Including Dynamic Line Rating Into the Optimal Planning of Distributed Energy Resources

Kateryna Morozovska, Member, IEEE, Miguel Heleno, Member, IEEE, Alan Valenzuela Meza, and Patrik Hilber, Senior Member, IEEE

Abstract—Dynamic line rating (DLR) is an emerging technology that can remove strict power transmission constraints and potentially reduce investment costs in new generation technologies in a microgrid. By implementing dynamic rating into distributed generation sizing and placement problem, it is possible to reduce the investment costs on new distributed energy resources by achieving improved optimal power flow results as compared to planning without considering DLR. This paper explores the possibility of complementing a model for optimal siting and placement of the distributed energy resources in a microgrid with the dynamic line rating. Implementation of DLR has shown a decrease in investment costs as well as a reduced number of installed generators as opposed to the solution without DLR implementation.

Index Terms—Microgrid design, sizing and placement of generation, optimal power flow, dynamic line rating.

I. INTRODUCTION

DYNAMIC line rating is a method of smarter line operation, which uses information on real-time weather parameters to unlock hidden line capacity. This unlocked capacity allows to remove network contingencies and achieve more efficient power flow [1], [2], [3], [4]. There are several studies which have explored the possibility of using dynamic line rating for power dispatch optimization in transmission and sub-transmission grids [1], [5], [6], [7]. Additionally, a possibility to combine dynamic line rating with a dynamic rating of power transformers for day-ahead optimal dispatch planning is explored in [8]. The potential to reduce the cost of microgrid operation under security constraints after the introduction of dynamic line rating is studied in [9].

Several studies have shown improved optimal power dispatch after adding DLR to the system operation; however, little information is available in the literature on the benefits of planning the grids with dynamic rating, in particular, when solving long-term investment planning problems. Reinforcing capacities of the lines can remove some of the system’s constraints, which in return can change an optimal planning solution, by creating new pathways for optimal power flow. Having power transfer limits dynamically adjusted, depending on the weather conditions, can decrease the number of required generators and the load curtailment.

Microgrids are locally connected group of loads, storage units and generation resources that should be able to operate both independently and as a part of a larger grid. A variety of optimization tools has been developed to plan DERs in remote communities, often operated as medium voltage (MV) microgrids. When communities are spread across larger territories, the power flow between the long-distance nodes becomes critical due to increase in power losses and additional limitations on the grid voltages and power line loading constraints. This type of grid planning problems is named siting and sizing of Distributed Energy Resources (DERs), and is, typically, formulated as a mixed-integer linear programming (MILP) optimization problem [10], [11]. In most cases, methods addressing siting and sizing of DERs optimize the portfolio and location of generation and storage units to meet load demand of the community [12], [13]. However, little attention has been brought to maximize also the cost-effectiveness of components responsible for power delivery, such as power lines.

On one hand [9] shows the DLR economic benefits on microgrid scheduling problem, however, these benefits are not being captured in the DER planning and microgrids design phase [10], [11], which is an important literature gap we are aiming to address. This paper proposes an addition to the model described in [10], which would allow using dynamic line capacity limits and gives the potential for more cost-effective sizing and placement of new DERs.

The usual practice is to have line transfer capacity constrained by the maximum current \( I_{\text{max}} = 1 \text{p.u.} \), however, dynamic rating allows to set maximum current above the rated value \( I_{\text{DLR}} \geq 1 \text{p.u.} \) at each time step, depending on the weather conditions. The maximum current of DLR application is dependent on the temperature of the line; therefore the line power flow in this model is constrained by the maximum
allowable line temperature for specified in the grid requirements, and line power flow becomes a function of ambient conditions.

The resulting model provides a more cost-effective solution for siting and sizing of DERs problem and better utilization of existing power lines, which results in more sustainable planning and utilization of assets. The proposed solution also evaluates a possibility for connecting the additional load to the network and evaluates the potential impact of the increase in load demand and electricity price. This novel approach to grid planning does not only reduce the cost of investment and operation but has a potential for improving the security of supply and opening additional opportunities for connecting new loads to the system. Together with that, loading electrical components closer to their maximum limits results in new loads to the system. Together with that, loading electrical components closer to their maximum limits results in new loads to the system. Together with that, loading electrical components closer to their maximum limits results in new loads to the system. Together with that, loading electrical components closer to their maximum limits results in new loads to the system.

II. METHODOLOGY

The methodology describes the theory behind DLR application and also provides a detailed description of how DLR is integrated into the MILP model for optimal design of multi-energy microgrids [10].

A. Dynamic Line Rating

The ability of the power line to handle higher capacities is highly dependent on its heat balance (1) [14], [15]. Two mechanisms are mainly responsible for the heating of the line: a flow of electric current and line resistance, named Joule heating, \( P_J = I^2R \) and absorption of electromagnetic waves from solar radiation, \( P_S \) [14], [15]. Cooling of the line is governed by convection and conduction, \( P_{\text{conv}} \) as well as emission of electromagnetic waves from the surface of the line to the surrounding media named radiation, \( P_{\text{rad}} \) [14], [15]. Traditionally, the current-carrying capacity of the line is a constant limit. Line’s ampacity limit is constrained to be below the highest possible ampacity for the worst-case ambient conditions, such as high ambient temperatures and low wind speeds. The worst-case ambient conditions in terms of line’s heat balance are high ambient temperatures and wind speeds below 1 m/s. Extreme weather has a negative impact on the line’s cooling; however, the probability of occurrence of extreme weather is significantly low [16], [17], [18], [19].

Therefore, if the cooling of the line is sufficient, it often creates a possibility of transporting higher capacity using the same line. Steady-state conductor’s heat balance as a function of conductor temperature and current is presented in (1).

\[
P_J(I, T_{\text{avg}}) + P_S = P_{\text{conv}}(T_s) + P_{\text{rad}}(T_s)
\]

where \( I \) is the current passing through the line, [\( A \)]; \( T_s \) is the temperature at the surface of overhead conductor, [\( K \)]; \( T_{\text{avg}} \) is the average temperature across conductor’s cross-sectional area, which is a mean value of surface temperature \( T_s \) and core temperature \( T_c \); \( T_{\text{avg}} = (T_s + T_c)/2 \), [\( K \)].

Since Joule heating is a function of the line’s current, this current can be expressed as a function of the line’s surface temperature as shown in (2) and (3).

\[
P_J(I, T_s, T_c) + P_S - P_{\text{conv}}(T_s) - P_{\text{rad}}(T_s) = 0
\]

\[
I_{\text{DLR}} = \sqrt{\frac{P_{\text{conv}}(T_s) + P_{\text{rad}}(T_s) - P_S}{R(T_s, T_c)}}
\]

It has to be noted that current temperature relationship is highly non-linear, and it becomes challenging to integrate dynamic line rating into the linear programming models. However, it is possible to express maximum allowable line ampacity at time \( t \) by using standard temperature limitations; when standard ratings are estimated, they are designed to constrain maximum conductor surface temperature to be within certain limit from grid regulations. By replacing the surface temperature of conductor \( T_s \) in (2) and (3) with the maximum allowable conductor’s surface temperature \( T_s^{\text{max}} \), the relation for maximum allowable current ampacity (4) is obtained. Maximum allowable current ampacity of the line \( I_{\text{DLR}} \) is later used in optimization model formulation as an upper limit for line’s current between each pair of nodes at each time step.

\[
I_{\text{DLR}}^{\text{max}} = \sqrt{\frac{P_{\text{conv}}(T_s^{\text{max}}) + P_{\text{rad}}(T_s^{\text{max}}) - P_S}{R(T_s^{\text{max}}, T_c)}}
\]

An overhead line can be approximated as a cylinder - temperature gradient in circular cross-sections is different from plane surfaces. Some studies argue on the importance of accounting the radial temperature difference [8], [14], [15]. However, the radial temperature difference is not taken into account in this study, since the focus is given to long-term planning, not a dispatch planning, where temperature gradient is more important for the safety of operation.

B. Optimization Model Formulation

The objective of the optimization model is to minimize the total investment and operation costs of the studied microgrid. The objective function (5) consists of the investment and Operation & Maintenance (O&M) costs for continuous technology (PV); total cost of electricity generation and purchase as well as possible revenue from export of excessive electricity.

\[
C^{\text{tot}} = \sum_n \left( C^{\text{PV}} n \cdot \text{pur}^{\text{PV}} n + C^{\text{PVvar}} n \cdot \text{cap}^{\text{PV}} n \right) \text{Ann}^{\text{PV}}
\]

\[
+ \sum_n \left( C^{\text{ST}} n \cdot \text{pur}^{\text{ST}} n + C^{\text{STvar}} n \cdot \text{cap}^{\text{ST}} n \right) \text{Ann}^{\text{ST}}
\]

\[
+ \sum_{n,t} \left( \text{Gen}_{n,t} C^{\text{PVorM}} n \right) + \sum_{n,t} \left( \text{chrg}_{n,t} C^{\text{STorD}} n \right)
\]

\[
+ \sum_{n,t} \left( \text{UtPur}_{n,t} C^{\text{pur}} n \right) - \sum_{n,t} \left( \text{UtExp}_{n,t} C^{\text{Exp}} n \right)
\]

\[
+ \sum_{n,t} \left( \text{LdCur}_{n,t} C^{\text{ENS}} n \right)
\]

where \( C^{\text{tot}} \) are total costs of microgrid’s investment and operation, [\( \$ \)]; \( C^{\text{PV}} n / C^{\text{ST}} n \) are fixed costs for installing PV’s/storage at the node \( n \), [\( \$ \)]; \( \text{pur}^{\text{PV}} n / \text{pur}^{\text{ST}} n \) is a binary decision variable, which specifies if there is a generation/storage installed at the node \( n \); \( C^{\text{PVvar}} n / C^{\text{STvar}} n \) are variable costs for PV/storage operation, which depend on the maximum installed...
capacity, $[\$/kW]$; $\text{cap}_{n}^{\text{PV}}/\text{cap}_{n}^{\text{ST}}$ is the installed PV/storage capacity at node $n$, [kW]; $\text{Ann}_{n}^{\text{PV}}/\text{Ann}_{n}^{\text{ST}}$ is the annuity rate for PV/storage; $\text{Gen}_{n,t}$ is the output of electricity generation from PV at the node $n$ and time $t$, [kWh]; $C_{n,t}^{\text{PV,OM}}$ are variable annual operation and maintenance costs for PV technology depending on the amount of production, [$/\text{kWh}$]; $\text{chrg}_{n,t}$ is the charge of the battery storage at the node $n$ at time $t$, [kWh]; $C_{n,t}^{\text{ST}}$ are the costs of utilization of the battery storage, [$/\text{kWh}$]; $\text{UtPurn}_{n,t}$ is the amount of electricity purchase from the utility at each node $n$ at each time step $t$, [kWh]; $C_{t}^{\text{PV}}$ is electricity price for electricity import at time $t$, [$/\text{kWh}$]; $\text{UtExp}_{n,t}$ is the amount of electricity exported to the utility at each node $n$ at each time step $t$, [kWh]; $C_{n,t}^{\text{ENS}}$ is the price for shedding load demand at node $n$, [$/\text{kWh}$].

Equality constraints that ensure electricity balance are specified in (6) - (11). Equation (6) denotes that active power at node $n$ is a sum of utility purchase and generation at a node minus utility export and load demand met for each node $n$. Equation (7) relates reactive power at each node except utility to the active power at that node and power factor.

\[
S_{\text{base}} \cdot P_{n,t} = \text{UtPurn}_{n,t} - \text{UtExp}_{n,t} + \text{Gen}_{n,t} - \left( Ld_{n,t} - \text{LdCur}_{n,t} \right) - \text{chrg}_{n,t} + \text{dischrg}_{n,t}
\]

(6)

\[
Q_{n,t} = P_{n,t} \cdot \tan(\cos(\phi)), \text{ for } n \neq S
\]

(7)

\[
V_{r,n,t} = \sqrt{P_{n,t}^2 + Q_{n,t}^2}
\]

(8)

\[
V_{i,n,t} = \sqrt{P_{n,t}^2 + Q_{n,t}^2}
\]

(9)

\[
V_{r,n,t} = \sqrt{P_{n,t}^2 + Q_{n,t}^2}
\]

(10)

\[
V_{i,n,t} = \sqrt{P_{n,t}^2 + Q_{n,t}^2}
\]

(11)

where $S_{\text{base}}$ is base power, [kW]; $P_{n,t}$ is active power at node $n$ at time $t$, [p.u.]; $Ld_{n,t}$ is the input parameter for load demand at the node $n$ at time $t$, [kWh]; $\text{dischrg}_{n,t}$ is the amount of power discharge from the battery storage, [kWh]; $Q_{n,t}$ is reactive power at each node, which is not a slack node, [p.u.]; $S$ is used to denote slack bus; $\phi$ is power factor; $V_{r,n,t}$, $V_{i,n,t}$ are real and imaginary components of $\text{Vbus}$ matrix between respective pair of nodes $n$-$n'$, [p.u.].

Equation (6) represents the energy balance of the microgrid at the point of common coupling with the main grid. Equation (7) assumes a constant power factor and keeps a linear relationship between active and reactive power. Equations (8)-(11) present an approximation for the real and imaginary components of the voltage, considering the same assumptions stated in [1]. These bus voltage equations require introducing additional limits for ensuring that voltage magnitudes remain within acceptable minimum and maximum thresholds. A linear approximation is adopted from [20] and defined in (12), (13) and (15). However, (14) is formulated in a different manner in this manuscript to capture the behavior depicted in Fig. 1.

\[
V_{n,t} \leq \frac{\sin \theta - \sin \theta}{\cos \theta - \cos \theta} \left( V_{r,n,t} - V \cdot \cos \theta \right) + V \cdot \sin \theta
\]

(12)

\[
V_{n,t} \leq \frac{\sin \theta}{\cos \theta} \left( V_{r,n,t} - \sqrt{V} \right)
\]

(13)

\[
V_{n,t} \geq \frac{\sin \theta}{\cos \theta} \left( V_{r,n,t} - \sqrt{V} \right)
\]

(14)

\[
V_{r,n,t} \cdot \tan \theta \leq \sqrt{V_{n,t}} \leq V_{n,t} \cdot \tan \theta
\]

(15)

where $\sqrt{V}$ and $\sqrt{V}$ are maximum and minimum acceptable voltage magnitudes, [p.u.]; $\theta$ and $\theta$ are maximum and minimum acceptable voltage angles, [rad].

A critical variable, which influences optimal placement and sizing of generators in the system is the minimization of the active and reactive power losses. Active and reactive power losses are defined both in terms of total active and reactive power injection respectively in (16)-(17) and square value of current multiplied by resistance and reactance respectively in (18)-(19).

\[
\sum_{n} P_{n,t} = P_{\text{loss}} , \text{ for } n = S
\]

(16)

\[
\sum_{n} Q_{n,t} = Q_{\text{loss}} , \text{ for } n = S
\]

(17)

\[
P_{\text{loss}} = \frac{1}{2} \sum_{n,n'} \left( I_{n,n',t}^2 + I_{n,n',t}^2 \right)
\]

(18)

\[
Q_{\text{loss}} = \frac{1}{2} \sum_{n,n'} \left( I_{n,n',t}^2 + I_{n,n',t}^2 \right)
\]

(19)
where \( Ploss_n, Qloss_n \) are total active and reactive power losses at time \( t \) respectively, \( [p.u.] \); \( R_{n,n'}, X_{n,n'} \) are resistance and reactance of the line between respective pair of nodes \( n-n' \), \( [p.u.] \); \( I_{n,n'}, I_{n,n'}' \) are real and imaginary current of the line between buses \( n \) and \( n' \) respectively, \( [p.u.] \); \( I_{n,n',t}', I_{n,n',t}^{\text{sq}} \) are approximated real and imaginary line current values between nodes \( n \) and \( n' \) respectively, \( [p.u.] \).

The first step for calculating approximated square values of real and imaginary current \( I_{n,n',t}', I_{n,n',t}^{\text{sq}} \) is to express real and imaginary components of the current \( I_{n,n',t}, I_{n,n',t}' \) in Cartesian coordinates as shown in (20) and (21) respectively.

\[
I_{n,n',t} = -Y_{n,n'} \cdot (V_{n,t} - V_{n',t}) + Y_{n,n'}' \cdot (V_{n,t} - V_{n',t})
\]

\[
I_{n,n',t}' = -Y_{n,n'} \cdot (V_{n,t} - V_{n',t}) - Y_{n,n'}' \cdot (V_{n,t} - V_{n',t})
\]

where \( Y_{n,n'}, Y_{n,n'}' \) are real and imaginary terms of the bus admittance matrix, \( [p.u.] \).

Square values of real and imaginary current are obtained from a series of inequality constraints (22)-(25), where (22) and (23) approximate positive and negative values of the square value of real current from real current \( I_{n,n',t} \) of the line and (24), (25) approximate positive and negative values of the square value of imaginary current from imaginary current \( I_{n,n',t}' \) of the line.

\[
I_{n,n',t}^{\text{sq}} \geq (v \cdot \Delta I_r)^2 + (2v - 1) \cdot \Delta I_r
\]

\[
\times (I_{n,n',t} - v \cdot \Delta I_r), v \in 1, \ldots, N_v
\]

\[
I_{n,n',t}^{\text{sq}} \geq (v \cdot \Delta I_r)^2 - (2v - 1) \cdot \Delta I_r
\]

\[
\times (I_{n,n',t} + v \cdot \Delta I_r), v \in 1, \ldots, N_v
\]

\[
I_{n,n',t}'^{\text{sq}} \geq (v \cdot \Delta I_l)^2 + (2v - 1) \cdot \Delta I_l
\]

\[
\times (I_{n,n',t}' - v \cdot \Delta I_l), v \in 1, \ldots, N_v
\]

\[
I_{n,n',t}'^{\text{sq}} \geq (v \cdot \Delta I_l)^2 - (2v - 1) \cdot \Delta I_l
\]

\[
\times (I_{n,n',t}' + v \cdot \Delta I_l), v \in 1, \ldots, N_v
\]

where \( N_v \) is the number of segments for the linear approximation of square value of the current magnitude; \( v \) is the number of the piece-wise segment for the linear approximation of square value of the current magnitude; \( \Delta I_r, \Delta I_l \) are calculated from the maximum expected value of the current magnitude divided by the number of segments \( N_v \), \( [p.u.] \).

Values of \( \Delta I_r \) and \( \Delta I_l \) for the network with no DLR are calculated by division of current rating of the line \( I_{n,n',t}^{\text{max}} \) by the number of segments \( N_v \). In the original model [10] all the lines are assumed to be of the same size, therefore, having the same rating, however, in real-case scenarios lines in the system are often different and might have different rating. Taking this into account we propose to replace \( \Delta I_r \) and \( \Delta I_l \) components in equations (22)-(25) with \( \Delta I_{n,n'} \) and \( \Delta I_{n,n'}' \) respectively. \( \Delta I_{n,n'} \) and \( \Delta I_{n,n'}' \) for the system with constant rating limits are calculated by (26).

\[
\Delta I_{n,n'} = \Delta I_{n,n'}' = \frac{I_{n,n',t}^{\text{sq}}}{N_v}, [p.u.]
\]

For the system with DLR applied the values of \( \Delta I_r \) and \( \Delta I_l \) are obtained by dividing maximum possible rating of the line \( \max(I_{n,n'}^{\text{DLR}}) \) by the number of segments \( N_v \) as in ((27)).

\[
\Delta I_{n,n'}^{\text{DLR}} = \Delta I_{n,n'}^{\text{DLR}} = \frac{\max(I_{n,n',t}^{\text{DLR}})}{N_v}, [p.u.]
\]

(27)

The maximum possible value of dynamic rating current can be restricted by the operator to ensure the safe operation and limiting mechanical damage to the conductor; in this model we assume \( \max(I_{n,n',t}^{\text{DLR}}) = 1.6 \text{ p.u.} \) and \( \max(I_{n,n',t}^{\text{DLR}}) = 1.8 \text{ p.u.} \) depending on the type of conductor. It has to be mentioned that the maximum allowable current at each time step is always the upper limit for the line current, value of \( \max(I_{n,n',t}^{\text{DLR}}) \) is only used to approximate square values of real and imaginary parts of the current magnitude. The number of segments \( N_v \) for the DLR model should be increased compared to the static rating model.

The ampacity constraints are enforced in (28) and (29) for static rating and dynamic rating models respectively.

\[
I_{n,n',t}^{\text{sq}} + I_{n,n',t}^{\text{sq}}' \leq p_{\text{max}}
\]

\[
I_{n,n',t}^{\text{sq}} + I_{n,n',t}^{\text{sq}}' \leq I_{n,n',t}^{\text{DLR}}
\]

(28) (29)

where \( I_{n,n',t}^{\text{DLR}} \) is a maximum allowable line current at time \( t \) obtained from equation (3).

The purchase and export from/to the utility are modelled using constraints (30)-(31) and (32)-(33) respectively. The slack bus is assumed to be connected to the utility. In this model, energy purchase or exported from or to the utility can only be made at the slack node, although, this constraint can be adjusted depending on the system outline.

\[
\text{UtPur}_{n,t} \leq psb_{n,t} \cdot M, \text{ for } n = S
\]

\[
\text{UtPur}_{n,t} = 0, \text{ for } n \neq S
\]

\[
\text{UtExp}_{n,t} \leq (1 - psb_{n,t}) \cdot \text{UtExp}, \text{ for } n = S
\]

\[
\text{UtExp}_{n,t} = 0, \text{ for } n \neq S
\]

(30) (31) (32) (33)

where \( psb_{n,t} \) is a binary decision variable for deciding if electricity is to be purchased from the utility or exported to the utility; \( \text{UtExp} \) is the maximum amount of energy that can be exported to the utility, \( [\text{kW}] \).

Amount of solar generation at the node \( n \) is limited by the amount of maximum installed capacity \( \text{cap}_{n}\text{PV} \) and by the purchase decision for installing PV \( \text{cap}_{n}\text{PV} \) at that node and changes hourly depending on the solar production efficiency \( \text{SolarGen}_{n,t} \) as shown in (34)-(35).

\[
\text{cap}_{n}\text{PV} \leq \text{pur}_{n}\text{PV} \cdot M
\]

\[
\text{SolarGen}_{n,t} \leq \text{cap}_{n}\text{PV} \cdot \text{SolarGen}_{n,t}
\]

(34) (35)

where \( M \) is a very large number.

The maximum installed storage capacity at the node \( n \) is constrained using (36). Maximum charge/discharge at the time \( t \) is regulated by constraints (37)-(40). State of charge of the battery is defined by inequality constraint (41) and equality constraint (42).

\[
\text{cap}_{n}\text{ST} \leq \text{pur}_{n}\text{ST} \cdot M
\]

\[
\text{chrg}_{n,t} \leq \text{cap}_{n}\text{ST} \cdot \text{PSV}
\]

\[
\text{disch}_{n,t} \leq \text{cap}_{n}\text{ST} \cdot \text{PSV}
\]

(36) (37) (38)
\[ chrg_{n,t} \leq \alpha_{n,t} \cdot M \]
\[ dischrg_{n,t} \leq (1 - \alpha_{n,t}) \cdot M \]
\[ SOC_{n,t} \cdot capST_n \leq SOC_{n,t} \leq capST_n \]
\[ SOC_{n,t} = SOC_{n,t-1} + chrg_{n,t} \cdot \eta_{chrg} - \frac{dischrg_{n,t}}{\eta_{dischrg}} \]

where \( PCr \) is the maximum battery power/capacity ratio, \( \alpha_{n,t} \) is a binary variable which defines if storage is in state of charge or discharge at the node \( n \) at time \( t \); \( SOC \) is the battery minimum state-of-charge, [\( kW \)]; \( SOC_{n,t} \) is the battery state-of-charge at the node \( n \) at time \( t \), [\( kW \)]; \( \eta_{chrg} \) and \( \eta_{dischrg} \) are battery charge and discharge efficiencies respectively.

### III. Case Study

The optimization model formulation described in the previous section is applied to a following case study and results comparison between solutions with and without DLR are being presented in Section IV.

Case study is performed on 12 kV microgrid, which is presented in Fig. 2. Microgrid case is originally adopted from [10] but resized to fit the physical properties of the medium-voltage network and equipped with corresponding conductors for further dynamic line rating studies.

The microgrid is assumed to be located in Northern California near the San Francisco Bay Area. The weather data, used in this analysis, is a statistical representation of a typical meteorological year (TMY) for Northern California. The normalized PV production is derived from radiation data taken the TMY3 database [21]. Load profiles are taken from the DOE prototypical building database [22] for the same TMY location. Load demand at each node is distributed according to the type of consumer; typical weekday load demand for each consumer is shown in Fig. 3.

Given the TMY weather data and physical properties of chosen conductors, the real-time ampacity of lines was calculated as shown in Fig. 4. Maximum allowable conductor rating (limited to 1.6 \( p.u. \), which is used in optimization model to limit \( I_{IrSq} \) and \( I_{IiSq} \) in (29) is also shown in Fig. 4.

**TABLE I**

<table>
<thead>
<tr>
<th>From node</th>
<th>To node</th>
<th>Line type</th>
<th>( R_{s} ), ( \Omega/km )</th>
<th>( X_{s} ), ( \Omega/km )</th>
<th>( R_{tot} ), ( \Omega )</th>
<th>( D, ) m</th>
<th>( T, ) [( f )]</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>Squirrel</td>
<td>1.39</td>
<td>0.331</td>
<td>1.67</td>
<td>6.33</td>
<td>77</td>
</tr>
<tr>
<td>1</td>
<td>5</td>
<td>Squirrel</td>
<td>1.39</td>
<td>0.331</td>
<td>2.51</td>
<td>6.33</td>
<td>77</td>
</tr>
<tr>
<td>2</td>
<td>3</td>
<td>Mole</td>
<td>2.78</td>
<td>0.342</td>
<td>3.37</td>
<td>4.50</td>
<td>48</td>
</tr>
<tr>
<td>3</td>
<td>4</td>
<td>Mole</td>
<td>2.78</td>
<td>0.342</td>
<td>5.00</td>
<td>4.50</td>
<td>48</td>
</tr>
<tr>
<td>4</td>
<td>5</td>
<td>Mole</td>
<td>2.78</td>
<td>0.342</td>
<td>2.50</td>
<td>4.50</td>
<td>48</td>
</tr>
</tbody>
</table>

Alternation between line sizes is also introduced. Table I shows conductor specification for each node. Table I also depicts maximum current carrying capacity (static rating) \( I_{max} \) in A for each conductor, assuming maximum allowable conductor temperature \( T_{max} = 75 \, ^\circ C \). Using the parameters of conductors from Table I and the conductor’s current temperature relationship (4) [14], the real-time capacity limit for each line is calculated.

Storage technology is assumed to be Lithium-Ion battery; cost parameters of battery storage for residential area are presented in Table II [10], [23]. Cost parameters for solar and grid operation are taken for the state of California [24], [25] and are also presented in Table II.

First case study is performed on the grid presented in Fig. 2 with and without DLR. For studying the sensitivity of the model to the input parameters a comparison between Standard Line Rating (SLR) case and DLR case is performed for results...
TABLE II
COST PARAMETERS INPUT DATA

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Value</th>
<th>Units</th>
<th>Parameter</th>
<th>Value</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>$C_{ST_{var}}$</td>
<td>300</td>
<td>$/kWh$</td>
<td>$C_{PV_{var}}$</td>
<td>2060</td>
<td>$/kW$</td>
</tr>
<tr>
<td>$C_{ST_{fix}}$</td>
<td>1</td>
<td>$/kW$</td>
<td>$C_{PV_{fix}}$</td>
<td>1</td>
<td>$/kW$</td>
</tr>
<tr>
<td>Ann$_{ST}$</td>
<td>0.117</td>
<td>–</td>
<td>Ann$_{PV}$</td>
<td>0.067</td>
<td>–</td>
</tr>
<tr>
<td>$C_{ST_{var}}$</td>
<td>0.12</td>
<td>$/kW$</td>
<td>$C_{PV_{var}}$</td>
<td>0.10</td>
<td>$/kW$</td>
</tr>
<tr>
<td>$n_{kWh}$</td>
<td>0.9</td>
<td>–</td>
<td>$C_{Rep}$</td>
<td>0.197</td>
<td>$/kW$</td>
</tr>
<tr>
<td>$n_{dischg}$</td>
<td>0.9</td>
<td>–</td>
<td>$C_{Rep}$</td>
<td>0.056</td>
<td>$/kW$</td>
</tr>
</tbody>
</table>

Fig. 5. Comparison between SLR and DLR solutions.

after assuming variability in electricity price and increase in power demand. Afterwards, an additional load “Supermarket” is connected to the bus $n_2$ for comparison between methods.

IV. RESULTS

A MILP problem is solved with Gurobi solver [26] for one year with hourly time-steps. The total investment costs for the installation of new generators and storage units have been adjusted using the annuity rate to represent yearly cost impact.

A. Base Case

The comparison between investment solutions with and without DLR application is presented in Fig. 5 with more detailed solution presented in Table III. It is important to note that after dynamic rating application it is no longer optimal to invest in battery storage. The authors would argue that due to less constrained capacity limits on the power lines it becomes more profitable to invest in more solar generation and compensate for the hours with no production with utility purchase. Savings on the electricity storage allow to lower need in investment and total cost of yearly power supply as shown in Table IV.

B. Effect of Change in Electricity Price on Planning Solution

Different levels of changes in electricity price have been introduced in the model. Fig. 6 shows differences in PV and Storage capacity needed for SLR and DLR depending on the change in electricity price. Optimal solution for DLR does not include battery storage in the analyzed electricity price range.

![Fig. 6. Impact of the electricity price on the siting and sizing solution.](image1)

For both SLR and DLR cases, it becomes more profitable to invest in more local generation resources with increase in electricity price and less profitable if the price drops. Fig. 7 is the representation of annualized investment costs in DERs depending on change in electricity price from utility and Fig. 8 shows total yearly costs of supply. The cost analysis shows that main contribution to the difference in needed investment between SLR and DLR cases is associated with battery storage. The DLR will allow to increase the energy consumption from the grid and, therefore, avoid the battery investments. However,
the electricity price does not show significant limitations with both DLR and SLR following a slow upwards trend.

C. Impact of Load Increase on the Planning Solution

Total global energy demand is often projected to increase in the future, therefore it is important to analyse the sensitivity of the result to the increase in the load. Fig. 9 shows projected change in siting and sizing solution for PV with increase in the load demand for SLR and DLR. The upwards trend in the PV need is similar for SLR and DLR, with DLR always requiring lower capacity, however, SLR requires significant investment in energy storage to be able to supply the load. Although, unlike the study on change of electricity price, the load increase has more significant impact on the solution, as shown in Fig. 10 and Fig. 11 need in energy storage contributes to significant change in needed investment for SLR case. DLR scenario appears to be more economically robust to increase in load demand. A possibility of connecting additional load to one of the nodes has also been explored. When an additional load “Supermarket” is connected to the node \( n_2 \), siting and sizing model without dynamic rating requires 20% more capacity than a DLR solution as can be seen from Table V. Table VI is a comparison between total costs of the base case and after adding the “Supermarket.”

V. CONCLUSION

Dynamic line rating has shown to significantly impact sizing and placement decision for DERs in microgrid. After application of dynamic rating to the grid, the number of installed PV panels and storage unit decreases, since the unlocked line limits allow for better distribution of electricity purchased from the main grid. Additionally, using the dynamic rating of the lines in small grids allows for connection of additional consumers with lesser need in additional investment compared to the standard scenario. Dynamic rating does not only reduce the investment cost in new DERs, when planning microgrids, but creates a possibility of facilitating increasing power demand in the future.
Overall, applying dynamic rating to lines in microgrids has high potential. However, it has to be noted that risks and reliability impacts of using DLR in low and medium voltage grids have to be additionally evaluated. Additionally, time horizon aspects can be included in the problem for improving the design and having optimal schedule for investing in additional energy sources.

ACKNOWLEDGMENT

The authors would like to thank Ola Ivarsson and Claes Ahlrot from E.ON. Energidistribution AB and Tor Laneryd from Hitachi ABB Power Grids for providing feedback and guidance for the project. This project is conducted under STandUP for Wind framework.

REFERENCES