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A  
MID TERM PROGRESS REPORT  
ON  
**"IMPACT OF TIME OF USE OF  
ELECTRICITY PRICING IN POWER  
SYSTEM LOSS AND NODE VOLTAGE"**  
(as a partial fulfillment of Bachelor's Degree in Electrical Engineering)  
(Course Code: EE755)

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## Abstract

This project proposes an analytical method that incorporates the time of use (TOU) strategy into the reliability evaluation, power system loss and node voltage. Traditional utility prices involve a set rate per kilowatt-hour, which can fluctuate during the summer and winter. A sliding rate scale, however, is structured according to peak and off-peak times of day. It enables the reduction of peak valley difference of a load curve, economizes the electricity cost, and eases energy consumption for the customers. We will use RBTS as test system in our project.

**Keywords:** *Time of Use electricity, Power system reliability, Power system loss, RBTS*

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## **1 Introduction**

Traditional utility prices involve a set rate per kilowatt-hour, which can fluctuate during the summer and winter. A sliding rate scale, however, is structured according to peak and off-peak times of day. This is called a “time-of-use” (TOU) rate plan. Under such a plan, your bill will be determined by how much energy you use and when you use it. The prices and peak times vary based on the season and day of the week; for example, many utility companies consider weekends off-peak. The structure often looks different in the summer or winter months, with more tiers to accommodate the increase in HVAC system use as everyone tries to cool off or stay warm.

## 2 Problem Statement

Every power generation plant can generate a fixed quantity of power. However, energy demand cannot be fixed. It varies from time to time which destabilizes the utility. Demand response (DR) program is designed to cope with the load balancing problem. To minimize the extensive usage of electricity during on-peak hours (i.e., energy demand increases). The DR program encourages the user to shift the load from on-peak hours and get incentives. TOU tariff is the most common pricing scheme among others. The TOU tariff is divided into three blocks: peak, flat and valley hours. Although, TOU tariff can reduce the peak-load of electricity demand. However, almost zero energy consumption is observed during some peak period. Zero energy consumption means no revenue. To achieve the better performance, an energy management controller is required to schedule the load in mean level. The electricity price for load shifting consumer is the same as other consumers and reducing the peak mean improving the reliability of the system and reducing the loss of system.

An equal step length iteration method is used to compute peak, flat and valley period and use analytical method to compute voltage fluctuation and losses of system.

### **3 Objective of Project**

The main objective of this project is to evaluate power system loss percentage and voltage fluctuation before and after considering TOU and compare with our conventional method of tariff system. We have divided objective in two parts.

Major Objective

- To analyze impact of TOU on power system loss and node voltage

Specific Objective

- To draw load curve
- To obtain optimal period partition
- To calculate power loss and node voltage before and after considering TOU

### **4 Scope of Project**

It is one of the best tools for demand side management and its scope is in the reduction of system loss by implementing TOU also play important role.



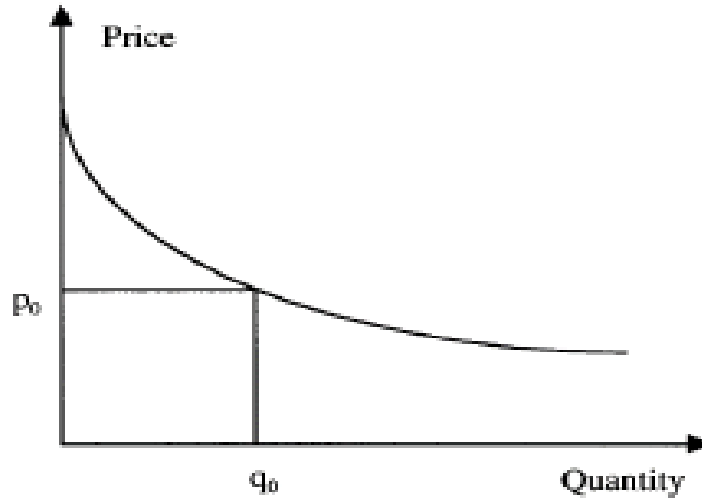
## 5 Literature Review

TOU electricity pricing is a relatively new field which has attracted attention from researchers. When firms use dynamic pricing in order to match demand with the inventory or capacity, the creation of price differences between segments may cause consumers to switch (from higher priced segments to lower priced segments).

The demand response (DR) program has a significant influence on improving the reliability of electrical distribution systems and alleviating the electricity shortage during the peak Period [1] [2] [3] [4] . TOU Programme has been widely used in the electrical Power system. After carrying out a TOU electricity price program, the electrical energy consumption behavior of customers will be changed through increasing load demand during the valley period and reducing load demand during the peak period [5] [6] . Thus by the use of TOU programme it helps in economic use of the system and maintain the utilization rate of the electrical equipment. The existing literatures related to TOU strategies primarily focused on two aspects, i.e., the period partitioning and the TOU electricity pricing optimization. Time varying prices by motivating customers to reduce their consumption in peak periods propel the electricity industry towards a higher efficiency compared to that of common flat prices [7]. Traditional k-means algorithm [8] and bisecting k-means algorithm [9] are used for period Partitioning, load forecasting and probabilistic power flow analysis.

Our specific objective is to make an analysis on the impact of TOU strategy on the voltage quality and the power loss of the electrical distribution system. Here in our project the work are divided into the three parts, firstly a period partitioning algorithm based on the moving variable boundary technique is used for overcoming the instability of traditional clustering algorithms and improving the efficiency of the period partitioning. Secondly, an optimal TOU pricing model is proposed by minimizing the peak-valley difference with the help of RMSD (root mean square distance). Thirdly the reliability indices are defined for considering the impact of TOU strategy and improving the power quality and the power loss. Finally, the system is tested on IEEE-6 bus system for the validation of the proposed method.

The price elasticity matrix of the demand is composed of elasticity coefficients which describe the ratio of electrical energy variation and to the price variation. The electricity consumption is not only related to the current period but also to the other periods. Elasticity coefficients of demand are divided into self-Elasticity and Cross-Elasticity coefficient [10] . A self-elasticity coefficient relates the load and price at the same time while cross elasticity coefficients relate the load and price at different times [7]. To capture the elastic behavior of load in response to the time varying prices, a price elasticity matrix with self-elasticity and cross-elasticity coefficients equal to -0.2 and 0.0087 is utilized, respectively [11] .



**Figure 1:** *Typical Demand Curve*

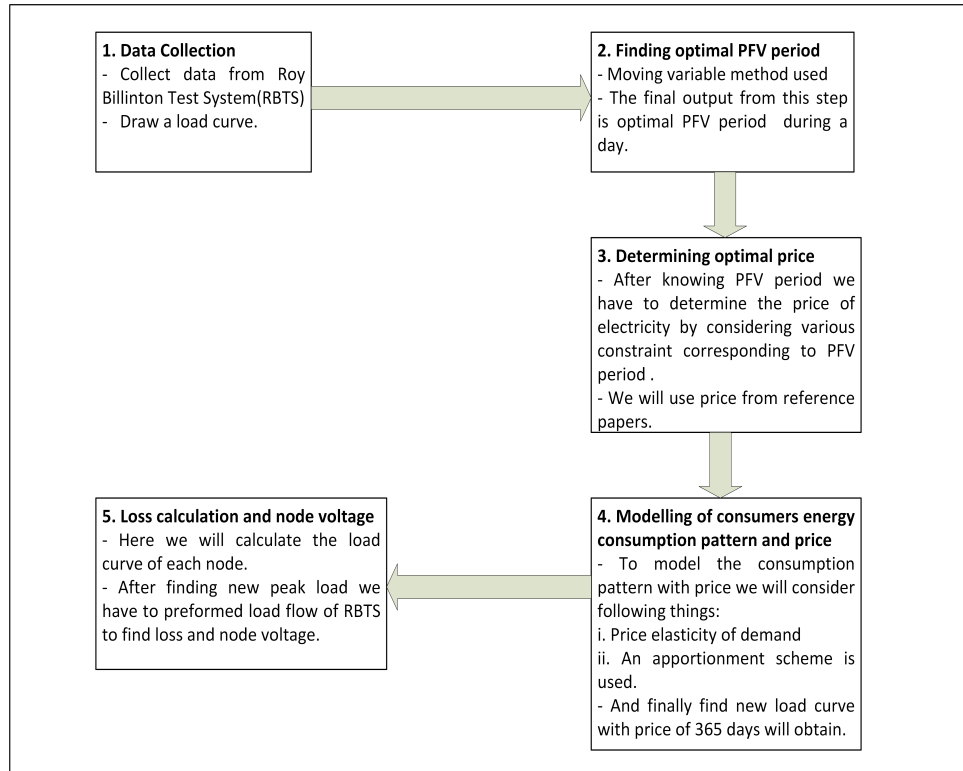
The demand for most commodities decreases as the price of the commodity increases as illustrated by the demand curve sketched on Fig 1.

The diagonal elements of this matrix represent the self-elasticity and the off-diagonal elements correspond to the cross elasticity. Column of this matrix indicates how a change in price during the single period affects the demand during all the periods. If the only nonzero elements in this column are above the diagonal, the consumers react to a high price by bringing forward their consumption. If they are below the diagonal, they postpone their consumption until after the high price period. If consumers have the ability to reschedule their production over a long period, the nonzero elements will be spread widely over the column. On the other hand, if their flexibility is limited, the nonzero elements will be clustered around

the diagonal. Some customers may also decide that, if they have to reschedule their electricity consumption, they might as well take advantage of the hours of lowest prices, which typically are in the early hours of the morning [12].

## 6 Methodology

Here, we will use RBTS as test system and if required data are unavailable data will be assumed from related research papers and following are the steps to calculate the node voltage and percentage power loss by considering time of use of electricity.



**Figure 2:** Block diagram of proposed project

## 6.1 Optimal Period Partition

Hourly load curve of a day can be divided into peak flat and valley period [13]. Equal step length iteration algorithm is used to optimize the period partitioning [14] is used in our project. Optimized period partition is divided into two parts.

### 6.1.1 Peak flat valley period partition

Let  $\{P_t, t = 1, 2, \dots, 24\}$  be the hourly load sequence for a day.  $t = 1$  denotes the hour period from midnight to 1 am. The subsequent hour periods are defined accordingly.  $P_{min}$  denotes the minimum of the sequence and  $P_{max}$  the maximum. Assume that  $m_1, m_2$ , and  $m_3$ , which belong to the interval  $[P_{min}, P_{max}]$ , represent three moving variables related to the peak, the flat, and the valley periods, respectively.

Let  $m_j$  ( $j=1, 2, 3$ ) be the decision variables and the root mean square distance (RMSD) between  $P_t$  and  $m_j$  as the objective function [15]. An optimal period partition model of a typical day can be established by the following optimization problem:

$$MinRMSD = \sqrt{\frac{1}{24} \sum_{t=1}^{24} (P_t - \sum_{j=1}^3 (\theta_j m_j |_{P_t \in G_j}))^2} \quad (1)$$

where,

$$\left\{ \begin{array}{l} m_1 - m_2 > 0 \\ m_2 - m_3 > 0 \\ P_{min} \leq m_j \leq P_{max} \end{array} \right\} \quad (2)$$

Where,  $j = 1, 2$ , and  $3$  represent the peak, flat, and valley periods, respectively, and  $G_j$  is the load set of the  $j^{th}$  period; if  $P_t$  is the element of  $G_j$ ,  $\theta_j = 1$ , otherwise  $\theta_j = 0$ .

### 6.1.2 Optimization of peak flat valley period partition

This section presents an optimization method for the PFV partition model based on an equal step length iteration technique. Let the moving variables  $m_1, m_2$  and  $m_3$  gradually move from  $P_{min}$  to  $P_{max}$  with an equal step length, and keep  $m_3 < m_2 < m_1$ . The interval  $[P_{min}, P_{max}]$  is divided into  $N$  equal parts.

Steps:

1. Setting equal step length

$$\Delta_m = \frac{P_{max} - P_{min}}{N}$$

2. Initializing the moving variable as:

$$m_3 = P_{min}, m_2 = P_{min} + \Delta_m, m_1 = P_{min} + 2\Delta_m. \text{ Let, } K_3 = 0, K_2 = 1, K_1 = 2$$

3. Calculating moving variables as:

$$m_3 = P_{min} + K_3 \Delta_m \quad \text{or} \quad m_2 = P_{min} + K_2 \Delta_m \quad \text{or} \quad m_1 = P_{min} + K_1 \Delta_m$$

4. Form the period sets for peak:

Form the sets for the peak, the valley and the flat period. Calculate the distance between each hourly load ( $t=1,2,3..24$ ) and moving variable  $m_1, m_2$  and  $m_3$  respectively. Classify the  $t^{th}$  hour into peak period sets  $G_1$ , the flat period sets  $G_2$  and the valley period sets  $G_3$  according to the shortest distance principle.

$$\{t \in \{G_1\}, \text{ if } |P_t - m_1| = \min \quad \{|P_t - m_j|, j = 1, 2, 3\}\}$$

$$\{t \in \{G_2\}, \text{ if } |P_t - m_2| = \min \quad \{|P_t - m_j|, j = 1, 2, 3\}\}$$

$$\{t \in \{G_3\}, \text{ if } |P_t - m_3| = \min \quad \{|P_t - m_j|, j = 1, 2, 3\}\}$$

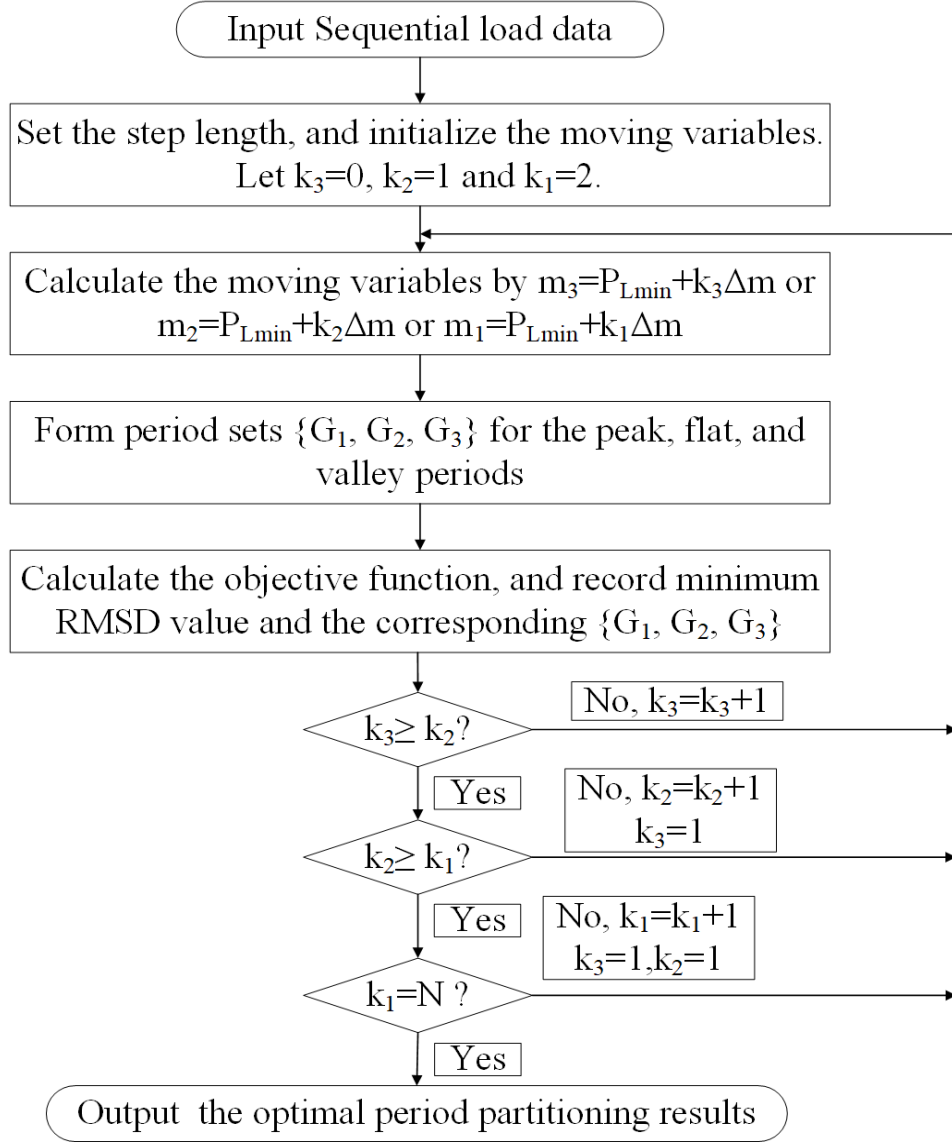
5. Calculation of the RMSD iteratively

6. Termination criterion of iteration if

$$m_3 = P_{min} + (N - 2)\Delta_m, m_2 = P_{min} + (N - 1)\Delta_m, \text{ and } m_1 = P_{max}$$

$$\text{Let, } k_1 = k_1 + 1 \quad k_2 = k_2 + 1 \quad \text{or} \quad k_3 = k_3 + 1$$

7. Output the optimal period partitioning results The partition that has minimum RMSD is the optimal PFV period partition. Let  $G_1, G_2, G_3$  be partitioned peak, flat and valley respectively.



**Figure 3:** Flowchart of Peak Flat Valley period partition

## 7 Results

The RTS and RBTS systems are used for the required data. The proposed method was implemented in MATLAB software.

### 7.1 Draw Load Curve

Hourly sequential data to draw load curve is taken from RTS system which is shown in Table 1 below.

Table 1:- Sequential Data

S.N.	Hour	Load in per unit	S.N.	Hour	Load in per unit
1	12-1 am	0.67	13	Noon-1 pm	0.95
2	1-2 am	0.63	14	1-2 pm	0.95
3	2-3 am	0.6	15	2-3 pm	0.93
4	3-4 am	0.59	16	3-4 pm	0.94
5	4-5 am	0.59	17	4-5 pm	0.99
6	5-6 am	0.6	18	5-6 pm	1
7	6-7 am	0.74	19	6-7 pm	1
8	7-8 am	0.86	20	7-8 pm	0.96
9	8-9 am	0.95	21	8-9 pm	0.91
10	9-10 am	0.96	22	9-10 pm	0.83
11	10-11 am	0.96	23	10-11 pm	0.73
12	11- Noon	0.95	24	11-12 pm	0.63

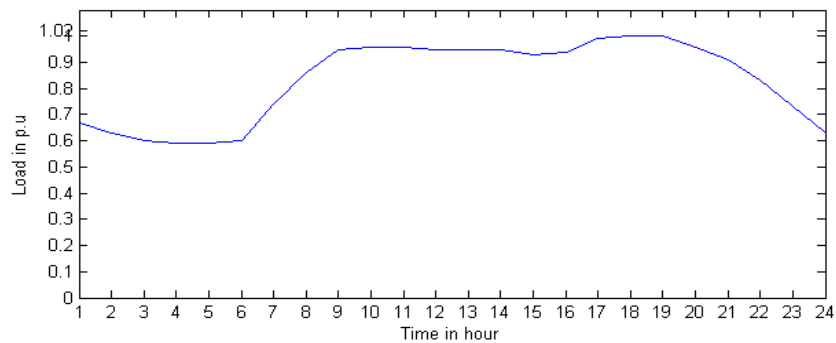
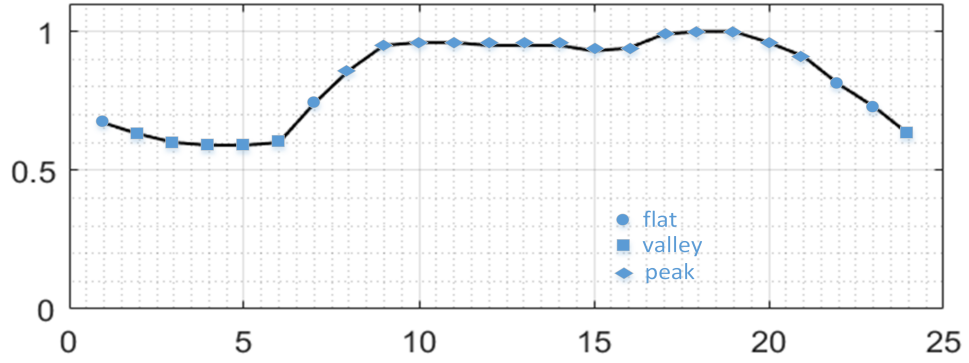


Figure 4: Load Curve



## 7.2 Period Partition

The normalized sequential load data are provided from the RTS system to construct the period partition. After drawing load curve, we used equal step length iteration for peak, flat, valley period partition. The partitioned load curve is shown below:



**Figure 5:** *Partitioned load curve in peak, flat and valley period*

## **8 Conclusion**

We took the data from the RBTS and plotted the load curve before implementing Time of Use Of electricity (TOU) and after drawing load curve, we used equal step length iteration for peak, flat, valley period partition.

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