ReinforceRay

Optimal Long-Term Planning of Photovoltaic and Battery Storage Systems for Grid-Connected Residential Sector with Reinforcement Learning



P5 PRESENTATION

04.07.2024 Kuba Wyszomirski



The last few years have seen a significant increase in energy prices across Europe, initially due to a rebound in energy demand following the relaxation of post-COVID lockdown measures, and subsequently after the Russian invasion of Ukraine.



Change in electricity prices for households consumers, 2022 - 2023 (Eurostat, 2023)

Group of European countries aim to decarbonize their electricity system by 2035

News item | 18-12-2023 | 19:45

Today, Austria, Belgium, France, Germany, Luxemburg, The Netherlands and Switzerland announce a joint ambition to decarbonize their interconnected electricity system by 2035, an important step towards a joint path to decarbonize the industrial heart of Europe.

(Ministerie van Economische Zaken en Klimaat, 2023)

Renewable energy targets

23%	32%	at least 42.5%
share of renewables in EU energy consumption 2022	2030 target set in 2018	new binding target for 2030, but aiming for 45%

countries still relies on fossil fuels, such as coal and natural gas, the production of electricity leads to the release of large quantities of carbon dioxide into the atmosphere.

As power generation in many European

(European Commission, 2023)

Many homeowners are turning to renewable energy sources. Photovoltaic panels and battery energy storages have become popular solution for generating electricity, reducing reliance on the grid, and even gaining energy independence within the grid-connected residential sector.



Household Sockets

(Author, 2024)

Yet, estimating the benefits and risks of investing in rooftop PV and BES systems, its type and size, requires is indeed a challenging task requiring consideration of various factors for its adoption and maintenance.



Optimal Capacity of PV and BES for Grid-

Optimal Sizing of a Solar-Plus-Storage System F battery systems: A no Utility Bill Savings and Resiliency Benefits

Rajab Khalilpour 🙎 🖾 , Anthony Vassallo 🖂

connected photovoltaic systems

Jayanta Deb Mondol a 🙎 🖾 , Yigzaw G Yohanis a, Brian Norton b

Optimising the economic viability of grid-

Optimal sizing and energy scheduling of photovoltaic-battery systems under different tariff structures

Orlando Talent 🙎 🖾 , Haiping Du

Optimal Capacity of Solar PV and Battery Storage for Australian Grid-Connected Households

Rahmat Khezri¹⁰, Student Member, IEEE, Amin Mahmoudi¹⁰, Senior Member, IEEE, and Mohammed H. Haque¹⁰, Senior Member, IEEE

Optimal sizing of a residential PV-battery backu primary energy source under realistic constraint J. Khoury^{a,b}, R. Mbayed^b, G. Salloum^{b,*}, E. Monmasson^a

Planning and operatic Optimal sizing of residential PV-systems from a household and social stralia cost perspective

A case study in Austria

Michael Hartner^{a,*}, Dieter Mayr^b, Andrea Kollmann^c, Reinhard Haas^a

Optimal sizing of a nonutility-scale solar power system and its battery storage Jairo Cervantes, Fred Choobineh

Optimal design and analysis of gridconnected photovoltaic under different tracking systems using HOMER

Hassan Z. Al Garni a 🙎 🔯 , Anjali Awasthi a 🖂 , Makbul A.M. Ramli b 🖂

Economic Sizing of a Grid-Connected Photovoluan System: Case of GISER research project in

Battery sizing and rule-based opera Morocco grid-connected photovoltaic-batter To cite this article: M Khanfara et al 2018 IOP Conf. Ser.: Earth Environ. Sci. 161 012006 system: A case study in Sweden

Yang Zhang ^{a b} A Maders Lundblad ^{a c} 🖾 , Pietro Elia Campana ^c 🖾 , F. Benavente ^a]inyue Yan a c 🙎 🖂

Sizing and grid impact of PV battery systems a comparative analysis for Australia and Germany

t optimal sizing of smart buildings' energy system components sidering changing end-consumer electricity markets

Henryk Wolisz^{*}, Thomas Schütz, Tobias Blanke, Markus Hagenkamp, Markus Kohrn, Mark Wesseling, Dirk Müller

> Contribution for optimal sizing of gridconnected PV-systems using PSO

Aris Kornelakis 🖾 , Yannis Marinakis 🙎 🖾

Optimal sizing and energy scheduling of Х They are static - do not accommodate System installation is considered as Unrealistic assumptions regarding modifications to the system throughout a one-time now-or-never decisioning and gr time-dependent variables

TIMF!

a comparative analysis for Auits lifetime! Germany



There is a need for a new risk-mitigating computational optimisation framework what would be able to accommodate for....



Multi-stage strategy with option to expand, replace or contract.



Allow for time flexibility, adapt and update the policy to evolving internal and external conditions.



Incorporate a multi-objective scope.

All decisions are ultimately informed by data.

Reinforcement learning is a paradigm within ML where an agent learns optimal decisions by interacting with an environment through trial and error, making it well-suited for problems where decisions lead to sequences of outcomes over time.

RL can handle high-dimensional state spaces and generalize across different scenarios, making itself applicable to complex sequential decision-making tasks.







⁽Chen et al., 2023)

02 Research Question

How can **reinforcement learning** based **recommendation workflow** be used for long-term planning and design of residential grid-connected **PV and battery storage systems** under the **uncertainty of future scenarios**?



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04 Workflow Formulation

04 Workflow

The problem is structured as a MDP :

- Agent recieves observation regarding the current condition of the system, along with current rates of relevant variables
- Based on these observations, the agent must execute actions aimed at maximizing the reward, calculated as the net balance between costs and benefits and/or the net carbon impact.
- The optimization process **spans 25 years**, divided into equal timesteps.



DECISION VARIABLES

04 Workflow

Criteria:

1. Convergence Speed

- 2. Robustness and Stability i.e. its performance consistency across different scenarios
- **3.** Scalability i.e. handling of increasing complexity
- 4. Multi-Objective Optimization Capability
- 5. Access to learning resources

Literature Review and Experimentation:



(Author, 2024)

Selection:







04 Workflow



05 TOY Problem



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06 PV Optimisation



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06 PV Optimisation



06 PV Optimisation PV Modelling



06 PV Optimisation . PV Modelling Mounting Type **Crucial Enviornmental Factors:** Wind Speed **Diffuse Radiation** Weather Data (TMY) • Cell Temperature Location **Reflected Radiation Total Radiation** • Angle Of Incidence Zenith Tilt Normal to surface Surface Radiation **Direct Radiation** Ambient Temperature Weather Data Enviornment (Kambezidis and Psiloglou, 2021) Modelling



06 PV Optimisation PV Modelling







06 PV Optimisation Degradation







Normal distribution of the annual degradation rate (green), fitted to the data (pink) for the budget panel. (Author, 2024)

$$\eta_i(t) = \eta_i(t-1) - \epsilon_t$$

06 PV Optimisation Failure



Weibull Distribution for Panel's Survival Rate (Author, 2024)



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06 PV Optimisation Stochastic Variables Modelling

- Decision variables evolve unpredictably given the inherent volatility influenced by market trends, etc
- Precise long-term price predictions are very challenging
- It is vital to expose RL Model to a wide range of possible scenarios reflecting variables long-term fluctuations.



06 PV Optimisation Electricity Tariff - Geometric Brownian Motion

 $dX_t = \mu X_t dt + \sigma X_t dB_t$

- Stochastic
- Always positive
- Non-stationary
- Continuous





Generated Scenarios for training and evaluation (Author, 2024)

 $\mu =$



$$mean(log X_t) \times \frac{\sigma^2}{2}$$
 $\sigma = \sqrt{var(log X_t)}$

06 PV Optimisation Grid Emissions Factor - Ornstein-Uhlenbeck Process

 $dX_t = \mu(heta - X_t)dt + \sigma dW_t$

- Stochastic
- Mean Reversion
- Stationary
- Continuous





Historical mean annual residential electricity prices (Author, 2024)



(Author, 2024)

06 PV Optimisation

Crystalline Cell Efficiency Improvement - Gamma Process

- Cumulative Process
- Positive Incremental Changes
- Independent Increment
- Continuous



Historical evolution of crystalline PV cell efficiency (Author, 2024)

$$f(x; \alpha, \theta) = \frac{x^{\alpha(t-s)-1}e^{-\frac{x}{\theta}}}{\theta^{\alpha(t-s)}\Gamma(\alpha(t-s))}, \quad x > 0$$

$$P_{PV,new}(t) = P_{PV,new}(t=0) \times (Eff(t)+1)$$

(Author, 2024)





06 PV Optimisation

PV Module Price - Jump Diffusion Process (GBM with a Poisson process)

 $dX_t = \mu(t,X_t)\,dt + \sigma(t,X_t)\,dW_t + \sum_{j=1}^{N_t}Y_j\,dJ_t$

- Stochastic
- Always positive
- Sudden Jumps
- Continuous



Historical CAPEX of PV modules €/kWp (Author, 2024)





06 PV Optimisation PV Module Price - GBM + Learning Rates

 $dX_t = \mu X_t dt + \sigma X_t dB_t \quad C_Q = C_0 Q^{-\beta}$

- Stochastic
- Always positive
- Continuous





(Roser, 2023)



Generated Scenarios for training and evaluation (Author, 2024)

06 PV Optimisation RL Environment – Observation Space

[Box/Multi-Continuous]

 $OBS(t) = [\eta_i(t), \eta_{i+1}(t), \dots, \eta_{i+n}(t), I(t), J(t), Eff(t), CAPEX_{PV}(t),$ $C(t-1), Pen(t), B(t), B(t-1), EG(t), id_i(t), id_{i+1}(t), \dots, id_{i+n}(t)]$



06 PV Optimisation Environment – Action Space

Simple Action [Discrete / Multi-discrete)] $A = \{(x, y) \mid 0 \le x \le N \text{ and } 0 \le y < M\}$

Complex Action [Multi-binary/ Multi-discrete]

 $A = \{ (x_i, x_{i+1} \dots x_n, y) \mid 0 \le x_i \le 1 \text{ and } 0 \le y \le M \}$



 $A_{simplified} = [2, 1]$ $A_{complex} = [0, 0, 1, 1, 0, 0, 1]$



06 PV Optimisation Environment – Reward



Installation Cost



Balance of System Cost





Operational Costs

Electricity Tariff



Resale Value

Mixed



Financial Only

 $R_{FIN} = \sum_{t=1}^{25} BalanceFIN(t)$

 $R_{tot} = \sum_{t=1}^{25} Balance_{FIN}(t) \left[w + \sum_{t=1}^{25} Balance_{ENV}(t) \right]$

Budget

 \frown

Interest



Energy Export Consumption



System's Embodied Carbon



Grid Emission Factor



PV Yield



Self-Consumption and Export





O6 PV Optimisation Analysed Scenarios – Houses



House 1

- Max no of modules: 12
- Annual Load: 3045 kWh
- Azimuth and Tilt: 180 and 40
- Single-Pitched



House 2

- Max no of modules: 24
- Annual Load: 3836 kWh
- Azimuth and Tilt: 180 and 30
- Single-Pitched



House 3

- Max no of modules: 32
- Annual Load: 4678 kWh
- Azimuth and Tilt: 90/270 and 30
- Double-Pitched

06 PV Optimisation Analysed Scenarios – Modules

Second-Hand Module

Polycristaline

- Carbon Footprint: None
- Efficiency: 16.2%
- CAPEX(t=1): 0,36 €/Wp
- Mean Degradation: 1.16%

- Budget Panel Monocristaline, PERC
- Carbon Footprint:
- Efficiency: 21.3%
- CAPEX (t=1): 0,69 €/Wp
- Mean Degradation: 0.82%

- High-End Panel Monocristaline, N-type, IBC
- Carbon Footprint:
- Efficency: 23.3%

Select Panel

- CAPEX(t=1): 1,583 €/Wp
- Mean Degradation: 0.67%

Low

- Min at t=1: 0 €
- Min at t=1: 750 €

High

- Min at t=1: 750 €
- Min at t=1: 2000 €

06 PV Optimisation Hyperparameters Tuning



No of Neurons	1024
No of Layers	2
Activation Function	Tanh
Learning Rate	Linear decay from 0.0003 to 0.00001
No of Steps	2048
Gamma	0.99
Lambda	0.93
Batch Size	1024
Clip Ratio	0.17
Entropy coefficient	0.0
No of Epochs	24

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1024 Neurons

Tanh

1024 Neurons

Tanh



06 PV Optimisation Evaluation

40x

Training : Evaluation 7:3



Base PolicyCommon Practice $if \eta_i < 0.85$ install panel i

Evaluation Metrics

Net Present Value $NPV = \sum_{t=0}^{T} \frac{Balance_{NPV}(t)}{(1+\vartheta)^{t}}$

Net Carbon Savings

$$NCS = \sum_{t=1}^{T} Balance_{ENV}(t)$$

O6 PV Optimisation Results – Key Figures (financial reward only)



O6 PV Optimisation Results – Overview NPVs

- Base Policy
- Simple Action
- Complex Action



House 1 – 12 modules







Plot of NPVs for each analysed scenario for House 3

Plot of NCSs for each analysed scenario for House 3

O6 PV Optimisation Results – Selected Episode







-	Achieved NPV	
Model Evaluation	22 486	
Base Policy	20 364	



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System Modelling



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Battery Operation - How to schedule battery's charge and discharge?



Fluctuating PV Production and Consumption



Varying Electricity Tariff



• Peak Shaving Reducing the consumption of electricity from the grid during peak demand and high rates

Charging the battery when demand and electricity rates are

Load Shifting

- Linear Programming
- Nonlinear programming
- Dynamic Programming

low

Battery Health Management

Rule-Based Control

Battery Operation - RL



- Develop the optimal schedule for battery's charge and discharge
- Generalise Over Different Battery sizes, Load Consumptions and PV array sizes

07 PV + BESS Optimisation Battery Operation – RL Environment

Observation (State) Space [Box/Multi-Continuous)] $OBS(h) = [SOC(h), SOC(h-1), N(h), N(h+1), N(h + 2), I(h), J(h), Hour, Week, B_{cap}, P_{max}]$ $N(h) = P_{PV,total} - P_{load}$ **Episode Time Horizon** 168 hourly timesteps

Reward $R = \left[-I(h) \times E_{sup}(h) + J(h) \times E_{exp}(h)\right]$ Action Space [Continuous] $A = [Q_{discharge,max} \quad Q_{charge,max}]$



07 PV + BESS Optimisation Battery Operation – RL Models

OPTUNA



07 PV + BESS Optimisation Battery Operation – RL Evaluation



07 PV + BESS Optimisation Battery Operation – RL Results





SoC of the Battery plotted for a Week

red line - RL operated BESS, purple - rule-based operation,

dashed line - electricity tariff rates,

red and green fields - electricity shortage or surplus from PV and building load

07 PV + BESS Ontimisation Battery Operation –



I've tried so hard and got so Far but in the end it doesn't even matter!!



from PV and building load

07 PV + BESS Optimisation Battery Operation – RL Reality Check

Training Time (house 1 – main model)

- No BESS environment t
- Rule Based BESS operation **t x 6**
- RL based BESS operation t x 25



Battery Degradation – Non-linear Gamma Process









A plot of 100 NHGP for the battery degradation paths (Author, 2024)



Environment



07 PV + BESS Optimisation Evaluation



Reward $R_{FIN} = \sum_{t=1}^{25} BalanceFIN(t)$

Training : Evaluation 7:3 **Trained Model**



Evaluation Metrics

Net Present Value

 $NPV = \sum_{i=1}^{T} \frac{Balance_{NPV}(t)}{(1+\vartheta)^t}$

Base PolicyCommon Practice $if \eta_i < 0.8$ install panel i $if B_{cap,j} = 0$ install battery module j

Results – Key Figures



07 PV + BESS Optimisation Results – NPVs Overview



- Simple Action
- Complex Action









07 PV + BESS Optimisation Results – Selected Episode





Action = [-]









Action = [-]



08 Deployment



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O8 Deployment Deployment Options





reinforce ray

Reinforce Ray is a recommender system, utilising the power of **AI** to supply you with optimal guidance for upgrading your **home renewable energy setup**.

Reinforce Ray is suitable for:

- PV or Battery only and PV+Battery setups
- Single house and neighborhood energy systems
- Existing systems' upgrade and completely new setups

Every recommendation stems from analyzing millions of scenarios based on relevant conditions and variables.

Define your needs and scope – we'll assist you in making an informed decision and planning for the future. Our system will help you determine the optimal size and type of energy storage and PV system.



A bespoke AI model is trained to your specifications, taking into account:

- Your budget options
- Installation and components costs.
- Consumer electricity market conditions
- Latest advancements in technology.

10 Conclusion

Overall, it can be concluded that reinforcement learning is a viable framework for the planning and design of residential gridconnected PV and BES systems. The deployment of this workflow into practice can have several benefits for stakeholders and decision-makers.



Make better decisions that both save money and reduce carbon emissions



Strategic flexibility allowing to modify or defer plans in response to the arrival of new information



Risk Mitigation - Asses the value of different strategies under uncertainty



More Informed Decision-Making

to

Support multi-stage investment with expansion or contraction options

11 Further Research



Benchmark Against Other Computational Approaches



Reevaluate Probabilities



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Evaluate on a separate test case



Test Different Algorithms and MARL



Broaden the Optimisation Scope (other inverter configurations, building typologies)



Generalize over different environments



House 3 (double pitched roof) 4678 kWh annual consumption Financial Reward Only

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0



Action = [-]

PV Array Capacity (Wh) BESS Capacity * State of Health (kWh) 5 10 15 20 25

Thank You

• *GBM's analytic solution under Ito's interpretation*

$$S_t = S_0 \expiggl(\left(\mu - rac{\sigma^2}{2}
ight) t + \sigma W_t iggr).$$

Expectation of Log Returns

$$E[\log(X_t) - \log(X_{t-1}) = \mu]$$

Variance of Log Returns:

$$var[\log(X_t) - \log(X_{t-1})] = \sigma^2$$

• OU's analytic solution under Ito's interpretation

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$$X_{t} = X_{0}e^{-\lambda_{t}} + \mu(1 - e^{-\lambda_{t}}) + \sqrt{\frac{\sigma^{2}(1 - e^{-2\lambda_{t}})}{2\lambda}}N(0, 1)$$

• *GBM with jump process analytic solution*

$$Panel(t) = Panel(0)exp\left[\left(\alpha - \frac{\sigma^2}{2} - \lambda_{PT}\theta\right)t + \sigma B_t\right] \times \prod_{i=1}^{N_t} (V_i)$$

• Total radiation

$$G_T = G_{h,b} \times \cos AOI + G_{h,d} \left(\frac{1 + \cos \theta_T}{2}\right) + G_{h,p} \left(\frac{1 + \cos \theta_T}{2}\right)$$

where:

 G_{hh} is the direct beam radiation

 G_{hd} is the diffuse horizontal radiation

 $G_{h,p}$ is the reflected radiation

AOI is the angle of incident sunlight on a tilted plane

 $\theta_{\scriptscriptstyle T}$ $\,$ is the tilted angle of inclination relative to the ground surface

• AOI between the Sun's rays and the PV array

 $AOI = \cos^{-1}(\cos\beta \,\cos(A - \varphi)\sin\theta_T + \sin\beta \,\cos\theta_T)$

where:

arphi is the azimuthal deviation of the PV module

 \boldsymbol{A} is the sun azimuth angle

 β is the sun altitude angle.

Cell Temperature

$$T_c = T_{ambient} + \frac{\alpha \times G_T(1 - \eta_m)}{U_c \times U_v \times WS}$$

where:

 $T_{ambient}$ is the local ambient temperature,

 $T_{c,STC}$ is the PV temperature under standard test conditions [25°C],

 α is the PV cell absorption coefficient,

 $U_{\scriptscriptstyle c}$ is the heat loss factor coefficient dependent on the module construction,

 U_{v} is the combined heat loss factor influenced by wind, WS is the wind speed in m/s.