APPENDIX

KEY PARAMETERS for the CASE in the paper "Distributed Energy Management for Multiple Microgrids: An Incentive-based Distributed Optimization Approach"

1) **DG**: The generation cost of DG is defined as a quadratic function of $P_{i,l,i}^{G}$.

$$C_{i,i}^{G}(P_{i,i,t}^{G}) = a_{G1}(P_{i,i,t}^{G})^{2} + b_{G1}(P_{i,i,t}^{G})$$

 a_{G1} = \$0.075kW², b_{G1} =\$0.85 kW, $P_{\text{G1}}^{\text{max}}$ =20 kW; a_{G2} =\$0.083kW², b_{G2} =\$0.69 kW, $P_{\text{G2}}^{\text{max}}$ =20 kW; a_{G3} =\$0.07kW², b_{G3} =\$0.92 kW, $P_{\text{G3}}^{\text{max}}$ =25 kW.

2) **BESS:** The charging cost of BESS is defined as a quadratic function of $P_{i,j,t}^{Bd}/P_{i,j,t}^{Bc}$

$$C_{i,j}^{\text{Bd}}(P_{i,j,t}^{\text{Bd}}, P_{i,j,t}^{\text{Bc}}) = a_{\text{Bl}}((P_{i,j,t}^{\text{Bd}})^2 + (P_{i,j,t}^{\text{Bc}})^2)$$

 $a_{\rm B1}$ = \$0.005kW², $P_{\rm B1}^{\rm max}$ = 3 kW, $Q_{\rm B1}$ = 8kWh; $a_{\rm B2}$ = \$0.00625kW², $P_{\rm B2}^{\rm max}$ = 3 kW, $Q_{\rm B2}$ = 8kWh; $a_{\rm B3}$ = \$0.0065kW², $P_{\rm B3}^{\rm max}$ = 4 kW, $Q_{\rm B3}$ = 10kWh.

3) Energy Transfer: The energy transfer cost among microgrids and main grid are defined as a quadratic function of $P_{i,j,t}$, $P_{i,0,t}$ / $P_{0,i,t}$, respectively.

$$C_{i,j}^{\mathrm{T}}(P_{i,j,t}) = a_{\mathrm{T}}(P_{i,j,t})^2 + b_{G\mathrm{I}}(P_{i,j,t}) \,, \quad C_{i,0}^{\mathrm{T}}(P_{i,0,t}) = a_{\mathrm{T}}(P_{i,0,t})^2 + b_{G\mathrm{I}}(P_{i,0,t})$$

 $a_{\rm T}$ = \$0.009kW², $b_{\rm T}$ =\$0.07 kW, $(P_{\rm m}^{\rm T})^{\rm max}$ =5 kW, $(P_{\rm 0}^{\rm T})^{\rm max}$ =6 kW.

4)Load: The load of three microgrids is changed with a time interval Δt =1h in the whole schedule horizon T=24.

 $P_{I,I}^{L}$ (kW)=[12, 11, 13, 15, 15, 17, 15, 16, 15.8, 17.2, 17, 16, 15, 17, 17.5, 17.8, 18.9, 19.5, 18.9, 18, 16, 17, 16, 15];

 $P_{2,t}^{L}$ (kW)=[13, 11, 14, 16, 15, 16, 14, 15, 15.2, 17, 16.5, 15, 16, 15, 17.5, 18.5, 19.2, 19.9, 19.5, 18, 16, 15, 14, 13];

 $P_{3,t}^{L}$ (kW)=[11, 10, 12, 13, 14, 15, 13, 15, 14.5, 16, 15.6, 17, 16, 18, 18.8, 17.9, 17.6, 18.2, 17.5, 17, 15, 14, 12, 10];

5) Main grid TOU: The TOU price given by main grid is changed with a time interval Δt =1h in the whole schedule horizon T=24.

 $\lambda_{M,t}$ (\$/kW)=[3.58, 3.57, 3.58, 3.59, 3.61, 3.62, 3.63, 3.65, 3.64, 3.62, 3.61, 3.64, 3.66, 3.68, 3.67, 3.68, 3.70, 3.72, 3.68, 3.65, 3.59, 3.55, 3.56, 3.55];