Application of blockchain for secure data transmission in distributed state estimation

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Abstract—The application of renewable energy sources in the power grid increases the necessity of tracking the system’s state, especially in smart grids, where there is a bidirectional transfer of data and power. The complexity of coupling between communication and the electrical infrastructure in a smart grid will create a higher chance for security breach. Increasing the state estimation accuracy will help the smart grid operator efficiently manage the system. The paper proposes an integration of distributed state estimation with a blockchain designed communication platform. Additionally, the asynchronous manner for data transmission, which is more likely to happen in the real world, has been considered as the second task of this research. Finally, a detailed analysis of the blockchain-based application in distributed state estimation is provided. The numerical analysis shows that the proposed method meets real-world performance requirements and brings high security and reliability to the distributed state estimation process.

Index Terms—Blockchain, Distributed algorithms, Optimization, Power system control, Smart contract, State estimation

I. INTRODUCTION

POWER grid has faced different challenges due to the increasing utilization of the distributed energy sources, and the non-stop escalating level of energy demand [1]. Hence, state estimation (SE) plays an essential role in justifying and regulating system operator decisions like economic dispatch, load frequency control, electricity markets, and load forecasting. It is to be noted that advanced SE can improve monitoring and controlling the power grid in case of a contingency. Especially for the smart grids in which bidirectional transfer of electrical energy and system/consumer data increases the complexity [2], [3]. Such a system can be divided into two integrated parts, i.e., physical equipment of a traditional power system (Physical part), and telecommunication equipment (Cyber part). Combining these two parts will lead to a cyber-physical power system (CPPS) [4].

A. Power system state estimation

Although SE is highly comparable to the conventional load flow, it considers the unpredictable errors that might originate due to unexpected system changes, meters or communication system errors, inaccuracy in equipment calibration, planned manipulation from a malicious attacker, etc. [3], [5]. Additionally, conventional load flow analysis does not consider redundancy and imprecision of the system’s measurement data, whereas SE considers the mentioned features [5].

Considering a brief background of the evolution of the SE method and its application in power system, it is worth noting that as soon as Schweppe pointed out the application of SE in power system, it attracted industrial communities’ attention [6]. However, they did not apply the basic weighted least squares (WLS) method proposed by him at the beginning but utilized two different methods, developed by Dopazo [7], and Larson [8]. However, after a while revised version of Schweppe’s method was admitted, and those two methods were excluded from industrial applications [9]. Taking into account the sparsity of the gain matrix, different researchers made several attempts to slightly improve the WLS estimator [10]. Also, SE related issues like ill-conditioning appeared afterwards, and several methods such as the inclusion of zero injection power within constraints of SE were proposed to overcome these issues [2], [11], [12]. Schweppe et al. proposed applying non-quadratic estimators for bad data detection within the early years. Later on, there were plenty of studies on methods for identifying bad data, such as application of least absolute value [13]. It is to be noted that from the early stages of utilizing SE, the mentioned areas and problems have been an active research area for the power systems, operations and control research community.

Growth of the power system due to increase in the level of needed electricity consumption and propagation of the communication technology, bring in several problems assigned with power system operation, especially centralized SE (CSE) such as Expansion of power system continent-wise, Policy and privacy, Dimension of the grid, Communication bottleneck, Data size and Security/Reliability, to name a few. Expansion of the power grid over continents makes an interconnected system that these continents can be affected by contingencies in other ones [14]. Although, in some regional expansion cases, e.g. the case with regional transmission organizations (RTOs) in Europe, operators are using HVDC technology for power transfer which is also another research area for considering hybrid HVDC/AC SE so that they can meet the characteristics of the new network regarding Supervisory Control and Data Acquisition (SCADA) system [15]. Vulnerability and inflexibility of CSE makes it unsuitable for a multi-area (or multi RTO) estimator from policy and
privacy of view [14]. The grid’s high dimension is another challenge that affects the computational difficulty [16], [17]. Having only one central control unit, extensive network parameters and measurement unit’s information, which needs to be transferred to this unit, may result in communication bottlenecks [18], [19]. Another problem that has attracted the researcher’s attention, especially in smart grids, is that the size and the speed of receiving data (so called big data) from measurement units might be infeasible to be stored and processed [3], [20]. Moreover, in most of the literature, it is assumed that the central node is secure, though it can be the most vulnerable, insecure and unreliable network and prone to a single point of failure [3], [21].

B. Power system distributed state estimation

One way to overcome CSE issues would be implementing the distributed state estimation (DSE). In DSE, the power system will be divided into several smaller areas or subsystems, and the SE process will take place concurrently in each area. A low amount of information exchange at borders of the areas is required so that each area reaches convergence, i.e. the distributed network reaches to a similar solution as the centralized one. The amount of information that must be exchanged depends on the method applied. In [22], a detailed comparison of the recent DSE methods regarding indices such as convergence rate and information exchange has been made, which clearly confirms that each method varies from one another considering information transfer between areas.

The DSE algorithms can be classified into two categories, having a global control center, i.e. hierarchical DSE [23]–[25] or fully distributed [19], [22], [26]. Both of them are successful in reaching to an acceptable solution compared to centralized algorithms. Alternating direction method of multipliers (ADMM) [27] that are in the category of distributed optimization [14], have been very popular recently. In [28] a fully decentralized adaptive SE scheme has been presented for the power system, via applying the network gossiping method. The method enables collaboration between areas to solve the global problem. However, there still is a significant performance error in comparison to CSE. Authors in [29] presented a DSE for wide area monitoring system, which does not need local observability of all areas. In [30], a new multi-area SE method is discussed that utilizes a central coordinator; however, there is no need to exchange topology information between areas or from areas to the central coordinator. The proposed approach in [31], is a new hierarchical multi-area power system SE, which shares the sensitivity function of local estimators instead of boundary measurements or state estimates. As stated by the authors in [31], the approach reduces the information exchange, as well as increases convergence speed. In [21], the authors have provided an ADMM based DSE. Also, in [32] and [19] a DSE process using matrix splitting method for DC and AC SE, respectively. For more details, we refer to [33] that presents a brief review of multi-area SE.

It is to be noted that mostly in the literature, the transmission system has been a matter of concern, which we have followed the same approach. To solve AC SE via centralized method or some of the distribution methods, such as matrix splitting or ADMM, would need linearization of the problem using Newton’s method. However, by applying the decomposition method [14] and the available solvers, there would be no further need for linearization of the problem.

C. Blockchain

Blockchain (BC) is a peer-to-peer distributed ledger technology that stores data on multiple servers globally. In 2008, Satoshi Nakamoto’s whitepaper on Bitcoin [34] pioneered the use of BC technology in financial application [35]. BC technology was primarily used in the financial domain, so as to providing trustfulness and secure environment without central authority where digital assets like cryptocurrency can be prevented from double-spending attacks [36], [37]. Since then, the technology’s potential has moved beyond financial domains to different sectors like supply chain management, healthcare, etc. [38]–[42].

BC is a distributed ledger of chronologically generated blocks containing cryptography linked blocks to the previous block forming a chain. Any modification to the previous existing block will be reflected on every subsequent block, making it secure and immutable to modification. If an attacker changes data on any of the previous blocks, the following block’s data will also change, and the ledger can be compared with another copy to track the point at which the data was manipulated and later rectified. In cryptocurrency, it is computationally hard to take control over the BC network because the attacker will require 51% of the network’s computing power, i.e., it will be difficult for an attacker to fork from a past block and mine blocks faster, surpassing current (honest chain) block height. This will create double spending, which computationally hard [43]. BC-based applications can provide security, trust, economic, and auditability [44].

Since Bitcoin, many alternative cryptocurrencies (altcoins) have emerged. Ethereum [45] is the most popular cryptocurrency after Bitcoin, which provides an open-source platform to develop BC-based decentralized applications (DApps). DApps are application programs that runs on decentralized BC applications using Ethereum Virtual Machine (EVM). For example, smart contracts can specify the functionality and condition, under which circumstances payment can occur between two individuals. These conditions are programmed and deployed on the BC, and individuals can abide by these conditions and transact in a secure environment without intermediaries. EVM is one big computer that is made of small individual computers located globally. These computers are nodes connected, having a copy of the Ethereum BC. The transactions are broadcasted to the network via a node which is replicated across the network. For feasibility demonstration of BC for secure data transmission, we have developed a prototype on the Ethereum platform using truffle framework [46] which can be deployed on local machines. We have created a smart contract, specified conditions and deployed it on a BC network running on local devices.

Aside from financial applications of BC, it has been developed in other fields. For example, in [47], the authors propose a
The rest of the paper is organized as follows. In the second section, we present the modelling of SE, BC and designed system architecture. In the third section, the problem formulation is presented. The fourth section provides the graphical and numerical performance analysis. Finally, in the section the research work is concluded.

II. SYSTEM MODEL

In this section, the mathematical equations governing the DSE problem is presented. Decomposition method has been selected to solve DSE problem [14]. Later on, BC architecture and asynchronous data transfer are discussed.

A. Distributed state estimation

Given the noisy measurements and network parameters available in the power system, SE’s role is to infer the state of the system. This study’s measurements are considered as power flows, power injections and voltage magnitudes. In order to model the power network, considering the set of the measurements as \( z \), the vector of errors associated with these measurements as \( e \) and the set of nonlinear physical equations governing the power system that relates the state variables to the measurements as \( f(x) \), we can state the following equation [2]:

\[
 z = f(x) + e. \tag{1}
\]

It is noted that state variables, \( x \), in this study are considered as voltage magnitudes and phase angles for each bus in the network, taking into account the phase angle of slack bus (bus number one) as zero. Taking into account two assumptions for \( e \), that these errors are mutually independent and follow a normal distribution function, one can use the maximum likelihood method and get the following optimization problem:

\[
 \min \sum_{i=1}^{m} W_i (z_i - f_i(x))^2 \tag{2}
\]

where residual of \( i^{th} \) measurement is defined as \( r_i = z_i - f_i(x) \) and \( W_i \) is the weighting factor to each measurement (inverse of the squared measurement variance, i.e. \( W_i = \sigma_i^{-2} \)). In DC SE, the \( f \) function would be approximated by a linear function. However, in AC SE, we would need to use Newton’s method to linearize the problem and then solve it iteratively.

Without losing generality, to apply DSE via decomposition method the network would be divided into \( N \) areas (or control centers), and the formulation represented in (2) should be separated for each area. Therefore the formulation of the optimization problem for each area can be represented as follows:

\[
 \min \sum_{i=1}^{m_N} W_{N,i} (z_{N,i} - f_{N,i}(x_N))^2, \tag{3}
\]

in which \( z_{N,i} \) presents the measurements inside area \( N \), \( m_N \) is the number of measurements in area \( N \), \( W_{N,i} \) is the weighting factor corresponding to the measurement \( z_{N,i} \) and \( f_{N,i} \) is the equation related to this measurement. \( x_N \) represents the set of state variables inside the \( N^{th} \) area, plus the set of
auxiliary variables. The idea of auxiliary variables is to provide a consensus for the solution and it is due to the power line connections between areas. This will lead to the need for information transfer within the borders of these interconnected areas. In section III we will discuss the formulation of DSE and auxiliary variables in more details.

B. Blockchain Architecture

BC is a digital ledger of transactions distributed across the network of computer systems, with atomic changes to the database. The integrity and tamper-resistance of the transaction logs are assured because of the cryptographic hash linked among the blocks. BC is usually assumed to be decentralized architecture maintained by individual parties. Each node of the network owns a copy of the BC. Each BC block contains transactions, and every time a new transaction occurs on the BC, it is broadcasted to all nodes and added to a block along with other transactions waiting to get committed in a block. This technology has developed over the last decade and can be categorised as private, public or consortium BC, each further divided by permissioned or permissionless. As shown in Fig. 1, every new block $N$ generated at time $T$ contains information from the previous $N-1$ block generated at time $T'$, where $T > T'$.

![Fig. 1. Data organization in blockchain](image)

1) Consensus algorithm for decentralized ledger: BC is a peer-to-peer network of nodes that functions individually without any central authority. Each node of the network can function individually, i.e. update ledger (creating and adding a block to the BC) and broadcast new block to the other nodes of the network using the gossip protocol [28]. The nodes verify the broadcasted block’s validity, and have to either accept or reject the proposed block, thus reaching a consensus. In distributed ledger technology, there exists a fundamental problem of reaching consensus. Majority of the BC projects use any of the three most common consensus algorithms, i.e. proof of work (PoW), proof of stake (PoS), and Byzantine fault tolerant. Similar to Bitcoin, Ethereum uses a PoW consensus algorithm. In December 2020, Ethereum 2.0 was launched, which uses PoS consensus. In PoW BCs, block creators (which are called miners) are rewarded with mining rewards along with transaction fees included in the block. This mining reward is the incentives for using computation power and electricity in finding the correct nonce within the target range.

Miners have to perform computation by running a hash of block’s content and incrementing a nonce until it produces a value less than the target. Nounce is an integer that starts from 1 and increments until it produces a hash of block’s content less than specific target value [34]. Generating a hash on an arbitrary size input is a one-way function that produces a fixed output length [55], i.e., given input, we can generate an output of fixed-length, but not vice versa. The hash function used is cryptographically secure and with brute force there exists a potential solution with complexity of $O(2^m)$ for $H(m) = H(m')$, where $H$ is a SHA function [56] on an input $m$ and $m'$ and $m \neq m'$. This means that for a fixed output length on $n$, for example, $n = 256$ in the case of SHA256, the probability of success is $k/2^n$, where $k$ is a number of queries [57].

2) Ethereum Architecture: A computer (node) can be a full node or light node [58] running an instance of the Ethereum BC. A full node stores the entire BC data and can serve any request. It verifies all blocks and states and can propose a new block to append on the ongoing chain. Light node stores only the header of the chain and can verify the validity of the state roots’ data in a block header. To interact with the DApp, clients should interact with the BC by running a full node by itself and using ethereum clients, like Geth, OpenEthereum, etc., to interact with the network. Ethereum BC has grown and consumes a significant storage amount and can be difficult to run a full node. Therefore, via a third-party platform like Infura, Alchemy, etc., [59], [60] provides application programming interface (API) to interact with ethereum BC feasible.

Ethereum comprises two main components:
- **Database:** All activities on the network are recorded on the BC in the form of a transaction. Sending cryptocurrency from one address to another is recorded in a transaction with valid signatures and broadcasted to the network where other nodes commit to a block after verification. PoW consensus algorithms make sure that all the nodes in the network have the same BC data as all the valid transaction data. The data are stored in the form of a Merkle Patricia Tree. There are two types of addresses in Ethereum, Externally Owned Account (EOA), controlled by private keys and Contract Address, controlled by contract code. When a smart contract code is compiled and deployed from EOA, a contract address is created, and bytecode is stored in it.
- **Code:** The smart contract is stored on the BC in a contract address in the form of code, known as byte code. The codes in contract addresses execute contract when a transaction is sent from EOA to contract addresses.

For each transaction on the Ethereum BC, there is a fee known as Gas for executing transactions. Once a transaction is added to the block, the transaction fee goes to the miner as a reward for using computational resources. Gas is a unit to measure computation difficulty in Ethereum Virtual Machine (EVM). Gas is charged only when data are modified on the BC, i.e. reading and accessing data are not chargeable. Once the sender signs a transaction and broadcasts it, the Ethereum protocol debits gas fees in a fraction of ethers from the Ethereum account, lack of required gas amount will not allow the transaction to be execute. If there are no fees, attackers can flood the node’s memory pool with bogus transactions, causing
distributed DoS attacks. Gas is not fixed for the transaction but it is variable and depends on the computational difficulty of a smart contract. The sender of the transaction pays gas, and the miner who mines a block receives gas. Miner receives all the transaction gas that he includes in the block along with the block generation reward. Miners set the price of gas based on the computational power of the network required to process transactions and smart contract.

Since ether is not stable in value but sees daily change, therefore gas is a relative price converted to ethers based on the load on the network. In a congested network, the gas price will increase for each unit of gas. So There is a gas price, i.e. how many units of ether are transactor willing to pay for one gas unit. Each opcode in Ethereum has a cost. The total cost of the contract is the summation of all the opcodes [61].

The EVM is a virtual stack embedded within each full Ethereum node that allows anyone to execute arbitrary byte-codes and plays a crucial role in the consensus engine of the Ethereum system. It allows anyone to execute arbitrary code in a trustless environment in which the outcome of execution can be guaranteed and is entirely deterministic. When you install and start the Geth, parity or any other client, the EVM is started, and it starts syncing, validating and executing transactions. The EVM is Turing complete, i.e. capable of performing any algorithm.

![Ethereum network structure](image)

3) Data Verification: Before broadcasting the data that contains the formation of the transaction to other nodes in the network, the data should be signed using the private key. A signature is required to prove that the sender of the data are genuine and not an imposter who signed the message without the private key. BC uses asymmetric cryptography based on public key infrastructure. Like a physical signature, digital signatures are used to authenticate electronically a document’s contents like pdf, emails, etc. [62].

In the BC network, each node has its pair of public and private keys, and the public key is shared with all the other nodes. Owning a private key is equivalent to owning or controlling a node associated with its public key and accessing the activities restricted to it.

To sign a message (or data), a function is calculated using the private key of the document’s sender. The recipient’s using the public key of the sender, can verify if the document is correct and not tampered.

C. Asynchronous data transfer

The combination of renewable energy sources and information and communication technology (ICT) changes the power system’s nature from a physical system to a CPPS [4]. Therefore, the physical part consists of a power grid, and the cyber part comprises a control and computation layer. The physical layer consists of physical elements such as generators, transmission lines, transformers, etc. On the other hand, the cyber layer is responsible for computation, analysis and assessment of the power grid, and includes elements such as sensors, communication medium, control system, etc. [4]. A CPPS encounters different types of cyberattacks, such as DoS and FDI. However, latency attack has the potential to be considered as a new type of attack in the area of the power system, while it is already well-known for wireless network community [63]. The power system undergoes a time delay of several milliseconds, while increasing this latency or time delay maliciously may lead to the power system instability [63]. Although the application of distributed methods and implementation of a BC based communication network may dissolve the issue, still there would be a chance that the latency happens for the system. To study such a case, we have considered a delay in data transfer between areas in a randomized manner. In other words, at some iterations, an area randomly (based on uniform probability distribution) will be selected so as not to update its state variables. The comparison of the DSE results with and without delay is presented in section IV.

![Data verification using private and public key](image)

III. PROBLEM FORMULATION

Suppose that we have divided the power system into N areas, having 2N measurements composed of power injection, power flow and voltage magnitude. Considering xk as the state variables related to area k and əl as the auxiliary variables estimated by area k related to its neighboring area l, one can rewrite 4 into the following equation:

\[
\min_{x_k} f_k(x_k) + \sum_{l \in \Lambda_k} f_l(x_k, ə_l),
\]

where Λk indicates the set of all neighboring areas of kth area. It is clear that 4 is composed of two statements. The first statement is related to the measurements that the physical equation for calculating them only requires the state variables inside the area and can be written as follows:

\[
f_k(x_k) = \sum_{i \in S_k} W_{k,i}^P (v_{k,i} - v_{k,i})^2 + \sum_{i \in Q_k} W_{k,i}^Q (Q_{k,i} - Q_{k,i})^2 + \sum_{(i,j) \in P_{k,j}} W_{k,i,j}^P (P_{k,i,j} - P_{k,i,j})^2 + \sum_{(i,j) \in Q_{k,i,j}} W_{k,i,j}^Q (Q_{k,i,j} - Q_{k,i,j})^2.
\]
where $i$ and $j$ are arbitrary buses; $\Lambda_k^V$, $\Lambda_k^P$, $\Lambda_k^Q$, $\Lambda_k^{PF}$ and $\Lambda_k^{QF}$ indicate the set of voltage, active power injection, reactive power injection, active power flow and reactive power flow measurements in area $k$, respectively; $W_{kl}(\cdot)$ weighting factor for the measurements; $P_{k,ij}^m$, $Q_{k,ij}^m$ and $v_{k,ij}^m$ are the active power injection or power flow, reactive power injection or power flow and voltage observed measurements, respectively; While $P_{kl,i}$, $Q_{kl,i}$ and $v_{kl,i}$ are the physical equations of these measurements. These physical equations governing the power system are provided in appendix.

The second statement of (4), is related to the measurements in $k$ that need to receive state values regarding the buses in connection with the neighboring area $l$. It is to be noted that, for calculation of the physical equations regarding these measurements, we use the auxiliary variables:

$$f_{kl}(x_k,\tilde{x}_l) = \sum_{i \in \mathcal{A}_k} W_{kl,i}^P (P_{k,ij}^m - P_{k,ij}(\cdot))^2 + \sum_{i \in \mathcal{A}_k} W_{kl,i}^Q (Q_{k,ij}^m - Q_{k,ij}(\cdot))^2 + \sum_{i \in \mathcal{A}_k} W_{kl,i}^{PF} (P_{k,ij}^m - P_{k,ij}(\cdot))^2$$

$$+ \sum_{(i,j) \in \mathcal{A}_k} W_{kl,ij}^{QF} (Q_{k,ij}^m - Q_{k,ij}(\cdot))^2 + \sum_{i \in \mathcal{A}_k} W_{kl,i}^{\theta} (\tilde{\theta}_{i,ij}^l - \tilde{\theta}_{i,ij}^l)^2$$

where $\tilde{\theta}_{i,i}^l$ and $\tilde{v}_{l,i}$ are the auxiliary variables. It is worth noting that the last two statements in (6) are utilized to provide a consensus for this minimization function.

### A. Proposed Blockchain Solution

Building DSE’s data transmission architecture based on BC provides a security feature of the technology to transfer data among system areas. BC integration can ensure honesty in the system as the transaction’s sender can only sign each transaction.

A PoC is developed on the Ethereum test network and deployed using Truffle framework and Ganache. Ethereum provides tools to build smart contracts and decentralized applications without any downtime or any third-party interference. Truffle Suite is a BCs development environment, testing framework, and asset pipeline using the EVM. Ganache [64] is a personal BC for Ethereum and Corda based distributed application development. Utilizing Ganache and Truffle, the entire DApp can be developed in a safe and deterministic environment. The code repository containing open source prototype is available in [65].

The EVM has separate storage areas:

- All contracts have state variables, and the state variables are stored on the BC, i.e. the data are recorded into the BC itself. When the contract executes some code, it can access all the previously stored data in its storage area.
- Memory holds temporary values and only exists in the calling function and has less gas price because the stored memory gets erased between calls. Gas price increases with the size of memory scaling quadratically. Though, comparatively cheaper than storage.
- The stack holds small local variables, and here the computations happen. This data can only hold a limited amount of values up to 1024 small local variables.

- Logs store data in an indexed structure with mapping, and with filters, specific data can be accessed. Logs are inaccessible to contract but are mainly used for events that occur on the BC.

### B. System Overview

The proposed BC solution focuses on establishing a secure architecture of transferring arbitrary data for every iteration among the DSE areas based on the established connections on the BC. Fig. 4 shows the main participating entities of the system:

- **DSE areas**: The control center at each area is responsible for receiving data and then, calculate SE and after that send data to another area.
- **Auditor**: Provides public key infrastructure [66] to all DSE areas and is responsible for managing smart contracts on the BC and can establish or demolish connection between two areas. In other words, only the auditor can establish communication between two or more than two areas by sending a transaction to the smart contract address that sets communication to true between areas on the smart contract. Auditor is like a supervising body of the infrastructure of the DSE network. Although, it is responsible for deploying contracts on the blockchain, the DSE areas can communicate, i.e. transfer data, with each other via smart contract without interference from the auditor. If any issues arise on the BC, the auditor can resolve this issue with the BC. The DSE data transactions are independent, and the auditor is not involved.

### C. System Design

On the BC, two contracts are deployed. First, to establish/demolish connection between the areas. Second, to transfer data per iteration between the areas within the established connection. The following section describes the details.

#### 1) Establishing/Demolishing Connection: The auditor manages the connections between areas through algorithm [67] The smart contract emit event upon each connection change to inform all the areas.

#### 2) Data Transfer: Algorithm [68] smart contracts listens to all the transaction call of the first deployed smart contract and as per update the state of the connections of this smart contract. This algorithm takes four parameters i.e. sender, receiver, iteration and payload. Each area in our case study has a different data payload size (i.e. state variables which needs to be transferred). With each iteration, data are passed as arrays of float integers as string type because it is impossible to pass a negative number in a smart contract. With each transaction of the iteration, the transaction event is emitted and notified to the receiving area, who can process the data off-chain as peruse.

### D. Security

This architecture provides security because each transaction requires a transaction signature. The connection can only be established by the smart contract owner as there is a
Algorithm 1 Establish/Demolish area Connection

Input: address_deployer, address_from, address_to
Initialization: connection(from, to) ← bool
1: if (msg.sender ≠ address_deployer) then
2: from ← address from
3: to ← address to
4: if (from ≠ to) then
5: if (connection(from, to) ≠ True) then
6: Set connection(from, to) ← True
7: else
8: Revert and show error "Connection exist"
9: end if
10: else
11: Revert and show error "No Self Connection"
12: end if
13: else
14: Revert and show error "Only Owner Access"
15: end if

Algorithm 2 Data Transfer

Input: address_sender, address_to, iteration_number, data_String
1: if (msg.sender ≠ address_sender) then
2: if (connection(from, to) = True) then
3: Call function to transact these values on blockchain
4: Notify transaction in the network
5: Apply the transferred data in the current iteration for state estimation
6: else
7: Revert and show error "No Connection"
8: end if
9: else
10: Revert and show error "Only msg.senders"
11: end if

The deployment of the blockchain results are present utilizing the proposed method. The system has been divided into four areas and Fig. 4 shows the topology of the studied test case.

In this research, AC SE has been considered, where the state variables would be voltage magnitudes and phase angles at each bus. The number of state variables and measurements are 27 and 41, respectively. The weighting factor for all measurement units has been considered equal to 10^4. In order to solve this, MATLAB (version R2018b) solver (Sequential quadratic programming) has been applied and for initiation of the optimization process the initial value for state variables have been set to flat start, i.e. voltage magnitude of “1” and phase angle value of “0”. Moreover, the bus number one has been selected as the slack bus with phase angle zero. To evaluate the prototype’s performance, the smart contract was deployed on a local BC server and interacted with the python application. The experiments were performed on a computer with memory 16 GB 2400 MHz DDR4, Intel Core i9 running @2.3GHz.

As mentioned before, we have considered two different cases. The data transfer between areas are simultaneously in the first case and with latency (time delay) in the second case. The graphical and numerical results of both cases are presented here.

IV. SIMULATION RESULTS AND DISCUSSION

In this section, the test case (i.e. IEEE 14 bus system [67]) results are present utilizing the proposed method. The system has been divided into four areas and Fig. 4 shows the topology of the studied test case.

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In this research, AC SE has been considered, where the state variables would be voltage magnitudes and phase angles at each bus. The number of state variables and measurements are 27 and 41, respectively. The weighting factor for all measurement units has been considered equal to 10^4. In order to solve this, MATLAB (version R2018b) solver (Sequential quadratic programming) has been applied and for initiation of the optimization process the initial value for state variables have been set to flat start, i.e. voltage magnitude of “1” and phase angle value of “0”. Moreover, the bus number one has been selected as the slack bus with phase angle zero. To evaluate the prototype’s performance, the smart contract was deployed on a local BC server and interacted with the python application. The experiments were performed on a computer with memory 16 GB 2400 MHz DDR4, Intel Core i9 running @2.3GHz.

As mentioned before, we have considered two different cases. The data transfer between areas are simultaneously in the first case and with latency (time delay) in the second case. The graphical and numerical results of both cases are presented here.

Fig. 5 and Fig. 6 represent the comparison of centralized and distributed estimated voltage magnitude and voltage phase angle for IEEE 14 bus test system interacting with BC. The distributed method has succeeded to reach the centralized values in both cases.

Fig. 7 shows the distributed method objective value during the IEEE 14 bus system’s optimization procedure. As proposed in [22], we have considered the state variables convergence rate as convergence criterion. It means that the difference between obtained state variables of two successive iterations are measured at each area and if the value is below the specified threshold (it has been set to 10^-6 [22]), the optimization...
stops. It is clear that in case 2, where there is a delay in data transmission, the number of optimization iteration increases.

The numerical results of the comparison between CSE and DSE are presented in Table I. The iteration number and objective value of both centralized and distributed are presented. As mentioned in Section II, the objective value for CSE is obtained using (1) and applying Newton’s method. However, for DSE, after solving the optimization problem stated in (4) for all areas, we gathered the state variables and placed these state variables into (1). The objective values are obtained by substituting the DSE state variables into (1).

| Case  | Iteration | Objective | Objective error | Distributed objective |
|-------|-----------|-----------|-----------------|-----------------------|
| 1     | 11        | 11.5568   | 1.059 %         | 10.9951               |
| 2     | 11        | 11.5568   | 1.0582 %        | 10.9951               |

As shown in the table, the factual error between these values is approximately 1 per cent. The necessity of considering objective value is due to the fact that one of the methods to specify measurement anomalies, so-called bad data, is to compare objective value with the chi-square value [2]. So, considering measurement residuals distributed method matches the centralized to a great extent as well.

The last column of Table I is devoted to the DSE objective value, which is slightly different from the centralized objective value. This slight difference is quite apparent, and it is due to the application of the auxiliary variables. In other words, applying auxiliary variables in (6) is the main reason leading to a better objective value. There might be a method to utilize the benefit of applying these auxiliary values to improve SE results further, but it is beyond the scope of the paper.

Fig. 8 shows the result of the experiment to check the gas consumption, amount of gas used to execute a transaction, with respect to the transaction payload size in bytes of different values in a transaction, i.e. in a hexadecimal value and used to check how it will influence the processing time. Different value precision results in different payload sizes. We executed 128 transactions of payload size one and bytes of size k from 1 to 128. In EVM, a one-word is a maximum of 32 bytes. Zero bytes pad each payload up to the closest factor of 32 bytes and processed as a sequence of 32 bytes words. Most of the operation consumption goes to cryptographic signature checks by the nodes. Gas consumption varies with different byte sizes,
and we can see a significant shift for each consecutive 32 bytes, but within each set, the gas fees increased linearly with an increment of a byte.

Fig. 9 indicates the optimization of the transfer procedure where several transactions can be concatenated as one string, i.e., bulk data transfer. This would result in less number of transaction to transfer the same amount of data without spending extra gas for each execution. For the experiment, we measured the gas consumption to transfer 1024 bytes per $2^{k-1}$ bytes where $k \in \{1, \ldots, 8\}$, with increase on payload size, the gas consumption reduces for computation at nodes.

V. CONCLUSION

Blockchain technology has attracted research and industrial communities’ attention due to its diverse and novel characteristics. Needless to say that the future power grids, so-called smart grids, can benefit from these features in different industrial divisions. In this regard, we tried to point out blockchain application in smart grids’ main sector, i.e., the state estimator. State estimation plays a vital role in regulating system operator decisions such as contingency analysis, electricity market and load forecasting in energy system management.

In this work, we have proposed a combination of distributed state estimation and a blockchain designed communication platform for secure data transmission and increasing the system’s reliability. Application of the smart contract concept would lead to improving the security of the overall system. Moreover, the robustness of the method against the data transmission latency has been analysed.

As mentioned before, we introduced a scheme for the combination of state estimation with blockchain in a distributed transmission system. Therefore, implementing such a combination for the distribution system, in which the applications of renewable energy sources are increasing exponentially, can be a future direction. Another research direction for the future can be introducing multi-signature that will make this architecture more secure. Additionally, economical analysis for BC’s implementation in the power system would be of interest to research and the industrial community and can be considered as another future direction for this study.

APPENDIX

Measurement units that have been considered in this study are composed of voltage measurement, real power injection, reactive power injection, real power flow, reactive power flow. In this section physical equations governing the power system are provided.

A. Active and reactive power injection and power flow (inside area $k$)

$$P_{k,j}(\cdot) = \sum_{i=1}^{n} v_{k,i} v_{k,j} (G_{ij} \cos \theta_{k,ij} + B_{ij} \sin \theta_{k,ij}),$$

$$Q_{k,j}(\cdot) = \sum_{i=1}^{n} v_{k,i} v_{k,j} (G_{ij} \sin \theta_{k,ij} - B_{ij} \cos \theta_{k,ij}),$$

$$P_{k,ij}(\cdot) = v_{k,i} v_{k,j} (G_{ij} \cos \theta_{k,ij} + B_{ij} \sin \theta_{k,ij}) - G_{ij} v_{k,i}^2,$$

$$Q_{k,ij}(\cdot) = v_{k,i} v_{k,j} (G_{ij} \sin \theta_{k,ij} - B_{ij} \cos \theta_{k,ij}) + v_{k,i}^2 \left( B_{ij} - \frac{\pi^2}{2} \right),$$

where $G_{ij}$ and $B_{ij}$ is the real and imaginary part of the element in the $i^{th}$ row and $j^{th}$ column of the network admittance matrix, respectively; And $\frac{\pi^2}{2}$ is the shunt susceptance considering the $\pi$ equivalent mode of the line.

B. Active and reactive power injection and power flow (between area $k$ and area $l$)

The equations between areas would be the same as inside areas, but the only difference would be the value of state variables. If the state variable is for the neighboring area we should use the auxiliary variables. For example, if the $j^{th}$ bus is for the neighboring area, we should use $\bar{v}$ and $\bar{\theta}$.

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