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Load Flexibility for Price based Demand Response

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Abstract—We propose a framework to utilize load flexibility to be operated in a window of flexibility considering the price variations. The consumer inputs the window of flexibility, the period of operation and nominal power consumption trajectory governed by the load. We create a load shift matrix and minimize the cost of consumption of operating the device. For some devices such as electric vehicle, the nominal power consumption trajectory can be altered provided the total energy consumed in the window of flexibility is matched. The new power consumption trajectory can be found using profile steering. We also show that under the price taker assumption, the optimal control of aggregate of flexible loads is equivalent to optimally controlling each of the loads individually. Using real data from Pecan Street [1] and ERCOT wholesale market price [2] we conduct numerical experiment showing the efficacy of the proposed mechanism of performing price based demand response (DR).

Index Terms—Demand response, load shift, profile steering

I. INTRODUCTION

The push for increasing the share of electrical energy generation from renewable energy sources (RES) is a global phenomenon. However, connecting bulk RES will require a much bigger ancillary market for achieving load balancing. The conventional solution adopted is to install billions of dollars worth fast ramping generators to achieve this balance between supply and demand. A more cost-effective solution would be to induce responsiveness from consumer side to respond in exchange for incentives. Authors in [3] consider a case where each household wishes to optimally schedule its power consumption so as to maximize its individual net benefit subject to various consumption and power flow constraints. They show that appropriate time-varying electricity price design can align individual with social optimality. However, it has been observed that consumption patterns of users do not change significantly with real-time electricity price variations and hence consumers end-up paying more in their electricity bill [4]. Thus, consumers consume electricity without considering price variations, therefore, consumers have price inelastic demand. This is primarily because of two reasons. Firstly, the electricity price for consumers either does not vary or the variation is low. Secondly, consumers do not have smart devices which can use the flexibility in operation while considering the variation in electricity price in the flexible window of operation. For instance, a consumer puts the dishes in the dishwasher after lunch and wants the job of cleaning the dishes to be complete before the next meal in the evening. However, it will be hugely inconvenient for the consumer to monitor the prices and optimally turn on the dishwasher. In this work we propose a local control, where the consumer inputs the nominal power consumption trajectory of the appliance and its flexibility window. The local controller optimally completes the task, ensuring the cost of energy consumption is minimized. The flexibility window for the dishwasher example is between afternoon to evening, the power consumption depends on the load, i.e. the dishes, and the operational period is also governed by the load. There are many such daily energy usages where the user is not bothered by the exact time of operation if the task is completed before the next usage decided by the consumer. We believe the behavioral nuances are very complex to model and in this work we input these preferences directly from the consumer.

Prior work [5]–[7] present load flexibility to be used for performing demand response. Authors in [5] provide a framework to analyse consumer load profiles considering time of usage and temperature variations, essential for demand response. Authors in [6] identify the need for accurate local measurement for centralized control to perform demand response, such precise measurements are far from contemporary precision in measurements, therefore, we focus on distributed control of loads based on variation of electricity price. The ability to reduce peak load by just shifting the usage of water heaters in Norway is presented in [7]. The potential for demand response from 50% of Norwegian households is estimated at 1000 MWh/h, approximately 4.2% of peak demand.

Authors in [8] investigates the required communication and information system needed for differing the operation of flexible devices considering variation of electricity price. They verify through laboratory tests that price responsive consumers reduces the cost of consumption for the users and also provides an interface for the transmission system operator to utilize distributed energy resources and flexible loads as a regulating resources. According to [9] the challenge associated with usage of direct load control for controlling flexible loads for faster time scale regulation would be to maintain level of service desired by consumers. We propose a framework where the quality-of-service fed by consumers will ensure the use of flexibility for providing grid based services. Authors in [10] identify that flexible loads can be used as virtual batteries at the same time ensuring load quality of service bounds are met. The control of energy storage devices for grid based services is well established in prior works [11], [12].

Authors in [13] model deferrable electric loads parameterized my arrival time, departure time, the total energy required and maximum allowable power to operate the load. In our
work, we also consider a load flexibility window input by the consumer directly. The power consumption trajectory can be shifted in time or for some loads a new power consumption trajectory can be obtained using profile steering.

A variable price structure will incentivize users to differ the power consumption in presence of smart appliances and smart metering technology. Authors in [14] identify that consumer profit under such a scenario will be moderate. Due to modified consumer behavior, new peak loads will appear based on the amount of aggregate flexible loads. Authors in [15] identify that load flexibility will play a key role in a power network with high volatility. Flexible loads will provide fast ramping and ensure stable operation of entire power network. Our work focuses on price based demand response using load flexibility. The key contributions of this paper are:

- **Defining load flexibility:** We define flexibility defined by three parameters: the shiftable device consumption vector, the nominal starting time of the device and the end time of flexibility window in which the task needs to be completed.
- **Price based DR:** We propose a mechanism to differ operation of flexible device in a user specified flexibility window by shifting the load in time or by profile steering.
- **Optimal control algorithm:** We present an algorithm to optimally shift the device operation based on the price variations in the flexibility window. We show that controlling each device independently is equivalent to controlling all of them simultaneously.
- **Numerical evaluation using real data:** Using real data from Pecan Street [1] and price data from ERCOT in Texas [2] we show that the proposed price based DR algorithm minimizes the cost of consumption for the user.

The rest of the paper is organized as follows. In Section II we describe the system and assumptions. In Section III we discuss the mechanism of price based demand response in terms of shifting in time and profile steering. Section IV presents the numerical results. Section V concludes our work.

### II. SYSTEM DESCRIPTION

Consumers of electricity use many different appliances, some of them are completely inelastic and cannot be altered in time. For example television when commanded to be turned on, should turn on, a delay might discomfort the user. However, prior work in load flexibility have demonstrated how the aggregate flexibility in operation of pool pumps [16], thermostatic controlled load [17], electric vehicles [13] can be used for grid stabilization [18]. We consider a residential customer in this work with some of the loads as flexible. These devices are operated optimally to minimize the cost of consumption for the user.

Pecan Street Dataport has a vast database which includes ERCOT market operations, minute-interval appliance-level customer electricity use from nearly 1,000 houses and apartments in Pecan Street’s multi-state residential electricity use research [1]. As a representative example we use Home ID 5357. We intend to provide a way of analyzing one such home. Similar analysis can be conducted for other homes, of course the analysis will be personalized with a user. For home id 5357 for the month of January 2017 the share of power consumption by type is given in the Table I. The end user partially generates its own consumption needs using rooftop solar PV system.

#### Table I

<table>
<thead>
<tr>
<th>Column Name: Description [19]</th>
<th>Share in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>use home electricity use</td>
<td>100</td>
</tr>
<tr>
<td>grid power from grid</td>
<td>67.63</td>
</tr>
<tr>
<td>gen solar PV generation</td>
<td>31.07</td>
</tr>
<tr>
<td>bathroom1 includes local loads</td>
<td>24.98</td>
</tr>
<tr>
<td>poolpump1 Pool pump circuit</td>
<td>16.36</td>
</tr>
<tr>
<td>air1 Air compressor</td>
<td>12.76</td>
</tr>
<tr>
<td>waterheater1 Electric water heater</td>
<td>10.50</td>
</tr>
<tr>
<td>car1 Electric vehicle charger</td>
<td>9.23</td>
</tr>
<tr>
<td>refrigerator1 Refrigerator circuit</td>
<td>8.11</td>
</tr>
<tr>
<td>bedroom1 includes local loads</td>
<td>7.61</td>
</tr>
<tr>
<td>oven1 Oven circuit</td>
<td>1.16</td>
</tr>
<tr>
<td>dishwasher1 Dishwasher circuit</td>
<td>0.74</td>
</tr>
<tr>
<td>kitchen1 includes local loads</td>
<td>0.55</td>
</tr>
<tr>
<td>microwave1 Microwave circuit</td>
<td>0.49</td>
</tr>
<tr>
<td>dryg1 Natural gas-powered clothes dryer</td>
<td>0.39</td>
</tr>
<tr>
<td>oven2 Second oven circuit</td>
<td>0.22</td>
</tr>
<tr>
<td>livingroom1 includes local loads</td>
<td>0.17</td>
</tr>
<tr>
<td>rang1 stand-alone cooktop</td>
<td>0.0089</td>
</tr>
<tr>
<td>disposal kitchen sink</td>
<td>0.0048</td>
</tr>
</tbody>
</table>

![Fig. 1. Dishwasher power consumption for House ID 5357 for 1st to 5th January 2017 [1]](image-url)
selected as the flexible window for the device). This period of flexibility is called as window of flexibility. For day \( i \) and the operational duty cycle \( D_{i} \), the window of flexibility is given as \( z_{i}^{x} \) as shown in Fig. 1.

A. Defining Load Flexibility

The objective of this work is define flexibility in electricity consumption by some devices and provide a framework to use these devices to perform price based demand response and/or dynamic regulation at fastest temporal scales using a centralized controller. In the present work we consider the former application. We would also present how much an end user can gain financially by participating in these roles.

In the present work we assume:
- We assume that end user presently starts the device manually when needed. However, with this additional feature the user could select a window in which the operation should be completed.
- Device once turned ON, then is assumed to have no flexibility to be turned OFF.
- Power consumption trajectory symbolize QoS being achieved for end-user application. This trajectory is shifted in the window of flexibility ensuring:
  - power consumption trajectory is not altered
  - the task of the appliance is completed in the window of flexibility defined by the user.
- Profile Steering: For loads such as electric vehicle, the nominal power consumption trajectory can be altered considering power constraint of in the flexibility window specified by user.

Total time \( T \) is divided into \( N \) samples with sampling time \( h \). For example, \( t_{i} \) represents time instant \( i \in \{1, 2, ..., N\} \) is equal to \( ih \). The total electrical load consumed by an user at time step \( i \) is given as \( L(i) \). The total load consists of non-flexible and flexible components. The usage of non-flexible loads, \( L_{nf}(i) \) cannot be altered, for example lighting load, television etc. The flexible loads, \( L_{f}(i) \) can be altered in time of operation depending on how much the user can delay. The total load is represented as \( L(i) = L_{f}(i) + L_{nf}(i) \) \( \forall i \in \{1, 2, ..., N\} \). The flexible loads can be further sub-divided into cumulative of individual flexible device and denoted as \( L_{f}(i) = \sum_{j=1}^{m} L_{j}^{f}(i) \), where \( m \) is the number of flexible device the user has.

Each flexible load is characterized by three parameters:
- Shiftable consumption vector, \( D_{L{f}} = [D_{1} \, D_{2} \, ... \, D_{k}] \)
- Starting time, \( t_{x}^{L} \)
- End time of load flexibility window is denoted as \( z_{x} \).

The flexibility of a device is defined as \( V_{x} = (D_{L^{f}}, t_{x}^{L}, w_{x}) \). Let \( t_{e} \) be the end of time horizon, then the length of the window of flexibility is given as \( w_{x} = \min(t_{e} - t_{x}^{L}, z_{x} - t_{x}^{L}) \).

Corollary II.0.1. If the consumers are price takers of electricity having \( m \) flexible devices, then minimizing total cost of consumption by using flexible devices in predefined window of time will be equivalent to minimization of cost of consumption of individual devices.

Proof. The objective function of consumer is to minimize the cost of consumption without reducing the total energy consumed in the nominal case. The objective function of the user is represented as

\[
\min \sum_{i=1}^{N} L(i)p_{i} = \min \sum_{i=1}^{N} L_{f}(i)p_{i} + \min \sum_{i=1}^{N} L_{nf}(i)p_{i},
\]

where \( p_{i} \) represents the price of electricity at time instant \( i \). Since the non-flexible loads cannot be modified implying \( \sum_{i=1}^{N} L_{nf}(i)p_{i} \) is a constant. Therefore, the cost minimization will only be governed by flexible devices. Thus, the equivalent consumer objective function is

\[
J_{1} = \min \sum_{i=1}^{N} L_{f}(i)p_{i} = \min \sum_{i=1}^{N} \left( \sum_{j=1}^{m} L_{j}^{f}(i) \right) p_{i}.
\]

Since the consumer is assumed to be the price taker of electricity where the end user does not influence the price by consuming more or less, therefore, \( J_{1} \) is equivalent to individual minimization of cost of consumption of each device, represented as

\[
J_{2} = \min \sum_{i=1}^{N} L_{1}^{f}(i)p_{i} + \min \sum_{i=1}^{N} L_{2}^{f}(i)p_{i} + ... + \min \sum_{i=1}^{N} L_{m}^{f}(i)p_{i}
\]

As \( p_{i} \) is a constant for time instant \( i \), thus, \( J_{1} = J_{2} \), implying individual minimization leads to overall minimization.

III. PRICE BASED DEMAND RESPONSE

In this section we present a mechanism to perform price based demand response. We propose two different ways to perform price based DR, firstly, shifting the operation in time and secondly, performing an optimization to find the optimal power trajectory. Load such as electrical vehicle can charge in multiple power trajectories, however, for a washing machine the power consumption trajectory is easy to be shifted in time rather than modifying the nominal power consumption trajectory, this is because motor based loads have power constraint which needs to be respected.

A. Shifting Load in Time

The end user uses flexible loads to alter the aggregate consumption trajectory in order to minimize the total cost of consumption. In this subsection we consider the end-user QoS is achieved if the power consumption trajectory is shifted in the flexible window of operation set by consumer. In a real time scenario load disaggregation techniques based on past consumption patterns can be used to understand the nominal power consumption trajectories. This mechanism of shifting flexible loads in time takes as input the window of flexibility \( z \), the starting time of the device \( t_{s} \), consumption vector...
Higher than shifting the power consumption trajectory in time (see Table III). Note the charging of battery has various modes: constant current charging is when the bulk charging happens.
V. Conclusion

We propose a framework to shift loads in time to perform price based demand response using consumer fed preferences and considering price variations. We present two different ways in which consumers can use their flexibility to minimize their cost of consumption: shifting load in time and profile steering of power consumption trajectory. We present numerical results for a representative home.

In future work we will consider stochasticity in parameters and model load flexibility as virtual batteries performing grid based services to maximize consumer benefits.

References