New Operation Tools for Improving Flexibility and Reliability of Systems with Variable Resources and Storage Devices

Final Project Report

M-32

Power Systems Engineering Research Center
Empowering Minds to Engineer the Future Electric Energy System
New Operation Tools for Improving Flexibility and Reliability of Systems with Variable Resources and Storage Devices

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PSERC Publication 17-02

September 2017
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Power Systems Engineering Research Center

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Acknowledgments

This is the final report for the Power Systems Engineering Research Center (PSERC) research project M-32 titled New Operation Tools for Improving Flexibility and Reliability of Systems with Variable Resources and Storage Devices.

The authors wish to recognize their postdoctoral researchers and graduate students that contributed to the research and creation of the reports:

Georgia Institute of Technology:
    Alvaro Lorca
    Evangelos Polymeneas
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Texas A & M University:
    Anupam Thatte
    Mohammad Sadegh Modarresi

The authors thank all PSERC members for their technical advice on the project, especially (the companies shown were as of time of this project work):

    Eugene Litvinov, ISO-NE
    Tongxin Zheng, ISO-NE
    Hong Chen, PJM
    Jim Price, CAISO
    Aftab Alam, CAISO
    Li Zhang, MISO
    Nivad Navid, MISO
    Harvey Scribner, SPP
    Robert Entriken, EPRI
    Evangelos Farantatos, EPRI
    Eamonn Lannoye, EPRI
    Xing Wang, Alstom Grid
    Gary Gu, GE Energy Management
    Nikhil Kumar, GE Energy
    Feng Gao, Ventyx-ABB
    Phil Markham, Southern Company Generation
    Prashant Kansal, AEP
    Zhenhua Wang, AEP
Executive Summary

The real-time economic dispatch (ED) in the current practice relies on a combination of optimization tools and operating rules. The dominant optimization tools used in practice for ED are deterministic models, which dispatch the power system to satisfy a single forecast value of future demand and renewable uncertain output, and keep reserve capacities to account for unexpected disturbance or outages. With the presence of significant variable resources such as wind and solar power, system operators will frequently face undesirable conditions such as lack of reserves, insufficient ramping capabilities, and cycling of thermal units as the variable resources experience sudden strong drop of output. Under these conditions, the real-time electricity markets may suffer temporary price spikes. These risky scenarios have already occurred in the US as well as other major electricity markets in the world. To deal with reserve and ramp shortages, the current operation tools restrict system operators to a limited set of actions such as increasing reserve margins, deploying fast-start units, and out-of-market dispatch. These actions usually incur high costs, create market distortions, and do not guarantee high level of system reliability.

With the recent advances in storage technologies, grid-level storage devices are becoming a viable resource to participate in system operation. Energy storage systems, such as utility-scale batteries, pumped hydro, and demand-side response can be important resources for providing flexibility into the system. How to best deploy and operate different types of energy storage systems and demand response resources and to assess their economic value in a system with significant variable resources is an important issue for utilities and system operators.

Facing these challenges and opportunities, system operators have recently started looking into new operational models for their economic dispatch and real-time energy markets. This also motivates the central objective of this project to provide a set of new operational tools for operators to improve system flexibility as well as reliability and at the same time to maintain an efficient energy market. This requires us to develop new optimization tools, uncertainty modeling methods, and system flexibility and reliability metrics that can be integrated into the operational model.

In this project, we have focused on adaptive robust optimization as the central paradigm for optimization under uncertainty, and developed new dispatch tools that improve robustness of the dispatch operation for large-scale systems. In particular, robust optimization provides several features that are particularly appealing to applications in power systems. For instance, robust optimization seeks to optimize system performance in a controlled manner against the worst-case scenario, which is consistent with the philosophy of operational practice; robust optimization can provide a rigorous way to identify the worst-case or near worst-case scenarios out of practically infinitely many potential scenarios, rather than restricting to a finite, usually small, number of preselected scenarios; robust optimization also offers a data-driven approach to model uncertainty, which scales well with the increasing dimension of data.

The final report is consisted of three parts, reflecting the three main objectives of the project: 1) Develop new robust optimization models and uncertainty modeling tools for real-time dispatch and day-ahead unit commitment; 2) Develop new metrics for quantifying power system
flexibility in real-time operation and construct new market models for the procurement of flexibility from flexible resources; 3) Develop new and more accurate models for flexible components, including energy storage, responsive demand, distributed energy resources, and ramp-constrained generation, in AC look-ahead OPF, and develop new tools for remedial action and contingency filtering for real-time security analysis.

1. Part I first develops two-stage robust optimization based models for multi-period economic dispatch and proposes a new type of uncertainty modeling method, called the *dynamic uncertainty sets*, for modeling temporal and spatial correlations of wind and solar power. Part I also develops a simulation platform which combines the proposed robust economic dispatch model with statistical prediction tools in a rolling horizon framework. Extensive computational experiments are conducted on this platform using real wind data. The results are promising and demonstrate the benefits of the proposed approach in both reducing cost and increasing system reliability over existing robust optimization models as well as recent look-ahead dispatch models. Part I then turns to the unit commitment problem and studies effective algorithms for solving the two-stage robust optimization model for the unit commitment problem. Part I also provides insight to the worst-case uncertainty scenarios for the robust UC problem both under static and dynamic uncertainty sets.

2. Part II focuses on developing flexibility metrics and market construct for improving flexibility in power systems. It first develops a new probabilistic metrics, called the *lack of ramp probability* (LORP), for quantifying power system flexibility in real-time dispatch. LORP determines the level of risk of ramp capacity shortage associated with a dispatch decision. The LORP metric can also be used independently of the proposed robust dispatch model, to assess the system flexibility under existing and other proposed real-time economic dispatch models, such as conventional dispatch, look-ahead dispatch and dispatch with ramp capability constraints. Part II then proposes a two-step multi-period robust optimization based framework as a market construct for the procurement of flexibility from various flexible resources while observing inter-zonal transmission constraints.

3. Part III focuses on expanding the modeling of the short-term look-ahead dispatch to include new flexible components, such as energy storage, responsive demand, distributed energy resources, and ramp-constrained generation, as well as more accurate network models. Part III also proposes two remedial action schemes to resolve infeasibility in AC OPF with flexible devices. Finally, at a given optimal solution, a filtering & analysis framework is developed for identifying critical outages with a lowered computational cost.

**Project Publications:**


**Student Theses:**

