ENERGY MANAGEMENT OF MICROGRID INVERTER WITH COORDINATION CONTROL

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ABSTRACT—This paper provides a comprehensive solution for the operation of a microgrid which will simultaneously dispatch real and reactive power during both grid-connected and islanded operations. In this paper an energy-management algorithm is designed for the microgrid to coordinate the sharing of power among different DG units. The proposed microgrid consists of a photovoltaic (PV) array which functions as the primary generation unit of the microgrid and a proton-exchange membrane fuel cell to supplement the variability in the power generated by the PV array. The storage battery (SB) is implemented for peak shaving during grid-connected operation, and to supply power for any shortage in generated power during islanded operation and to maintain the stability of the distribution network. The control design for the DG inverters employs a new model predictive control algorithm which enables faster computational time for large power systems by optimizing the steady-state and the transient control problems separately. The design concept is verified through various test scenarios to demonstrate the operational capability of the proposed microgrid, and the obtained results are discussed.

I. INTRODUCTION

The application of distributed power generation has been increasing rapidly in the past decades. Compared to the conventional centralized power generation, distributed generation (DG) units deliver clean and renewable power close to the customer’s end [1]. Therefore, it can alleviate the stress of many conventional transmission and distribution infrastructures. As most of the DG units are interfaced to the grid using power electronics converters, they have the opportunity to realize enhanced power generation through a flexible digital control of the power converters. The current research is also focused on achieving a smarter grid through demand-side management (DSM), increasing energy reserves and improving the power quality of the distribution system, such as harmonic compensation for nonlinear loads [5]–[8]. The integration of renewable sources can supplement the generation from the distribution grid. However, these renewable sources are intermittent in their generation and might compromise the reliability and stability of the distribution network. As a result, energy-storage devices, such as batteries and ultra-capacitors, are required to compensate for the variability in the renewable sources.

In this paper, a microgrid consisting of a photovoltaic (PV) array, a proton-exchange membrane fuel cell (PEMFC), and a lithium-ion storage battery (SB) is proposed. The PEMFC is used as a backup generator unit to compensate for the power generated by the intermittent nature of the PV array. The SB is implemented for peak shaving during grid-connected operation, and to supply power for any shortage in generated power during islanded operation and to maintain the stability of the distribution network. The proposed controller for the inverters of DG units is based on a newly developed model predictive control (MPC) algorithm, which optimizes the steady-state and the transient control problems separately. In this way, the computation time is greatly reduced. In what follows, this paper provides a comprehensive solution for the operation of a microgrid which will simultaneously dispatch real and reactive power during both grid-connected and islanded operations, compensate for harmonics in the load currents, and perform peak shaving and load shedding under different operating conditions.

II. SYSTEM DESCRIPTION AND MODELING

A. System Description

Fig. 1 shows the configuration of the microgrid proposed in this paper that is designed to operate either in the grid-
connected or islanded mode. The main DG unit comprises a 40-kW PV array and a 15-kW PEMFC, which are connected in parallel to the dc side of the DG inverter 1 through dc/dc boost converters to regulate the dc-link voltage of the DG inverter at the desired level by delivering the necessary power.

The PV array is implemented as the primary generation unit and the PEMFC is used to back up the intermittent generation of the PV array. When there is ample sunlight, the PV array operates in the MPPT mode to deliver maximum dc power $P_{PV}$, which is discussed in detail in [9] and

![Fig. 1. Overall configuration of the proposed microgrid architecture](image)

![Fig. 2. Operation of the SB during grid-connected operation](image)

![Fig. 4. Equivalent single-phase representation of the DG](image)
is connected to the dc side of DG inverter 2 through a bidirectional dc/dc buck-boost converter to facilitate the charging and discharging operations. During islanded operation, the role of the SB is to maintain the power balance in the microgrid which is given by

\[ P_{DG} + P_{b} = P_{L} \]  

where \( P_{DG} \) is the power delivered by the main DG unit, \( P_{b} \) is the SB power which is subjected to the charging and discharging constraints given by

\[ P_{b} \leq P_{b, max} \]  

And \( P_{L} \) is the real power delivered to the loads. The energy constraints of the SB are determined based on the state-of-charge (SOC) limits which are given as

\[ SOC_{min} < SOC \leq SOC_{max} \]  

Although the SOC of the battery cannot be measured directly, it can be determined through several estimation methods presented in [11] and [12]. When the microgrid operates islanded from the distribution grid, the SB can operate in the charging, discharging, or idle mode depending on its SCC and \( P_{b} \). The flowcharts in Figs. 2 and 3 summarize the operation of the SB based on the output information provided by an energy-management system (EMS) during grid-connected and islanded operation, respectively. The EMS controls and monitors different aspects of power management, such as load forecasting, unit commitment, economic dispatch, and optimal power flow through a centralized server. Important information, such as field measurements from smart meters, transformer tap positions, and circuit-breaker (CB) status are all sent to the centralized server for processing through Ethernet.

During grid-connected operation, the distribution grid is connected to the microgrid at the point of common coupling (PCC) through a circuit breaker (CB). The role of the main DG unit functions to provide local power and voltage support for the loads and, hence, reduces the burden of generation and delivery of power directly from the distribution grid. With the proliferation of power-electronics equipment being connected to the microgrid, the load currents could be distorted due to the presence of harmonic components. The DG units also function to compensate for any harmonics in the currents drawn by nonlinear loads in the microgrid, so that the harmonics will not propagate to other electrical networks connected to the PCC. Generally, there are variations in the power generated by the PV array and that demanded by the loads. If the power generated by the main DG unit is greater than the total load demand in the microgrid, the excess power can be used to charge the SB or injected into the distribution grid, depending on the SOC of the SB, as shown in Fig. 2. Conversely, when the total load demand is greater than the power generated by the main DG unit, the SB can be controlled to achieve different energy-management functions depending on its SOC and the time of use (TOU) of electricity. During off-peak periods as shown in Fig. 2, when the cost of generation from the grid is low and if the SB’s SOC is below the maximum SOC limit \( SOC_{max} \), the SB can be charged by the grid and the loads will be supplied by the main DG unit and the grid. During peak periods, when the cost of generation from the grid is high and if the SB’s SOC is above the minimum SOC limit \( SOC_{min} \), the SB can deliver power to the grid to achieve peak shaving.

When a fault occurs on the upstream network of the distribution grid, the CB operates to disconnect the microgrid from the distribution grid. The main DG unit and the SB are the sole power sources left to regulate the loads. In the case when the generation capacity of the main DG unit is unable to

\[ \text{Total Load} \]

via a distribution line with resistance \( R_1 \) and inductance \( L_1 \).

In the grid-connected mode, the grid voltage is known and
Fig. 5. Equivalent single-phase representation of the DG inverters for islanded operation.

meet the total load demand, the SB is required to provide for the shortage in real and reactive power to maintain the power balance and stability of the microgrid as shown in Fig. 3. When the total load demand exceeds the generation capacity of the main DG unit and the SB, the EMS detects a drop in the system frequency and load shedding for noncritical loads is required to restore the system frequency and maintain the stability of the microgrid.

B. DG Inverter Modeling

Figs. 4 and 5 show the equivalent single-phase representation of the DG inverters for grid-connected and islanded operation, respectively [13]–[15]. The switched voltage across the output of the $j$th DG inverter is represented by $u_j V_{dcj}$, where $u_j$ is the control input and $j=1, 2$. The output of the DG inverter is interfaced with an LC filter represented by $L_{fi}$ and $C_{fi}$ to eliminate the high switching frequency harmonics generated by the DG inverter. The resistance $R_j$ models the loss of the DG inverter. The total load current $i_L$, which is the sum of the currents delivered to the load ($k=1, 2, 3$), is given by

$$i_L = \sum_{k=1,2,3} i_{kL} = i_{L1} + i_{L2} + i_{L3} \tag{4}$$

and can be modeled as two components consisting of fundamental $i_{Lf}$ and harmonic $i_{Lh}$ with their peak amplitudes $I_{Lf}$ and $I_{Lh}$, respectively, and is represented by

$$i_L = i_{Lf} + i_{Lh} = I_{Lf} \sin(\omega t - \phi_{Lf}) + \sum_{k=2,3} I_{Lh} \sin(\omega t - \phi_{Lh})$$

$$= I_{Lf} \sin \omega t \cos \phi_{Lf} - I_{Lh} \cos \omega t \sin \phi_{Lf} + \sum_{k=2,3} I_{Lh} \sin(\omega t - \phi_{Lh})$$

$$= i_{Lfp} + i_{Lfq} + i_{Lh} \tag{5}$$

where $\phi_{Lf}$ and $\phi_{Lh}$ are the respective phase angles of the fundamental and harmonic components of $i_{Lf}$ and $i_{Lh}$, and $i_{Lfp}$ and $i_{Lfq}$ are the instantaneous fundamental phase and quadrature components of $i_L$. To achieve unity power factor at the grid side, compensate for the harmonics in the load currents and concurrently achieve load sharing, the inverter of the DG unit supplies a current $i_{Dg}$ that is given by

$$i_{Dg} = (i_{Lfp} - i_g) + i_{Lfq} + i_{Lh} \tag{6}$$

where $i_g$ is the grid current. As shown in Fig. 4, the distribution grid is supplied by a utility substation represented by a voltage source $v_g$ during grid-connected operation, and is connected to the microgrid and the loads

where the microgrid shares the load demand with the grid. Hence, to control the power delivered to the loads, the output current of the DG inverter is controlled using the current control mode (CCM). During islanded operation, the microgrid will supply the overall load demand as shown in Fig. 5, and it is required that the output voltage be regulated to a pure sine wave with a fixed magnitude. This can be achieved through the voltage-control mode (VCM). The control design for the DG inverter will be elaborated on further in Section III.

To derive a state-space model for the DG inverter during both grid-connected and islanded operations, Kirchhoff’s voltage and current laws are applied to the current loop $i_j$ as shown in Fig. 6, and the following equations are obtained:

$$\frac{di_j}{dt} = -\frac{1}{L_{fj}} \frac{I_j}{L_{fj}} v_{d0j} + \frac{V_{dcj}}{L_{fj}} \tag{7}$$

$$\frac{dv_{d0j}}{dt} = \frac{1}{C_{fj}} i_j - \frac{1}{C_{fj}} i_{Dgj} \tag{8}$$

where $i_j$ is the current passing through $L_j$. Hence, the grid connected DG inverter model can be written as

$$x_{gj} = A_{gj} x_{gj} + B_{gj} v_{dj} + B_{gj2} v_j \tag{9}$$

$$y_{gj} = C_{gj} x_{gj} + D_{gj} v_j + D_{gj2} v_j \tag{10}$$

where the subscripts and represent the model of DG inverter $j$ during grid-connected operation ($j=1, 2$) and

$$A_{gj} = \begin{bmatrix} -\frac{1}{L_{fj}} & 0 \\ -\frac{1}{L_{fj}} & \sigma \end{bmatrix} ; B_{gj} = \frac{V_{dcj}}{L_{fj}}$$

$$C_{gj} = \begin{bmatrix} 1; D_{gj} = \begin{bmatrix} 0 & -C_{fj} \end{bmatrix}; D_{gj2} = 0 \end{bmatrix}$$

where $x_{gj}$ is the state, $v_j = [v_{d0j} \ v_{d0j}/dt]^T$ is the exogenous input, $u_j$ is the control input, with $-1 \leq u_j \leq 1$; and $y_{gj} = i_{Dgj}$ is the output, which will be regulated to track the desired periodic reference waveform. The decomposition also allows the steady-state
During islanded operation, the frequency will change due to power imbalance in the microgrid. This change in frequency is detected by the EMS of the microgrid, which is used to manage and monitor the power dispatch by each DG unit. Based on the frequency change information, the EMS will require the main DG unit and the SB to generate the necessary power to meet the overall load demand in the microgrid as shown in the flowchart of Fig. 3, such that (1) is satisfied. During islanded operation, it follows from (7) and (8) that DG inverter can be modeled as

\begin{align}
\dot{x}_{ij} &= A_{ij} x_{ij} + B_{ij1} i_j + B_{ij2} u_j \\
y_{ij} &= C_{ij} x_{ij} + D_{ij1} i_j + D_{ij2} u_j
\end{align}

where the subscript denotes the model of the DG inverter during islanded operation (j=1, 2) and

\begin{align}
A_{ij} &= \begin{bmatrix} -\ell_{ij} / L_{ij} & -1 / L_f \\ \ell_{ij} / C_f & 0 \end{bmatrix} ;
B_{ij1} &= \begin{bmatrix} 0 \\ -\ell_{ij} / L_f \end{bmatrix} ;
B_{ij2} &= \begin{bmatrix} \ell_{ij} / C_f \\ 0 \end{bmatrix} \\
C_{ij} &= \begin{bmatrix} 1 & 0 \\ -\ell_{ij} / C_f & 1 \end{bmatrix} ;
D_{ij1} &= \begin{bmatrix} 0 \\ \ell_{ij} / C_f \end{bmatrix} ;
D_{ij2} &= \begin{bmatrix} 0 \\ 0 \end{bmatrix}
\end{align}

with \( x \) is the state vector; \( u \) is the control input; \( i \) is the exogenous input of the DG inverter; \( c \) and \( C \) are the output, which will be regulated to track the desired reference waveform. Note that although the emphasis is on the voltage \( v_{DG} \), both \( v_{DGj} \) and \( i_{DGj} \) will be regulated in the VCM to ensure that the power is delivered. Furthermore, it is assumed that the exogenous input \( i_j \) in the model is not directly measurable by the DG inverter since it involves quantities outside that inverter. Precisely, \( i_j \) represents the sum of all load currents \( i_L \) minus the sum of all from the other DG inverters in the microgrid. Although only one other inverter has been presented in the proposed microgrid, the model is extendable to more DG inverters.

### III. CONTROL DESIGN

With the mathematical model presented in Section II-B, this paper proposes a novel MPC algorithm for the control of the DG inverters of the microgrid. The proposed algorithm is a newly developed MPC algorithm specifically designed for fast-sampling systems, to track periodic signals so as to deal with the dual-mode operation of the microgrid. The algorithm decomposes the MPC optimization into a steady-state sub-problem and a transient sub-problem, which can be solved in parallel in a receding horizon fashion. Furthermore, the steady-state subproblem adopts a dynamic policy approach in which the computational complexity is sub-problem to be solved at a lower rate than the transient sub-problem if necessary. These features help to achieve a lower computational complexity and make it suitable for implementation in a fast-sampling system like our microgrid applications. In the simulation studies in this paper, the sampling interval is chosen as 0.2ms, which is considered pretty small in conventional MPC applications, but necessary for the high order of harmonics being tackled for our problem. According to [16], sampling in the range of tens of kHz is possible with state-of-the-art code generation techniques.

It is noted that in either the grid-connected or the islanded operation, the state-space model of Section II-B after time-discretization will take the form

\begin{align}
x^* &= Ax + B_1 w + B_2 u \\
y &= C x + D_1 w + D_2 u
\end{align}

where the superscript * represents the time-shift operator (with sampling interval \( T_s \)), and the exogenous signal \( w \) is periodic. In general, any periodic signal with a finite number of harmonics can be written as the output of an autonomous finite-dimensional linear time-invariant state-space model. For example, if the periodic signal has a fundamental frequency \( \omega \) and consists of only odd harmonics, the C-matrix of the corresponding state-space model can take a block diagonal form with the blocks given by

\[
\begin{bmatrix}
\cos(\omega_0 T_s) & \sin(\omega_0 T_s) \\
-\sin(\omega_0 T_s) & \cos(\omega_0 T_s)
\end{bmatrix}
\]

where \( h=1, 3, 5, \ldots \) and the \( C \)-matrix \( [1 \ 0 \ 0 \ \ldots \ 1 \ 0] \). Furthermore, the initial state of this autonomous model determines the magnitude and phase angle of this periodic signal. Hence, the exogenous signal \( w \) in (13) and (14) together with the reference that \( y \) in (14) desires to track can be modeled by

\begin{align}
\xi^* &= A_\xi \xi \\
\omega &= C_\omega \xi \\
d &= C_d \xi
\end{align}

for some \( A_\xi, C_\omega \) and \( C_d \) as described above. For the CCM during grid-connected operation, \( y = i_L \) and the current reference \( d \) for \( h \) to track consist of the same order of harmonics as \( i_L \) and is derived from the desired active and reactive power outputs of the DG units generated by the EMS. On the other hand, for the VCM as described in Section II-B during islanded operation,
for the DG unit and the reference consists of a voltage reference and a current reference.

The voltage reference for to track is typically a pure sine wave, which is derived from the monitored prior to islanding. To ensure that the respective DG units deliver the necessary power for stable operation of the microgrid during islanded operation, the current reference for to track is regulated according to the power reference generated by the EMS.

The state-space model given by (15)–(17) is known as the exogenous system in this paper. Although only odd harmonics up to the 29th order have been considered, the methodology can be easily extended to include even harmonics.

The exogenous state ξ, which essentially represents the sets of Fourier coefficients of ω and d, can be automatically identified using a Kalman-based observer known as the exogenous Kalman filter once the signal ω is measured and the reference is specified. The exogenous Kalman filter is given by

\[
\dot{\xi} = A_\xi \xi + L_\omega (\omega - \tilde{\omega}) + L_d (d - \tilde{d})
\]  
\[
\tilde{\omega} = C_\omega \xi
\]  
\[
\tilde{d} = C_d \xi
\]  

Where \( \xi \) is the estimated exogenous state, \( L_\omega \) and \( L_d \) are the observer gain matrices of the Kalman filter, and the terms \( (\omega - \tilde{\omega}) \) and \( (d - \tilde{d}) \) essentially represent the difference between the actual \( \omega \), \( d \) and the estimated \( \tilde{\omega} \), \( \tilde{d} \) generated from the Kalman filter, such that \( \tilde{\omega} \) and \( \tilde{d} \) should tend to zero asymptotically. Since \( \xi \) is actually a Fourier decomposition of the periodic signals \( \omega \) and \( d \), the exogenous Kalman filter given by (18)–(20) functions like a harmonic extraction circuit from the power system point of view [17], [18].

In what follows, the control in (13) and (14) is decomposed into a steady-state control \( u_s \) and a transient control \( u_t \) as

\[
u = u_s + u_t
\]  

such that \( u_s \to u_s \) and \( u_t \to 0 \) asymptotically. Both \( u_s \) and \( u_t \) will employ a MPC strategy, but the former will adopt a dynamic MPC policy whereas the latter will adopt a more conventional finite-horizon approach.

We consider the steady-state control being generated from a dynamic MPC policy

\[
\dot{\xi} = A_\xi \xi
\]  
\[
u_s = C_\xi \xi
\]  

where the matrices \( A_\xi \) and \( C_\xi \) are designed offline but the initial state \( \xi \) at time \( k \) will be optimized online to minimize a quadratic penalty on the tracking error \( e_s = y_s - d \) in a receding horizon fashion.

B. Transient Subproblem

Once the optimal \( u_s \), \( x_s \) and \( y_s \) are identified by the steady-state subproblem, the control objective of the transient subproblem is to ensure that the transient signals \( y_s = y - y_s \) and \( y_s \) go to zero promptly. Then according to (13)
and (14), and (22) and (23), \( u_t \), \( x_t \), and \( y_t \) should satisfy

\[
\begin{align*}
    x_t^2 &= A x_t + B_2 u_t \\
    y_t &= C x_t + B_2 u_t
\end{align*}
\] (27) (28)

In this transient sub problem, the objective is to make \( y_t \rightarrow 0 \) as fast as possible, subject to the constraint

\[ |u_t + u_{f_t}| \leq 1. \] (29)

A conventional approach of MPC that employs a finite horizon with a terminal cost can be adopted. It requires the information of \( u_t \) and \( x_{n+1} \), which will be provided by the solution of the steady-state subproblem, and the information of the plant state \( x_t \), which can be estimated using a plant Kalman filter on (13) and (14). Similar to the case of the exogenous Kalman filter, the plant Kalman filter is given by

\[
\begin{align*}
    \dot{x}^* &= A \dot{x} + B_1 \omega + B_2 u_t + L_y (y - y^*) \\
    \ddot{y} &= C \ddot{x} + D_2 \omega + D_2 u
\end{align*}
\] (30) (31)

Where \( \dot{x} \) is the estimated plant state and \( L_y \) is the observer gain matrix of the plant Kalman filter, and the term \( y - y^* \) is the difference between the actual measured output \( y \) and the estimated output \( y^* \). The overall configuration of the proposed control algorithm combining the steady-state control \( u_t \) and the transient control \( u_{f_t} \) is shown in Fig. 7.

**IV. Simulation Studies**

![Fig. 8. Configuration of a 15-kVA three-phase ASD.](image)

The simulation model of the microgrid shown in Fig. 1 is realized in Matlab/Simulink. The microgrid is tested under various conditions to evaluate its capabilities when operating connected and islanded from the distribution grid. Three different load types consisting of linear and nonlinear loads are considered in the studies. For load 1, a 15-kVA three-phase PWM adjustable speed drive (ASD) with its configuration as shown in Fig. 8 is used and load 2 is made up of a three-phase RL load rated at \( P_{L2} = 28 \) kW and \( Q_{L2} = 18.5 \) kVAR. Load 3 is a noncritical three-phase dimmer load rated at \( P_{L3} = 18 \) kW and \( Q_{L3} = 12.3 \) kVAR, which is nonlinear in nature and will be shed under emergency conditions when the generation of the microgrid is unable to meet the load demand. The per-phase currents \( i_{L1}, i_{L2}, \) and \( i_{L3} \) drawn by loads 1, 2, and 3 for \( t \) are shown in Fig. 9. The system parameters are given in Table I. The impedances of the DG inverters and distribution line have been coarsely estimated since these values are not precisely known in practice.

![Fig. 9. Per-phase currents drawn by loads 1, 2, and 3.](image)

**TABLE I**

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution grid voltage</td>
<td>( V_g = 230 ) V (phase)</td>
</tr>
<tr>
<td>DC link voltage</td>
<td>( V_{dc} = 400 ) V</td>
</tr>
<tr>
<td>Distribution line impedance</td>
<td>( R_f = 0.0075 ) Ω, ( L_l = 25.75 ) μH</td>
</tr>
<tr>
<td>LC filter</td>
<td>( L_f = 1.2 ) mH, ( C_f = 20 ) μF</td>
</tr>
<tr>
<td>DG inverter loss resistance</td>
<td>( R_f = 0.01 ) Ω</td>
</tr>
</tbody>
</table>

**A. Test Case 1: Power Quality Improvement With Load-Sharing During Grid-Connected Operation**

The first test case demonstrates the capability of the microgrid to improve the power quality of the distribution network by compensating for the harmonics in the total load current \( i_t \), due to the nonlinear loads that are connected to the distribution network, such that the harmonics will not...
propagate to the rest of the distribution network during grid-connected operation. In this test case, the main DG unit accounts for 20% of the total load demand. The SB is operating in the charging mode to store energy during off-peak period where the cost of generation from the grid is low to meet future sudden demands for power. The SB current (as shown in Fig. 1) and the SOC during charging for $< 0.4$ s are shown in Figs. 10 and 11, respectively.

The waveforms of the total load current $i_L$, the current supplied by the main DG unit $i_{DG}$ and grid current $i_g$ under this test case are shown in Fig. 12. The unsteady measurements in $i_{DG}$ and as shown in Fig. 12(middle) and Fig. 12(bottom) respectively during initialization for $< 0.06$ s are due to the fact that the controller needs a period of 3 cycles to track the generated references. During steady-state condition, the total harmonic distortion (THD) value of $i_L$ is 42.1% as shown in Fig. 12 (top). With the main DG unit compensating for the harmonic currents as shown in Fig. 12 (middle), the THD value of is improved to about 0.4% as shown in Fig. 12 (bottom). To achieve power factor correction at the grid side, the main DG unit is also controlled to provide the reactive component $i_{Lq}$ of the current $i_L$ as given in (5). Fig. 13 shows closed-up waveforms of the grid voltage $v_g$ and $i_g$ of phase a. It is observed that the waveform of $i_g$ is in phase with that of $v_g$ with power factor correction the reactive power supplied by the grid is zero, resulting in unity power factor at the grid side.

The electricity pricing in many countries is impacted by the TOU tariffs. In DSM, energy-storage devices can be used to reduce the burden of generation of power directly from the distribution grid during peak periods. The waveforms of three-phase load current $i_L$ (top), three-phase DG current $i_{DG}$ (middle), and three-phase grid current $i_g$ (bottom).

Fig. 11. SOC of the SB during charging.

Fig. 12. Waveforms of three-phase load current $i_L$, three-phase DG current $i_{DG}$ (middle), and three-phase grid current $i_g$ (bottom).

Fig. 13. Waveforms of grid voltage $v_g$ and grid current $i_g$ for phase a.

Fig. 14. Real (top) and reactive (bottom) power consumed by loads.

Fig. 15. Real (top) and reactive (bottom) power delivered by the main DG unit.

B. Test Case 2: Peak Shaving of Loads During Peak Periods

The electricity pricing in many countries is impacted by the TOU tariffs. In DSM, energy-storage devices can be used to reduce the burden of generation of power directly from the distribution grid during peak periods.
periods. The second test case demonstrates the operation of the microgrid to achieve peak shaving in order to reduce the cost of generation from the grid when consumers practice DSM.

Fig. 17 shows a typical hourly demand response curve in a day indicated by the solid line. As in test case 1, the main DG unit is controlled to deliver 20% of the load demand. To achieve peak shaving at 11:00 h, the SB is operating in the discharge mode to provide 20% (11.6 kW) of the load demand. With a further reduction of 20% in the power supplied by the grid, the total load demand at 11:00 h is reduced by a total of 40% as shown by the dotted line in Fig. 17.

Fig. 18. Real (top) and reactive (bottom) power delivered by the grid.

The power waveforms of the grid for < 0.4 s are shown in Fig. 18. It can be seen from Fig. 18 that the real power delivered by the grid is 60% (34.8 kW) of the load demand with peak shaving, and the reactive power supplied is zero with the main DG unit compensating for the reactive components of the load currents. The real power waveform delivered by DG inverter 2 (as shown in Fig. 1) of the SB during discharging is shown in Fig. 19. It can be observed from Fig. 19 that the SB delivers the required real power of about 20% (11.6 kW) of the load demand during peak shaving.

C. Test Case 3: Load Shedding During Islanded Operation

During islanded operation, the total generation of the microgrid might not be able to sustain its generation to meet the power demand of the loads. Under such circumstances, consumers participating in DRM will allow the non-critical load to be shed so as to maintain the stable operation of the microgrid. The third test case demonstrates the operation of the microgrid when it islands from the grid. In this test case, the microgrid is initially operating in the grid-connected mode for < 0.2 s. The SB is initially operating in the idle mode and its SOC is 80%. A fault occurs on the upstream network of the distribution grid and the CB operates to disconnect the microgrid from the distribution grid at t=0.2 s.
compensate for load harmonic currents in a similar way as conventional compensators, such as active and passive filters, and, hence, no additional equipment is required for power-quality improvement. To realize the smart grid concept, various energy-management functions, such as peak shaving and load shedding, have also been demonstrated in the simulation studies. The results have validated that the microgrid is able to handle different operating conditions effectively during grid-connected and islanded operations, thus increasing the overall reliability and stability of the microgrid.

**REFERENCES**


