



INTERCONNECTION **INNOVATION e-XCHANGE** U.S. DEPARTMENT OF ENERGY

An initiative spearheaded by the Solar Energy Technologies Office and the Wind Energy Technologies Office

Distribution-Level Queue Management Cost Allocation Solution e-Xchange FLEXIBLE INTERCONNECTION





Meeting Notes

Notes synthesizing keys points, insights and questions from the meeting can be found here: <u>Box Link</u>

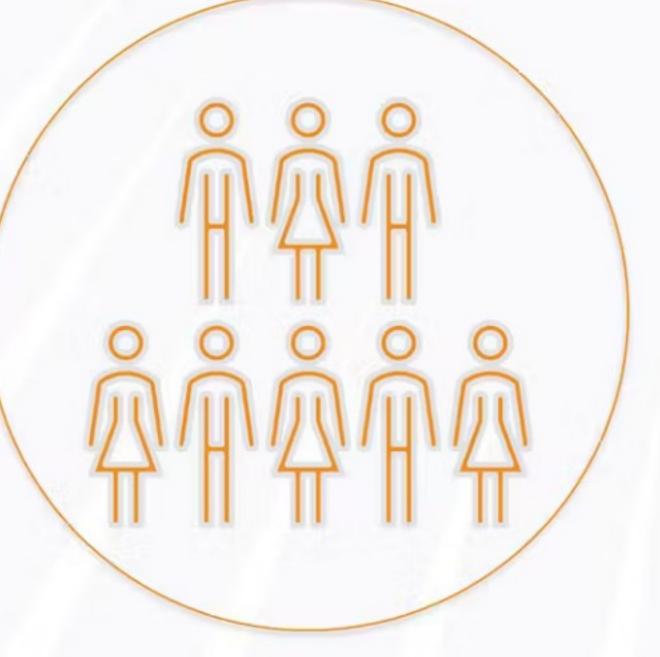
The first half of this Teams call is being recorded and may be posted on DOE's website or used internally. If you do not wish to have your voice recorded, please do not speak during the call. If you do not wish to have your image recorded, please turn off your camera or participate by phone. If you speak during the call or use a video connection, you are presumed consent to recording and use of your voice or image.



Virtual Meetings Code of Conduct

- Assume good faith and respect differences 1.
- Listen actively and respectfully 2.
- Use "Yes and" to build on others' ideas 3.
- Please self-edit and encourage others to speak up 4.
- 5. Seek to learn from others





Mutual Respect . Collaboration . Openness



INTERCONNECTION INNOVATION e-XCHANGE U.S. DEPARTMENT OF ENERGY



Interconnection Innovation e-Xchange (i2X)

Mission: To enable a simpler, faster, and fairer interconnection of clean energy resources while enhancing the reliability, resiliency, and security of our distribution and bulk-power electric grids



Stakeholder Engagement

Nation-wide engagement platform and collaborative working groups



Data & Analytics

Collect and analyze interconnection data to inform solutions development



Strategic Roadmap

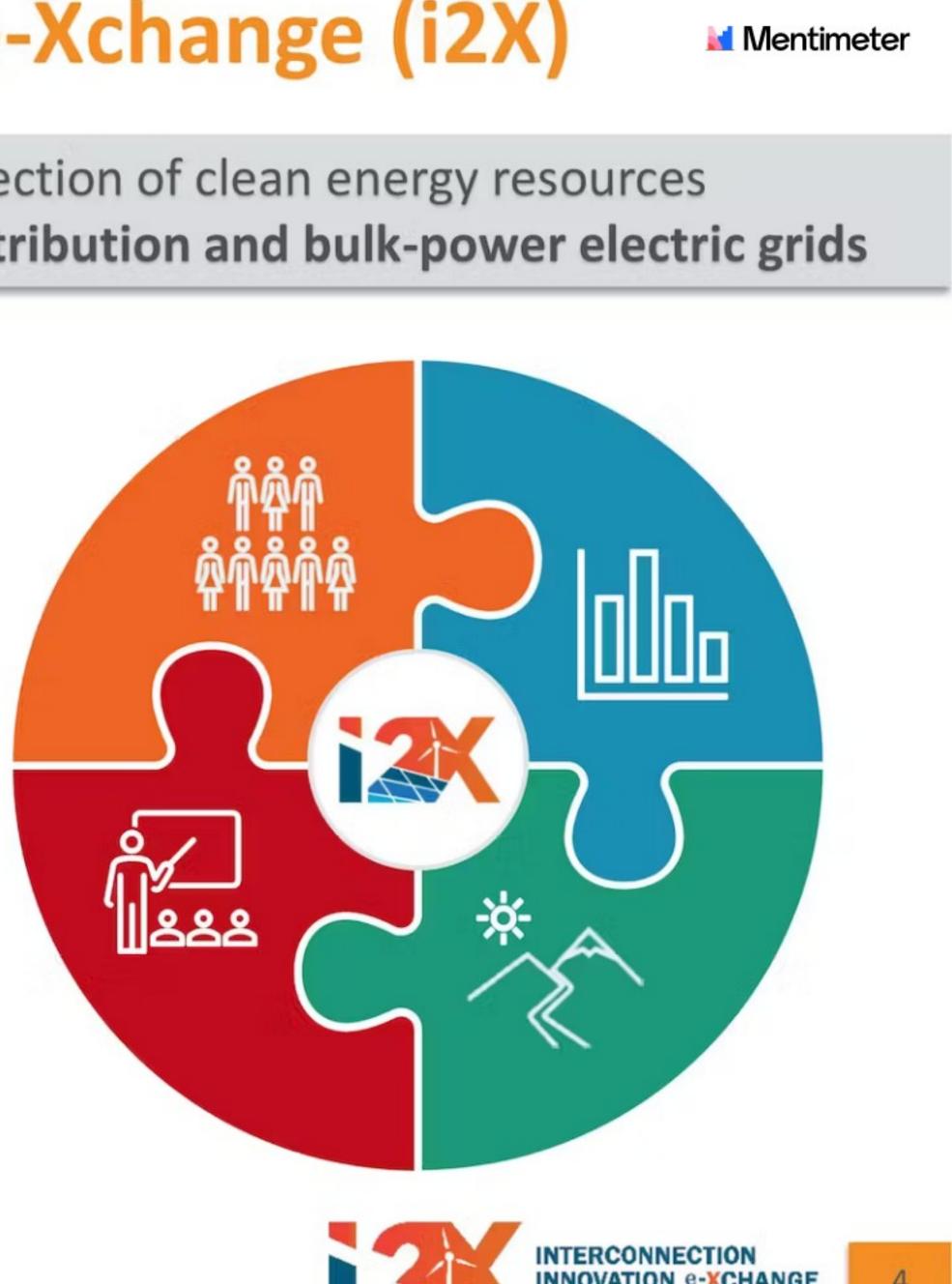
Create roadmap to inform interconnection process improvements



Technical Assistance

Leverage DOE laboratory expertise to support stakeholder roadmap implementation







U.S. DEPARTMENT OF ENERGY

Key Outcomes from i2X e-Xchange Meetings

- Inform and formulate a *publicly available*, strategic roadmap for interconnection
 - Topical challenges and issues
 - Practical solutions to implement and scale
 - Knowledge and data gaps and new solutions to pilot
 - Success goals and measures of success
- Summary documentation for each meeting regarding ideas discussed and opportunities for targeted stakeholder action
- Provide platform for ongoing engagement before and after meetings ٠
- **Longer term vision** \rightarrow Solution e-Xchanges to continue building a national forum for all stakeholders as a community of practice, excellence, and innovation





i2X Solution e-Xchange Topic Areas

Queue Management and Cost Allocation

- Technology, regulation, administration, and organizational change focus
- What innovative interconnection solutions exist?

Grid Engineering Practices and Standards

- Engineering and technology focus
- How can proposed solutions be executed?

Equity and Energy Justice

- Multidisciplinary
- Who is impacted by and benefits from proposed solutions?
- Data Transparency
 - Multidisciplinary
 - What transparency concerns must be addressed?
- Interconnection Workforce and Training
 - Multidisciplinary

Additional subjects, like capacity maps, cross these topics and will be addressed from these different perspectives. Follow the schedule of events on the i2X website.







Upcoming 2023 Partner Events

- 5/25 NARUC Grid Data Sharing Collaborative Workshop. Washington, DC
- 6/13-15 NW Tribal Clean Energy Summit. Tulalip Resort Casino, WA .
- 6/12-14 Transmission and Interconnection Summit. Arlington, VA
- 9/11-13 RE+ Workshop. Las Vegas, NV
- 10/23-25 GridTECH Connect NE. Newport, RI
- ESIG Fall Workshop. San Diego, CA 10/23-26
- 11/8-9 IREC Vision Summit 2023. Minneapolis, MN •







INTERCONNECTION INNOVATION e-XCHANGE U.S. DEPARTMENT OF ENERGY







Agenda

- Flexible Interconnection Introduction (60 min)
 - **EPRI:** Principles of Access for Flexible **Interconnection Solutions: Rules of Curtailment**
 - Tanguy Hubert, Senior Technical Lead
 - Smarter Grid Solutions: International Perspective •
 - Robert MacDonald, Executive VP •
- **Interactive Discussion (60 min)** •









Instructions







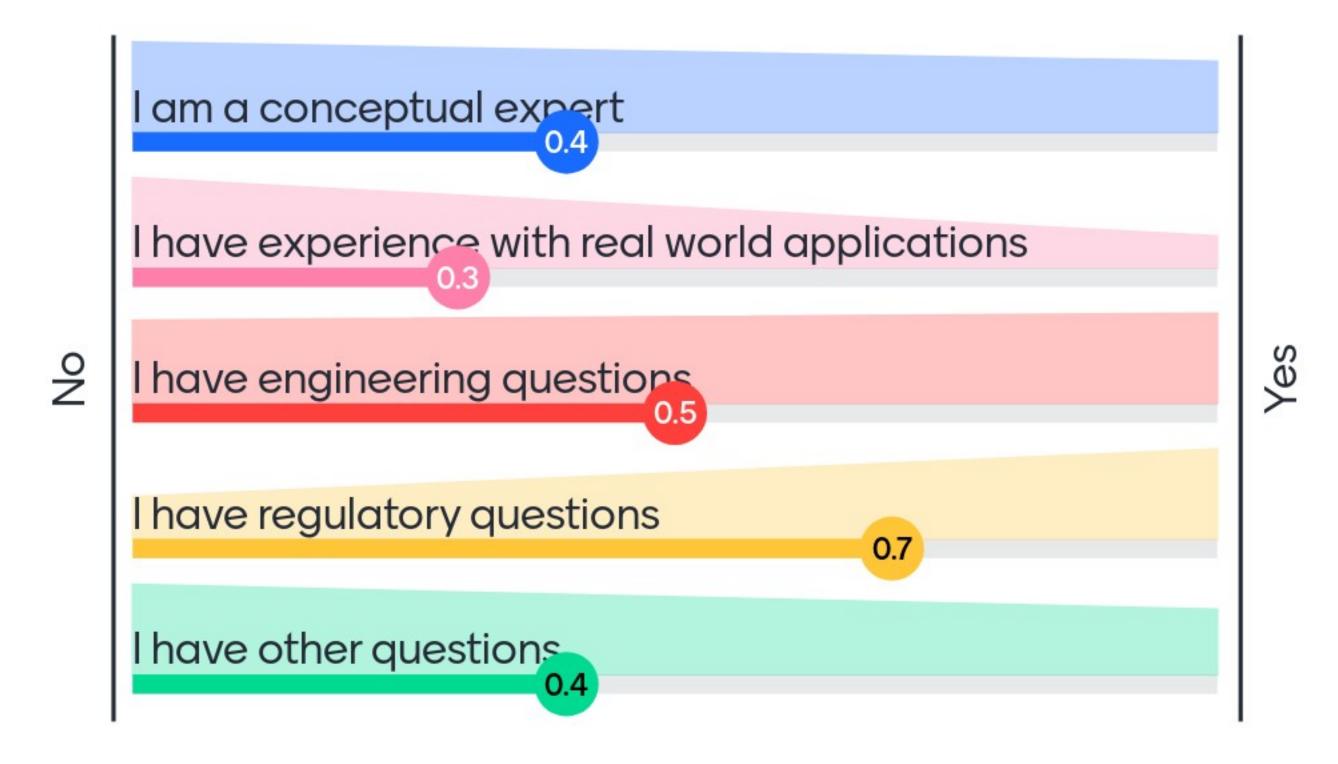
information.



Your answers will appear ANONYMOUS to other participants. Only i2X leaders will see your contact



What is your familiarity with flexible interconnection?

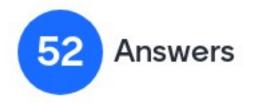






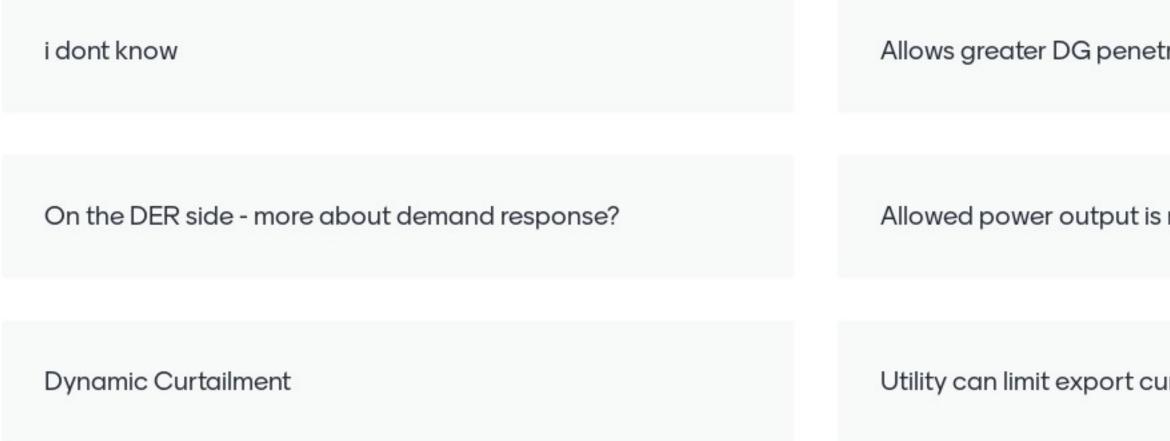
Don't know	I would like to know	i dont know
ldk	What can I connect for free?	l have no idea
Not sure, here to learn!	flexible is time variant where conventional is a fixed quantity	time of day hosting capacity assessment

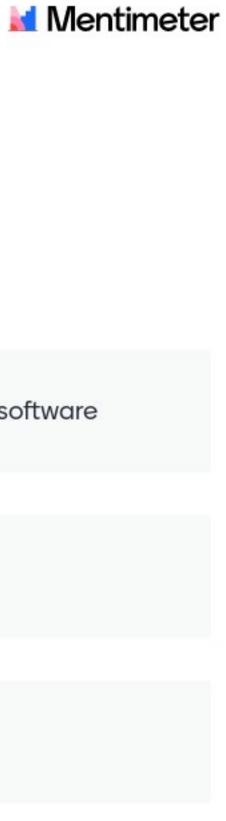


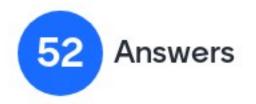






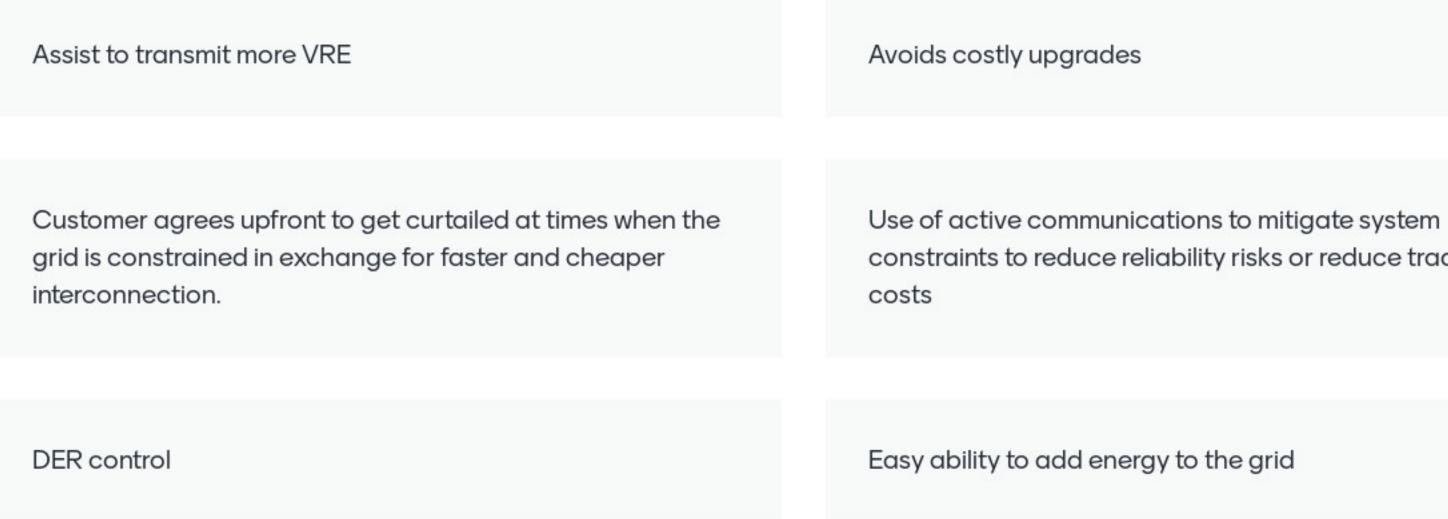


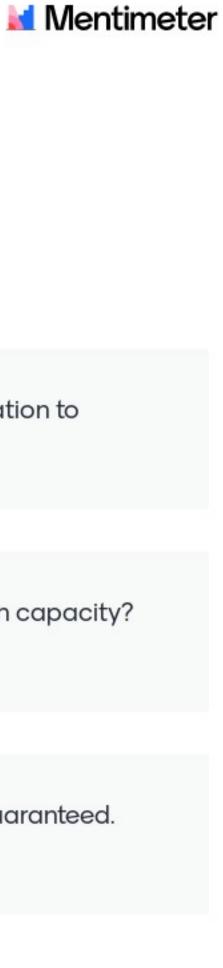




tration	dynamically controlling DER in real-time using software
s not constant	Takes Social Justice issues into account.
urtail	l don't know









Allows for the curtailment of distributed generation to minimize costly infrastructure upgrades

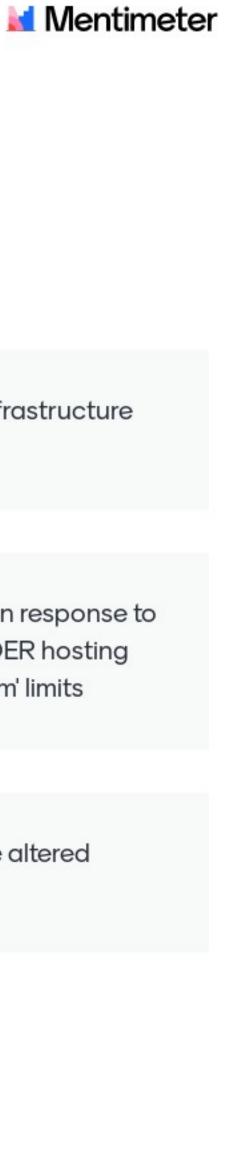
constraints to reduce reliability risks or reduce traditional

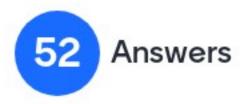
"static" vs "dynamic"? based on interconnection capacity? curtailment?

The ability to inject a certain capacity is not guaranteed. Rather, it is dependent on system conditions.



No idea	It is channel of storing an place to another.
Access rights: how to allocate stakeholder access to a constrained resource	FIC includes constraints of capacity)!from injecting p
l don't know - that's why I am here.	An approach that moves
	thumb" limitations to how on determine how much o





nd transferring energy from one

interconnection that does not require major infrastructure upgrades

on the DER (by time and/or by power onto the grid.

Active (real-time) Management of DER assets in response to prevailing network conditions, increasing the DER hosting capacity of the network beyond traditional 'firm' limits

s away from static, rigid, "rule of w much can IX and instead focuses can be IX

interconnected generation or load that can be altered based on system conditions.



rather than modeling resources as static export, modeling them as controlable with varying output based on dynamic grid conditions

Allowance for more variable resources and hopefully breaks down some barriers between the bulk power side and distribution side... Agreement between utility and DER owner/operator to reduce output at times of day/year for the benefit of the grid but maintaining reasonable compensation.

Flexible interconnection requires the interconnecting device to respond to real system conditions, either forecasted/estimated or actual

Flexible is good for distribution, not for networked transmission where conventional interconnection should be used.

allows smarter and more accurate grid planning but questions on how it can still create certainty for investors

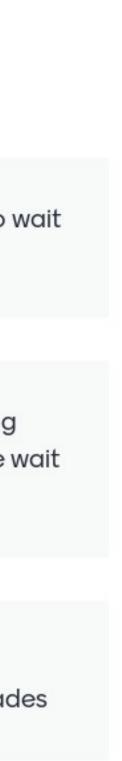




Connect to the grid when you want to without having to wait in the queue.

A curtailment arrangement that is important for enabling projects to interconnect at a lower export level while we wait for necessary grid upgrades

It's a special agreement between operations and the generation source to decrease the infrastructure upgrades





Assessment of hoating capacity

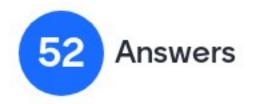
variable capacity vs fixed/guaranteed capcity

I am here to learn

greater grid utilization. the ability to more quickly grid integrate DER via selective curtailment.

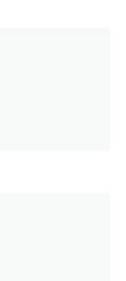
Extremely rapid interconnection and disconnection without consequence



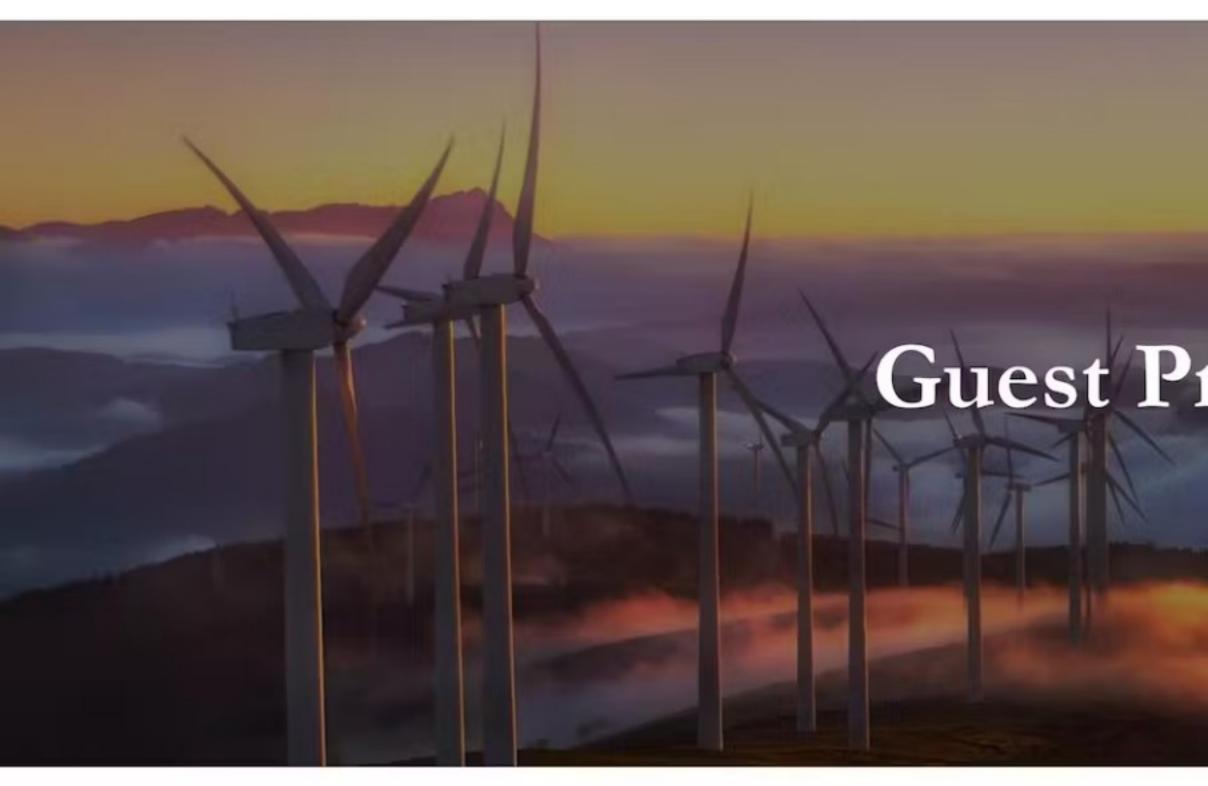


drive grid resilience while ensuring sustainability

Non-wires alternatives







energy.gov/i2x



Guest Presentations





Instructions





nothing new, good examples Nuanced and sophisticated, with an eye toward deploying decarbonized energy faster Flexible interconnection last in is dominant methodology Interconnection Process approaches Didn't realize how widely real-time control based flexible interconnection was deployed already



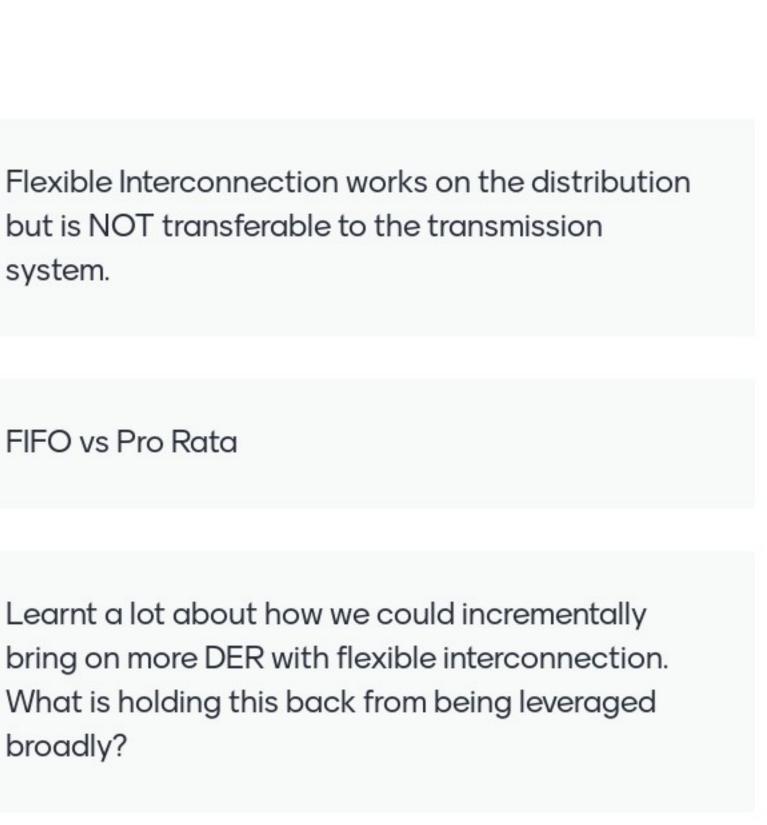


but is NOT transferable to the transmission

FIFO vs Pro Rata

system.

Learnt a lot about how we could incrementally bring on more DER with flexible interconnection. What is holding this back from being leveraged broadly?





Last In First Out

Ability to then share the upgrade cost later to switch to conventional interconnection.

Flexible interconnections allow for time and gives utility curtailment data to make more informed upgrades. similar conceptual understanding as before presentations, but have a better grasp on how flexible interconnection is implemented in reality

Great discussion of curtailment, EPRI particularly helpful. Flexible interconnection requires ability of developers to address issues unique to them.

Opportunity to add more capacity without as much steel and copper.



system to control of DER that allows cheaper or quicker interconnection

Yes, my understanding changed. Main learnings are key principles associated with flexible interconnection, appreciate the real-life example.

Demand response in both directions, i.e. charging an electric vehicle for free when a signal calls for it to avoid curtailing a flexible connected generating DER





Tariffs may prevent flexibility, unless regulators make room for it.







What new grid services and capabilities are possible if flex IX is allowed?

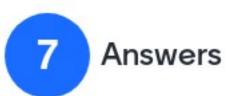
The key risks are reliability and persistence of utilizing DERs to address grid constraints. From the perspective of the distribution planning and operations engineers it has to be there when called.

Voltage response, sort of like demand response but anticipating and curtailing DER when likely to induce overvoltage

How do you deal with displacement of BES generation, connected through conventional methods, by flex IX? Lost revenue and when it greats non-local congestion.

How does DER flex IX interact with RTO markets? Should a DER flex IX qualify for capacity? Should it be able to set price in a market that is filled with conventionally connected generation?

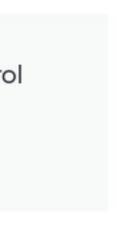
Flex IX can work when studies are serial where impact is only on a couple lines. Harder to implement in cluster based studies when the generation is broadly dispersed across a network.



Increased visibility of DER operation and ability to control can provide technical platform to facilitate wider DER market/service participation (e.g. FERC2222)

How do flex IX interact across distribution/transmission boundaries?







What are open concerns and questions about flex IX in the US? Answers

Are flexIX too susceptible to communication issues and challenges especially if there's a high saturation of flexIX

Hiring qualified candidates to work on regulation. The technology is well understood, translating it to policy is critical.

Is anyone building software solutions for IX application that work across utilities in a standard fashion to onboard DER's for flex IX?

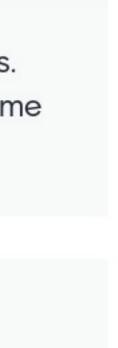
Can the i2X program help advance Plug-In PV deployment to enable and advance UL-Standard and Code modifications?

Knowing the right balance between system upgrades and flexIX

Definitely regulatory and engineering concerns. Not every utility has DERMS and we are still some time away from operational readiness.

Concern: tariffs could restrict or eliminate flexibility.







Which approaches to conventional (export limits) and flexible interconnection (managed curtailment, economic dispatch) are feasible where and why?

It would be interesting to see someone use this approach at the service transformer level. Many residential projects are looking at multiyear delays for interconnection.

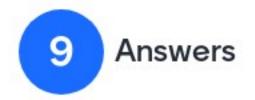
A spectrum of available solutions with escalating complexity (but also escalating/improving level of capacity release): from Smart Inverter, Single-Constraint Solution, Full Multi-**DER Flex Connect**

All RTO markets dispatch generation based on price and not interconnection service (NRIS/ERIS). Yet, markets have mechanisms to ensure NRIS can hedge congestion (ARRs/FTRs). How would flex IX impact?

Where we see more DERs being combined into single projects (e.g. solar, batteries, demand response), F-IX will probably be an important tool.

There should only be a few flex IX in an area where they share a common constraint. Pro Rata would be easiest and most equitable to implement. Do not want to consider transmission based congestion.

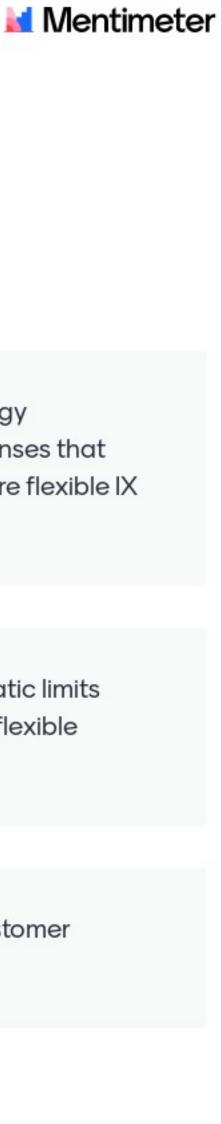
Flex IX makes economic sense for Developers as soon as the cost of IX is high. But to implement the solution the utility needs the capacity to do specific studies and control DER in new ways.



Flexible IX may require investments in technology capabilities to send signals and observe responses that utilities may not be able to make including where flexible IX may be most beneficial

We may need a LIFO for existing DER under static limits overlaid with a pro rata for new projects using flexible interconnection

Regulatory issues = Safety, cost allocation; customer concerns=curtailment





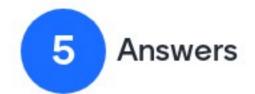
What flexible interconnection strategies (last-in-first-out, pro-rata, bidding, EEJ-based priority) are most suitable, under what conditions?

pro-rata is probably easiest for DER owner/operators to accept, but may not avoid locational grid issues

Pro-rata for future cost allocation. LIFO for when a traditional upgrade is not planned. Curious to learn how type of constraints were managed in UK to reduce complexity.

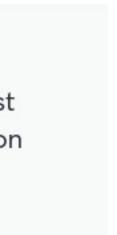
If a software solution was developed for standardizing IX application (as mentioned before), DAC could be considered in the GRID queue and be prioritized.

LIFO encourages multiple applications to get first in the queue with few moving forward. Pro-rata or other strategies may not have the same issue.



There should only a few Flex IX in an area and share a common constraint. Pro Rata would be easiest and most equitable to implement. Want to avoid dispatch based on transmission congestion.







What will it take to make flexible interconnection a norm? What technical, regulatory, and customer concerns must be overcome?

State incentives to distribution utilities to encourage flex IX.

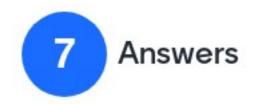
Utility confidence, so we don't get stuck in a long cycle of pilot programs.

It shouldn't make the interconnection process more complicated!

Strict rules to limit where flex IX can connect such that it does not impact other conventional IX policies in terms of constraints/cost allocation out of those other processes.

Sharing the pilot results and updating technical requirements (IEEE?) to help utilities be more confident in implementing these solutions.





State-level incentives and PRC mandates

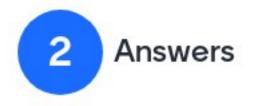
A change in the regulations, the technology is already available and used. Acceptance of a certain percentage of curtailment from the developers, and owners.



What elements must be considered in a flex IX agreement/contract with utilities?

Curtailment agreements

Along with the EPRI principles, need rules for interactions with the RTO networks they feed into.







What common upgrades COULD be deferred or avoided by flex IX?

How safe?

How often?

- **Distribution Transformer**
- Main Panel
- Conductoring
- Substation
- Line Protection & Control
- Communications





Flexible Interconnection Principles of Access

Tanguy Hubert, PhD thubert@epri.com

Interconnection Innovation eXchange (i2X) May 24th, 2023



What is Flexible Interconnection?

Approach: DER control strategy used to defer or avoid system upgrades and/or increase distribution system utilization.

Opportunity: Offer DER customers **faster** and **cheaper** interconnection to integrate **more DER** in areas with limited hosting capacity

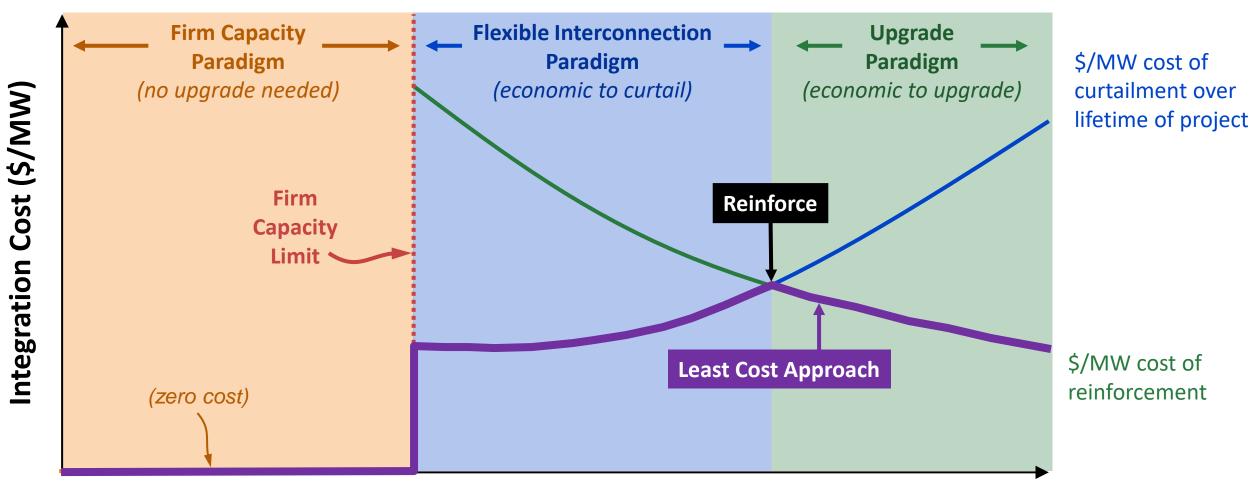
Drivers

- Low resource costs
 - i.e. cheap/available land
- Expensive grid-side mitigation measures
- Infrequent need to curtail

Benefits

- DER customers: faster, cheaper connection; can be temporary
- Ratepayers: reduce socialized portion of upgrade costs; improved network utilization
- Policy objectives: Accelerate progress towards DER penetration goals and/or emissions targets

Economic Opportunity for Flexible Interconnection



Interconnected DER Capacity (MW)



Key Challenges for Flexible Interconnection

Focus of today's conversation

EPCI

Utility

- Revision to interconnection analysis methodologies
- Visibility, communication, and control
- Cyber security
- Additional field demonstrations in the U.S. to increase confidence

Developer

- Forecast curtailment based on historical data
- Understanding financial risk
 - ✓ Important for getting flexible interconnection projects financed!
- Additional field demonstrations in the U.S. to increase confidence

Regulators

- Contractual agreements and "principles of access"
- Rules on payment, compensation, and tariffs
- Utility obligations to accommodate exports beyond hosting capacity

- Stakeholder education and engagement
- General
- Stop-gap measure vs. enduring solution
 - Low data resolution and quality for many distribution systems, loads, and PV

"Principles of Access" for Flexible Interconnection

An Umbrella Term...

Can refer to:	Description
High-level guiding principles	Objectives such as: Network efficiency, fairness, simplicity, visibility, certainty
Rules for eligibility	Specific geographic areas, size thresholds, stipulations for transitioning in or out
Rules for curtailment	Control logic governing the order and degree of curtailment to alleviate grid constraints
Define how future upgrades affect flexible customers	Establish if and how any required contributions to upgrade costs are done
Financial risk management	Establish appropriate amounts of transparency, stakeholder education, and methods (if desired) to mitigate financial risk
Technical requirements	Communications and interoperability requirements for eligible customers





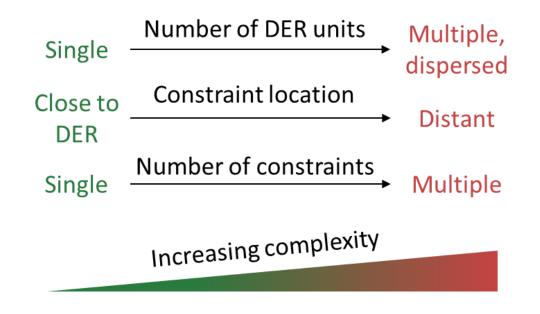
Rules of Curtailment

Basic Strategies

- Time-differentiated maximum export schedules
- Binary logic (export / no-export)

Advanced Curtailment Strategies

- Minimize and distribute curtailment equitably across multiple DERs
- LIFO and Pro-rata are most common strategies used by early adopter utilities to date.

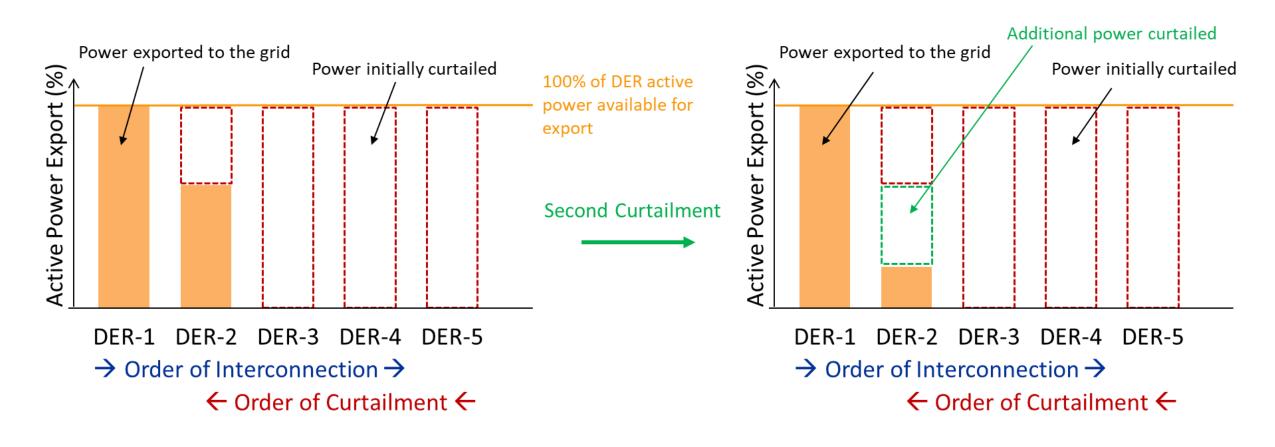


EPRI

Curtailment Logic	Description
Last-in-first-out (LIFO)	DER units are curtailed in the reverse order in which they applied for connection to the network.
Pro-rata	DER units are equally curtailed in proportion to each DER's contribution to network constraints.
Competitive bidding	DER units with the lowest bids to use network capacity are required to curtail.
Emissions-based priority	DER units with the highest emissions are curtailed first.

Last-In-First-Out (LIFO)

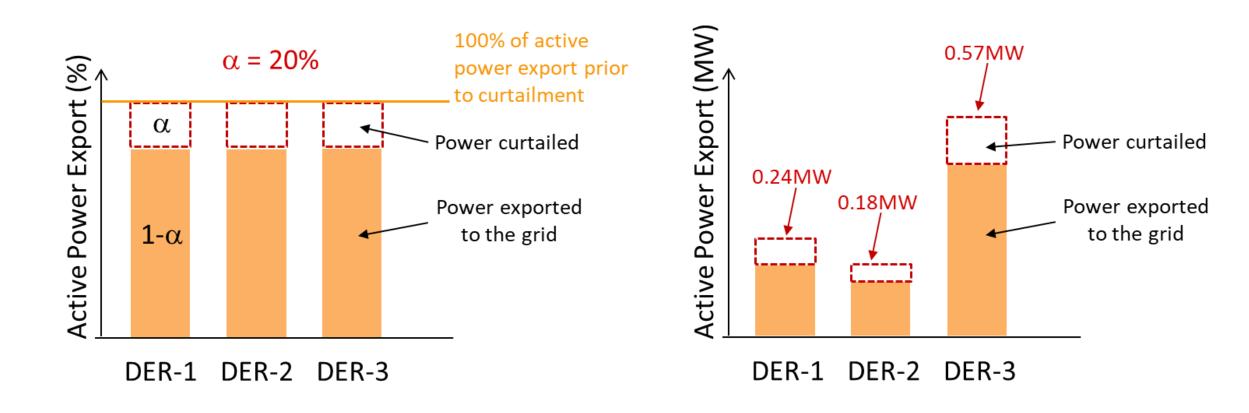
DER customers contributing to a specified constraint are curtailed in the **reverse order in which they applied for connection** to the network.



EPCI

Pro-Rata

DER customers contributing to a specified constraint are curtailed **proportionally to a reference parameter** (for example: active power export right before curtailment)



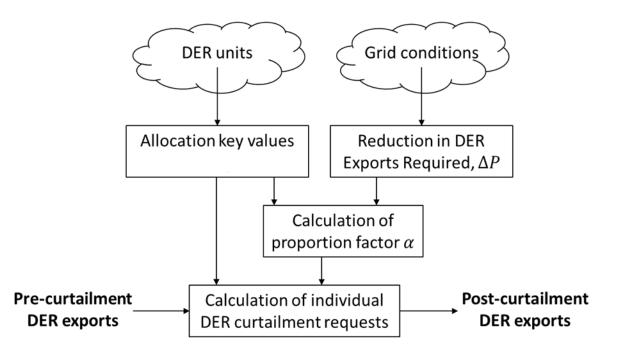
Pro-Rata – Curtailment Calculations

 $\begin{array}{l} \mathsf{DER} \ \mathsf{Active} \ \mathsf{Power} \\ \mathsf{Curtailed} \end{array} = \begin{array}{l} \mathsf{Proportion} \ \mathsf{Factor} \ \alpha \\ (same \ for \ all \ \mathsf{DERs}) \end{array} \mathbf{X} \begin{array}{l} \mathsf{Allocation} \ \mathsf{Key} \ \mathsf{Value} \\ (specific \ to \ each \ \mathsf{DER}) \end{array}$

- Examples of allocation keys:
 - Active power export
 - Maximum active power available for export
 - DER nameplate
 - Combination of multiple factors

- Proportion factor α

Updated every time a curtailment event occurs, to ensure total export reduction needed is met



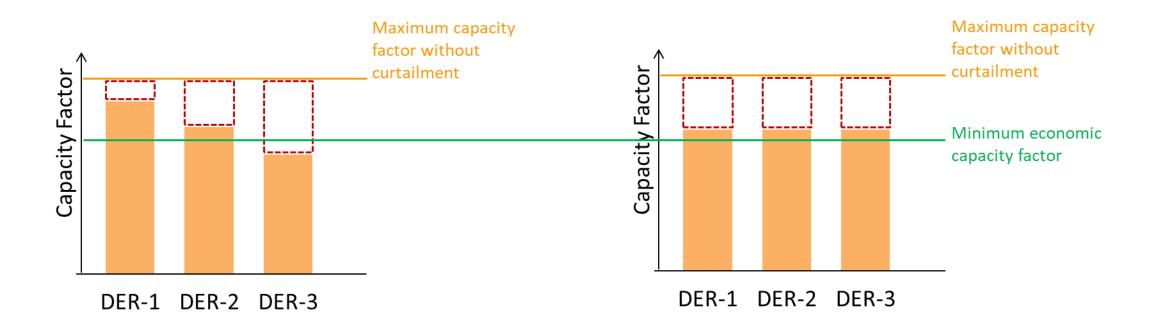
Comparison: LIFO vs. Pro-Rata

LIFO

- Higher financial certainty for developers
- Potential for gaming of priority rules

Pro-rata

- Potential for higher network utilization
- Similar incentives to co-finance upgrades



Together...Shaping the Future of Energy®

smarter gridsolutions

SGS products deliver real results for customers and the environment

Achievements and Results

- 500+ MW Clean Energy Asset Capacity managed by SGS ANM/DERMS
- 1,500+ GWh Annual Energy Produced by managed DER
- 300,000+ tCO2e Annual Emissions Avoided by managed DER

sse

- 30+ Operational DERMS systems (UK/US/Other)
- >\$500M Grid Upgrade Investments Avoided

smarter **C** solutions



Reference Projects

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STR/\T/\ GRID



- "among the most advanced in the world" (Wood MacKenzie).
- Multi-use case DERMS as strategic investment to become a leading DSO.



• Inverter-tied grid edge control managing ConEdison grid hosting capacity.



 Integrated to Utility DERMS for wide area control and management.



- Multi-DER VPP platform to enable EaaS business model with access to wholesale, ancillary service and balancing markets. Enterprise • Microgrid DERMS option for campuses.
 - Multiple utility scale batteries for peak load management (non-wires alternative) with residual capacity traded in the NYISO.
 - Cyber secure control room interface from the cloud.

STRATA RESILIENCE

- Complete renewable-resource powered electrical micro-grid for an entire township
- Integrated with host utility.

Hydro

Scottish & Southern

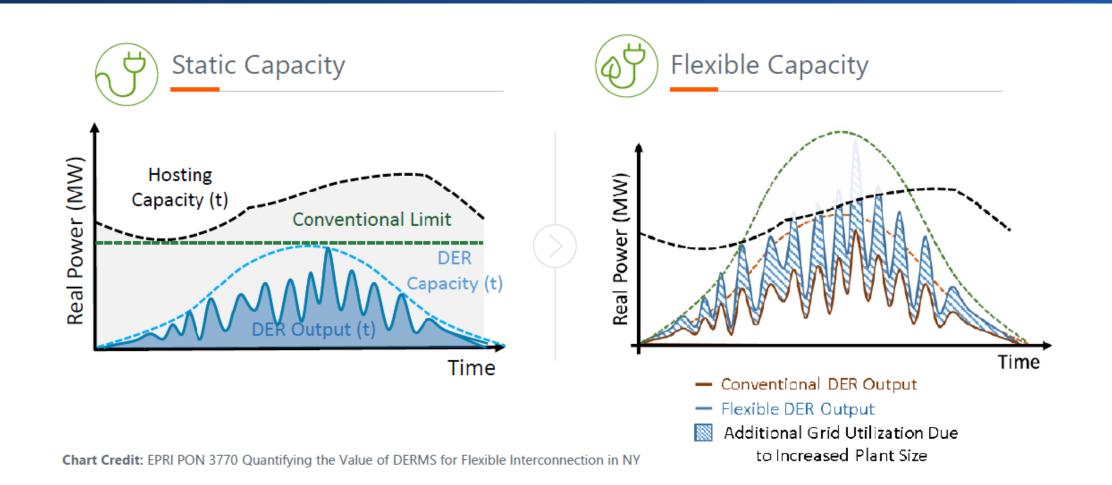
ectricity Network

Québec

- Reference case for province-wide adoption.
- Optimization of residential load and utilityscale battery.

 Real-time control of renewable generation around thermal generation limits on an electrical island.

Flexible Interconnection: Proven Enhancement of DER Hosting Capacity



Flexible Interconnection: Proven Enhancement of DER Hosting Capacity

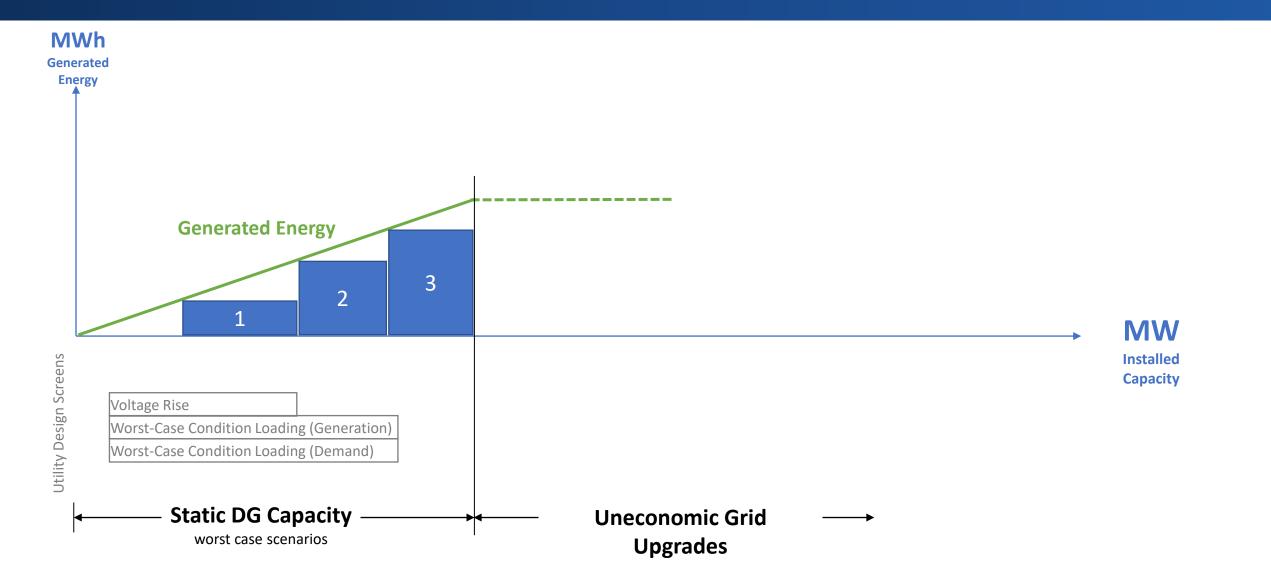
- In exchange for avoiding grid upgrading expenses, developers agree to enable curtailment to overcome grid constraints.
- The curtailment is automatically managed based on real-time hosting capacity; this curtailment is dynamic as opposed to tripping.
- Allows for system upgrade planning and costsharing based on observed DER capacity installed rather than predicted DER capacity.



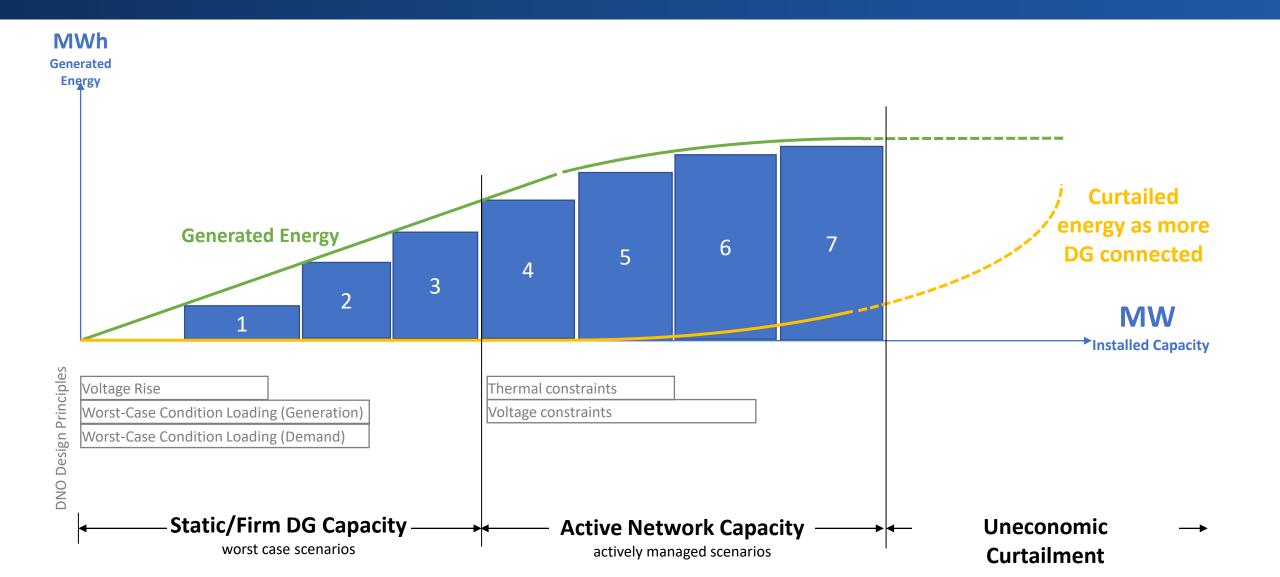
Flexible Hosting Capacity



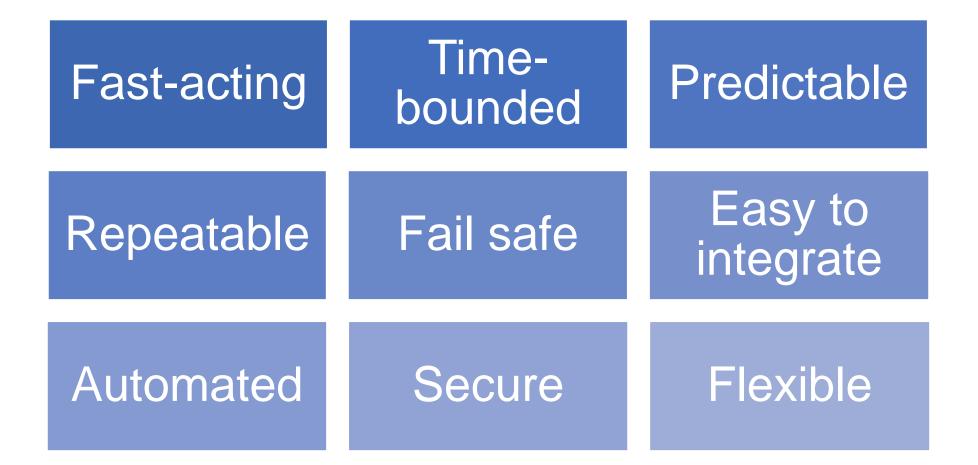
Unlocking Grid Capacity through *Flexible Interconnections*



Unlocking Grid Capacity through *Flexible Interconnections*



What Becomes Important for Implementing Flexible Connections?



Commercial Innovations in Grid Access Arrangements

Principle of Access Selection:

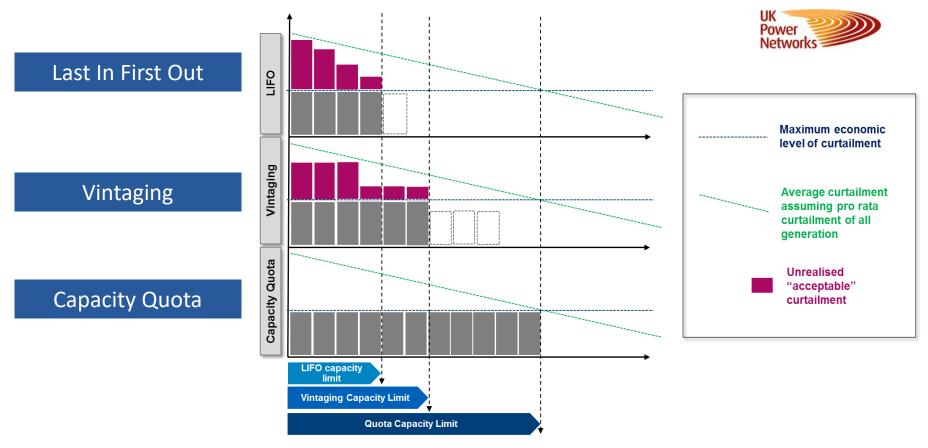


Figure: UK Power Networks – "Flexible Plug and Play" Project

Importance of Real-Time Control

Real-Time Monitoring

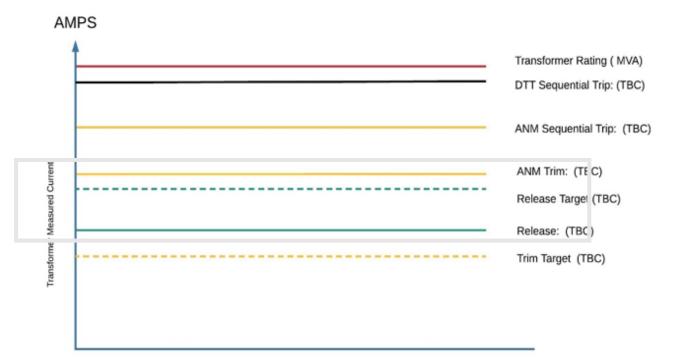
 DERMS monitors grid parameters (voltage, power flow, current) in real-time for breach of preconfigured constraint thresholds

Real-Time Control

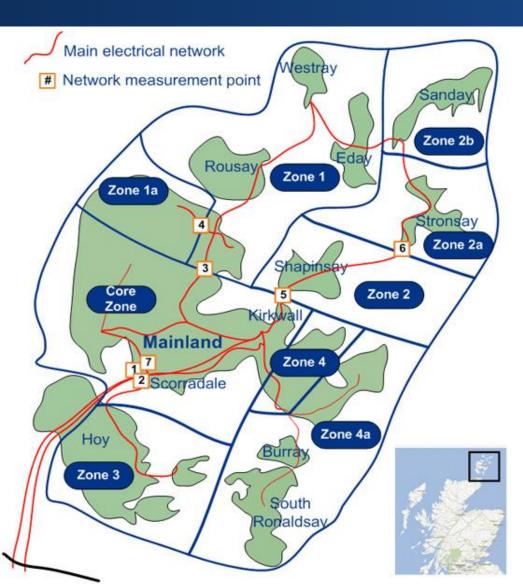
- Upon breach of a threshold, control set-points are calculated and issued to the relevant managed DER (granularly curtailed or tripped) to protect the system
- Calculated set-points reflect the DER export/import at time of constraint emergence

Fail-Safes

- DER controller/gateway enters failsafe mode on loss of comms to centralized DERMS
- DER controller trips the DER for noncompliance with requested control actions



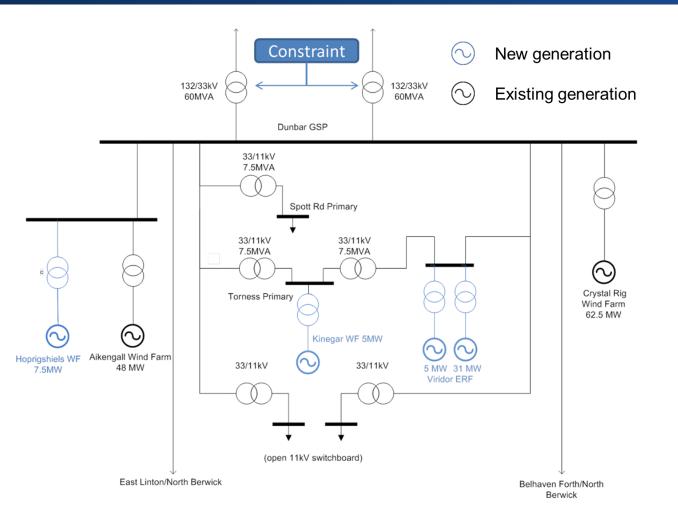
Case Studies: Orkney Flexible Interconnection DERMS



- Orkney distribution network is connected to Scottish mainland by 2 x 33 kV submarine cables with combined capacity of 40 MW.
- Islands' load demand is between 8 and 32 MW.
- Conventional approaches to network planning limited hosting capacity to 28 MW.
- An additional subsea cable need to connect > 28 MW estimated to cost £30m.
- Flexible connection enabled an additional 24 MW of wind power to connect, avoiding grid upgrade costs and time delays.



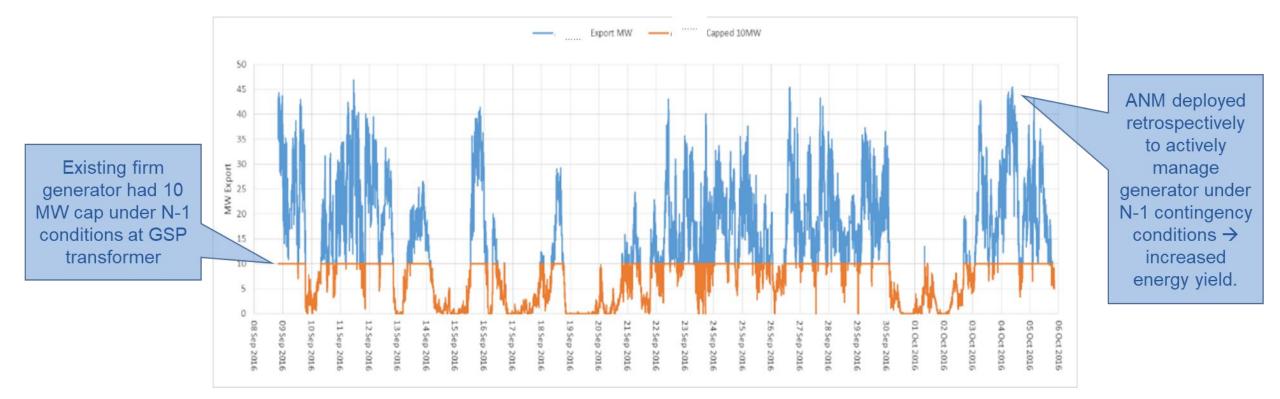
Case Studies: SP Energy Networks Flexible Interconnection DERMS



- SP Energy Networks' distribution and transmission network had run out of generation hosting capacity.
- Two *Grid Transformers* at the Distribution-Transmission interface provide 120MVA capacity (60MVA *Firm* Capacity)
- Aikengall Site is on a Load Management Scheme (protection intertrip) for N-1 Conditions
- Through the ARC project, Aikengall moved to a managed connection to reduce curtailment and avoid tripping
- •Dunbar: 48.1 MW renewable generation capacity connected.
- •Berwick: 28.7 MW renewable generation capacity connected.



Case Studies: SP Energy Networks Flexible Interconnection DERMS





Flexible Connections: Grid Capex Savings and Clean Energy Additions

- 7 implementations of DER Flexible Connections managed by DERMS have avoided or deferred grid upgrade capital investment savings of \$297 million.
- **SPEN Dunbar** scheme analysed by Regen for additional local economic impact, including:
 - \$75m Gross Value Add economic contribution
 - \$100k annual community benefit

Utility	Flexible Connection Zone	Grid Upgrade Saving (\$m)	MW Added
SSEN	Orkney	36	47
SPEN	Berwick & Dunbar	26	50
SPEN	Dumfries & Galloway	47	90
UKPN	Cambridgeshire	53	52
UKPN	Norwich	83	77
WPD	Lincolnshire	50	49
AVANGRID	Spencerport & Robinson	2	17
TOTAL		\$297M	382MW

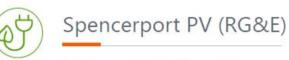
Case Studies: Flexible Interconnections in North America



Robinson PV (NYSEG)

- ✓ 2 MW
- ✓ Champlain, NY
- ✓ Constraint: Overvoltage and Undervoltage*
- ✓ Commissioned: Sept. 2021





- ✓ 15 MW (3 sites @ 5 MW each)
- ✓ Spencerport, NY
- Constraint: Substation Transformer Thermal
- Commissioned: April 2021

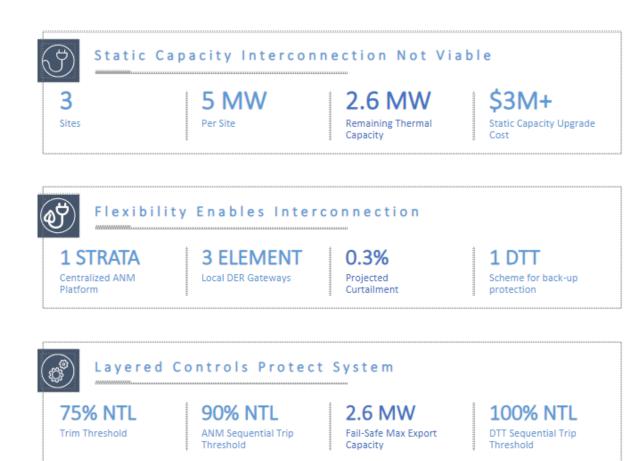


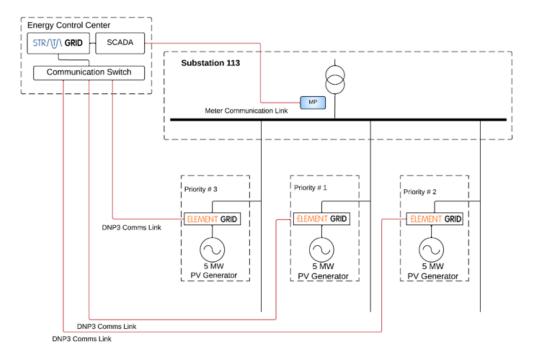
Source: Zach Caruso, AVANGRID, Mar 2022.



Case Studies: Flexible Interconnections in North America

Flexible Interconnection Project – Spencerport PVs



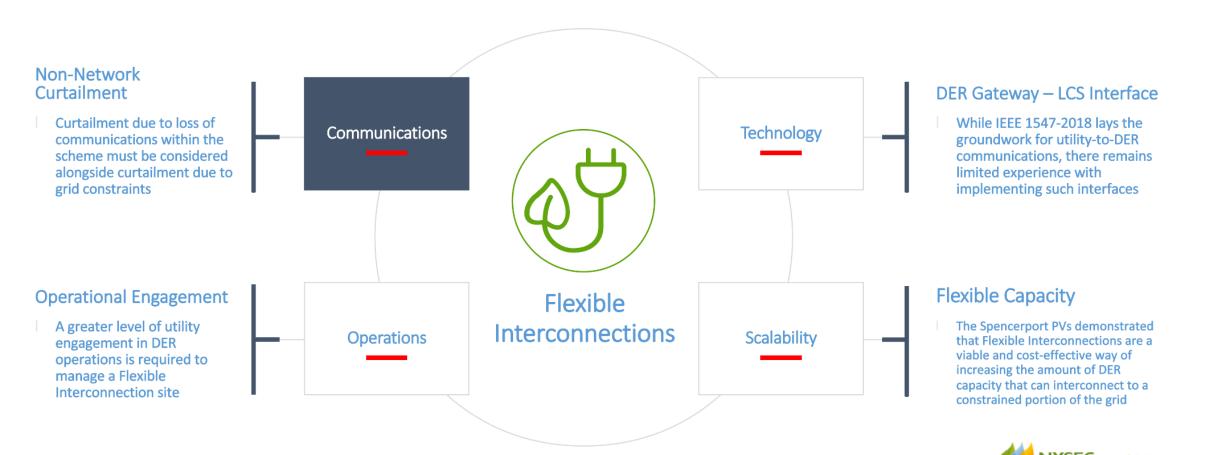




Case Studies: Flexible Interconnections in North America - What's Next?

AVANGRID successfully demonstrated the value of Flexible Interconnections and the supporting ANM technology in-situ and will continue to operate the demonstration sites while continuing to explore future opportunities to leverage the experience gained to enable DER integration

Lessons Learned and Next Steps





AVANGRID

Discussion

About Us

Smarter Grid Solutions (SGS) is an enterprise energy software company with a unique end-to-end approach to DERMS to deliver net zero energy systems. Our unique autonomous, distributed control system technology has been developed to provide the specific capabilities and necessary flexibility to deliver cost-effective solutions that are tailored to our customers' needs. Our solutions provide specialized distributed asset monitoring and control, building up from real-time data to advanced look ahead DER management and optimization to secure grid and market revenues and value streams.

With over a decade of continuous 'on grid' operation experience, our solution suite is used by leading companies, government authorities, C&I customers, and battery fleet, grid and market operators across the globe, managing DER assets of all sizes and shapes. Our customers have chosen to work with SGS because of the architecture and integration flexibility and the ability to provide systems that work. Recognizing there are diverse customer needs, our solutions address flexible interconnections, delivery of flexibility including demand response and non-wires alternatives, aggregated DER market participation and microgrids, allowing flexible energy system operation, the ability to exploit new market opportunities, and implement new business models. From a few to millions of devices simultaneously, our software is in live operation, managing these assets efficiently, effectively and most importantly, securely.

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