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Appendix to Integration of different CHP steam extraction modes in the stochastic unit commitment problem

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I. INTRODUCTION TO THE IMPROVED HYBRID DECOMPOSITION

In this document we explain in detail how the suggested improvements for the scenario partition and decomposition method, variant I (SPDA1) proposed in [1] are carried out. The improvements consist in applying heuristics to find a suitable number of scenario partitions or clusters for the specific problem and find a partly fixed first stage-decision to initialize the problem solution. These heuristics depend on two thresholds that we need to determine. Furthermore, to initialize the solution of the master problem, we use the rounding technique proposed in [6] and this is solved again for each scenario including this multiplier as a new decision variable. The Progressive Hedging is an iterative process in which first the problem is solved for each scenario individually and the solutions obtained for the first-stage decisions are averaged for all scenarios. From these solutions a multiplier is created and afterwards, the problem is solved again for each scenario including this multiplier as a penalty in the objective function. Using a squared proximal term to calculate the distance between the first stage decision vector of each scenario and the average term of these, we can determine if the algorithm should stop. Later on, we use these values to initialize the solution of the two-stage stochastic programming problem. In our solution approach, in order to determine a suitable number of partitions, we take from Progressive Hedging the way of averaging the first-stage decision, making use of the squared proximal term to stop the algorithm. Furthermore, to initialize the solution of the problem, we use the rounding technique proposed in [6] where just those values close to 1 and 0 are fixed to initialize the solution. These values depend on two thresholds that we will name α and β.

II. FORMULATING THE HYBRID UNIT COMMITMENT

In this section, the stochastic unit commitment (4a)-(4c) is reformulated to the hybrid unit commitment following the work done in [1]. The finite set of scenarios Ω is divided into |P| different partitions. Therefore, the entire set of scenarios \( \Omega \) is divided into different subsets named \( \Omega_p \), which is comprised of all the scenarios \( \omega \in \Omega \) that belong to partition \( p \in P \). The hybrid unit commitment writes as follows.

\[
\begin{align*}
\min_{x, y, \gamma_p} & \sum_{t \in T} \sum_{g \in G} \left( a_g x_{g,t} + C_{g}^{SU} y_{g,t} + C_{g}^{SD} z_{g,t} \right) + \sum_{p \in P} \rho_p \gamma_p \\
\text{s.t.} & \quad \gamma_p \geq \sum_{t \in T} \sum_{g \in G} b_g p_{g,t,\omega} + \sum_{t \in T} \sum_{m \in M} C_{L}^{shed} L_{n,t,\omega}^n \\
& \quad + \sum_{t \in T} \sum_{g \in G} \sum_{m \in M} \alpha_{g,m} y_{g,m,t,\omega} \\
& \quad + \sum_{t \in T} \sum_{g \in G} \sum_{m \in M} \gamma_{g,m} (p_{g,m,t,\omega} + q_{g,m} q_{g,m,t,\omega}) \\
& \quad (\forall \omega \in \Omega_p, \forall \omega \in \Omega_p) \tag{6a}
\end{align*}
\]

where \( \rho_p \) represents the probability attached to each partition that is calculated as follows.

\[
\rho_p = \sum_{\omega \in \Omega_p} \pi_\omega \quad (\forall \omega \in \Omega_p)
\]

The auxiliary variable \( \gamma_p \) equals the worst-case system cost for partition \( p \) and therefore the second term in the objective function (6a) represents the expected value of the worst-case scenario at each partition \( p \in P \). To formulate the decomposition algorithm, we need to distinguish between the master problem and the subproblems. Both are formulated as in [1]. The master problem (MP) is formed by both first-stage and second-stage decisions. It solves one per partition \( p \in P \) and for iteration \( i \) it writes as follows.

\[
\begin{align*}
\min_{x^{i}, y^{i}, \gamma^{i}_p} & \sum_{t \in T} \sum_{g \in G} \left( a_g x_{g,t}^{i} + C_{g}^{SU} y_{g,t}^{i} + C_{g}^{SD} z_{g,t}^{i} \right) + \gamma^{i}\sum_{p \in P} \rho_p \gamma_p \\
\text{s.t.} & \quad \gamma^{i}_{p} \geq \sum_{t \in T} \sum_{g \in G} b_g p_{g,t,\omega}^{i} + \sum_{t \in T} \sum_{m \in M} C_{L}^{shed} L_{n,t,\omega}^{i} \\
& \quad + \sum_{t \in T} \sum_{g \in G} \sum_{m \in M} \alpha_{g,m} y_{g,m,t,\omega}^{i} \\
& \quad + \sum_{t \in T} \sum_{g \in G} \sum_{m \in M} \gamma_{g,m} (p_{g,m,t,\omega}^{i} + q_{g,m} q_{g,m,t,\omega}^{i}) \\
& \quad (\forall \omega \in \Omega_p^{i}, \forall \omega \in \Omega_p^{i}) \tag{7a}
\end{align*}
\]

Where \( X^{i} = \{ x_{g,t}^{i}, y_{g,t}^{i}, z_{g,t}^{i} \} \) and \( Y^{i} = \{ u_{g,m,t,\omega}^{i} x_{g,t}^{i}, y_{g,m,t,\omega}^{i} x_{g,m,t,\omega}^{i} \} \). One subproblem (SP) per scenario \( \omega \in \Omega_p \) is solved for each scenario. The solution \( \omega \) is stored and used in the next iteration.

\[
\begin{align*}
\min_{x^{i+1}, y^{i+1}, \gamma^{i+1}_p} & \sum_{t \in T} \sum_{g \in G} \left( a_g x_{g,t}^{i+1} + C_{g}^{SU} y_{g,t}^{i+1} + C_{g}^{SD} z_{g,t}^{i+1} \right) + \sum_{p \in P} \rho_p \gamma_p^{i} \\
\text{s.t.} & \quad \gamma^{i+1}_{p} \geq \sum_{t \in T} \sum_{g \in G} b_g p_{g,t,\omega}^{i+1} + \sum_{t \in T} \sum_{m \in M} C_{L}^{shed} L_{n,t,\omega}^{i+1} \\
& \quad + \sum_{t \in T} \sum_{g \in G} \sum_{m \in M} \alpha_{g,m} y_{g,m,t,\omega}^{i+1} \\
& \quad + \sum_{t \in T} \sum_{g \in G} \sum_{m \in M} \gamma_{g,m} (p_{g,m,t,\omega}^{i+1} + q_{g,m} q_{g,m,t,\omega}^{i+1}) \\
& \quad (\forall \omega \in \Omega_p^{i+1}, \forall \omega \in \Omega_p^{i+1}) \tag{8a}
\end{align*}
\]

where \( \rho_p^{i} \) represents the probability attached to each partition that is calculated as follows.

\[
\rho_p^{i} = \sum_{\omega \in \Omega_p^{i+1}} \pi_\omega^{i} \quad (\forall \omega \in \Omega_p^{i})
\]
solved determining the second-stage decision variables.

\[
\begin{align*}
\min_{\mathcal{Y}} \sum_{i \in \mathcal{T}} \sum_{g \in \mathcal{G}} b_{g} y_{g,t,\omega} + \sum_{i \in \mathcal{T}} \sum_{m \in \mathcal{M}} C_{m} L_{m,t,\omega} + \\
& \sum_{i \in \mathcal{T}} \sum_{g \in \mathcal{G}} a_{g,m} u_{g,m,t,\omega} + \sum_{i \in \mathcal{T}} \sum_{g \in \mathcal{G}} \sum_{m \in \mathcal{M}} p_{g,m} (\varphi_{g,m} + \varphi_{g,m}^{sh,i}) \quad (8a)
\end{align*}
\]

s.t. (1f) − (1n), (2a) − (2v) \hspace{1cm} (8b)

Where \( y_{g}^{i} = \{y_{g,m,t,\omega} \} \) \( \forall g,m,t,\omega \), \( p_{g,m}^{i} \) \( \forall g,m,t,\omega \), \( L_{m,t,\omega}^{i} \), \( W_{g,m}^{i} \), \( \varphi_{g,m}^{i} \), \( \varphi_{g,m}^{sh,i} \).

### III. SOLUTION APPROACH

The solution algorithm is described in the following. Note that the master problems (7a)-(7c) and subproblems (8a)-(8b) for each partition \( p \in P \) are solved in parallel and that they are called instances of the SPDA1 algorithm.

1. **Initialize iteration** \( j = 0 \). Select the initial number of partitions \( k_{0} \) applying hierarchical clustering to the set of scenarios \( \Omega \).
2. **Create** \( k_{0} \) parallel instances of the SPDA1 algorithm.
3. **Initialize iteration** \( i \) and set \( \Omega_{i}^{0} = \emptyset \).
4. **Solve the master problem and return the optimal solution** found for the vector of first stage decisions \( x_{p}^{i} \). Obtain the Lower Bound (LB) as \( \sum_{i \in \mathcal{T}} \sum_{g \in \mathcal{G}} (a_{g,v_{g,t}} + C_{g} y_{g,t} + C_{g}^{SD,v_{g,t}} + \varphi_{g,t}) \).
5. **Solve the subproblems (SP)** with the first-stage decision variables fixed at \( x_{p}^{i} \). Once all the subproblems are solved, obtain the scenario \( \omega' \) that yields the highest system cost. Include this scenario in the set of worst-case scenarios \( \Omega_{p}^{j+1} \).
6. **Check convergence.** If \( |UB - LB| \leq \xi \), where \( \xi \) is the tolerance value, the iterative process stops. If \( |UB - LB| > \xi \) then \( i := i + 1 \) and go to step 4.
7. **Once all partitions have converged,** obtain the first-stage decision vector for each partition \( x_{p}^{i} \).
8. **Increase iteration number** \( j := j + 1 \). Calculate the average value for the first-stage commitment decisions over all partitions \( \mathcal{X}_{p}^{i} = \{p_{p} x_{p}^{i-1} \} \). Obtain squared distance \( \sigma^{j} = \| \mathcal{X}_{p}^{j} - \mathcal{X}_{p}^{i-1} \|^{2} \) (where \( \mathcal{X}_{p}^{0} = 0 \)). If \( \sigma^{j} \leq \varepsilon \) we stop the iteration process for \( j \) and move a step forward. If \( \sigma^{j} > \varepsilon \), we increase the number of partitions \( k_{j+1} := k_{j} + 1 \) and go step 2.
9. **Obtain the partly fixed commitment decisions using the rounding technique:**

\[
\mathcal{X}_{p}^{\text{round}} = \begin{cases} 
1 & \text{if } \mathcal{X}_{p}^{j} \geq 1 - \alpha \\
0 & \text{if } \mathcal{X}_{p}^{j} \leq \beta \\
\mathcal{X} \in \{0,1\} & \text{if } \beta < \mathcal{X} < 1 - \alpha
\end{cases}
\]

10. **Solve (6a)-(6c)** for the scenarios finally retained in the set of worst-cases scenarios \( \Omega_{p}^{j} \) using \( \mathcal{X}_{p}^{\text{round}} \) as partly fixed commitment decisions.

The pseudo-code for the proposed improved SPDA1 algorithm is provided in Algorithm 1.

### Algorithm 1 Improved Scenario Partition and Decomposition Algorithm: Variant 1 (Improved SPDA1)

1. Set \( j := 0 \).
2. Choose initial \( k_{0} \) and apply hierarchical clustering to \( \Omega \) and obtain \( \Omega_{0}^{0} \).
3. **repeat**
4. **for all** \( p \in P \) **do**
5. Set \( i := 0 \) and \( \Omega_{i}^{0} = \emptyset \).
6. **repeat**
7. Solve Master Problem
8. Return optimal solution \( x_{p}^{i} \)
9. Compute Lower Bound (LB)
10. Set \( x_{p}^{i} := x_{p}^{i} \) and solve SP \( \forall \omega \in \Omega_{p} \)
11. Compute Upper Bound (UB)
12. Identify worst-case scenario \( \omega' \)
13. Set \( \Omega_{p}^{j+1} := \Omega_{p}^{j} \cup \{\omega'\} \)
14. Set \( i := i + 1 \).
15. **until** \( |UB - LB| \leq \xi \)
16. Set \( \Omega_{p}^{j+1} := \Omega_{p}^{j+1} \)
17. **end for**
18. Obtain \( \mathcal{X}_{p}^{j} \) \( \forall p \in P \)
19. Set \( j := j + 1 \).
20. Compute average value \( \mathcal{X}_{p}^{j} \)
21. Obtain the quadratic distance value \( \sigma^{j} \)
22. Increase number of partitions \( k_{j+1} := k_{j} + 1 \)
23. Apply hierarchical clustering to \( \Omega \) and obtain \( \mathcal{X}_{p}^{j} \)
24. **until** \( \sigma^{j} \leq \varepsilon \)
25. **Calculate** \( \mathcal{X}_{p}^{\text{round}} \)
26. **Solve (6a)-(6c)** replacing \( \Omega_{p} \) with \( \mathcal{X}_{p}^{\text{round}} \) and using \( \mathcal{X}_{p}^{\text{round}} \) as partly fixed commitment decisions.

### REFERENCES


