

Technical aspects of implementing dynamic electricity prices in the context of a local electricity market

Experiences from the BEST project

Gefördert durch:

Bundesministerium für Wirtschaft und Energie

aufgrund eines Beschlusses des Deutschen Bundestages



### Agenda



**The BEST Project** 

The BEST Trading System

(Critical) Aspects of the Local Electricity Market

**Conclusions & Future Work** 

#### 12.04.2024

# > Combining market and grid efficiency

> Activating flexibility in **small businesses** and households

Provision of an independent platform for p2p trading

**Decentralised Energy Market Design** 

and Management Structures



# **BEST – Project Goals**

**Blockchain-Based** 









## Local Electricity Trading System



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### **RU** REINER LEMOINE INSTITUT

### **Status Quo: Prosumer GUI**





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## **Status Quo: Prosumer GUI**



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- > Blockchain
- Security architecture
- > Market with corresponding logic
- Compliance with legal regulations
- Local IT hardware infrastructure
- Local schedule creation / machine learning
- Manufacturer-independent (home) energy management systems (H)EMS
- Integration into energy industry
- > Grid information integration



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Design and evaluation of architectural framework for a secured local energy market model based on distributed ledger technologies

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#### Heim, J.-R./Hagemann, A. (2022):

System der Netzentgeltbildung in Deutschland – Überlegung zur möglichen Einführung differenzierter (variabler) Netzentgelte innerhalb des einzelnen Verteilernetzes EWeRK 4/2022, S.140

#### Heim, J.-R./Noack, T./Hagemann, A. (2022):

Umsetzung von Erneuerbaren Energie-Gemeinschaften und der Netzentgeltsystematik in Österreich EWeRK 6/2022, S.230-34



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### **Critical Aspects: Scheduling and Al**





Zhiwei Han PhD, Electrical Engineering Researcher fortiss GmbH

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#### Local predictions

- 1. Individual consumption and generation patterns: models must be trained on the basis of **individual data sets**
- 2. Important influencing factors such as shading by clouds cannot be mapped

#### Trading

- 1. There is no meaningful historical training data for markets that change significantly or for new markets that emerge
- 2. Volatility of predictions may cause discrepancies between the planed and effective power grid extraction/feed

### **Overview: Technical connection**







# **Critical Aspects: IT Infrastructure / Measuring**



Felix Förster M.Eng. System Engineer Energy Systems Engineer OLI Systems GmbH

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The **high heterogeneity** of the participants creates the need to

- Record the "actual" status via **onboarding check** 
  - Recorded and evaluated existing network technology, measurement concepts and communicative interfaces
- Followed by installation plan of the technical and organizational measures still to be implemented in order to get the customer to a "BEST-ready" state

Process is time-consuming and involves employees with different skillsets

## **Critical Aspects: (H)EMS**





Stefan Schirmeister M.Sc. Technical Computer Science Research Associate Reiner Lemoine Institut

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- Only very few devices are OpenEMS ready
  - > Initiatives such as EEBus, attempt to **ensure compatibility** currently very low availability in the field

## **Critical Aspects: (H)EMS**





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  - > Limits on **data volume** of LTE boxes led to long waiting times for updates (next month)

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- Hardware has to come with pre-installed software
  - > Limits on **data volume** of LTE boxes led to long waiting times for updates (next month)
- Control of systems was not possible
  - ➤ Liability
  - No customers with OpenEMS-ready controllable systems

## **Critical Aspects: Integration into Energy Industry**





Sebastian Steuer

Business Development and Product Management e-regio GmbH & Co. KG

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- > IT-System landscape at energy suppliers inflexible and difficult to expand
- > Encountered **insufficient data quality** to migrate data to new systems
- Dependencies prevented individual solutions from being replaced without changing several systems at the same time

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- > Encountered **insufficient data quality** to migrate data to new systems
- Dependencies prevented individual solutions from being replaced without changing several systems at the same time
- > No sufficient **monetary incentives** for customers
- Households and companies want long-term price security
  - Price caps
  - Participation in generation capacities

#### **Proprietary EMS & Cloud Services**

- ✓ Simplified operation
- ✓ Minimized compatibility issues
- ✓ Optimal tuning for manufacturer-specific devices
- ✓ Support and warranty





### **Overview: Proprietary Cloud vs. (H)EMS**



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### Independent (H)EMS

- ✓ Integrates devices from various manufacturers
- ✓ No lock-in effects
- ✓ Cost-effectiveness: Utilizes potentially cheaper components
- Enables optimization of interdependent devices
- ✓ Control over own data



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### Faster availability of flexibility in the market when marketed by aggregators

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➢ Open standards



- > Open standards
- ➢ Grid integration
  - Market control vs. grid-side control commands
  - > Information in advance for local planning



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- ➢ Grid integration
  - Market control vs. grid-side control commands
  - Information in advance for local planning
- Investigation of price reaction dynamics for different scenarios

### Thank you for your attention!





### We support you!

- ... Partnerships
- ... Research cooperations
- ... Joint project applications





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