The challenge of integrating offshore wind power in the U.S. electric grid. Part I: Wind forecast error

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Abstract
The purpose of this two-part study is to model the effects of large penetrations of offshore wind power into a large electric system using realistic wind power forecast errors and a complete model of unit commitment, economic dispatch, and power flow. The chosen electric system is PJM Interconnection, one of the largest independent system operators in the U.S. with a generation capacity of 186 Gigawatts (GW). The offshore wind resource along the U.S. East Coast is modeled at five build-out levels, varying between 7 and 70 GW of installed capacity, considering exclusion zones and conflicting water uses.

This paper, Part I of the study, describes in detail the wind forecast error model; the accompanying Part II describes the modeling of PJM’s sequencing of decisions and information, inclusive of day-ahead, hour-ahead, and real-time commitments to energy generators with the Smart-ISO simulator and discusses the results.

Wind forecasts are generated with the Weather Research and Forecasting (WRF) model, initialized every day at local noon and run for 48 h to provide midnight-to-midnight forecasts for one month per season. Due to the lack of offshore wind speed observations at hub height along the East Coast, a stochastic forecast error model for the offshore winds is constructed based on forecast errors at 23 existing PJM onshore wind farms. PJM uses an advanced, WRF-based forecast system with continuous wind farm data assimilation. The implicit (and conservative) assumption here is that the future forecast system for offshore winds will have the same performance as the current PJM’s forecast system for onshore winds, thus no advances in weather forecasting techniques are assumed.

Using an auto-regressive moving-average (ARMA) model, 21 equally-plausible sample paths of wind power forecast errors are generated and calibrated for each season at a control onshore wind farm, chosen because of its horizontally uniform landscape and large size. The spatial correlation between pairs of onshore wind farms is estimated with an exponential function and the matrix of error covariance is obtained. Validation at the control farm and at all other onshore farms is satisfactory. The ARMA model for the wind power forecast error is then applied to the offshore wind farms at the various build-out levels and combined with the matrix of error covariance to generate multiple samples of forecast errors at the offshore farms. The samples of forecast errors are lastly added to the WRF forecasts to generate multiple samples of synthetic, onshore-based, actual offshore wind power for use in Part II.

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1. Introduction

As wind power and other types of variable electric generation develop, the integration of increasingly larger amounts of variable power into the electric grid is expected to become more challenging to manage. Integration becomes more difficult as the amount of wind power injected into the grid increases and as its variability increases. In contrast, integration is easier when wind farms are spread over larger geographic areas, which reduces variability caused by local weather patterns, and as the accuracy of the wind power forecasts is improved. In order to analyze these competing effects, one region and one wind resource are studied in detail, i.e., offshore wind as an electricity resource for loads on the

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grid of the U.S. East Coast.

The U.S. East Coast is of interest because it includes numerous, large load centers and because the only large-scale, renewable energy source that is abundant, near cost-competitive, and close to load centers is offshore wind [14,16,17,30,47]. As of this writing, numerous projects are being proposed, with one under construction near Block Island off the state of Rhode Island. The aforementioned studies report on the large size of the offshore wind resource available, but have not been accompanied by studies showing how much of that can be integrated and how that integration would be achieved. The integration of wind power is challenging because of two fundamental characteristics of the wind:

1. Wind is fluctuating over all temporal horizons: seasonally (e.g., winds are generally higher in the winter than in the summer at mid-latitudes); weekly (e.g., windier conditions during synoptic-scale storms can last a few days to a week); daily (e.g., for onshore wind turbines, higher winds are often observed at night than during the day at the hub height of modern turbines, >100 m, although the diurnal effect is reduced for turbines further offshore [21]); and hourly or sub-hourly (e.g., turbulent fluctuations and gusts). The challenge is that these wind fluctuations are not well correlated with the load (or demand), which therefore needs to be ultimately covered with other more controllable, and inevitably more polluting, energy sources, such as coal or natural gas;

2. Wind has limited predictability because, even with advanced numerical weather prediction models and with numerous observations, the atmospheric system is intrinsically non-linear and chaotic and therefore small errors in initial conditions or in numerical approximations can cause the predictions to diverge dramatically from the observations in just a few days [34]. In addition, the short-term range (<1–2 h ahead) may be more challenging to predict than the medium-term (6–12 h) and persistence still outperforms most other models [1,19].

Increasing the geographical dispersion of wind farms has been proven to be an effective method to ameliorate (but not eliminate) the first challenge, i.e., wind variability. The first U.S.-scale study of the benefits of interconnecting wind farms was conducted by Archer and Jacobson [5] over the continental U.S. using observations. They found that wind power variability, expressed as the coefficient of variation, was improved if more and more wind farms were interconnected via transmission lines from distant locations. Similar findings were reported for: the offshore winds along the U.S. East Coast [30,7,17,57], Texas [29], the island of Corsica in the Mediterranean Sea [10], and the western U.S. [12], among others [24,51]. Handschy [23] systematized the finding of smoothing by long distance, finding good agreement between model and data. Based on this earlier research, to minimize wind variability, the offshore wind farms in this study will be geographically dispersed over a large swath of ocean and interconnected via under-water, high-voltage, direct-current (HVDC hereafter) transmission lines, as described in the next section.

The second challenge, i.e., the limited predictability of wind, is also impossible to eliminate. Weather forecasts have steadily improved in accuracy and timing with the advent of Numerical Weather Prediction (NWP) models, which simulate the complex phenomena that affect weather patterns (such as precipitation, turbulence, and interactions between land and sea) at fine spatial and temporal resolutions. However, since the atmosphere is a chaotic system [34], it cannot be fully predicted via deterministic forecasts and therefore most weather offices today have adopted probabilistic approaches for NWP. One such probabilistic approach is the creation of several “ensembles,” or sets of plausible future states of the atmosphere, which can then be used to estimate the probability distribution of the forecasted atmospheric variables of interest. Ensembles are created from the outputs of deterministic NWP models using either various initial conditions, different parameterizations or numerical schemes, or different NWP models. In general, ensemble statistics have better accuracy than any individual deterministic ensemble member [26,28,31,33,38,52,53], also for wind energy applications [6,13,35,44]. However, generating enough ensemble members and over periods of time that are long enough to be representative of the variability of the wind forecast error can be computationally prohibitive.

An alternative to ensemble forecasting is to model the wind forecast error (not the wind) using a stochastic approach, for example with the auto-regressive moving-average (ARMA) model [40,50,54]. Given multi-weekly time series of actual wind forecast errors, expressed as the difference between actual wind power production and a forecast obtained with a deterministic NWP model, the ARMA model can generate, with small computational efforts, numerous sample paths of the wind forecast error that differ from the original time series but retain the same probabilistic properties, such as the variance of the error and the distribution of the lengths of the crossing time distributions, capturing the time that the actual and simulated sample paths are above or below the forecast. These equally-plausible sample paths of forecast error can then be used to test planning strategies and assess the performance of an electric power system model fully inclusive of wind variability and forecast error. Note that ensembles and sample paths are different. Each ensemble member has its own performance and error distribution but they all attempt to reproduce the same wind event, whereas each sample path has the same performance and error properties as the original but represents a different (but equally likely) wind event. Because of its computational advantages, in this study estimates of the offshore wind forecast errors are obtained using ARMA sample paths (Part I) and then the sample paths are used to tune a robust planning and scheduling policy to study the integration of large amounts of offshore wind in the electric grid (in Part II).

The research question addressed in this study combines both challenges together — wind variability and predictability — as follows: How much wind power, with its variability and forecast uncertainty fully accounted for, can be integrated within a current, large, and complex electric system, without making any changes to current forecasting techniques, reserve management, and transmission? This question is addressed using only current power system practice, that is, no demand-side management [42], no large-scale battery or compressed air storage [36], no mixing of different types of additional renewable power generation (e.g., wind, solar, hydro), and no coupling to the heating and transportation sectors (as done for example by Ref. [7] were introduced.

A few technical feasibility studies have partially addressed this question by setting a target level of wind penetration defined by policy, then testing whether that amount can be integrated with or without major changes. These studies, none of which accounted for wind forecast uncertainty using a stochastic approach, are:

- The “20% by 2030” was the first study on wind integration at the national scale conducted by the U.S. Department of Energy (DOE) in [55] [14] in collaboration with industry, government, the National Renewable Energy Laboratory (NREL), and Lawrence Berkeley National Laboratory. A penetration of 20% in 2008 corresponded to about 305 GW (of which 50 GW offshore). Inclusive of transmission expansion costs, the report concluded that the benefits of adding about 300 GW of wind (50 GW of which offshore) in terms of greenhouse gas emission reduction,
water conservation, and energy security would come at a high front-end capital cost, but not much higher cost of energy than from conventional generators (e.g., only 2% higher in the optimistic scenario). The report only accounted for wind forecast uncertainty indirectly as an added cost to the system: “system operating cost increases arising from wind variability and uncertainty amounted to about 10% or less of the wholesale value of the wind energy”.

- The Western Wind and Solar Integration Study (WWSIS, [22]) focused on the WestConnect area and analyzed a portfolio of wind, solar photovoltaic, and concentrated solar power at penetrations of 11%–35%. The report indicates that a 35% energy penetration of wind and solar is feasible, but will require new operational strategies to better utilize existing technologies. Wind forecast uncertainty was found to lead to possible shortfalls only at high penetrations (30% scenario), accounting only for “a tiny percentage (–0.005%) of the total load”.

- The Eastern Wind Integration and Transmission Study (EWITS, [18]) performed a similar analysis for the Eastern Interconnect and found that scenarios with penetrations of wind energy up to 30% were feasible if long-distance and high-capacity transmission infrastructure was constructed to improve balancing area cooperation. Wind forecast uncertainty was included directly via error profiles, which were added in the hourly dispatch model on the wind predictions used for the day-ahead unit commitment.

- Budischak et al. [7]; rather than setting a mid-level, set several renewable energy penetration levels (30%, 40%, 90%) and determined how much over-generation and/or storage was optimal to operate the system with minimal cost neglecting existing baseload generation. Wind forecasts were assumed to be perfect.

- The National Offshore Wind Energy Grid Interconnection Study (NOWEGIS) was funded by the U.S. Department of Energy (DOE) and focuses specifically on offshore wind. It finds that 54 GW of offshore wind energy can be integrated in the U.S. grid by 2030, bringing a national reduction of annual production costs of $7.68 billion, resulting in an approximate value of offshore wind at $41/MWh. Wind forecast uncertainty was accounted for via added reserves using confidence intervals of the wind forecast errors during the years 2004–2006. The NOWEGIS study supports this study’s approach that “typical methodologies developed for integration of onshore wind can still be utilized to integrate offshore wind”. More details are available at http://energy.gov/eere/downloads/national-offshore-wind-energy-grid-interconnection-study-nowegis

- The Eastern Renewable Generation Integration Study (ERGIS), conducted by NREL as a follow-on to the previous WWSIS and EWITS studies, with similar treatment of forecast uncertainty. Still in progress today, it includes a day-ahead unit commitment model, 5-min real-time dispatch, and a nodal DC-power flow model. More details are available at http://www.nrel.gov/electricity/transmission/eastern_renewable.html

- Although a comparison of wind integration in the U.S. versus other electricity markets is beyond the purposes of this research, numerous studies have addressed the issue of offshore wind integration in Europe [32,39,56], where over 10 GW of offshore wind power have been installed in the past two decades.

This study, which is the result of the Mid-Atlantic Offshore Wind Interconnection and Transmission (MAOWIT) project, improves upon the ones above in several aspects. First, a realistic resource model is used, with offshore areas buildable with current-technology turbines (water depth limited to 60 m) and excluding areas of conflicting uses (Section 2.1). A detailed numerical weather prediction model is used at high-temporal resolution to capture sub-hourly variations that might cause integration issues, combined with a long-distance HVDC line, so that power can be injected with minimal losses (Section 2.2). A new stochastic model for wind forecast errors, based on the performance of a current wind forecast system at onshore wind farms, is introduced, calibrated, and validated (Section 3), and then used to generate equally-plausible “synthetic” actual wind power pathways (Section 4), which represent well the variability of the offshore wind resource by season. Forecasted and synthetic actual wind power pathways are then used in a combined unit commitment and power flow model, called “Smart-ISO,” which uses detailed parameters for power plant operation and transmission grid capacity. Smart-ISO, described in detail in Part II, models the sequencing of decisions and information, including day-ahead, hour-ahead, and real-time commitments, to schedule energy generators.

2. Wind resource and forecasts

2.1. PJM domain and offshore wind build-out levels

To address the research question above, the planning process used by the PJM Interconnection RTO is modeled. PJM is one of the largest RTOs in the U.S., with a territory that covers 14 states, 60 million people, and almost 60,000 miles of transmission lines. The PJM peak electricity demand in 2012 was 164 GW and the generation capacity was 186 GW [45], including 72 GW of coal, 53 GW of natural gas, 34 GW of nuclear, and 0.9 GW from 55 onshore wind farms (http://www.pjm.com/about-pjm/renewable-dashboard/renewables-today.aspx). PJM covers a large part of the U.S. East Coast, which is one of the most promising offshore wind areas in the world [3,4,6,16,17,30]. In addition, the Atlantic Wind Connection has proposed to build an undersea, high-voltage, DC transmission line between New York and Virginia, with several connection points in the PJM domain. Our model includes an HVDC line like this proposed one, drawing on their planned points of interconnection. In summary, PJM covers an excellent area to study the issue of the integration of large amounts of offshore wind power into the electric grid.

Five build-out levels of offshore wind in PJM, summarized in Table 1, are analyzed. The installed capacities were obtained with 90-m wind speed data from Dvorak et al. [16] assuming 5-MW REpower wind turbines with a spacing of 10D x 10D (where D is the turbine rotor’s diameter of 126 m), after applying array and electrical losses. The average output and the corresponding percentage of average PJM load represented by this output were obtained through the analysis reported in Part II of this paper [48].

The five build-out levels were established as follows. The first build-out level coincides with the current Wind Energy Areas (WEAs) leased out by the Bureau of Ocean Energy Management (BOEM) off the states of New Jersey, Delaware, Maryland and Virginia, with a total installed capacity of 7.3 GW and an average power production of 3.3 GW (thus a capacity factor of 45%), corresponding to 4.4% of the PJM average load in 2010. The next build-out levels have incrementally higher penetrations, all the way to the fifth one, with 69.7 GW of installed wind capacity, providing on average 42% of the PJM load (Table 1). Offshore areas with conflicts were excluded, such as designated shipping lanes, military restricted zones, fish havens, areas with visual conflicts, dumpsites, or harbor restricted areas (Fig. 1a). The remaining areas of no conflict were divided into 29 geographically contiguous blocks of 1–4.5 GW each.
The individual blocks are designated by a digit, which refers to the build-out level, and a decimal, which indicates consecutive blocks generally in the north-south direction (e.g. 2.1, 2.2, 2.3 etc.). A map showing the location of the blocks used for the five build-out levels is shown in Fig. 1b.

2.2. Wind forecasts with WRF

The Weather Research and Forecasting Model-Advanced Research (WRF-ARW, hereafter simply WRF) is used to generate the wind forecasts for the day-ahead time horizon. WRF is a publicly developed and maintained, non-hydrostatic weather model capable of simulating global-to-microscale atmospheric conditions [49].

The WRF model has been used extensively in the past for wind power applications and its performance has been assessed in numerous studies. In general, WRF performs well [41,46], both onshore [11] and offshore [16,17,37], although it is sensitive to the grid resolution, especially over complex terrain [8], to the choice of the boundary layer scheme [9], and to the seasonal cycle [20]. Due the lack of observations at hub height offshore, it is impossible to properly validate the WRF results for this study. However, other studies have found that WRF’s wind speed biases are often negative [41], thus suggesting that wind power estimates obtained in this study may be conservative.

The WRF forecasts were run for the year 2010, because this was the year for which historical load and generation data were available from PJM. Since running both WRF and Smart-ISO models for an entire year would be computationally prohibitive, this study focuses on the months of January, April, July, and October, to capture the seasonal variability of both winds and loads, as was shown to be a valid approximation in Dvorak et al. [15] for characterizing offshore wind resource in California. On each day of the four months, the WRF model was initialized at local noon and run for 48 h with output every 10 min. As such, two sets of WRF forecasts were available at each point of the domain on any given day: a

### Table 1
The five build-out levels of offshore wind considered in the MAOWIT study.

<table>
<thead>
<tr>
<th>Build-out level</th>
<th>Blocks included (Fig. 1)</th>
<th>N. of wind turbines</th>
<th>Installed capacity (GW)</th>
<th>Average output (GW)</th>
<th>Percent of average PJM load</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1.1–1.4</td>
<td>1638</td>
<td>7.3</td>
<td>3.3</td>
<td>4.4%</td>
</tr>
<tr>
<td>2</td>
<td>2.1–2.8</td>
<td>5637</td>
<td>25.3</td>
<td>11.2</td>
<td>15.0%</td>
</tr>
<tr>
<td>3</td>
<td>3.1–3.4</td>
<td>7990</td>
<td>35.8</td>
<td>16.0</td>
<td>21.4%</td>
</tr>
<tr>
<td>4</td>
<td>4.1–4.6</td>
<td>10,906</td>
<td>48.9</td>
<td>21.9</td>
<td>29.1%</td>
</tr>
<tr>
<td>5</td>
<td>5.1–5.7</td>
<td>15,556</td>
<td>69.7</td>
<td>31.5</td>
<td>42.0%</td>
</tr>
</tbody>
</table>

Fig. 1. Maps of: a) conflicting use areas and b) blocks that are part of the five build-out levels described in Table 1. The 2005–2010 average capacity factor based on 90-m wind speed from Dvorak et al. [16] is color shaded in b). The locations of six buoys and a 43-m meteorological tower at the mouth of the Chesapeake Bay (CHLV2) are shown with a pin in b). (For interpretation of the references to colour in this figure legend, the reader is referred to the web version of this article.)
0–24-h and a 24–48-h forecast time series, with a 24-h overlap. Because the time interval of interest is midnight-to-midnight each day and the forecasts must be completed by local noon, as dictated by the day-ahead market, the analysis in this paper focuses on the 12–36 h forecasts from WRF. A total of 123 48-h-long runs were carried out, which generated over 5 TB of output data; the WRF simulations used ~35,000 CPU-hours.

To mimic real-time forecast operation and reduce the horizon of each daily simulation to exactly 48 h, as required by the SMART-ISO model, the WRF model was initialized as follows (Fig. 2):

1. Initial conditions were provided by the NOAA North American Model (NAM) 12-km resolution forecasts valid at local noon (16:00 UTC during Daylight Saving Time and 17:00 UTC otherwise).

2. Boundary conditions were updated with the NAM forecasts every hour for the first 36 h and every 3 h for the last 12 h.

3. WRF was initialized at local noon to coincide with the start of the day-ahead market in PJM. In order to complete the full 48-h simulation by noon on each day, as needed for the day-ahead market, the WRF model would need to be started by 11 a.m. local time and therefore the NAM forecasts that were initialized at 12:00 UTC and valid at 16:00 or 17:00 UTC were used.

The WRF forecasts were generated with a previously validated WRF modeling configuration, used to generate the wind climatology for the U.S. East Coast in Dvorak et al. [16]. That study used two 5-km resolution domains to cover the entire eastern seaboard. Here the northern WRF domain is used from that study, which comprises 267×293 grid points spanning from North Carolina to

![Fig. 2. Timeline of the initialization and data acquisition for the WRF forecasts.](image-url)

![Fig. 3. Offshore wind power from WRF’s 12–36 h forecasts by build-out level for one week in each season.](image-url)
Maine and goes no less than 400 km offshore. The modeling domain extends sufficiently beyond the area of interest to limit the undesirable impacts of the lateral boundary conditions influencing the winds near boundaries. In the vertical, the default WRF configuration includes 41 levels, but additional vertical levels at heights of interest for validation and wind power forecasting (e.g., at 5 and 90 m) were added to the default set. Other WRF (version 3.3.1) configuration options were: Mellor-Yamada Nakanishi and Niino (MYNN) Level 2.5 planetary boundary layer scheme, which performs especially well in the marine environment [27], the Kain-Fritsch cumulus parameterization scheme, and the Monin-Obukhov surface layer physics.

Raw WRF output data were written in terrain-following pressure coordinates and post-processing was performed to output WRF wind fields at selected heights above sea level. In particular, wind fields were output at 90 m, the assumed turbine hub height. To obtain forecasts of wind power from 90-m wind speed at all 29 blocks (Fig. 1b), the power curve of the REpower 5 MW wind turbine from Dvorak et al. [16] was used.

The power $P_k$ at block $k$ at a given time is the sum of the power output of all $N_{ij}$ wind turbines in each grid cell $i,j$ belonging to block $k$, reduced by array losses of 10% (thus array efficiency $\eta = 0.90$). The number of wind turbines in each cell is a function of the spacing between turbines, assumed here to be 10Dx10D, and of the fraction of each grid cell that belongs to each block. Because of the irregular shapes of the blocks, grid cells differ in count of installed turbines, thus making the calculation of the block power unnecessarily complicated. To simplify the calculation, the block-average wind speed was calculated first as follows:

$$V_k = \frac{\sum_{i,j \in k} V_{ij}}{n_k},$$

where $V_{ij}$ is the hub-height wind speed at grid cell $i,j$ and $n_k$ is the number of grid cells within block $k$. Next the block-average power per turbine $P_k$ is calculated using the block-average wind speed from Eq. (1) in the 5-MW REPower’s power curve (Eq. S7 in Ref. [16] and then the block power $P_k$ is obtained from:

$$P_k = \eta N_k V_k,$$

where $N_k$ is the total number of turbines in block $k$ (Table 1). This approximation introduces an error in the power calculation that on average causes a small negative bias (<1%) and adds a small amount of artificial variability (coefficient of variability is increased by 1.1–1.4%). Overall, the approximation is considered acceptable because it simplifies the post-processing of the data and contributes to making our results more conservative. A regional power curve [2], which is more appropriate with spatially-averaged wind speeds, like $V_k$, was therefore not necessary for such a small error.

For each of the five build-out levels, the total power generated is the sum of $P_k$ from all the blocks that are included in that build-out level (Table 1).

Time series of the total WRF forecast (or predicted) wind power by build-out level, for a week in each of the seasonal months, are presented in Fig. 3. In all seasons, periods of high wind power production alternate with periods of little to no production. The month of July has the longest period with no wind production and the month of October is characterized by the longest period of maximum generation.

The 10-min time series shown in Fig. 3 were used in the day-ahead unit commitment model of Smart-ISO, as described in Part II of this paper. For short-term forecasts, needed in the hour-ahead unit commitment and in the real-time economic dispatch models of Smart-ISO, persistence was used. In other words, in order to plan the short-term schedule of dispatchable generators (e.g., for the next 2 h), the actual wind power 20 min before the start of the planning horizon is used as the forecast. This value is held constant throughout the short-term planning horizon. As the short-term planning is done every half hour, the short-term forecasts are also updated every half hour.

**Fig. 4.** Approximate location of the PJM onshore farms and of the proposed offshore wind farms.
3. The stochastic model of wind power forecast error

Forecast errors are usually obtained as the difference between the actual, in-situ wind observations, hereafter referred to as “actu- als,” and the forecast model values, in this case the WRF-forecasted wind speed (or wind power). In order to reduce the errors, improvements are generally incorporated in the forecast model formulation, setup, initialization, numerical solvers, or model parameterizations. In this study, however, no actuals are available at all, because no long-term observations of hub-height wind speed or power exist over the U.S. Eastern continental shelf, or along the shoreline. As such, the error cannot be calculated, because forecasts from WRF are available but not the actuals to compare them against. The lack of adequate wind speed observations has been identified already as one of the main obstacles to the development of offshore wind farms along the U.S. East Coast by Archer et al. [6] and references within it. Although a few field campaigns were conducted in the region, none was long enough to be used for statistically significant error assessments season by season. For example, as part of the New England Air Quality Study (NEAQS), POWER (Position of Offshore Wind Energy Resources) was conducted on a cruise along the coast of New England during July–August 2004 and used a high-resolution Doppler lidar to measure wind profiles aloft in the wind turbine rotor area [43].

To overcome the lack of offshore wind actuals, a method is proposed here that reverses the traditional forecast approach by providing estimates of the offshore actuals based on a combination of the WRF offshore forecasts and the forecast error observed at the inland (or onshore) wind farms operating in the PJM territory during 2013. The onshore-based actuals obtained through this approach can then be used to evaluate the performance of the offshore forecasts. This methodology is illustrated in Figure 5.

Table 2: Performance metrics of the PJM proprietary 12–36 h forecasts onshore wind power during four months in 2013.

<table>
<thead>
<tr>
<th>Sample size</th>
<th>Observed power</th>
<th>12–36 h forecast power</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>Standard deviation</td>
</tr>
<tr>
<td>-------------</td>
<td>------</td>
<td>--------------------</td>
</tr>
<tr>
<td>January</td>
<td>4319</td>
<td>1954</td>
</tr>
<tr>
<td>April</td>
<td>4175</td>
<td>1733</td>
</tr>
<tr>
<td>July</td>
<td>4319</td>
<td>579</td>
</tr>
<tr>
<td>October</td>
<td>4319</td>
<td>1154</td>
</tr>
</tbody>
</table>
Table 3
Coefficients of the calibrated ARMA(5,1) models and standard deviations of the fitted residuals by month in 2013.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>1.928</td>
<td>−1.059</td>
<td>0.118</td>
<td>−0.026</td>
<td>0.030</td>
<td>−0.861</td>
<td>0.359</td>
</tr>
<tr>
<td>April</td>
<td>0.429</td>
<td>0.551</td>
<td>−0.059</td>
<td>−0.009</td>
<td>−0.040</td>
<td>0.715</td>
<td>0.332</td>
</tr>
<tr>
<td>July</td>
<td>0.353</td>
<td>0.608</td>
<td>−0.142</td>
<td>0.130</td>
<td>−0.062</td>
<td>0.819</td>
<td>0.316</td>
</tr>
<tr>
<td>October</td>
<td>0.457</td>
<td>0.606</td>
<td>−0.235</td>
<td>0.011</td>
<td>0.036</td>
<td>0.778</td>
<td>0.322</td>
</tr>
</tbody>
</table>

Table 4
Parameters of the calibrated relationship between correlation of forecast errors and distance in 2013.

<table>
<thead>
<tr>
<th>Month</th>
<th>α</th>
<th>β</th>
<th>γ</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>0.316</td>
<td>0.375</td>
<td>0.1</td>
</tr>
<tr>
<td>April</td>
<td>0.155</td>
<td>0.595</td>
<td>0.15</td>
</tr>
<tr>
<td>July</td>
<td>0.120</td>
<td>0.55</td>
<td>0.15</td>
</tr>
<tr>
<td>October</td>
<td>0.202</td>
<td>0.465</td>
<td>0.1</td>
</tr>
</tbody>
</table>

The method will be referred to hereafter as “onshore-based actuals” or “synthetic actuals.” It may seem odd to “generate” actual wind data, but the purpose here is to test the unit commitment model against cases for which the actual data do not match the forecast, and thus the grid operator must use fast ramping units, dispatch reserves, call for demand management, etc., to address the unmet demand. This can be tested well with a forecast and a synthetic actual wind power that is generated from a realistic error analysis, as proposed here.

Because the wind forecasting system used by PJM for their onshore wind farms is provided by a contractor and is proprietary, limited knowledge is available on how the forecasts of wind speed and wind power were generated. It is known that the model used is the WRF and that the forecast system ingests observations of wind speed and power taken at the onshore wind farms in near real-time. Therefore, the PJM wind forecasting system can be considered advanced. Confirming that expectation, the PJM forecast system also exhibits good accuracy, with the median forecast error in wind power below 13% for individual wind farms and below 8% for all farms combined, based on analysis of PJM onshore data. The central assumption is that the ability to forecast offshore wind, once all the turbines are installed (giving the same access to actual data as currently at onshore wind farms), will be the same as the current forecast errors for onshore wind farms over flat terrain, as supported by Foley et al. [19].

PJM provided proprietary time series of forecasted and actual wind power for all onshore wind farms in the PJM area between 2011 and 2014. The approximate geographical locations of those farms and of the proposed offshore wind farms are shown in Fig. 4, together with the locations of the center points of the 29 offshore blocks proposed here. There are two main clusters of onshore wind farms: one along the Appalachian Mountains, on the eastern portion of the PJM area, and another in the Great Plains, on the western portion of the area.

The following methodology, shown as a flow chart in Fig. 5, is proposed to accomplish the goal of generating synthetic actual power generation at the offshore wind farms:

1. Choose one representative onshore wind farm over flat terrain and fit an auto-regressive, moving-average model (ARMA) to the time series of observed forecast errors for that farm. The implicit assumption here is that the ARMA model can be scaled to model the time series of forecast errors of each of the offshore wind farms. Foley et al. [19] support the assumption that the performance of a forecasting system for offshore wind would be approximately as accurate as one for onshore wind over flat terrain.

2. Estimate the relationship between the correlation of forecast errors at each pair of onshore farms and the distance between the farms. The assumption again is that the correlation-to-distance relationship can be used to approximate the matrix of covariance of the offshore forecast errors.

3. Combine the ARMA models of the forecast errors at each of the offshore wind farms with the matrix of error covariance to generate multiple samples of forecast errors for the offshore farms.

4. Add the samples of forecast errors to the WRF forecasts in order to generate multiple paths of synthetic actual offshore wind power.

The first step in the methodology above required choosing onshore wind farms whose performance would best approximate the offshore wind farms. In terms of topography and wind dynamics, the cluster in the Great Plains was the best fit. Consequently, a subgroup of twenty-three farms were selected from that cluster, comprised of those that were in operation during the entire months of January, April, July and October of 2013 (chosen as representative months of the four seasons of the year), the most recent, complete year with PJM data. To evaluate the accuracy of the forecasts for the selected subgroup of onshore farms, several performance metrics of the total wind power forecasts were computed. The results are depicted in Table 2. Bias amplitudes are around 4-3% of the mean, RMSE –40% of the mean, and correlations >0.8.

Although the total number of onshore farms in the selected set (23) is comparable to the total number proposed for the offshore set (29), their sizes are significantly smaller, as indicated by the magnitude of the total power generation in Table 2. In order to overcome this issue, the largest onshore farm in the set was chosen, also referred to as the “control” wind farm, to provide the data to calibrate the stochastic model of the forecast error. This farm has an installed capacity around 0.5 GW, whereas the average installed capacity of the MAOWIT offshore blocks is about 2.5 GW (Table 1). Furthermore, a model for the relative forecast error, i.e., the absolute forecast error expressed as a fraction of the installed capacity of the farm, was calibrated so that it could be scaled to any of the (larger) offshore farms.

3.1. Calibration

One stochastic error model was calibrated for each season of the year. The procedure used in each case was the same and is outlined by the following steps (Fig. 5):

1. Compute the cumulative empirical distribution (or histogram) of the relative forecast errors observed for all 23 onshore farms in the set.

2. Take the relative errors for the control onshore farm and transform them into Z-variates, first by mapping them to the corresponding fractions in the cumulative histogram computed in step 1, and then by using the inverse cumulative distribution of a Standard Normal.

3. The resulting Z-variate time series has data points every 10 min; extract a subset of this time series with data points every 20 min.

4. Fit an ARMA(5,1) model to the resulting 20-min spaced Z-variate time series. Note that the two parameters of the ARMA model (5
and 1) and the time gap between consecutive time series elements (20 min) were tuned by trial-and-error, until the simulated forecast errors were deemed close enough to the actual onshore forecast errors.

The ARMA model used here is defined as:

$$x(t) = a_1 x(t - 1) + a_2 x(t - 2) + ... + a_5 x(t - 5) + e(t) + b_1 e(t - 1),$$

where $x$'s are the time series, $a$'s are the auto-regressive coefficients, $b$ is the moving average coefficient, and $e$'s are the residuals. The calibrated values of the coefficients $a$ and $b$ and the resulting standard deviation $\sigma$ of the fitted residuals are shown in Table 3.

Once calibrated, each ARMA model can then be used to generate samples of simulated errors over the appropriate planning horizon. Two remarks are in order here: (i) since the generated errors are expressed as Z-variates, they will have to be converted back to relative errors using the reverse sequence of step 2 above; and (ii) since a finer time grain is actually needed for the simulated error

**Fig. 6.** Correlation of forecast errors at pairs of PJM onshore wind farms as a function of the distance between wind farms.

**Fig. 7.** Histograms of the prediction errors at the control onshore PJM wind farm for the four months of interest in 2013.
time series (data points every 10 min), linear interpolation will be used to generate the intermediate values.

When doing the back conversion from generated Z-variates to relative errors, issues arose in the lower tail of the distribution of errors, because of the possibility of large negative errors translating into negative simulated power values. Truncating the values at zero introduced a bias in the distribution of simulated errors. This issue was mitigated by using, in the back conversion only, a set of conditional cumulative empirical error distributions, rather than the unconditional distribution computed in step 1. The distributions were conditioned on ranges of values of the WRF forecast errors.

This issue was particularly relevant for the month of July, when the amount of wind available for power generation tends to be lower. Ten ranges of values of WRF forecast relative errors were used to condition the cumulative error histograms in July: [0, ..., 0.01], [0.01, ..., 0.025], [0.025, ..., 0.05], [0.05, ..., 0.075], [0.075, ..., 0.1], [0.1, ..., 0.125], [0.125, ..., 0.15], [0.15, ..., 0.2], [0.2, ..., 0.25], [0.25, ..., 1].

3.2. Accounting for spatial correlation

The next step in the proposed offshore wind power simulation methodology involved estimating the correlation between forecast
errors at two wind farms as a function of the distance between those farms. This correlation of the forecast errors is expected to be generally positive and to decrease as the distance between the farms increases. Onshore data are used here to estimate these functions and then the functions are assumed to remain the same offshore. As mentioned earlier, this assumption of correlation of errors with distance is reasonable but it is neither supported nor denied by literature. For each season (or month), first the matrix of

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**Fig. 10.** Histograms of the forecast errors for all the PJM wind farms in the Great Plains together.

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**Fig. 11.** Onshore-based wind power from one of the 21 equally-plausible scenarios considered in this study for each season by build-out level.
Fig. 12. WRF forecasted wind power and 5 equally-plausible, onshore-based, actual offshore wind power sample paths, at build-out level 5 for one week in each season.
forecast error correlation\(^3\) between each pair of the 23 onshore farms in the Great Plains was computed. Then, scaled exponential curves relating the correlation indices in the matrix with the distances between the pairs of farms were fitted. More specifically, the following functional form was used:

\[
\rho = \gamma + (1 - \gamma)e^{-ad^d},
\]

where \(\rho\) is the correlation index between two farms, \(d\) is the distance in miles between them, and \(a\), \(b\) and \(\gamma\) are parameters that were estimated for each season. The exponential coefficients \(a\) and \(b\) were estimated through a least squares procedure. The scaling factor \(\gamma\) was estimated through a linear search whose objective was to improve the overall matching between simulated and observed forecast errors aggregated over all farms for distances similar to those between our offshore blocks, up to \(-200\) km. Table 4 shows forecast errors aggregated over all farms for distances similar to the distances between the pairs of farms in the desired set. The distance function is used to generate an approximation of the error correlation vs. distance functions.

The final step in the offshore wind power simulation is to generate samples of forecast errors for all farms. The correlation-to-distance function is used to generate an approximation of the error correlation matrix between all pairs of farms in the desired set. The standard deviation \(\sigma\) from the ARMA model is combined with the approximate correlation matrix in order to yield the error covariance matrix \(\Sigma\). Assuming that the forecast errors of the farms in the set follow a multivariate Normal distribution \(N[X(t),\Sigma]\), where \(X[t] = [x(t)]\) is the vector of expected errors at time \(t\) for all farms in the set, computed through the ARMA models, multivariate samples of the forecast errors for all farms can then be generated. The \(Z\)-variates will have to be first appropriately converted back to relative forecast errors, and then scaled by the capacities of each farm in order to produce the final simulated absolute forecast errors.

### 3.3. Validation

To verify the accuracy of the calibrated stochastic error models, the validation is conducted first at the control onshore farm and then at all onshore farms.

Twenty time series of equally-plausible forecast errors were generated for the control onshore farm, for each month, and then compared to the corresponding time series of actually observed forecast errors. The observed and simulated errors match each other closely (Fig. 7) and both are generally lower than 0.2 GW (with 0.5 GW of installed capacity). This suggests that: 1) the current PJM forecast system is very accurate; and 2) the proposed ARMA predictions reproduce the errors of the PJM forecast system correctly. July stands out as an especially well simulated month, with the highest frequency of small errors (about twice as high as the other months).

Two additional metrics were used toinfer the accuracy of the calibrated stochastic error models. They measure the pattern of oscillation of the actual time series above and below the forecasted series. One is defined as the number of consecutive time intervals that the forecast error is positive (i.e., the observed time series is above the forecasted series, Fig. 8) and the other is the number of consecutive time intervals that the forecast error is negative (i.e., the observed time series is below the forecasted series, Fig. 9).

The plots in Figs. 7–9 show a good fit between the simulated and observed time series for the control onshore farm, in each of the seasons of the year, thus validating the calibrated stochastic error models used to generate the simulated time series.

In order to verify the accuracy of the wind power simulation methodology as a whole, 20 samples of forecast errors for all the 23 onshore farms in the Great Plains were generated. Then, the histograms of simulated forecast errors for all farms together were compared with the histograms of actually observed forecast errors (Fig. 10). The good match between simulated and observed histograms validate the proposed methodology and the calibration of the underlying models.

### 4. Results

Using the methodology described in the previous section in combination with the WRF forecasts described in Subsection 2.3, seven sample paths of onshore-based actual wind power were generated, which created a particular scenario in terms of weather shifts and storm patterns. Then three different one-week-long blocks were extracted from those data, in each of the four months, in order to create a total of \(7 \times 3 \times 4 = 84\) sample paths representing different seasons, different meteorological conditions, and different sample realizations of forecast errors.

As an example, the output from one of these instances is plotted as the total wind power by build-out level in Fig. 11, which can be compared to Fig. 3. There are similar patterns between them, for each season of the year, but there are significant differences too, particularly in July.

\(^3\) Correlation, rather than covariance, is used so that it can be extended to farms of a different scale (possibly larger).
The other equally- plausible onshore-based actual time series compare well with the WRF forecasts, as shown in Fig. 12, where the WRF forecasts (in black) and 5 (out of 7) onshore-based actuals (in different colors) are plotted for build-out level 5 every 10 min. A visual inspection of the plots in all months shows the variability present in the scenarios of onshore-based actual wind.

Fig. 13 shows the time series of forecasted (predicted) wind power over a portion of the simulation horizon in January, along with one of the simulated sample paths, for build-out level 5. The differences between the simulated power and the day-ahead forecasts constitute the day-ahead (DA) forecast errors, while the differences between simulated power and the intermediate-term forecasts constitute the intermediate-term (IT) forecast errors. Both types of errors must be reduced as much as possible. In this study, the DA forecast errors will be dealt with through the scheduling of fast generators in the intermediate-term unit commitment, whereas the IT forecast errors will be compensated by the use of (fast) reserves in the economic dispatch.

5. Conclusions

This paper describes a wind power forecast error model that is innovative and can be used in other modeling studies of wind integration in power grids. The innovation is that the error forecast model is based on real wind power prediction errors at real wind farms. The second original contribution of this study is the assessment of the available ocean space for future large-scale offshore wind development along the U.S. East Coast.

The case study is the PJM Interconnection and the wind power is assumed to come from increasingly larger offshore wind farms located along the U.S. East Coast. Five build-out scenarios are studied, varying between 7 and 70 GW of installed capacity, considering exclusion zones and conflicting water uses. The wind forecasts are obtained via a current numerical weather prediction model, the WRF, but no offshore observations are available for validation or for generating wind power error statistics. Therefore a stochastic wind forecast error model was developed that uses historical wind power forecast errors at onshore PJM wind farms and applies them offshore to obtain stochastic time series of synthetic, onshore-based, actual offshore wind power.

Future offshore wind power development is likely to be accompanied by improvements in wind forecasting techniques. This study only uses existing forecasting techniques and does not incorporate the latest advances, such as real-time data assimilation, rapid refresh, statistical bias corrections, or ensemble probabilistic forecasts [25,44]. Current management practices are also utilized in this study and future, promising policies, such as demand management or demand/response, are not considered. Therefore, the results of this study are likely to be conservative, meaning that it is more likely that more wind than our predictions can be integrated in the PJM electricity grid than less.

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