### **UNDERSTANDING IMPACTS OF POWER INTERRUPTIONS ON QUALITY OF LIFE:** OPPORTUNITIES FOR SOCIALLY-OPTIMAL POLICY AND DEMAND-SIDE RESILIENCE

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ERCOT: Texas power grid was 'seconds, minutes' away from catastrophic blackout event

#### FOX4

#### Rolling power blackouts turn into lengthy outages in Texas as energy demand reaches record high

By Hanna Battah , Steve Noviello , Steven Dial and Mark Norris | Published February 15 | Dallas | FOX 4

#### **SecoWatch**

POLAR VORTEX

#### Texas Blackout: Death Toll Mounts While Food and Water Are Impacted

By Climate Nexus | Feb. 18, 2021 11:36AM EST

CLIMATE



## The Texas Blackout Is the Story of a Disaster Foretold

POLITICS & POLIC

Those in charge of Texas's deregulated power sector were warned again and again that the electric grid was vulnerable.

By Jeffrey Ball February 19, 2021

# Why every state is vulnerable to a Texas-style power crisis

"The infrastructure we have built right now really isn't ready." By Umair Irfan | Mar 11, 2021, 4:30pm EST



PARAGUAY, and URUGUAY (2019) Affected people: 48 MILLION Duration: 7+ hours Cause: DESIGN ERRORS

SOUTH AFRICA (2019-) Affected people: Up to ~20 million at a time Duration: 2-4 hours at a time (rolling) Cause: ENERGY CRISIS

Background photo: Natali | COUB.COM

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### **48 BILLION HOURS** "LOST" HUMAN TIME WORLDWIDE DUE TO POWER INTERRUPTIONS

Estimations done by researcher based on The World Bank Doing Business Report 2020 Interrupted Human Time = SAIDI × Electricity Access × Population

# "DRESS REHEARSALS"

for the future in which they will appear with greater frequency and severity.

(Byrd & Matthewman, 2015)

Infrastructure and Public Services

#### Direct costs

- Opportunity cost of idle resources
- Spoilage and damage

#### Indirect costs

- Costs to public users of impacted services and institutions
- Health and safety effects
- Potential social costs stemming from looting, vandalism, etc.

Industrial, Commercial, and Agricultural Firms

#### Direct costs

- Opportunity cost of idle resources (labor, land, capital, profits)
- Shutdown and restart costs
- Spoilage and damage
- Health and safety effects

#### Indirect costs

- Cost on other firms supplied by impacted firm (multiplier effect)
- Costs on consumers if impacted firm supplies a final good
- Health and safety-related externalities

(Munasinghe, 1988; Praktiknjo, 2014; Kim et al, 2015; Linares & Rey, 2013)

#### **Residential Consumers**

#### **Direct costs**

- Inconvenience, discomfort, lost leisure, stress, etc.
- Restriction of household
  activities
- Difficulty on ICT access
- Limited use of financial services
- Lost income
- Water shortage
- Out-of-pocket costs (spoilage, property)
  - Health and safety effects

#### **Indirect** costs

 Costs on other households and firms associated with household members (spillover effects)

Photo: CNN

### diminished **QUALITY OF LIFE** DUItidimensional character of living conditions

multidimensional character of living conditions (Krause, 2016)

### **IMPACT VALUATION APPROACHES**



### **IMPACT VALUATION APPROACHES**

## Cost per unit of unserved energy

- Typical unit: \$/kWh, \$/kW (normalized)
- Terminologies
  - Value of Lost Load
  - Customer Interruption Cost
  - Cost of Energy Not Supplied
- Most commonly used
- Useful for scarcity/ration planning (de Nooij, et al, 2007)

#### Cost per unit time

- Typical unit: \$/hour; \$/year
- Terminologies
  - Customer Interruption Cost
  - Damage Cost
  - Value of Lost Leisure
- Useful for network reliability investment planning (de Nooij, et al, 2007)

### **IMPACT VALUATION APPROACHES**



### **RESEARCH GAP**



#### Residents / Private individuals

Mostly intangible, indirect approach Socio-economic indicators / Valuation





### **RESEARCH GAP**





Becker et al, 2016; Morrissey et al, 2018



### IMPACT VALUATION STUDIES IN THE RESIDENTIAL SEGMENT

- "Black-box" models (Becker et al., 2016; Morrisey et al., 2018)
- Nonstandard methodology
- Lacking in **international comparability** (Schroder & Kuckshinrichs, 2015)
- Potentially speculative / hypothetical (de Nooij, et al, 2007; Shivakumar et al., 2017)



Only 52 countries so far have published work on quantifying impacts of power interruptions on the residential segment (33 are in Europe)

### OBJECTIVE







### WHY STUDY IMPACTS OF POWER INTERRUPTIONS ON QUALITY OF LIFE?



Socially-optimal Electric Utility Investment and Operations Inclusive Energy Policy and Regulations Enhanced Quality of Life

### OBJECTIVE







### METHODOLOGY



### FRAMEWORK BASED ON LIFE CYCLE IMPACT ASSESSMENT (LCIA)



\*optional components as per ISO 14044

Hauschild & Huijbregts 2015

### LCIA: ENDPOINT MODELLING



Hauschild & Huijbregts, 2015

## Endpoint indicators – "damage modelling"

#### CHARACTERIZATION OF "ELEMENTARY FLOWS" IN LCIA Generic framework



### POWER INTERRUPTION IMPACT ASSESSMENT (PIIA)

Conceptually based on Life Cycle Impact Assessment (LCIA)



### METHODS



# Albay, Philippines



#### QUICK FACTS (as of Mar 2019)

- 1.3 million population
- 275,601 households (2015)
- 191,275 electricity subscribers
- 88 kWh average residential electricity consumption (19<sup>th</sup>)

 ARD HIGHEST FREQUENCY OF INTERRUPTIONS
 HIGHEST NUMBER OF MOMENTARY INTERRUPTIONS (duration < 5 mins)</li>

### STUDY AREA: ALBAY, PHILIPPINES



### METHODS



### POWER INTERRUPTION IMPACT ASSESSMENT (PIIA)

Conceptually based on Life Cycle Impact Assessment (LCIA)



\*as affected by advance notice and intermittency

#### **POWER INTERRUPTION IMPACT ASSESSMENT (PIIA)** Conceptually based on Life Cycle Impact Assessment (LCIA)

**ED** Electricity Dependence

Based on self-reported electricity dependence of respondents

TIME	Monday	Tues	day	Wednes	day	Thursday		Friday	Saturday Holiday	/	Sunday	TIME
12:00 AM	<b>^</b>	↑		1		1	1	•	1	-	^	12:00 AM
1:00 AM							_					1:00 AM
2:00 AM							_		_			2:00 AM
3:00 AM	- 7		2	- 7	,	P		7	17		P	3:00 AM
4:00 AM												4:00 AM
5:00 AM												5:00 AM
6:00 AM	•	•		v		v	- ,	,	•		•	6:00 AM
7:00 AM		<b>`</b>			↑			↑	- 1	<b>`</b>	↑	7:00 AM
8:00 AM												8:00 AM
9:00 AM												9:00 AM
10:00 AM											Ŧ	10:00 AM
11:00 AM												11:00 AM
12:00 PM									,	,	•	12:00 PM
1:00 PM		W		W		-W		W	<b>↑</b>		1	1:00 PM
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11:00 PM	- ' <b>.</b>	/	1		<b>1</b>	· · •		P 1		, –		11:00 PM

#### "Life Roles" (Nevill & Super, 1986)





Household









#### Life Role Time-use Inventory

#### **POWER INTERRUPTION IMPACT ASSESSMENT (PIIA)** Conceptually based on Life Cycle Impact Assessment (LCIA)

ED Electricity Dependence

Based on self-reported electricity dependence of respondents





Electricity dependence schedule (O-4)

### POWER INTERRUPTION IMPACT ASSESSMENT (PIIA)

Conceptually based on Life Cycle Impact Assessment (LCIA)



\*as affected by advance notice and intermittency

#### **POWER INTERRUPTION IMPACT ASSESSMENT (PIIA)** Conceptually based on Life Cycle Impact Assessment (LCIA)

Not too disruptive;

many alternatives

Not disruptive at all

IS Impact		Impa	Household responsibilities	Leisure activities	Work effectiveness	Learning activities	Community participation	Personal care		
Salience		Discomfort		3	4	2	2	1	2	
lated <b>effects of</b> impacts on		Cannot watch TV	shows	D	3	D	D	D	D	
		Cannot charge mobile phone			3	4	1	1	D	
"life roles"		Self-reported impacts and disruption levels (0-4)								
0		1	2			3			4	

Somehow disruptive;

enough alternatives

Totally disruptive

Disruptive; few or

inconvenient

alternatives

### POWER INTERRUPTION IMPACT ASSESSMENT (PIIA)

Conceptually based on Life Cycle Impact Assessment (LCIA)



\*as affected by advance notice and intermittency

### METHODOLOGY



### **CONTINGENT VALUATION**

"There is a device you can rent that you can use during power interruptions to power up ALL your appliances and devices at home. You will be shown scenarios based on duration and a corresponding price for usage of such device. If you are willing to pay for it, select YES. Otherwise, select NO."



Bidding Game elicitation method (Online survey: Payment Cards)



Interruption Duration Scenarios

### FIELD SURVEY





Pre-test survey (n=13) held on March 23, 2019



- Group-administered surveys held in the top 10 most populous cities and towns of Albay (78% of population) in October 2019
- Stratified random sample invited from local government household databases
- n = 151 (34.3% response rate)

### **ONLINE SURVEY**





- Online validation survey
  - Online snowball approach (March 24 to April 28, 2020)
  - Combined w/ Facebook ads (April 28 to May 9, 2020)
- n = 207

### METHODS



### DAMAGE ESTIMATION



### METHODS



### METHODOLOGY





Power Interruption Impact Assessment (PIIA) Model





#### Health and Comfort

- Discomfort due to hot temperature
- Cannot sleep well
- Getting sick

#### Household Management

- Cannot do household chores needing electrical equipment/appliances
- Food spoilage
- Difficulty of caring for household members, especially those vulnerable

Mostly linked to duration





Power Interruption Impact Assessment (PIIA) Model



 High component of effects on personal care; mostly asleep



Health and Home and Comfort Family 26% 29% POWER INTERRUPTIONS Household Occupation Management 7% 18% impacts Interruption Value of Lost Load Damage Work and Cost (VoLL) Livelihood 16% Raw ₱3.50/hr ₱22.60/kWh (\$0.07/hr) (\$0.45/hr) ICT Access and Data Security 15% Personal Care 64% Household Assets 10% Entertainment and Recreation 8% Safety and Security 29 Educational Act OTHERS 39

12-6AM

Personal care time



- Work day usually begins at 8AM
- Mostly long interruptions





6AM-12PM

Occupation/Work time



- Work day usually ends at 5PM
- Shift to household activities observed



Home/Family time



12NN-6PM



- Peak of household activity and leisure
- Mostly short interruptions



Health and Comfort 24% Home and Family POWER INTERRUPTIONS 43% Household Management 20% impacts Interruption Value of Lost Load Damage Work and Leisure 7% (VoLL) Livelihood Cost 15% Raw ₱6.07/hr ₱39.18/kWh Occupation CT Access and 12% (\$0.12/hr) (\$0.78/hr) Data Security 15% Household Assets 12% Personal Care Entertainment and 37% Recreation 7% Educational Activities 39

6PM-12AM

Leisure time

### DAMAGE TO QUALITY OF LIFE IN ADDITION TO ECONOMIC LOSSES



Estimated Power Interruption Costs in 2018

### FINDINGS SUMMARY

- QoL impacts are mostly linked to duration and heat-related effects
- Interruptions at different parts of day affect people differently
- Effects on QoL are more salient at night (6PM-6AM) than during the day (6AM-6PM)
  - Might have changed during the pandemic
  - High value placed on the Home/Family life role than Work/Occupation
- As an effect of the pandemic, almost all impact categories are already situated within homes



Impact Categories



Relative Importance and Vulnerability



Temporal Variations



- Prioritization of healthcare facilities
- Provisions for ventilation and hydration
- Decoupling of water and electricity supply

Impact Categories



Impact Categories



Relative Importance and Vulnerability



Temporal Variations

Ц	Н	Н	п
П	Н		
		Н	
			п

Relative Importance and Vulnerability

- Budgeting/Allocation of resources based on revealed relative importance of impact categories and electricitydependent life roles
- Use of VoLL and damage cost estimates for cost-benefit analyses and resource allocation among consumer groups



Impact Categories



Relative Importance and Vulnerability



Temporal Variations



 Operational decisions by electric utilities must consider time-dependent consumer behavior

Temporal Variations

### FURTHER STUDY



Performance Evaluation Deep-dive on particular Impact Categories and/or Life Roles



Explore applicability to other utilities

### SPECIAL THANKS









Mayors of 3 cities and 7 municipalities of Albay



Stakeholders



#### Survey Facilitators

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