

Research Project SiNED Insights – Ancillary Services for Reliable Power Grids in Times of the Progressive German Energiewende and Digital Transformation

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Structure

Introduction and Motivation

1 Electrical Power Engineering

- 1.1 Contributions to overall system stabilization in the transmission grid through coordinated ancillary service provision at the distribution grid level
- 1.2 Demand analysis, control engineering, and concepts for ancillary services for the compensation of fast load jumps in distribution networks
- 1.3 Ancillary services of the grid-serving prosumer with storage, photovoltaics, electromobility and heat pump
- 1.4 Protection systems in networks with distributed converters

2 Digital Transformation / Information and Communication Technology

- 2.1 Information technology platforms and services for the provision of decentralized ancillary services
- 2.2 Data, transaction and service concepts for forecasting, deployment planning and marketing of automated and autonomous activation of decentralized ancillary services
- 2.3 AI tools and frameworks for power flow forecasting and attack vectors on ICT infrastructures

3 Energy Law and Economics

- 3.1 Fair pricing of ancillary services and economic potentials of controllable renewable energies
- 3.2 Legal framework for ancillary services

Conclusion and Outlook



Introduction and Motivation

Introduction and Motivation

- How can the changing demand for ancillary services (ASs), which increasingly have to be provided by decentralized distributed energy resources (DERs), be met in the future until 2045?
- How can the demand for ASs be met by the flexibility of prosumers, and how can this challenge be solved by converter-dominated distribution grids?
- How can flexibility for providing ASs in distribution grids be developed in terms of information technology, taking resilience into account?
- Which economic optimization potentials are possible for the provision of ASs, which (data protection) legal restrictions have to be considered, and which adjustments of the regulatory frameworks are necessary?





1 Electrical Power Engineering

Topics

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1.1 – Contributions to overall system stabilization in the transmission grid through coordinated ancillary service provision at the distribution grid level <u>Neelotpal Majumdar</u>, Dr.-Ing. Thomas Leveringhaus, Prof. Dr.-Ing. Lutz Hofmann

Vertical active and reactive power flexibility provision as basis for TSO-DSO Coordination

- Aggregated active and reactive power (PQ) flexibility determined at the HV/MV interconnection from distributed energy resources (DER)
- Aggregated PQ- flexibility as an interface for TSO-DSO coordination, to enable efficient utilization of flexibilities at the overlaying grids
- For DERs at the combined MV/LV grid level, simplified rectangular PQ capability curves assumed as demonstrated
- MV/LV grids on which the methods are applied are a modified version of the Benchmark Cigrè MV grid
- The aggregated flexibility is also termed in literature as Feasible Operating Region (FOR)
 - Posed as an optimization problem adhering to the technical grid and technology constraints of the MV/LV grid level
 - Solved by linear optimization which provides fast results with
- SIMED negligible loss of quality



Fast frequency response strategies through decentralised renewable generation

- Fast frequency response (FFR) are investigated on a 12 node benchmark grid as demonstrated
- Different strategies investigated are classified as:
 - With 10% reserve power (curtailed generation)
 - Pitching
 - Overspeeding
 - Without reserve power (generation uncurtailed)
 - Virtual Hidden Inertia Emulation (VHIE) or Synthetic Inertia (SI)
 - Combined approach
 - Pitch control combined with SI
- Due to higher levels of reserved active power flexibility, pitch control and overspeeding provide improved FFR
 - Increased economic losses due to curtailed generation









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1.2 – Demand analysis, control engineering, and concepts for ancillary services for the compensation of fast load jumps in distribution networks <u>Vanessa Beutel, Julian Beyrodt, Prof. Dr. rer. nat. Carsten Agert</u>

Demand analysis and control algorithms for converter-based grids

Demand analysis and control power algorithm for frequency stability

Goal:

Development of a grid-controller for systems with converter-based power supply and reduced inertia







Demand analysis and control algorithms for converter-based grids

Machine-Learning algorithm for voltage-stability with reactive power control



Machine-Learning algorithm for reactive power control





Hardware-based Validation in grid environment

Ancillary services of the grid-serving prosumer household

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1.3 – Ancillary services of the grid-serving prosumer with storage, photovoltaics, electromobility and heat pump Carsten Wegkamp, Prof. Dr.-Ing. Bernd Engel

Prosumer with storage, PV, electromobility, and heat pump

- High impact of comparatively large prosumer devices on critical grid situations in the LV grid





Ancillary services of the grid-serving prosumer: two approaches

Decentral concepts

Prescription for **boundary ranges** (e. g. for active power provision) or specific reactional behavior in the form of characteristic curves (e. g. for voltage control concepts)



- voltage control
- Different effects on prosumer key figures
- Prescribed concepts typically aren't optimal for LV grids
- Future work: provision of frequency control as a global AS
 - technical synergies of multi-used BSS
 - comparison of innovative grid components and grid expansion

Centrally coordinated AS model

Efficient covering of AS demand with flexibility from prosumer devices using **sensitivity factors** to quantify the impact



- Grid status and impact of power adaption is considered
- Potential to completely eliminate violations for the LV grid



S_{max}





Ancillary services of the grid-serving prosumer household

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1.4 – Protection systems in networks with distributed converters Marc René Lotz, Prof. Dr.-Ing. Michael Kurrat, Prof. Dr.-Ing. Martin Könemund

Protection Systems in Distribution Grids

- Ancillary services provided more and more by inverterbased systems
- Reassessment of conventional protection systems essential
 - Increasing variation in power-flow directions
 - Decrease and variability of short-circuit levels
 - Changing topologies and dynamics
- Negative influence on functionality of conventional protection systems
 - Blinding, sympathetic tripping, loss of coordination
- Simulative analysis of influence performed
 - Cigré benchmark system for DER integration
 - Adapted by inverters, controls, and protection systems
 - Compliant with VDE-AR-N 4110 (TCR)
 - Literature findings have been validated





Protection Systems in Distribution Grids

- Various fault scenarios have been analyzed
 - Distance protection system functionality could be negatively influenced
 - Overreach/underreach issues, errors in fault location
 estimation, loss of backup protection
 - Fault (B) leads to error impedances due to intermediate infeed configuration
- Outlook
 - Proposal and simulative validation of protection concepts
 - Focus on adaption of inverter-based controls (see another VDE ETG Congress contribution)
 - Experimental validation of findings and proposals with laboratory-scale PHiL experiments







Protection Systems in Distribution Grids

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2 Digital **Transformation /** Information and Communication Technology

Topics

- 2.1 Information technology platforms and services for the provision of decentralized ancillary services
- 2.2 Data, transaction and service concepts for forecasting, deployment planning and marketing of automated and autonomous activation of decentralized ancillary services
- 2.3 Al tools and frameworks for power flow forecasting and attack vectors on ICT infrastructures



2.1 – Information technology platforms and services for the provision of decentralized ancillary services Payam Teimourzadeh Baboli, Amin Raeiszadeh, Michael Brand, Prof. Sebastian Lehnhoff

IT platform and services for the provision of decentralized ancillary services

Project Overview and Team Information

Goals

- 1. Support decentralized provision of ancillary services.
- 2. Analyze correlations between time series data.
- 3. Predict joint-reliability of coalitions.
- 4. Optimize provision of ancillary services.
- 5. Provide user-friendly interface for customization.
- 6. Facilitate integration with other systems.
- 7. Ensure compliance with industry standards.
- 8. Manage risks associated with ancillary service provision.

Steps

- 1. Conducted requirement engineering for platform development.
- 2. Designed platform architecture with modular components.
- 3. Choose proper technologies to implement the platform.
- Developed internal algorithms for data analysis and optimization.
- 5. Tested platform with the use cases.
- 6. Documented testing results per industry standards.
- 7. Demonstrated platform's correlation and reliability prediction capabilities.
- 8. Optimized ancillary service provision with platform.



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IT platform and services for the provision of decentralized ancillary services

The architecture of the proposed service platform

- The proposed service platform has four main modules:
 - Communication & management layer,
 - Database,
 - Algorithms and Service,
 - User interface.
- All modules are dockerized for scalability and flexibility.
- The service platform integrates several algorithms, including data preparation, uncertainty modeling, and correlation graph visualization.
- The platform can generate synthetic data, fit probability distribution functions, compute joint-reliability models, and perform reliabilitysensitive optimization.





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2.2 – Data, transaction and service concepts for forecasting, deployment planning and marketing of automated and autonomous activation of decentralized ancillary services Paul Hendrik Tiemann, Prof. Dr.-Ing. Astrid Nieße

Agent-based simulation of hierarchical market



- Jointly allocate system services for transmission and distribution system
- Game theoretic evaluation
- Simulation of interdependency between market and DER states



Agent implementation to display complex system behavior

[1]: Tiemann, P.H., Nebel-Wenner, M., Holly, S. et al. (2022): Operational flexibility for multi-purpose usage of pooled battery storage systems. Energy Informatics 5(1), 14–26, DOI: 10.1186/s42162-022-00209-4



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2.3 – Al tools and frameworks for power flow forecasting and attack vectors on ICT infrastructures Jana Gerlach, Sarah Lier, Prof. Michael H. Breitner

AI Tools and Frameworks for Power Flow Forecasting and Attack Vectors on ICT Infrastructures

Cybersecurity: Attacker vs. Defender

The main **cyber security threats** are: ransomware, data breaches and data loss, malware, disinformation, human error, threats to availability and integrity.

→ Costs of cybercrime include not only monetary consequences, but also reputational damage and disclosure of data

Traditional security measures such as antivirus programs or firewalls can **no longer** meet today's security requirements.

→ The need for advanced technologies such as Artificial Intelligence (AI) is increasing

Al for cybersecurity, e.g., Machine Learning (ML) based anomaly detection is an emerging service market.

 \rightarrow There is a lack of classification of AI-driven cybersecurity services

→ Practitioners need a clear overview and decision support

Decision Tree for Al-driven Cybersecurity Service





Archetypes



Archetype 1 - Intrusion Detection and Resilience-Enhancing Cybersecurity Services:

- Target: Identify vulnerabilities and threats.
- Measures: Ransomware monitoring, risk assessments, backup and recovery solutions, identity management.



Archetype 2 - All-In-One-Solutions:

- Target: Providing resilience, cyberattack prevention, intrusion detection, and response in one service.
- Measures: Detect and respond to anomalies and attacks by utilizing ML technologies in real-time.



Archetype 3 - Governance and Compliance Enhancing Services:

- Target: Ensure and support governance and compliance.
- Measures: Data management, risk analysis, penetration testing, logins, and two-factor authentication.



Archetype 4 - Third-Party Attack Prevention with Automated Response:

- Target: Protection against phishing attacks, ransomware and data leaks, bot attacks, and disinformation.
- Measures: Cybersecurity awareness education by emulating threats, data leak and ransomware detection by scanning e.g., dark and deep web, connected storage devices, open databases, and cloud apps.



3 Energy Law and Economics

Topics

- 3.1 Fair pricing of ancillary services and economic potentials of controllable renewable energies
- 3.2 Legal framework for ancillary services



3.1 – Fair pricing of ancillary services and economic potentials of controllable renewable energies <u>M.Sc. Jana Gerlach</u>, M.Sc. Sarah Lier, Prof. Michael H. Breitner

Fair pricing of ancillary services and economic potentials of controllable renewable energies

Bidding Strategies

Plant portfolio:

- Primary control power:
 - Battery storage
- Secondary control power:
 - Positive:
 - Thermal power plants
 - Biomass power plants
 - Negative:
 - E-heaters
- Minute reserve:
 - Thermal power plants

 PV plants and other smaller plants are only offered for direct marketing, even in the pool.

Strategies:

- Intraday is risky
- Goal for participating at control reserve market: to receive revenues above the mean value = benchmark in the long term
- **Standard bids:** Before day-ahead marketing, the entire capacity is offered on the balancing power market.
 - First of all at the normal, expected power prices that can be justified.
 - The other capacities left over, which are actually intended for the day-ahead market, are still offered on the balancing power market, but at significantly higher prices.
 - Working prices are based on the marginal costs of the plants (normally the same working prices are offered. Adjusting is always possible)
 - Lucky bids: the last MWs are offered at very high prices, which are normally not marketable.
 - Joker bids/opportunistic bids: Plants that are not actually on the grid are marketed at high prices in the SRL market. In the event of an award, the plant is started up, otherwise the plant remains off.
- **Aggressive bidding:** Offer high prices in the capacity market. Not being awarded a contract is no longer so bad, as the opportunity of the labour market still exists. (More of a big player strategy).
- Exit strategy: Offer extremely high prices to push the offer out of the merit order
- □ Utilization if plants are broken or other markets are more lucrative



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3.2 – Legal framework for the procurement of demand-side flexibility for congestion management Sebastian Buchholz, Prof. Dr. jur. Hartmut Weyer

Procurement of demand-side flexibility for congestion management

Non-market-based (mandatory) procurement mechanisms

Leading question: Is remuneration owed by the grid operator to the flexibility provider?

- EU Law provides for the mandatory remuneration of mandatory measures of Redispatch
- German law
 - generally also provides for compensation in the case of so called "marktbezogene Maßnahmen"
 - Exception in case of special emergencies (ultima ratio) -> no compensation
- German law on grid connection does generally not permit preventative considerations of grid congestions
 - Exception: grid connection impossible or economically unbearable; possibly applicable in case of a lack of grid capacity
 - However, German law permits a limitation of the use of the connection, in particular if the unrestricted use is based on special circumstances, the elimination of which cannot be expected of the network operator from an economic point of view
 - In particular if the network operator has already expanded the network within his duties set by law to meet demand and still congestions are to be expected
 - The flexibility provider can eliminate the economic unreasonableness for the grid operator by assuming costs incurred for the grid expansion.

Following this, the new mechanism could provide flexibility to be contracted without remuneration



Procurement of demand-side flexibility for congestion management

Non-market-based (mandatory) procurement mechanisms

Mandatory mechanism is proportionate with regards to fundamental rights concerned:

- Fundamental rights affected:
 - Freedom to conduct a business
 - Guarantee of property
 - Principle of equality
- Approaches to mitigate the intensity of the restricition of fundamental rights (Grundrechtseingriff):
 - Payment of compensation, provided that the network is not expanded to meet demand
 - The option of a second tariff is offered to the flexibility provider,
 - Tariff must enable unlimited entitlement of network use on more burdensome terms.
 - The tariff that allows the network operator extensive recourse options is granted on better terms.



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3.2 – Legal framework for the use of grid related data and the multi-purpose use of energy storage facilities Alexandra Scheunert, Prof. Dr. jur. Hartmut Weyer

Legal framework for the use of grid-related data

- Background of regulation:
 - Protection of personal data
 - Protection of sensitive information about the grid and power system
 - Ensuring necessary data reaches relevant parties
 - Cybersecurity
 - Protection of competition
- Legal grounds for processing of personal data required, e.g.
 - Consent can be withdrawn at any point
 - Required to fulfill a contract or in preparation of a contract the affected party initiated
 - Necessary to fulfill a legal obligation or a task in the exercise of official authority vested in a grid operator
 - Legitimate interests that are not overridden by interests or fundamental rights and freedoms of data subject
- Parties, that may handle personal data: conclusively listed
 - Listed: e.g., Grid operator, balancing responsible parties, etc.
 - Not listed: new market roles, e.g. aggregators
 - If not listed: processing of personal data only based on consent

- Specific purposes of data processing required
 - GDPR: any purpose sufficiently specified in advance
 - German MsbG:
 - only certain purposes
 - e.g. data use by balancing responsible party only for the purpose of:
 - Balancing group management,
 - Verification of balancing group billing, or
 - Fulfillment of duties set forth by the German Federal Network Agency
- Especially: data processing in Blockchain
 - Data received by all participants
 - not only by parties permitted to process data (by national law)
 - data processing (only) based on consent?
 - Purpose of data processing:
 - Only for those parties involved in a certain transaction
 - Data processed for technical purposes by all other participants
 - Possible conflict with the requirement of a specific purpose of data processing
 - Possible solution: private or permissioned Blockchain



Legal Framework for the multi-purpose-use of electricity storages

- EEG-surcharge dropped in July 2022
- Remaining financial burdens:
 - Network charges
 - apply for consumption
 - Electricity storage in Germany defined as: consumption and production of energy
 - \Rightarrow network-charges apply for the consumption in the storage facility as well as for the final consumption elsewhere
 - Exceptions for electricity storage facilities:
 - Generally no network charges for electricity stored in facilities built in certain time periods
 - However no exception for storages after 20 years of operation
 - Possibly no exception, if the energy stored is not fully fed back into the grid (e.g. if parts of the energy stored are consumed within the household)
 - · Similar consideration for electricity taxes and the new hydrogen surcharge
- Principle of exclusivity:
 - Funding for electricity storage facilities exists, so called "EEG-Förderung"
 - Require the entire energy stored to stem "exclusively" from renewable energy sources
 - Simultaneous storage of energy stemming from renewable energy sources and other sources probably conflicts with the principle of exclusivity
 - However, if only the energy stored at a certain point in time must "exclusively" stem from renewable energy sources, a sequential use of energy from other sources is possible
 - Might stand in contrast to European regulations requiring the Member States to encourage energy storage solutions



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Conclusion and Outlook

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Conclusion

Electrical Power Engineering

- Results of Investigation of different voltage levels and fault handling
- Flexibility potential of prosumers for ASs: algorithms for distributed devices and a simulative and hardware-based validation environment was built
- The aggregation of distribution grid flexibilities for usage in operation of overlaying grid levels is proposed and in dynamic analyses, FCR techniques from DERs are investigated
- The evaluation of protection and control systems shows that further development of distance protection systems are necessary to ensure a safe and reliable provision of ASs with increasing inverter-based infeed
- The prospective, distributed provision of ASs in a digitalized way requires developing IT and corresponding ICT infrastructures

Digital Transformation / Information and Communication Technology

- Decentralized market architecture for the resilient provision of ASs were developed and implemented for an agent-based simulation
- Results on cyber security aspects of ICT infrastructures in the form of cyber-attack vectors and cyber security strategies
- The bid-based design of the AS market influences the financial factors of the market in terms of the scope and diversity of the asset portfolio and the risk aversion of the marketer

Energy Law and Economics

 There are forms of procurement of flexibility, market designs, data use as well as battery storage applications that allow to meet the demands of a transitioning energy system

results indicate the technical, economics and regulatory feasibility of the future provision of AS by DER



Research Project SiNED Insights – Ancillary Services for Reliable Power Grids in Times of the Progressive German Energiewende and Digital Transformation

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