

# Enabling Demand Response from Cloud Data Centers - from Sustainable IT to IT Sustainability

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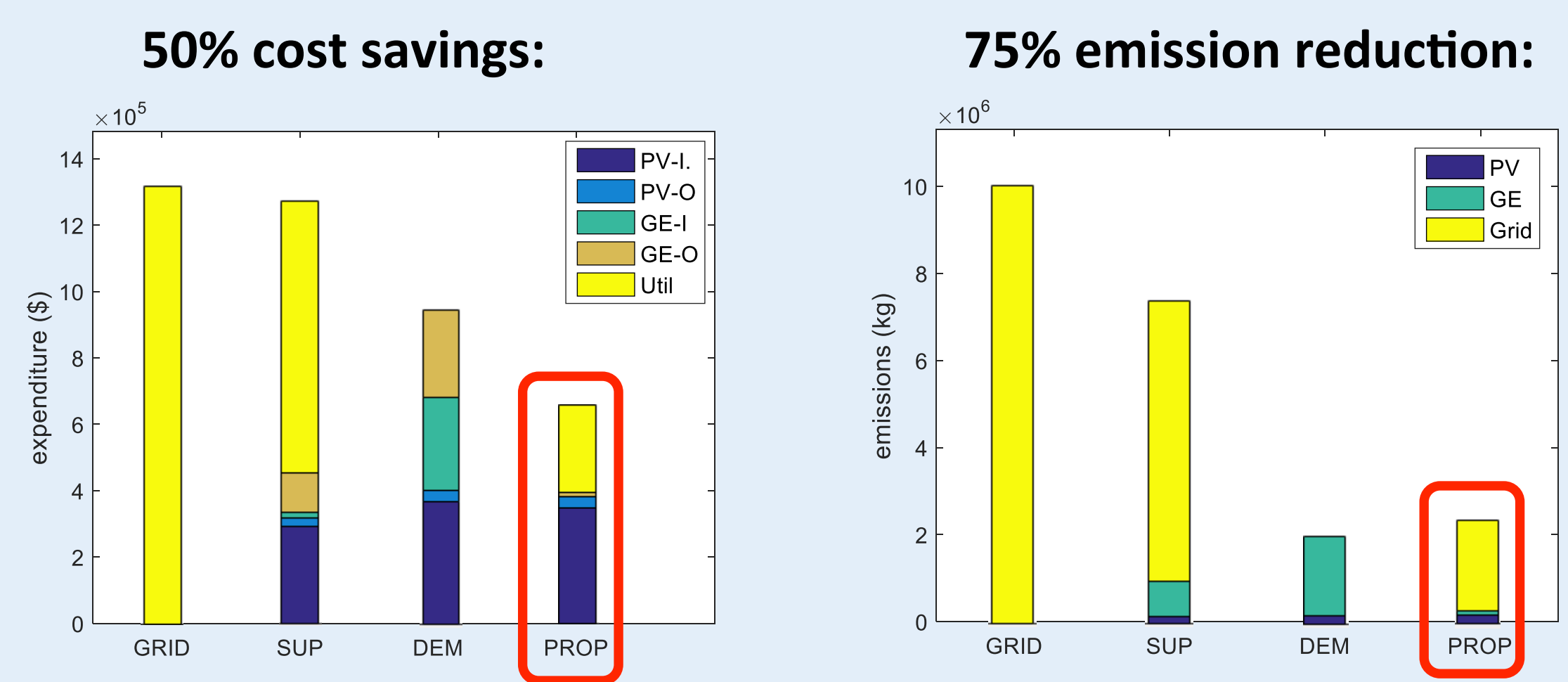
## Joint Capacity Planning and Operational Management for Sustainable Data Centers and Demand Response

Tan N. Le, Zhenhua Liu, Yuan Chen, Cullen Bash  
ACM e-Energy 2016

Traditionally, data center capacity planning and operational management are done separately.

**Problem:** Data Centers have a large potential to participate in DR but don't.

**Our Solution:** Propose a framework that jointly optimizes both capacity planning and operational management for data centers participating in demand response programs.



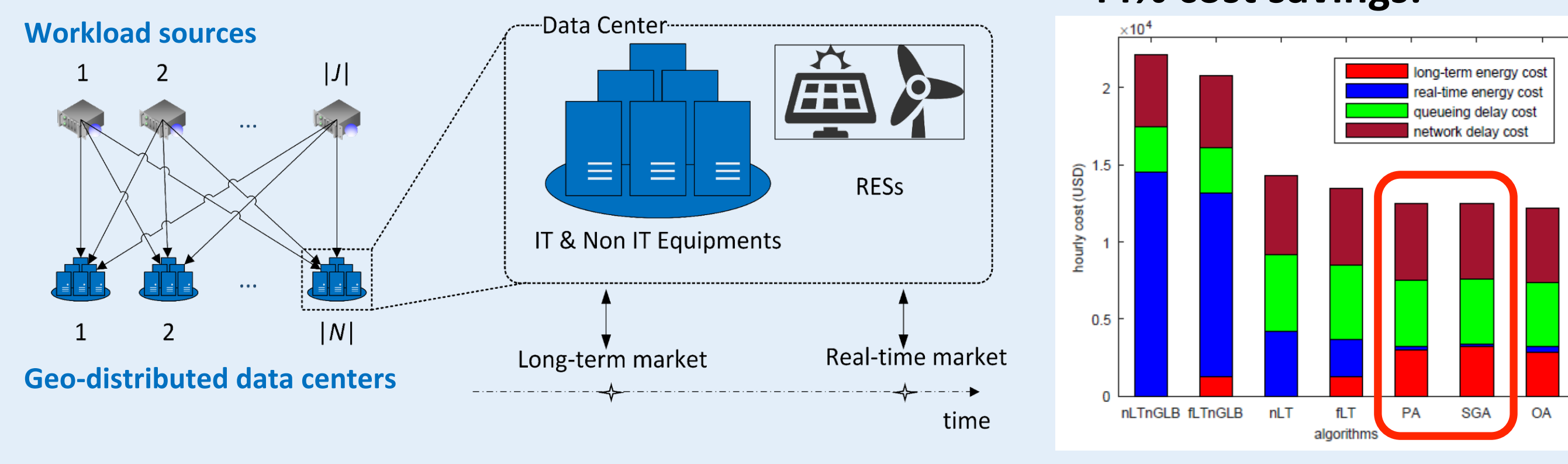
## Optimal Energy Procurement for Geo-distributed Data Centers in Multi-timescale Electricity Markets

Tan N. Le, Jie Liang, Zhenhua Liu,  
Ramesh K. Sitaraman, Jayakrishnan Niar, Bong J. Choi  
IFIP Performance 2017

Cloud providers can significantly benefit from multi-timescale electricity markets by purchasing some of the needed electricity ahead of time at cheaper rates.

**Problem:** Real world dynamics make energy procurement strategy a challenge.

**Our Solution:** Propose two algorithms for geo-distributed data centers that utilize multi-timescale markets to minimize the electricity procurement cost.



## Geographically Coordinated Frequency Control

Joshua Comden, Tan N. Le, Yue Zhao, Bong Jun Choi, Zhenhua Liu  
IEEE CDC 2017

Current distributed Frequency Control laws assume that the costs between locations are *independent*.

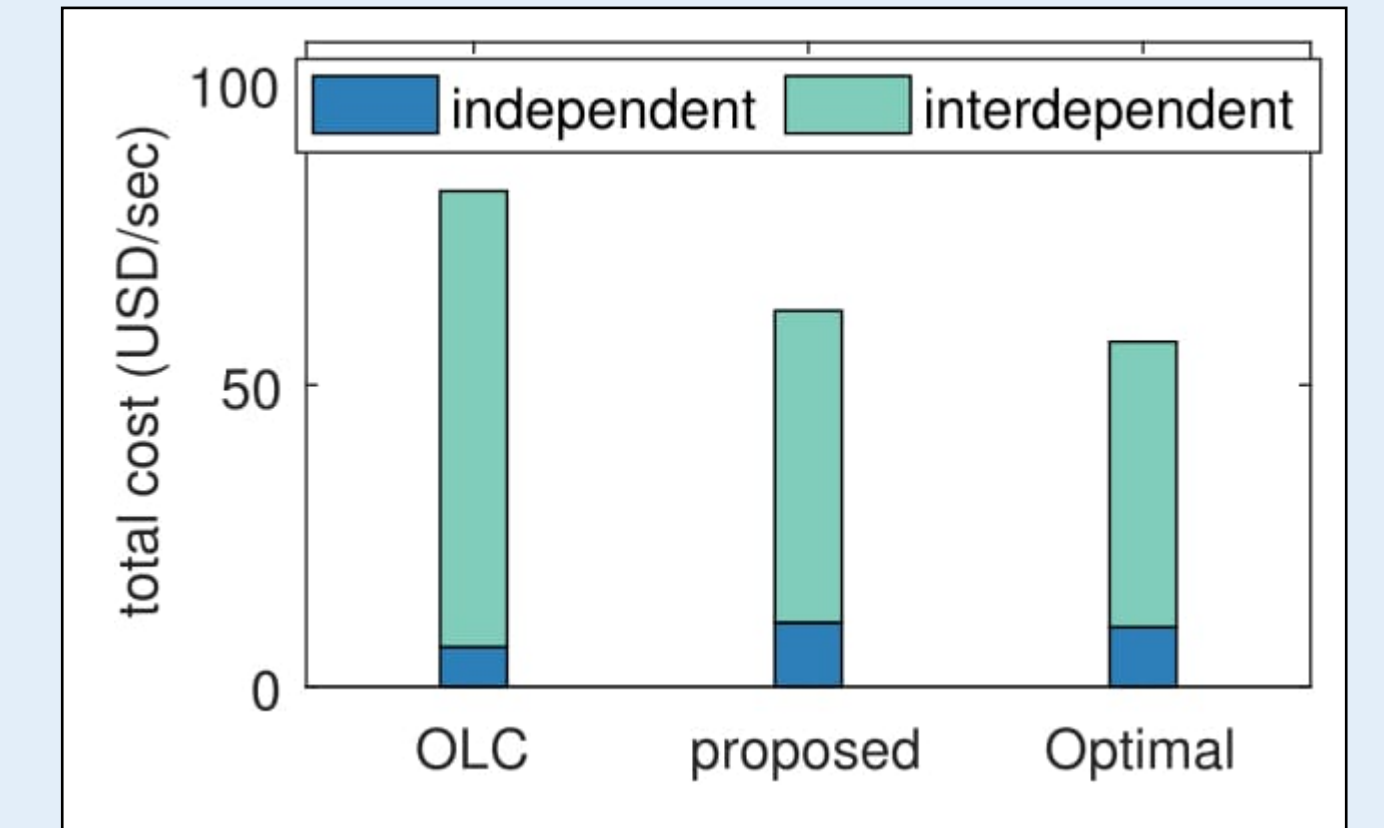
**Problem:** Networks of Data Centers have additional costs that are *interdependent* between locations.

**Our Solution:** Proposed set of distributed control laws that take into account interdependent costs.

**Theorem 1:** An equilibrium point of the system using the proposed control laws achieves the minimum cost.

**Theorem 2:** The system using the proposed control laws will asymptotically converge to an equilibrium point.

Proposed control laws lower cost closer to the optimal:

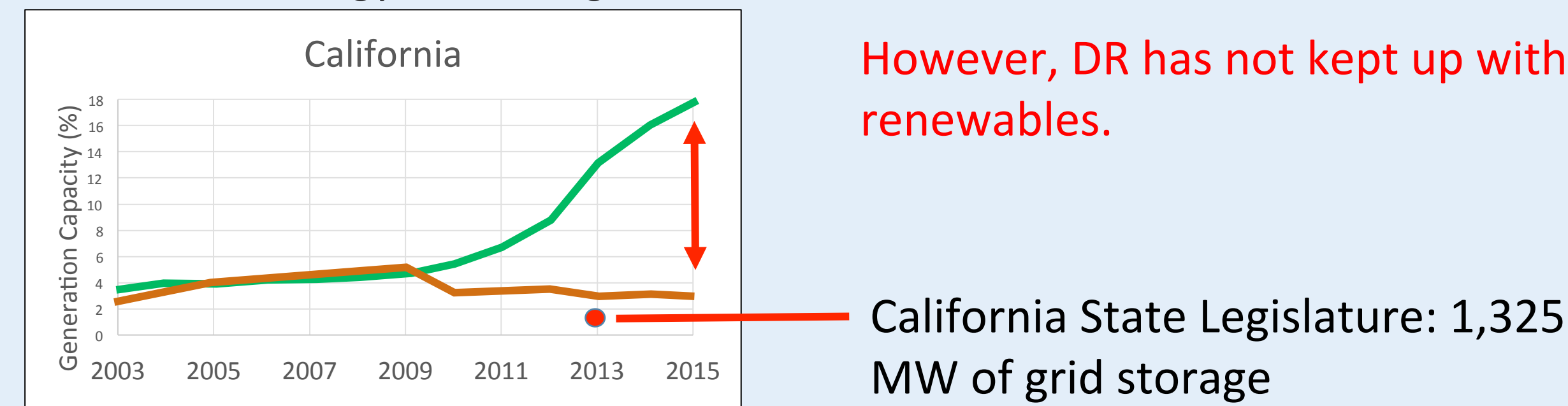


## Incentivizing Reliable Demand Response with Customers' Uncertainties and Capacity Planning

Joshua Comden, Zhenhua Liu, Yue Zhao  
ACM e-Energy 2017

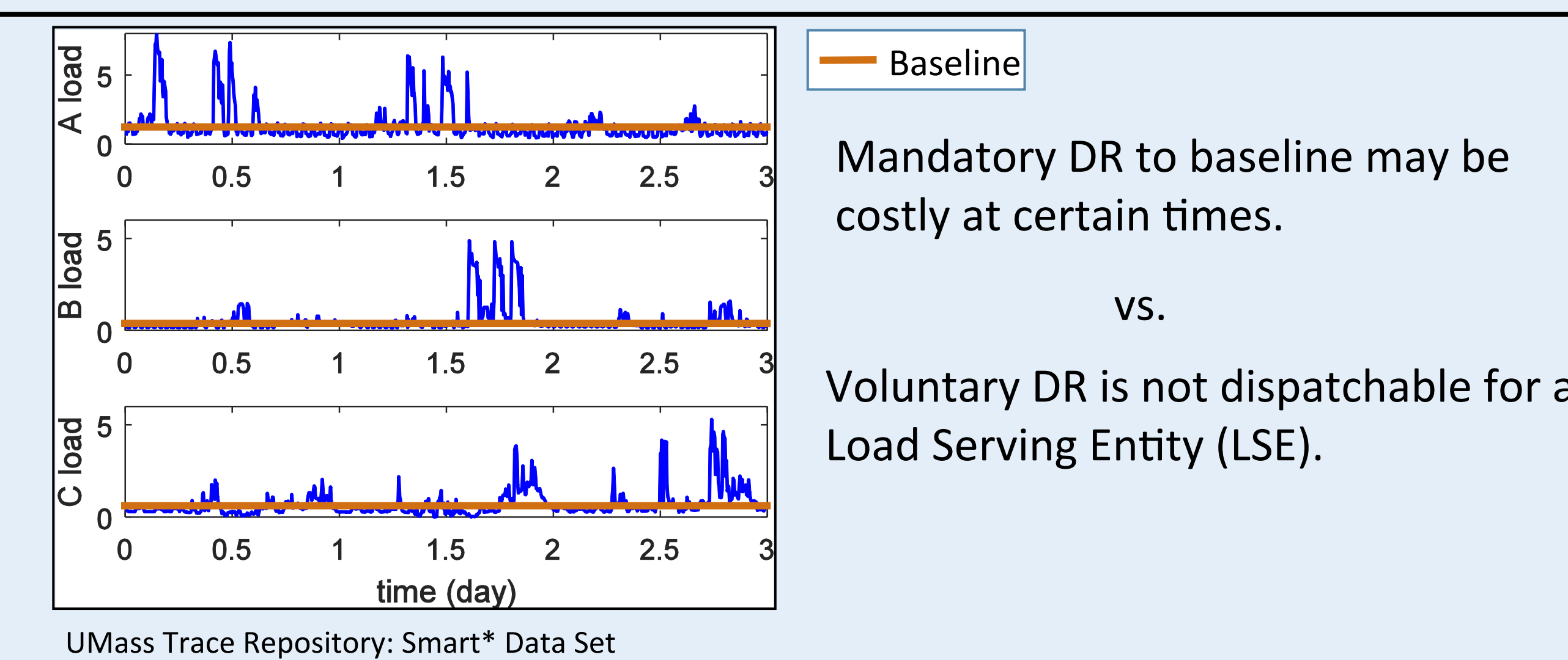
### Solar + Wind outpaces DR

Demand Response (DR) is one of the approaches considered to help integrate renewable energy into the grid.



[http://www.energy.ca.gov/almanac/electricity\\_data/electric\\_generation\\_capacity.html](http://www.energy.ca.gov/almanac/electricity_data/electric_generation_capacity.html)  
FERC Assessment of Demand Response and Advanced Metering Staff Reports: 2010-2016.  
CAISO Demand Response Barriers Study 2009.

### Customer uncertainties



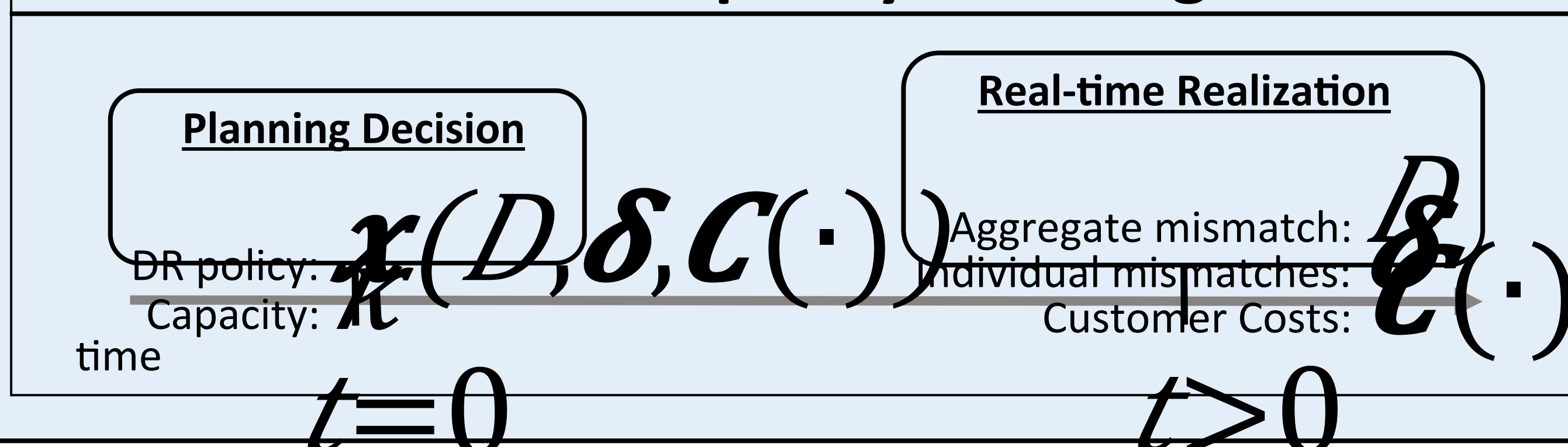
**Goal:** Increase reliable DR adoption

**Approach:** Incorporate Customer Uncertainties

**Challenges:**

- LSE does not know each of the customer's uncertainties.
- Only fully mandatory DR has customers take some responsibility.

### DR and Capacity Planning



### Long-term Social Cost Problem

Minimize expected social cost with capacity constraints:

$$\min_{\tau, \kappa, x} C \downarrow \text{cap}(\kappa) + \mathbb{E} \downarrow D, \delta, \epsilon$$

s.t.

$$\max_{\tau, D, \delta, \epsilon} \mathbb{E} \downarrow D, \delta, \epsilon \{ D + \sum_i \delta_i \}$$

where  $C \downarrow \text{cap}(\cdot)$  and  $C \downarrow g(\cdot)$  are the costs to the LSE for purchasing and utilizing reserve capacity, respectively.

### Optimal Solution

$$\text{Real-time Optimal: allow } x \text{ to be different for every } i \text{ (non-binding capacity constraint) } \Rightarrow \kappa \leftarrow D - \sum_i \tau_i \cdot C \downarrow g_i(\kappa^*)$$

**Optimal capacity:**

$$\theta(\kappa) \quad C \downarrow \text{cap}^*(\kappa^*) = \mathbb{E} \downarrow D, \delta, \epsilon$$

where  $\theta(\kappa)$  is the sum of the real-time dual variables for the capacity constraints.

### DR Contract Design

**Linear contract:**

$$r \downarrow i(D, \delta \downarrow i) = \alpha \downarrow i D + \beta \downarrow i \delta \downarrow i$$

- ✓ Simple and easy to implement
- ✓ Real-time Optimal form for quadratic cost functions

**Theorem 1:** The Long-term Social Cost Problem with the Linear Contract is a convex optimization problem.

**Incentive payment to Customer:**  $i: \pi \downarrow i \alpha \downarrow i + \lambda \downarrow i \beta \downarrow i + \mu \downarrow i$

Prices  $(\pi \downarrow i, \lambda \downarrow i, \mu \downarrow i)$  separate the social cost problem:

$$\min_{\kappa} \mathbb{E} \downarrow D, \delta, \epsilon \{ \beta \downarrow i \tau_i C \downarrow g_i(\kappa^*) + \mu \downarrow i \}$$

$$\min_{\alpha, \beta, \gamma, \kappa} C \downarrow \text{cap}(\kappa) + \mathbb{E} \downarrow D, \delta, \epsilon \{ \sum_i \tau_i g_i(\kappa^*) + \mu \downarrow i \}$$

### Distributed Algorithm

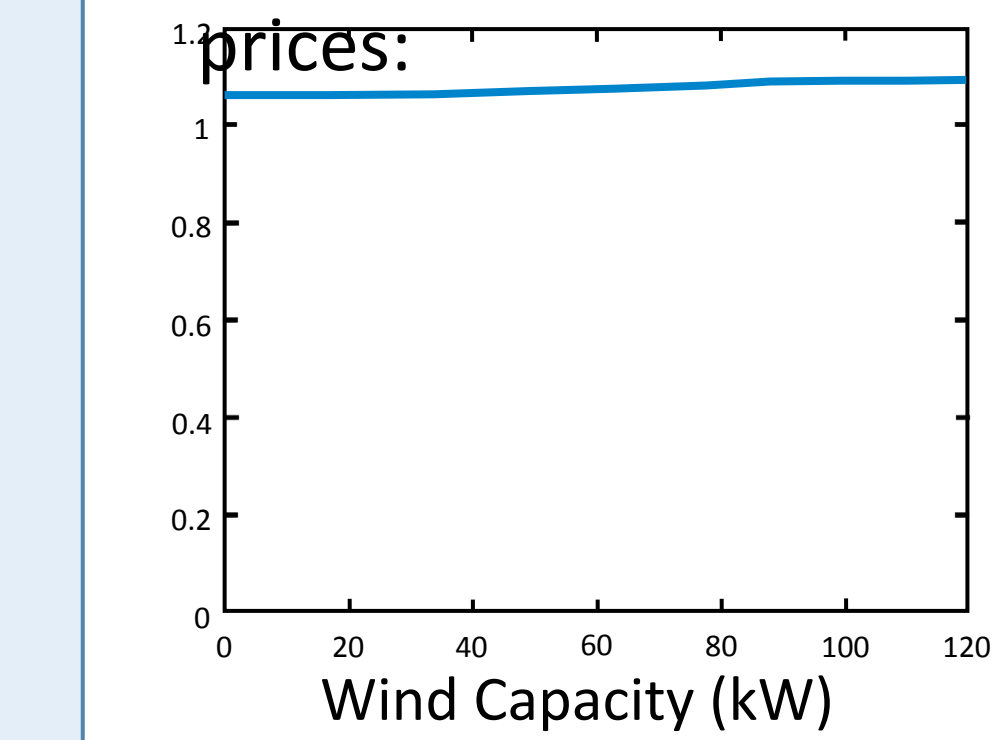
0. Initialize: LSE sets  $(\pi, \lambda, \mu) := 0$  and iteration  $k=0$ .

$k := k + 1$

- Each customer solves its separated problem for  $(\pi \downarrow i, \lambda \downarrow i, \mu \downarrow i) := (\alpha \downarrow i, \beta \downarrow i, \gamma \downarrow i)$  and sends to customers.
- Repeat steps 1-2.
- LSE solves its separated problem for  $(\alpha, \beta, \gamma)$ , updates  $(\pi, \lambda, \mu)$  and sends to LSE.

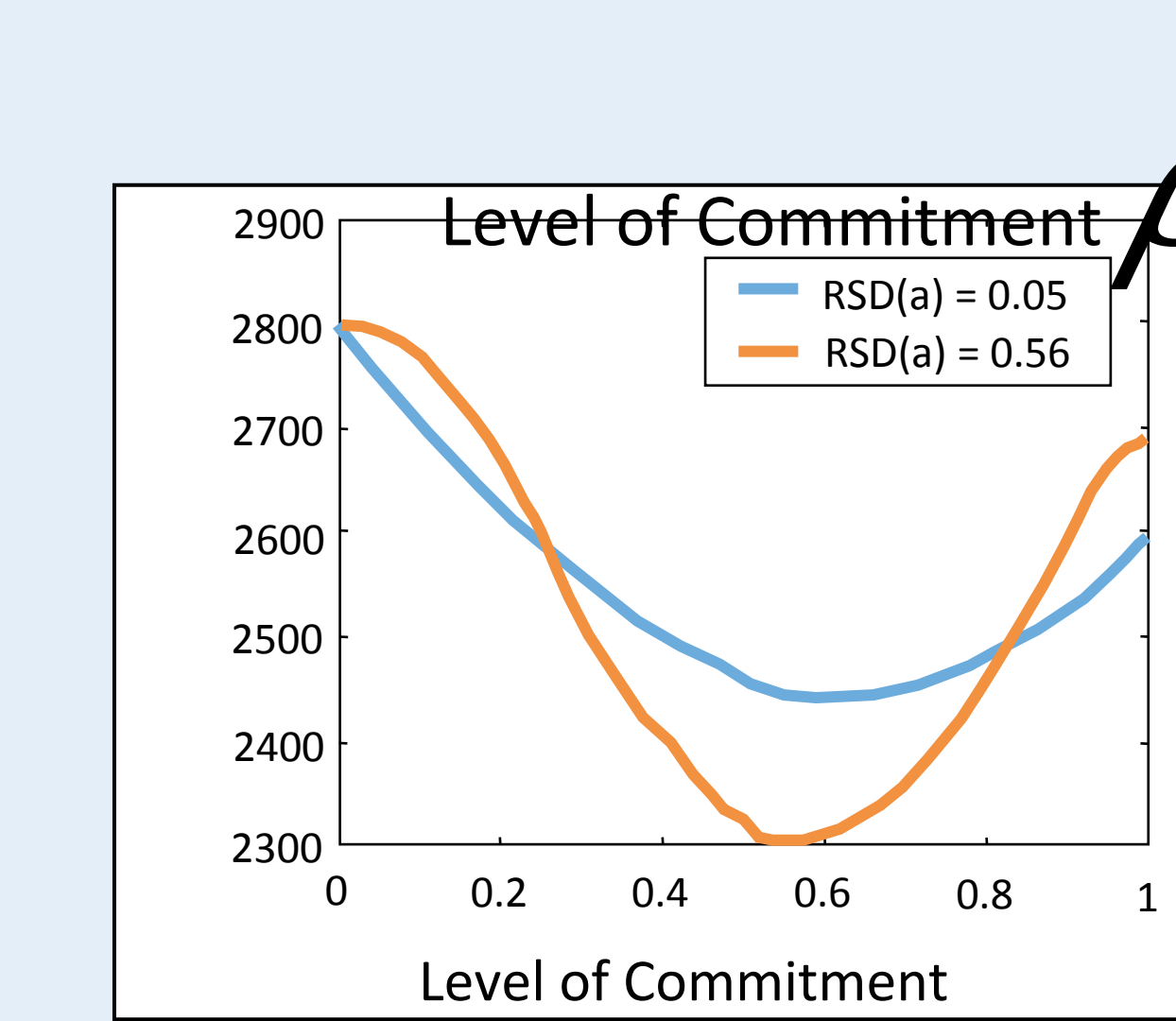
**Theorem 2:** The trajectory of prices converges to the optimal Linear Contract prices for Long-term Social Cost.

2. LSE solves its separated problem for  $(\alpha, \beta, \gamma)$ , updates



### Adding Flexible Commitment

To avoid high customer cost periods:



Contract based on realized  $(1-\rho)$  of highest  $C \downarrow g_i(\cdot)$  timeslots can be avoided.

Lowering the Level of Commitment from  $\rho=1$  reduces Social Cost.