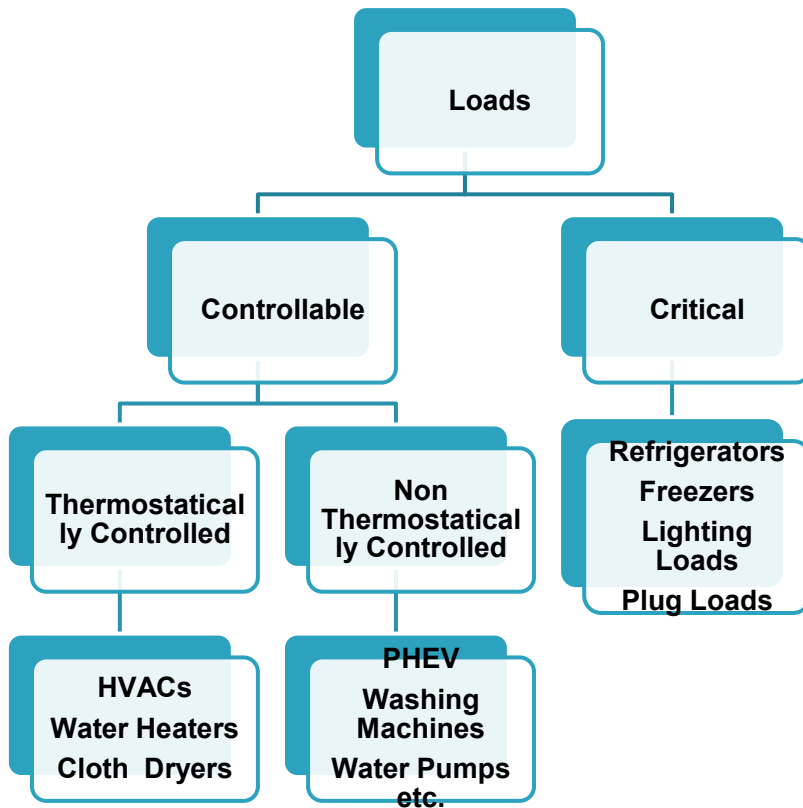
Motivation

6



Appliance Classification

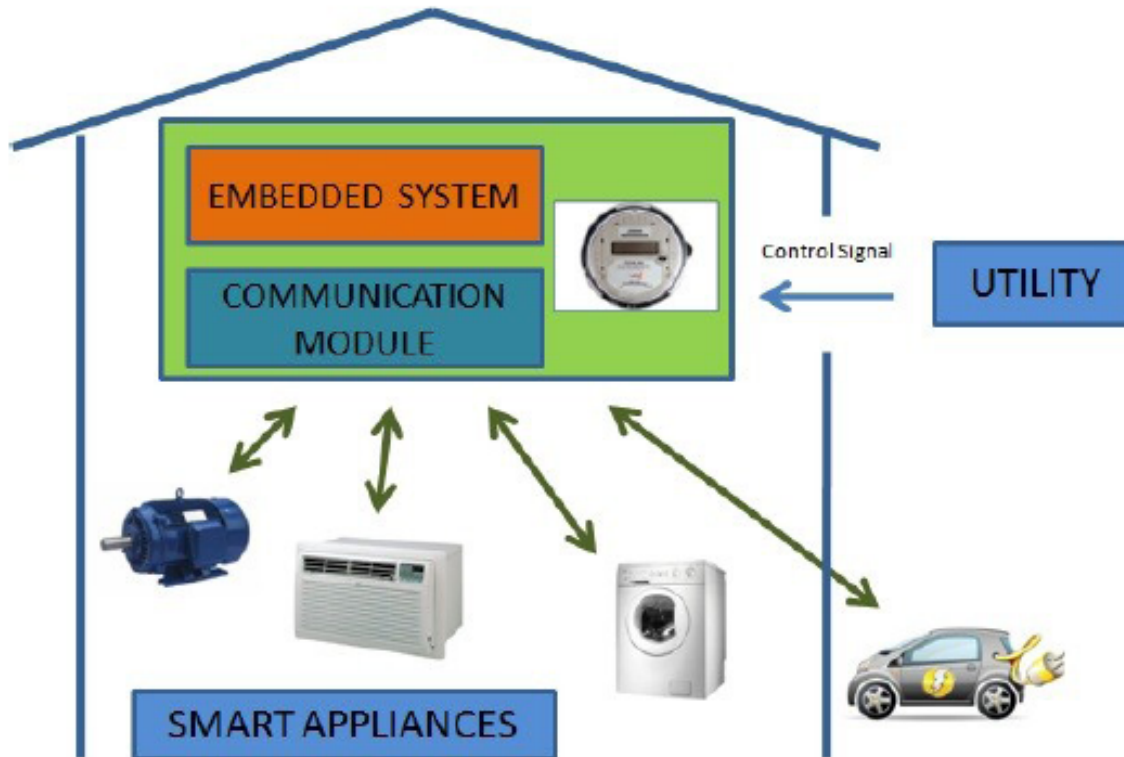
7



- Critical appliances are generally non-shiftable
- Controllable appliances
 - Power-shiftable
 - *Flexible consumption pattern*
 - Time-shiftable
 - *Fixed consumption pattern*

Residential Energy Management System

8



REMS consists of

- Embedded System
- Communication module

Problem Formulation

9

□ Objective function:

minimization of total cost of consumption of electricity

□ Constraints:

- Sum of units consumed by an appliance in a day = total requirement per day
- Minimum limit \leq No. of units consumed by an appliance \leq Maximum limit
- Sum of units consumed by all appliances in an hour \leq Utility hourly limit

$$X_a = \{\overset{\text{Scheduling}}{\underset{\text{Vector}}{X_{a,1}}}, X_{a,2}, \dots, X_{a,24}\} \quad H = \overset{\text{Scheduling}}{\underset{\text{Horizon}}{\{1, 2, \dots, 24\}}}$$

$$X_{a,h} \geq 0 \quad \forall \quad h \in H$$

Constraints for time-shiftable appliances



10

- Time shiftable appliances have discrete levels of power consumptions
- Power consumption patterns are defined using a circulant matrix

$$P_a = \begin{bmatrix} p_{a,1} & p_{a,24} & \cdots & p_{a,2} \\ p_{a,2} & p_{a,1} & \cdots & p_{a,3} \\ \vdots & \vdots & \ddots & \vdots \\ p_{a,24} & p_{a,23} & \cdots & p_{a,1} \end{bmatrix}$$

- Binary switch vector, S_a is used to calculate the schedule vector X_a

$$S_a = \{s_{a,1}, s_{a,2}, \dots, s_{a,24}\}$$

$$X_a = S_a \times P_a \quad \forall \quad a \in T$$

$a \in A \equiv$ Set of all appliances

$T \equiv$ Set of all time - shiftable appliances

Problem Formulation

11

$$\begin{aligned} & \underset{X_{a,h}}{\text{minimize}} && C^T L \\ & \text{subject to} && \sum_{h=1}^{24} X_{a,h} = l_a \quad \forall a \in A \\ & && \sum_{a \in A} X_{a,h} = L_h \leq U_h \quad \forall a \in A \\ & && \sum_{h=1}^{24} s_{a,h} = 1 \\ & && \alpha_a \leq X_{a,h} \leq \beta_a \quad a \in A - T \\ & && X_a = P_a \times S_a \quad \forall a \in T \\ & && s_{a,h} \in \{0, 1\} \quad \forall a \in T \end{aligned}$$

Cost
Vector

$$C = \{C_1, C_2, \dots, C_{24}\}$$

Hourly
Load

$$L = \{L_1, L_2, \dots, L_{24}\}$$

User Preferences

12

In the absence of a DR algorithm, the scheduling of appliances followed by a user is defined

CUSTOMER 1																								
HOURS	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Refrigerator	140	140	140	140	140	140	140	140	140	140	140	140	140	140	140	140	140	140	140	140	140	140	140	140
Ceiling Fan (4)	280	280	280	280	280	280	280	280	140	140	140	140	140	140	140	140	140	280	280	280	0	0	280	280
Microwave Oven	0	0	0	0	0	0	0	750	0	0	0	0	750	0	0	0	0	0	0	750	0	0	0	0
Tubelights (5)	0	0	0	0	0	0	0	36	36	36	36	36	72	72	36	36	36	72	180	180	180	180	180	0
Television	7	7	7	7	7	7	7	7	7	7	7	70	70	70	7	7	7	7	70	70	70	70	7	7
PC	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	50	50	9	9
Hand Iron	0	0	0	0	0	0	250	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total fixed Consumptions	436	436	436	436	436	436	686	1222	332	332	332	395	1181	431	332	332	332	508	679	1429	440	440	616	436
Air Conditioner	0	0	0	0	0	0	0	0	0	0	0	1000	1000	1000	1000	0	0	0	0	1000	1000	0	0	0
Water Heater	0	0	0	0	500	500	0	0	0	0	0	0	500	500	0	0	0	500	500	0	0	0	0	0
EV	0	0	0	0	1000	1000	0	0	0	0	0	0	0	0	0	0	0	0	0	1000	1000	1000	0	0
Washing Machine	0	0	0	0	0	0	1200	500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Water Pump	0	0	0	0	0	1000	0	0	0	0	0	0	0	0	0	0	0	0	1000	0	0	0	0	0
Vacuum Cleaner	0	0	0	0	0	0	0	0	0	0	0	400	400	0	0	0	0	0	0	0	0	0	0	0
Total Desired Load	436	436	436	436	1936	2936	1886	1722	332	332	332	1795	3081	1931	1332	332	332	1008	2179	3429	2440	1440	616	436

*All values are in Watts

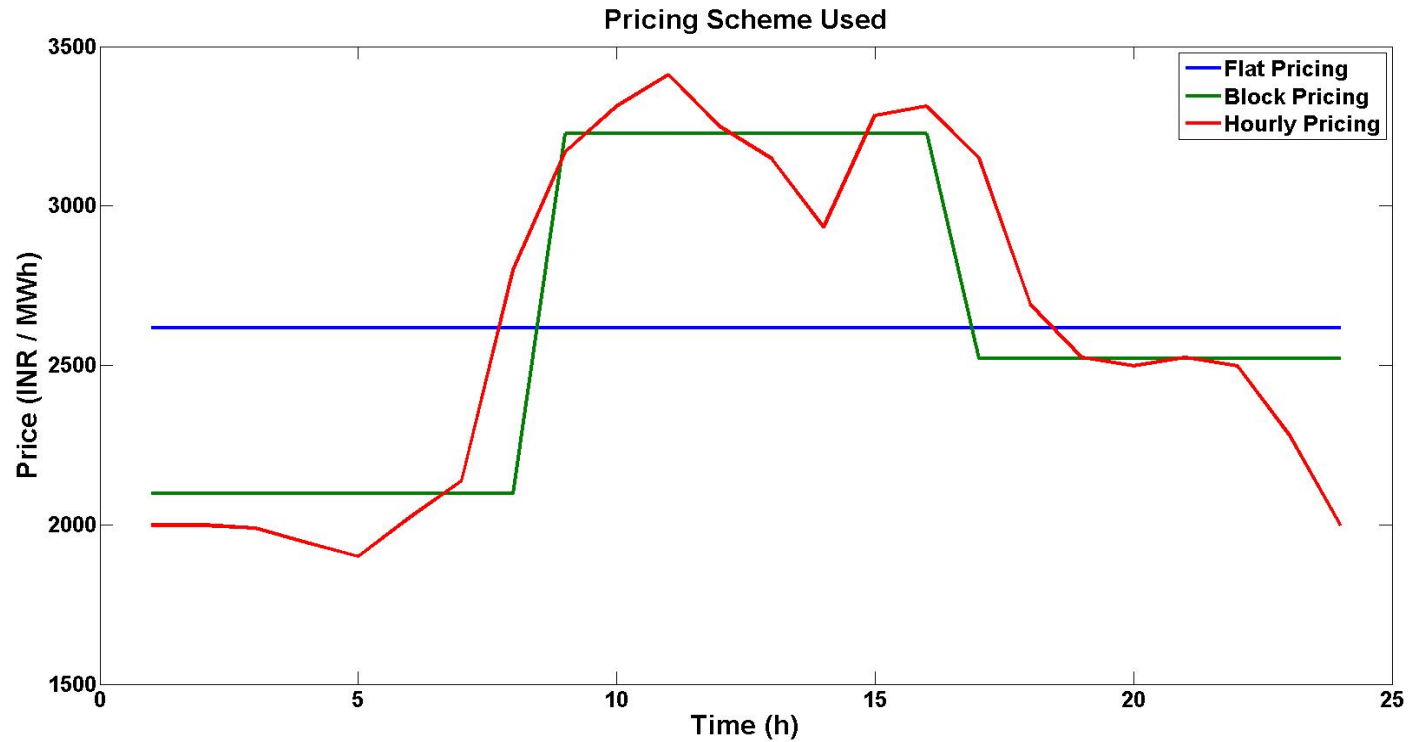
Operating Pattern of Appliances

13

Appliance	Type	User Preference
Fixed Consumption Appliances	Non-Shiftable	24 h aggregate of critical loads
Air Conditioner	Non-Shiftable (user preference)	12 am-4 pm and 8 pm-10 pm Hourly consumption = 1 kWh
Water Boiler	Power-Shiftable	Hourly consumption = 0-0.8 kWh Daily Requirement = 3 kWh
EV	Power-Shiftable	Hourly consumption = 0.1-1.5 kWh Daily Requirement = 5 kWh 9pm-9am
Washing Machine	Time-Shiftable	1st hour - 1.2 kW 2nd hour - 0.5 kW once a day
Water Pump	Time-Shiftable	Hourly consumption = 1 kWh every 12 hours
Vacuum Cleaner	Time-Shiftable	Hourly consumption = 0.4 kWh 8 am to 8 pm

Pricing Schemes

14

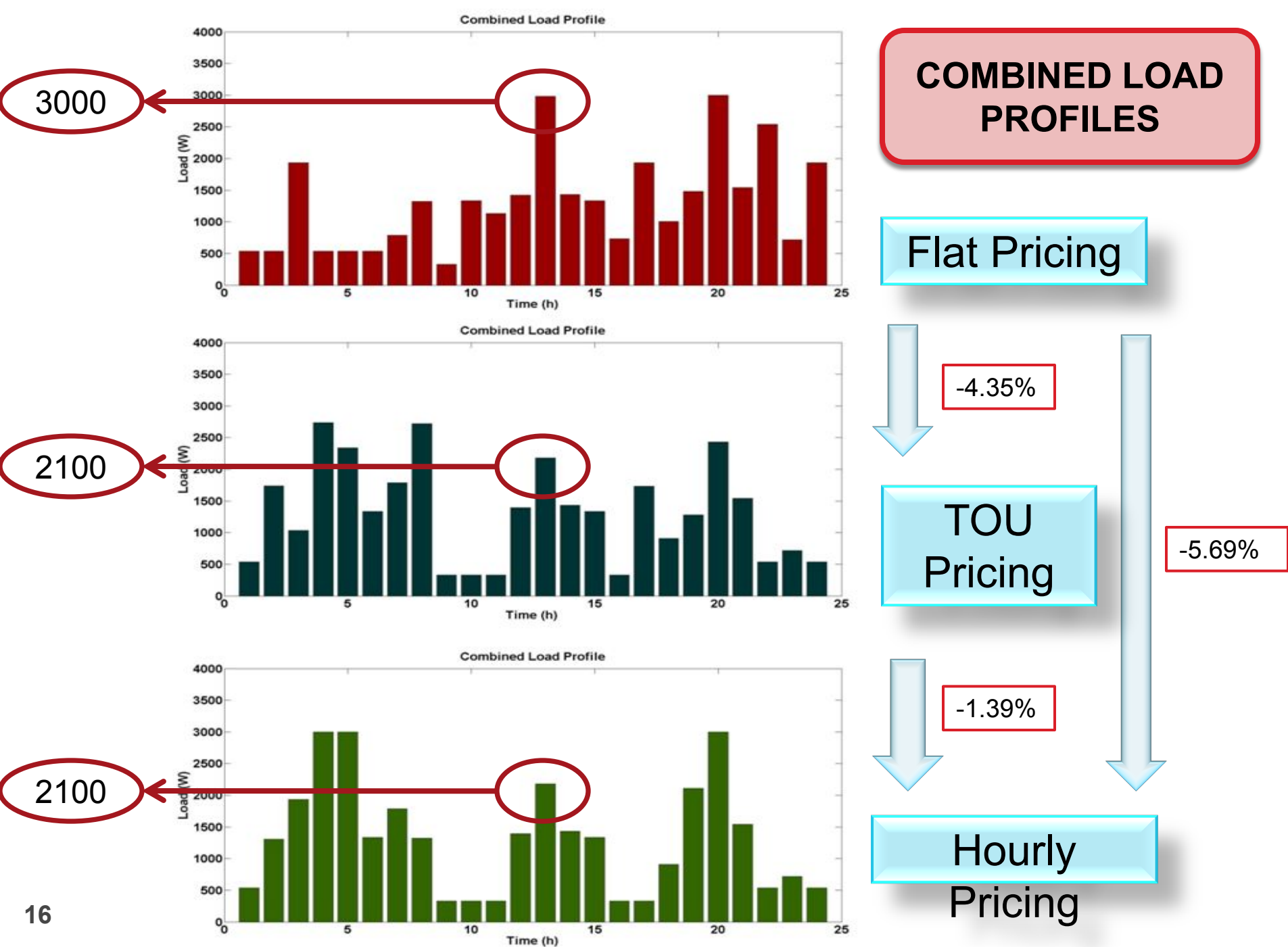


Using the actual market price data from IEX, 3 different pricing schemes are developed

Case	I	II	III
Pricing Scheme	Flat Pricing	3-Level Block Pricing (TOU)	Hourly Pricing

SIMULATION RESULTS

- 5 Customers
- 7 Appliances
- 264 variables
- 103 constraints



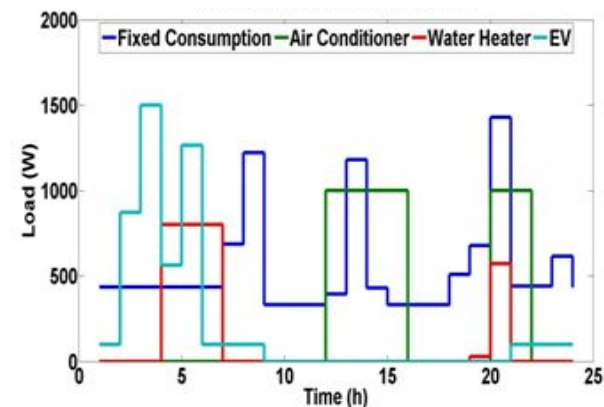
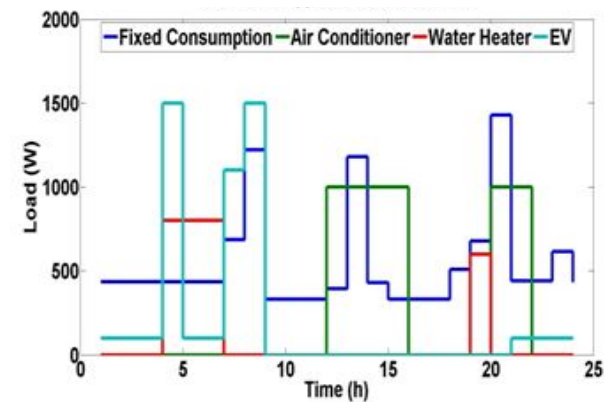
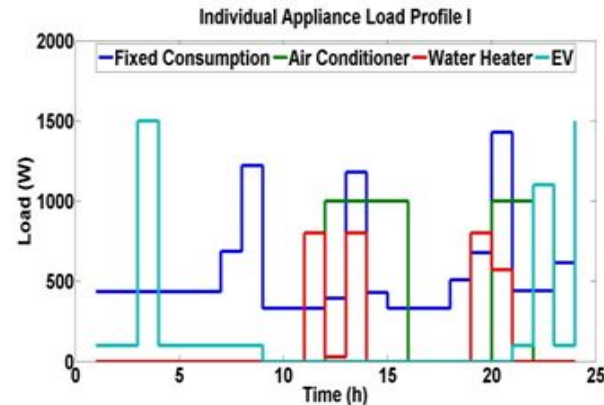
INDIVIDUAL APPLIANCE CONSUMPTION PATTERNS

FLAT
PRICING

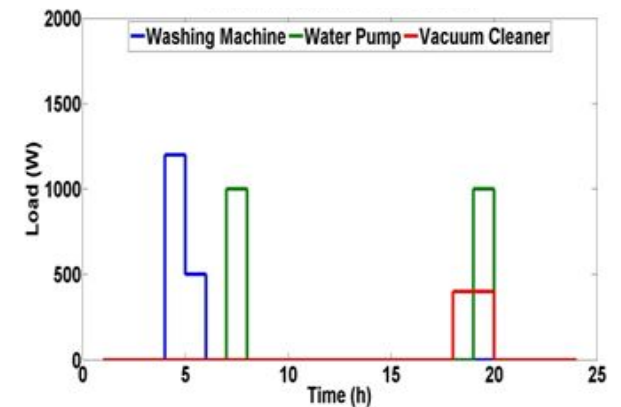
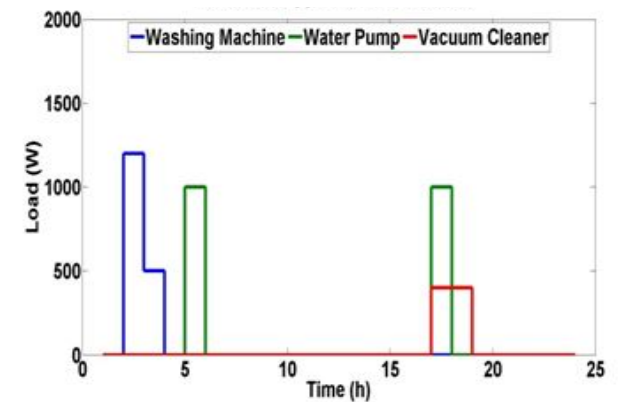
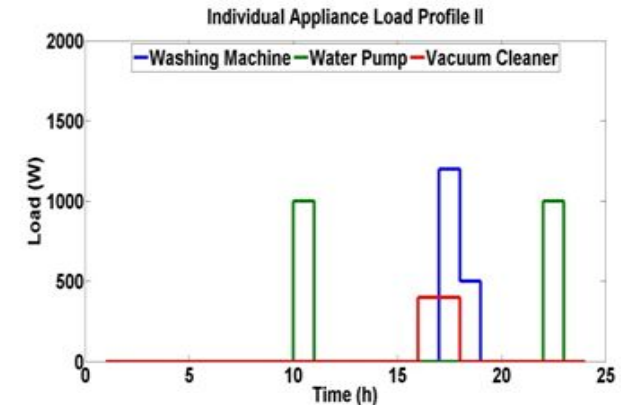
BLOCK
PRICING

HOURLY
PRICING

Fixed consumptions and power-shiftable appliances

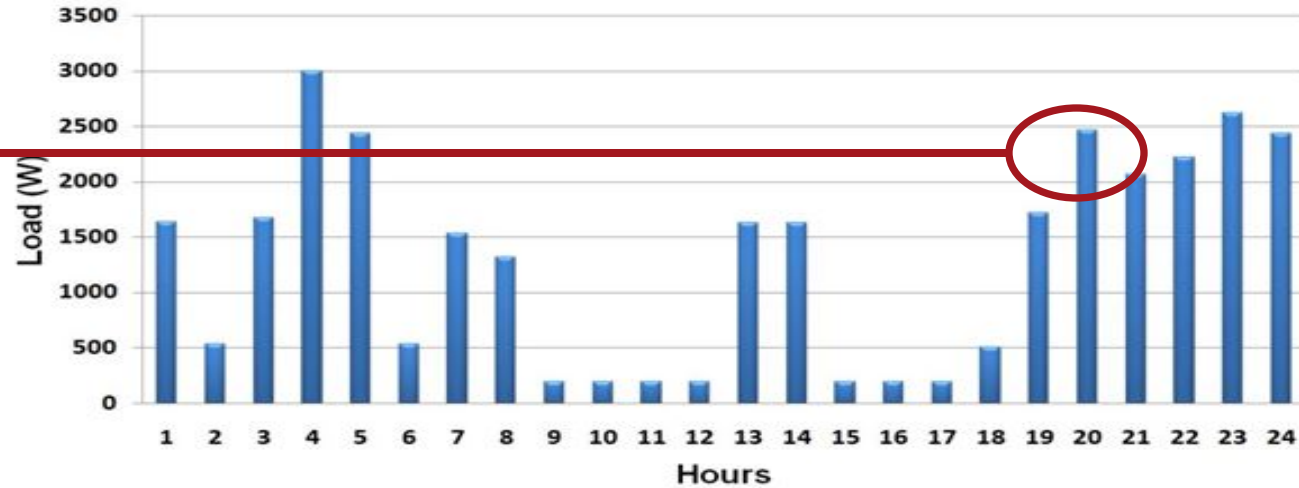


Time-shiftable appliances

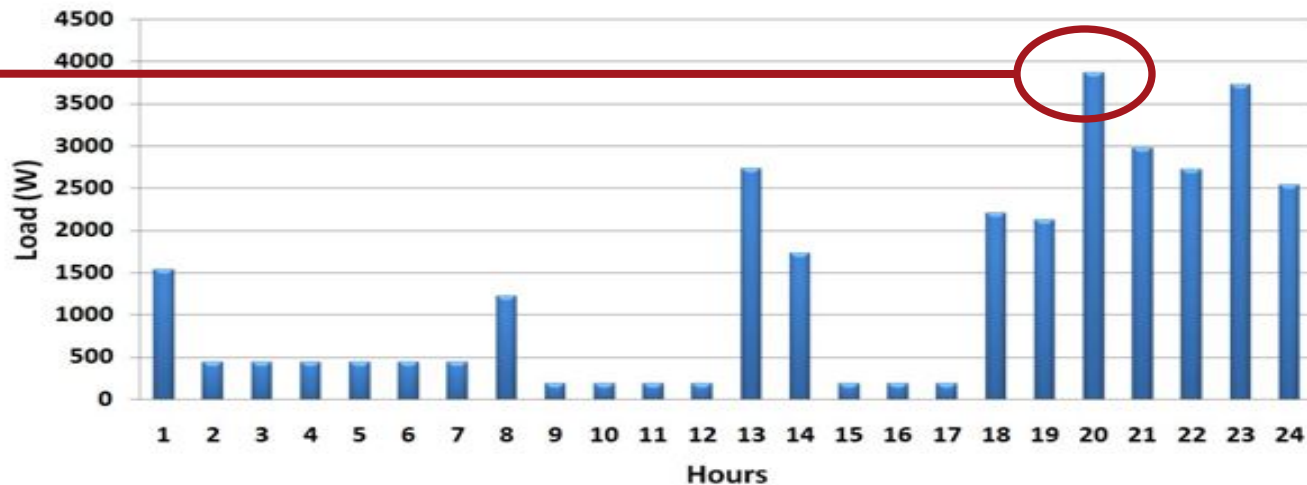


COMPARISON OF CUSTOMER LOAD PROFILE WITH AND WITHOUT DR

Consumption Pattern with DR using Hourly pricing

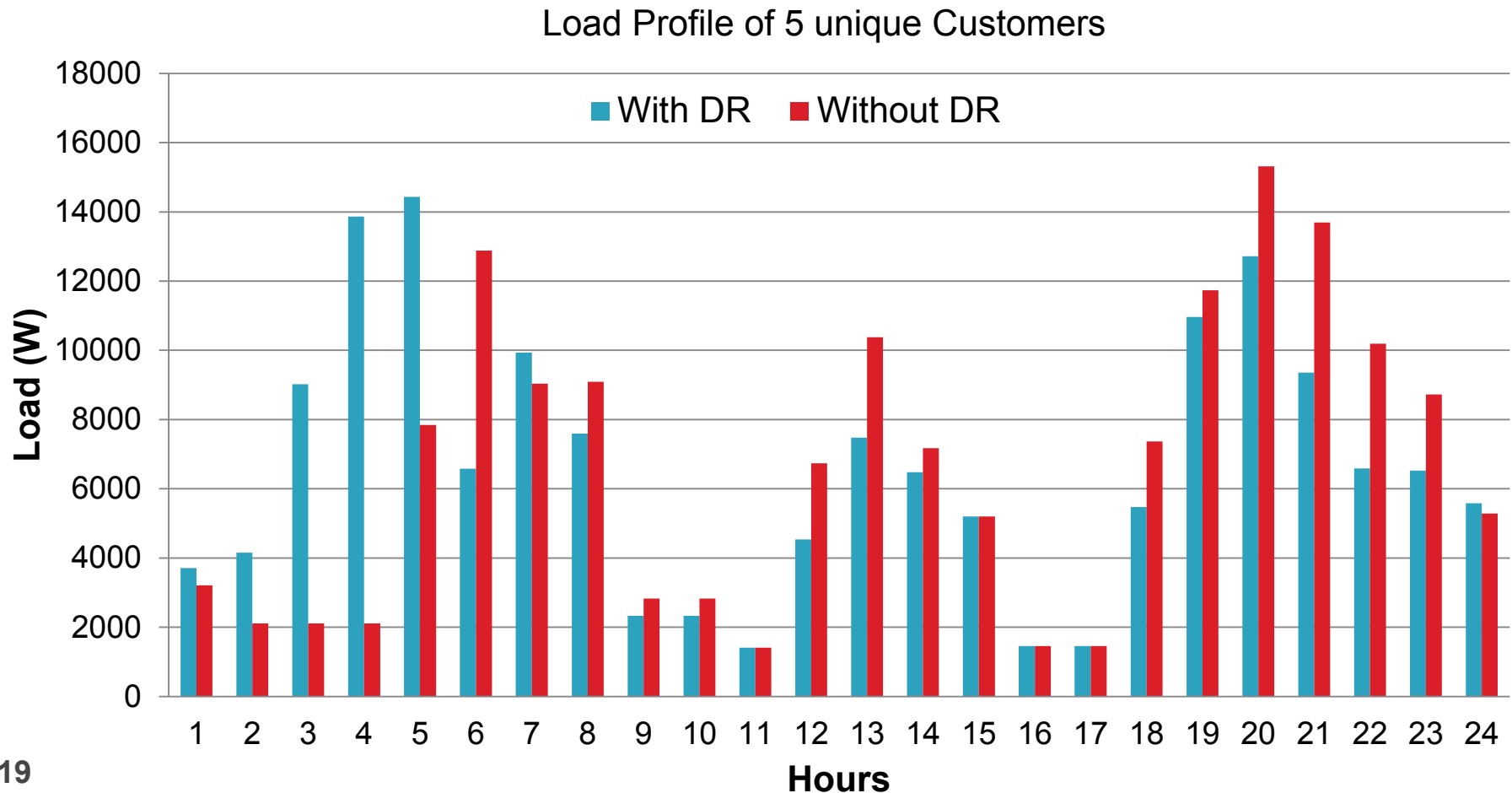


Normal Consumption Pattern



SYSTEM LOAD PROFILE WITH AND WITHOUT DR

- Combined load profiles of 5 different customers in a residential area



Performance gains from customer and utility perspective

20

Pricing Scheme	Cost/day (Rs.)				
	Customer 1	Customer 2	Customer 3	Customer 4	Customer 5
Flat Pricing	82.6	74.2	87.3	90.4	82
TOU Pricing	79	65.6	84.6	87.9	76.7
Hourly Pricing	77.9	65.6	82.6	87.7	74
Savings/day	4.7	8.6	4.7	2.5	8
Savings/month	141	258	141	75	240

•Maximum benefit is obtained by Customer 2 whose cost comes down by 11.6%

•Peak load on the system comes down from 15.3kW to 7.5 kW during noon

•Peak-to-Average ratio (PAR) for the entire system comes down from 2.30 to 2.17

	Cost		PAR
	11pm-3pm	6pm-9pm	PAR
Without DR	10.4 kW	15.3 kW	2.30
With DR	7.5 kW	12.7 kW	2.17

Conclusion

21

- The main driver of smart grid is the carbon footprint
- Lack of knowledge among customers is why quantifying the benefits of DR has become important
- Necessity of dynamic pricing schemes
- DR algorithm developed and applied to a group of residential consumers
- Performance gains from utility and customer perspective
 - Reduced cost to customer
 - Reduced PAR

References

- Gellings, C.W., "The concept of demand-side management for electric utilities," *Proc. IEEE*, vol.73, no.10, Oct. 1985, pp.1468-1470.
- Mohsenian-Rad, A.-H.; Wong, V.W.S.; Jatskevich, J.; Schober, R.; Leon-Garcia, A., "Autonomous Demand-Side Management Based on Game-Theoretic Energy Consumption Scheduling for the Future Smart Grid," *IEEE Trans. Smart Grid*, vol.1, no.3, Dec. 2010, pp.320-331.
- Zhi Chen; Lei Wu; Yong Fu, "Real-Time Price-Based Demand Response Management for Residential Appliances via Stochastic Optimization and Robust Optimization," *IEEE Trans. on Smart Grid*, Dec. 2012, vol.3, no.4, pp.1822-1831.
- Ziming Zhu; Jie Tang; Lambotharan, S.; Woon Hau Chin; Zhong Fan, "An integer linear programming based optimization for home demand-side management in smart grid," *Innovative Smart Grid Technologies (ISGT), 2012 IEEE PES*, 16-20 Jan. 2012, pp.1-5.
- RELOAD Database Documentation and Evaluation and Use in NEMS [Online] Available: <http://www.onlocationinc.com/LoadShapesReload2001.pdf>.
- Zhu, Z.; Tang, J.; Lambotharan, S.; Chin, W.H.; Fan, Z., "An integer linear programming and game theory based optimization for demand-side management in smart grid," *GLOBECOM Workshops, IEEE*, 5-9 Dec. 2011, pp.1205-1210.
- Pipattanasomporn, M.; Kuzlu, M.; Rahman, S., "An Algorithm for Intelligent Home Energy Management and Demand Response Analysis," *IEEE Trans. Smart Grid*, Dec. 2012 vol.3, no.4, pp.2166-2173.
- "Energy Statistics 2013." [Online]. Available: http://mospi.nic.in/mospi_new/upload/Energy_Statistics_2013.pdf?status=1&menu_id=216
- Singh, S.N.; Srivastava, S.C., "Electric power industry restructuring in India: present scenario and future prospect," *Proc. 2004 IEEE International Conference on Electric Utility Deregulation, Restructuring and Power Technologies, 2004. (DRPT 2004).*, vol.1, 5-8 April 2004, pp.20-23.

3rd International Workshop on Software Engineering Challenges for the Smart Grid (SE4SG @ ICSE '14)



DEMAND RESPONSE ALGORITHM INCORPORATING ELECTRICITY MARKET PRICES FOR RESIDENTIAL ENERGY MANAGEMENT

