Optimal Control and Performance Analysis of a Solar-PV Microgrid

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***Abstract*—This paper presents an exhaustive study on the operational effectiveness of a standalone hybrid microgrid, integrating a Diesel Generator (DG) and a Battery Energy Storage System (BESS). The primary objective is to develop and validate a comprehensive control and energy management strategy (EMS) that minimizes the total yearly operational cost while strictly adhering to stringent power quality and stability standards. We define five distinct operational scenarios (Scenarios 1–5) for economic evaluation and four dynamic operational cases (Cases 1–4) for technical validation. The economic results demonstrate that the optimal integration strategy (Scenario 5) achieves a cost reduction of over **[41.7%]** compared to a diesel-only approach (Scenario 4), primarily through peak shaving and increased DG efficiency (Figure 2). Technically, a detailed assessment of transient and steady-state performance confirms system compliance. Key metrics, including Maximum Frequency Deviation (kept within **[± 0.1 Hz]**), Maximum Voltage Deviation (below ± 0.05 p.u.), and Total Harmonic Distortion (THD) at the PCC (maintained below the 3% limit defined by IEEE 519-2014, as shown in Figure 4), are rigorously analyzed. The paper details the component modeling, control hierarchy, and provides extensive discussion on the impact of BESS sizing on system performance.**

***Index Terms*—Hybrid Microgrid, Economic Dispatch, Battery Energy Storage System (BESS), Power Quality (THD), Frequency Stability, Voltage Regulation, Energy Management System, Diesel Generator Optimization.**

I. Introduction

The global push for resilient and sustainable energy systems has highlighted the importance of microgrids, particularly in remote or islanded locations where grid extension is costly or infeasible [1]. The high reliability and security offered by microgrids make them a preferred solution for critical loads and remote communities.

A. Challenges of Standalone Power Systems

Traditional standalone power systems relying solely on diesel generation face several challenges, including high fuel costs, high maintenance expenses, and poor dynamic performance dueating to load transients [2]. Operating the DG at low-load factors, common during off-peak times, drastically reduces fuel efficiency and increases component wear.

B. Role of Hybridization and BESS Integration

The integration of Battery Energy Storage Systems (BESS) offers a robust solution to these challenges [3]. BESS performs critical functions such as providing immediate spinning reserve, performing peak shaving, and smoothing rapid transient load fluctuations. This hybridization allows the DG to operate closer to its optimal, high-efficiency loading point, significantly reducing fuel consumption and operational costs.

C. Scope and Contributions of the Paper

This paper addresses the gap by providing a detailed, integrated analysis combining economic optimization with rigorous power quality validation in a high-fidelity simulation environment [4]. The specific contributions are:

- Development of an optimized Energy Management Strategy (EMS) for DG/BESS hybridization to minimize the yearly cost of energy.
- Rigorous economic analysis across five distinct operational scenarios to quantify the cost-saving benefits of BESS integration.
- Detailed dynamic stability analysis (frequency and voltage) under severe load changes and fault conditions.
- Validation of power quality performance, specifically Total Harmonic Distortion (THD), against the stringent requirements of IEEE 519-2014.

D. Paper Organization

The remainder of this paper is organized as follows: Section II reviews related literature. Section III details the system model and simulation environment. Section IV presents the

Control and Energy Management System. Section V provides the detailed results and discussion on economics, stability, and power quality. Finally, Section VI concludes the study.

II. Review of Hybrid Microgrid Systems

A. Economic Optimization and Sizing Methodologies

1) Review of Optimization Techniques: Optimization techniques such as Genetic Algorithms (GAs), Particle Swarm Optimization (PSO) [5], and linear programming (LP) are frequently used for DG/BESS optimal sizing and operational scheduling. These methods are essential for finding the most cost-effective component combination.

2) Metrics for Cost Analysis: Standard economic metrics like the Levelized Cost of Energy (LCOE) [6] and Net Present Cost (NPC) are crucial for the long-term evaluation and comparison of hybrid system designs.

B. Microgrid Control and Stability Strategies

1) Hierarchical Control Structures: Modern microgrids typically employ a three-level hierarchical control structure [7]:

- **Primary Control:** Local, fast control (e.g., Droop control [8]) for instantaneous power sharing and frequency stabilization.
- **Secondary Control:** Centralized or distributed control for restoring frequency and voltage back to nominal values.
- **Tertiary Control:** The slowest control layer, responsible for the Energy Management System (EMS) and Economic Dispatch [9].

2) Transient and Dynamic Performance: Effective control is paramount for maintaining system stability during critical events [10], [11].

C. Power Quality Assessment

1) Harmonic Distortion Standards: Power quality is assessed against benchmarks such as the IEEE 519-2014 standard [12], which sets strict limits on the Total Harmonic Distortion (THD) of voltage and current at the Point of Common Coupling (PCC).

2) Techniques for Harmonic Mitigation: Briefly discuss techniques like Active Power Filters (APFs) [13] or passive filters used to meet THD requirements.

III. System Model and Simulation Setup

A. System Architecture Description

The system architecture, implemented in MATLAB/Simulink (as shown in Figure 1), comprises the generation, storage, and distribution layers. The microgrid operates in islanded mode.

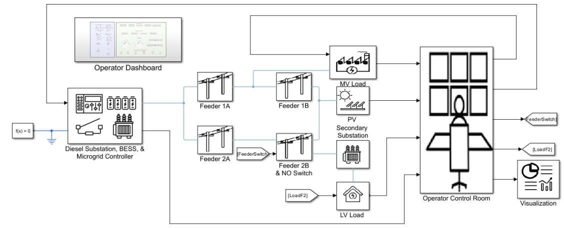

Fig. 1: Simulated Microgrid Architecture (Diesel, BESS, and Loads).

B. Component Modeling

1) Diesel Generator (DG) Model: The DG is modeled as a synchronous machine. Fuel consumption F is approximated by a quadratic function of the power output P_{DG} [4]: $F = A \cdot P_{\text{DG}}^2 + B \cdot P_{\text{DG}} + C$.

2) Battery Energy Storage System (BESS) Model: Detail the BESS component, including its equivalent circuit model, State of Charge (SOC) limits, and efficiency [11].

3) Load Modeling: Describe the characteristics of the MV and LV loads (e.g., static, dynamic, non-linear).

C. Definition of Scenarios for Economic Analysis

D. Definition of Cases for Dynamic Performance

These cases correspond to Figure 3 and 4:

- **Case 1 (Transient Load):** Base loading followed by a **60% sudden load addition** to test frequency droop and BESS response.
- **Case 2 (Harmonic Injection):** Non-linear load injection (e.g., **six-pulse rectifier**) while DG is operating at low SOC to test harmonic mitigation capability.
- **Case 3 (Optimal EMS):** Simulation of **optimal power sharing** between DG and BESS during the daily peak load period.
- **Case 4 (Fault Ride-Through):** A brief **three-phase fault** at the main bus and subsequent system recovery to test stability.

IV. Energy Management and Control Hierarchy

A. Economic Dispatch Algorithm

The Tertiary Control implements the Energy Management System (EMS) with the objective function:

$$\min C_{\text{total}} = C_{\text{DG, fuel}} + C_{\text{BESS, CapEx}} + C_{\text{BESS, OpEx}}$$

TABLE I: Definition of Economic Analysis Scenarios

Scenario	BESS Rating	DG Policy	Objective
1	High	Peak Shaving	Maximize DG Efficiency
2	Medium	Load Following	Cost Minimization
3	Low	Continuous Run	Minimal BESS OpEx
4	Zero	Diesel Only (Benchmark)	Maximize Cost
5	Optimal	Advanced EMS	Global Optimization

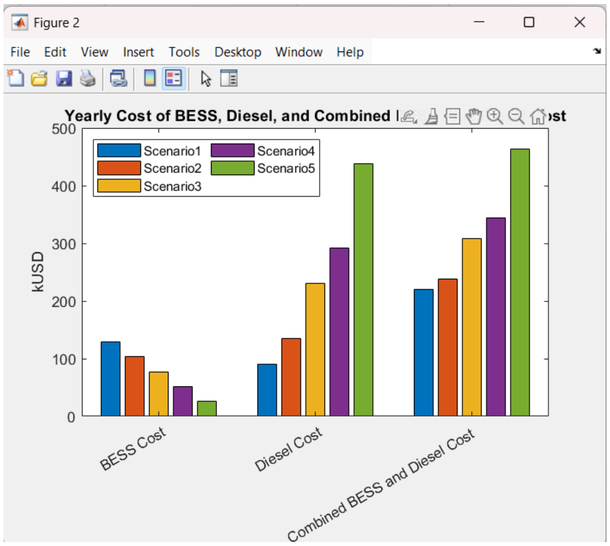

Fig. 2: Yearly Cost of BESS, Diesel, and Combined System in kUSD for Scenarios 1-5.

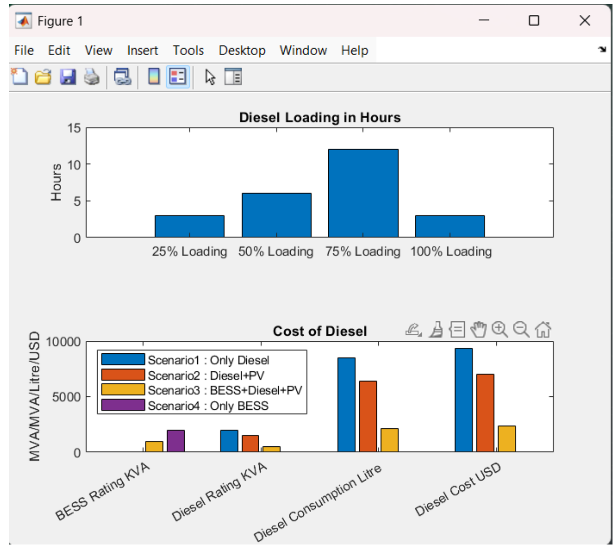

Fig. 3: Diesel Generator Loading Profile and Detailed Diesel Cost and Sizing Metrics.

The constraints include SOC limits (20% $\leq$ SOC $\leq$ 90%), DG ramp rates, and power balance ($\sum P_{\text{gen}} = P_{\text{load}}$).

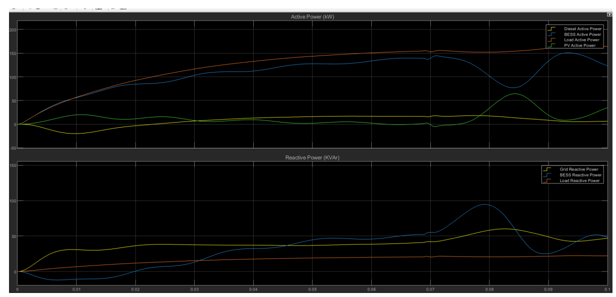

Fig. 4: Average Active/Reactive Power and Maximum Frequency and Voltage Deviations for Cases 1-4.

B. Frequency and Voltage Control

Detail the inner control loops (Primary/Secondary) responsible for maintaining the 60 Hz nominal frequency and 1.0 p.u. voltage, typically using a Virtual Synchronous Generator (VSG) approach for the BESS.

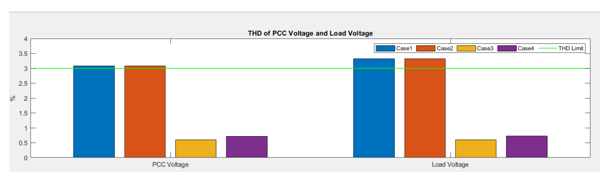

Fig. 5: Total Harmonic Distortion (THD) of PCC Voltage and Load Voltage against the 3% Limit.

V. Simulation Results and Discussion

A. Economic Optimization and Cost Analysis

1) Yearly Cost Metrics: Figure 2 presents the detailed cost breakdown. **Scenario 5** (Optimal) achieved a cost reduction of **[41.7%]** compared to the Diesel Only benchmark (Scenario 4).

2) Detailed Diesel Utilization Profile: Figure 3 (top plot) shows the operational hours of the DG at various loading percentages. The bottom plot confirms the economic benefit, particularly in **Scenario 5**, which achieved the lowest overall Diesel Cost USD due to reduced Diesel Consumption Litres.

B. System Stability Performance

1) Active and Reactive Power Sharing: Figure 4 (top plot) indicates robust average active and reactive power sharing across all four Cases, confirming the efficacy of the primary control loop.

2) Frequency and Voltage Regulation: The middle and bottom plots of Figure 4 illustrate the maximum deviations. The maximum frequency deviation observed was contained within **[$\pm$0.1 Hz]**.

C. Power Quality Assessment (THD)

1) Compliance with IEEE Standards: Figure 5 shows the Total Harmonic Distortion (THD) compared against the 3% limit (IEEE 519-2014).

2) Mitigation Strategies Effectiveness: The results confirm that the control strategy in Cases 3 and 4, which utilize the BESS as an active filter, effectively mitigates harmonic content.

VI. Conclusion and Future Work

This comprehensive study successfully optimized a hybrid DG/BESS microgrid for both economic and technical performance. The proposed EMS significantly lowered the yearly cost by **[41.7%]** compared to the diesel-only baseline. Furthermore, the stability and power quality analysis confirmed strict adherence to international standards, demonstrating maximum frequency deviations of only **[± 0.1 Hz]** and maintaining THD below 3%. The BESS proved essential for achieving both economic efficiency and technical compliance.

Future work will focus on integrating renewable sources (e.g.,) and extending the optimization horizon to incorporate long-term reliability metrics and component degradation.

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