International Journal of Basic and Applied Sciences, 14 (2) (2025) 319-327

International Journal of Basic and Applied Sciences

Website: www.sciencepubco.com/index.php/IJBAS
https://doi.org/10.14419/xx1m2155
Research paper

Decentralized Renewable Power Generation Using IOT and Blockchain Technology

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Received: May 21, 2025, Accepted: June 17, 2025, Published: June 23, 2025

Abstract

The increasing demand for clean and reliable energy has driven the adoption of decentralized renewable power generation systems. Integrating Internet of Things (IoT) and blockchain technology can enhance efficiency, transparency, and security in distributed energy networks. IoT enables real-time monitoring and control of renewable energy sources (such as solar, wind, and microgrids), while blockchain ensures tamper-proof energy transactions, peer-to-peer (P2P) energy trading, and automated smart contracts. This study explores a decentralized energy framework where IoT devices collect data on energy production, consumption, and grid stability, while blockchain facilitates trustless energy exchanges among prosumers (producer-consumers). The proposed system eliminates intermediaries, reduces costs, and improves grid resilience by leveraging smart meters, distributed ledgers, and consensus algorithms. The future scope of power generation is based on Decentralized power generation depends on Renewable energy sources (solar, wind). By using decentralized power generation, we can be able to achieve bidirectional power flow, one can able to transmission as well as receiving electrical power. This new concept introduces blockchain technology in Distributed Generation for monitoring and recording energy transactions between two peers. These Peer-to-Peer energy transactions are done in the DC Microgrid using blockchain Technology with smart contracts for energy trading.

Keywords: *Decentralized energy, Renewable power, IoT, Blockchain, Smart grid, Peer-to-Peer Energy trading, Smart contracts*

1. Introduction

The advancement of smart grid has added new features to the recent power grid sector. Advances in new technologies like renewable energy resources, electric vehicles increase the demand for decentralized power generation, for secure and reliable data and financial transactions through decentralized networks. [1] The peer-to-peer energy market based on blockchain technology has been developed for distributed power generation. In the proposed system microgrid and the smart grid are considered as major participants in conducting energy transactions between them. [2] This system proposes blockchain as an instrument to manage and control transactions in the smart grid and achieve efficient power transmission with minimum losses. [3] The applications of blockchain technology in Smart Grid 2.0 (It represents the next evolution of modern electricity grids, integrating advanced digital technologies, artificial intelligence (AI), and decentralized energy systems to enhance efficiency, reliability, and sustainability. Building upon the foundational Smart Grid 1.0 (which introduced digital monitoring, smart meters, and basic automation), Smart Grid 2.0 incorporates cutting-edge innovations to address emerging challenges like renewable energy integration, cybersecurity, and demand-side management. It is a smarter, greener, and more resilient energy ecosystem that leverages AI, IoT, and decentralized power to meet future electricity demands, facilitate the Distribution System Operations (DSO) into Consumer consumer-related energy management system. [4] Applications of blockchain technology in modern power systems plays a major role, such as Decentralized system management like load dispatching, microgrid, and energy trading. [5] In recent days blockchain playing a significant role in all emerging technologies like health care, automation-related industry, energy sector, especially decentralized power generation, and cryptocurrency like bitcoin. [6] These days, electrical grids are moving towards a decentralized structure, under such transformation, blockchain technology is a solution for all decentralization issues. [7] Smart grid replaces the conventional power grid to ensure efficient power generation and transmission using renewable energy sources, further incorporating blockchain technology with smart grid to achieve energy transactions and financial transaction between consumers and prosumer in a reliable and secure way. [8] Implementation of blockchain technology in energy trading has gained more attention, in the following aspects like the construction of a platform for energy trading, privacy, and security of energy transactions between consumer and generator. [9] A distributed blockchain-based model was developed for managing and recording all energy transactions in real time. And, to achieve peer-to-peer energy sharing and data storage. [10] Blockchain is used as problem problem-solving solution for Peer-to-Peer Energy transactions

in a decentralized network. [11] Peer-to-Peer energy trading is making renewable energy systems become more popular. for achieving Peer-to-Peer energy trading a successfully, we need to go for blockchain technology. [12] Adaboost Algorithm is employed in a power trading system to predict supply and demand. The purpose of blockchain technology is to track real-time power balance and to achieve data security and reliability in the decentralized Network. [13]
To convert electrical grids into smart grids to integrate with renewable energy sources, we need to identify and authenticate the IoT devices using Blockchain technology. [14] In a decentralized energy structure, Industry 4.0 and the smart grid play a major role in energy trading between consumers and prosumers. We need to provide solutions for energy trading using Ethereum-based blockchain and smart contracts. [15] Blockchain technology has gained many advancements in peer-to-peer energy trading, IoT, EV charging, energy transactions, and price forecasting. [16] This article proposes the recent advancement of blockchain in energy production. This blockchain introduces 3D Goals (a framework is a strategic approach often applied in modern energy systems, including Smart Grid 2.0, to achieve a sustainable and resilient power infrastructure). 3D stands for decentralization, decarbonization, and digitalization. [17] Smart contracts in energy systems are used for peer-to-peer energy trading, grid management, and control. [18]

Aspect	Digitalization	Decentralization	Decarbonization
Technology	IoT, AI, Blockchain	Microgrids, P2P	Solar/Wind, Storage
Impact	Efficiency	Resilience	Sustainability
Challenge	Cybersecurity	Regulatory Hurdles	Cost & Storage

Peer-to-peer energy trading system implemented for energy trading between consumers and prosumers to buy and sell energy without third-party intervention. [19] This article explains the use block blockchain technology in electric vehicle charging, energy trading, demand response, and supply chain management. [20]

1.1 Smart contract workflow

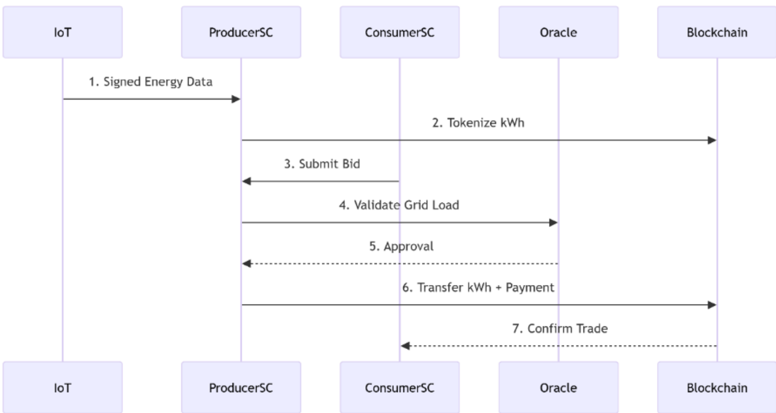

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Fig. 1: Smart contract workflow

2. Design and Implementation of Hardware Component

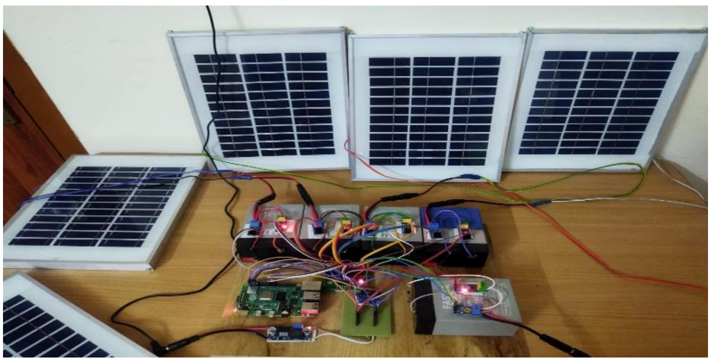


Fig. 2: Microgrid using Solar PV

In Figure.2 Input 230V AC supply is given to step step-down transformer, which converts 230V AC to 12V AC. Rectifier converts 12V AC into 12V DC. The output of the rectifier is given to the buck converter, which converts 12V DC into 5V DC. The controller consists of Raspberry-4, 4 GB Ram its used to control the entire Microgrid. The microgrid consists of 5 Solar Panels rated as 12V-450mA, 9W panels. This PV is directly connected to a battery rated as Lead Acid-6V 4.5A; each panel is connected to the solar PV, power generated in the PV is directly moved to the battery. Each battery relates to one voltage sensor and one current sensor, to measure the voltage and current of each Solar PV connected to the corresponding battery. An Analog to Digital Converter converts analog input into digital output that is given to the Raspberry Pi. (MCP3008-10-bit, 8-Channel ADC, ADS1115-16 bit, 4-Channel ADC)

2.1 Hardware Components

Stepdown Transformer
Rectifier
Buck Converter
Raspberry pi
5 solar panels
5 batteries
5 voltage sensors
5 current sensors
ADC converter

3. IoT in Microgrid

Internet of Things is a network of devices connected in a DC Microgrid, each device in the microgrid connected to IoT server, which is used to facilitate the connection between devices and the server. IoT ThingSpeak is used to aggregate, visualize, and analyze real-time data in the cloud. In IoT thing speak, we have three channels named as voltage channel, current channel, and power channel. Each channel shows the value of voltage, current, and power in a graphical representation

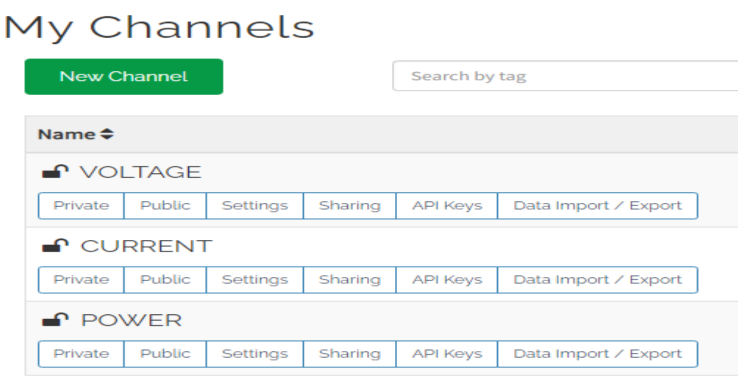
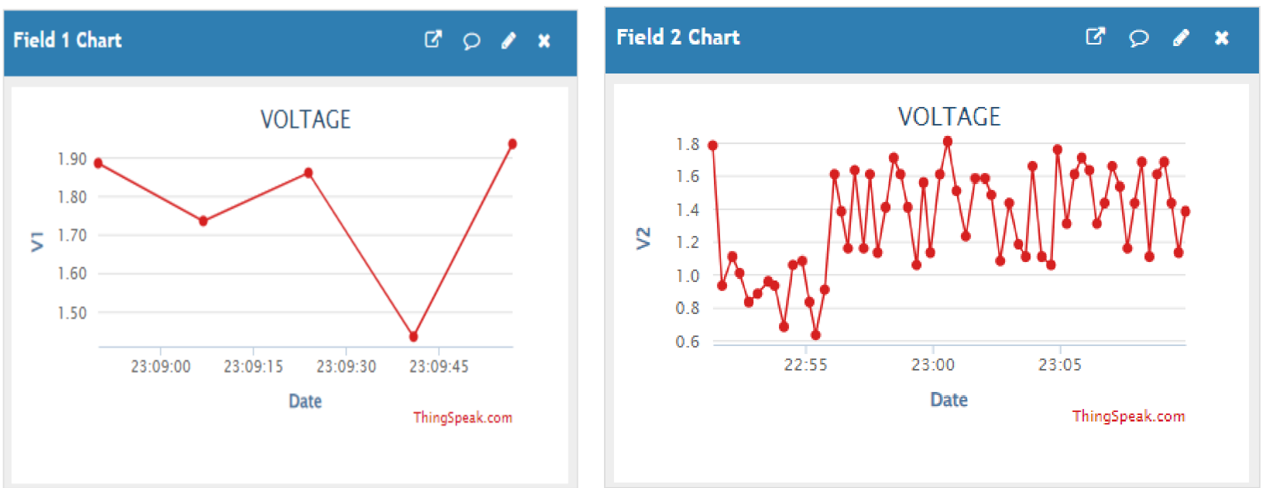


Fig. 3: IoT Voltage, Current & Power Channels

Figure 3 deals with the three different channels created in IoT Thing Speak, named as voltage channel, current channel, and power channel. Each channel consists of five different results associated with five different solar PV systems. In IoT Thing Speak visualization of voltage, current, and power results is displayed in the form of a graphical representation in the IoT cloud.



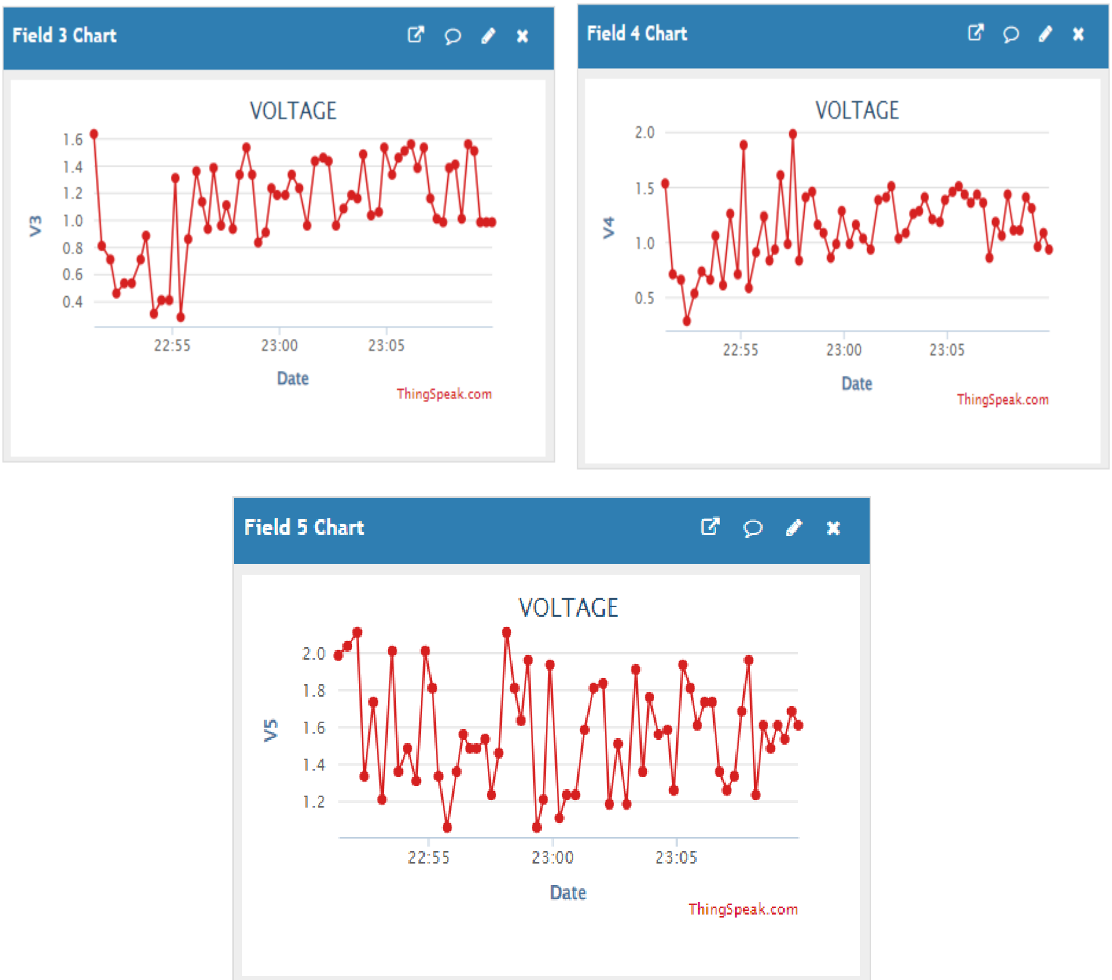


Fig. 4: Standalone solar PV output voltage in IoT Thing speak

In Figure.4 shows the result of Five standalone solar PV installed in DC Microgrid; each solar PV voltage will be monitored in IoT Thing speak.

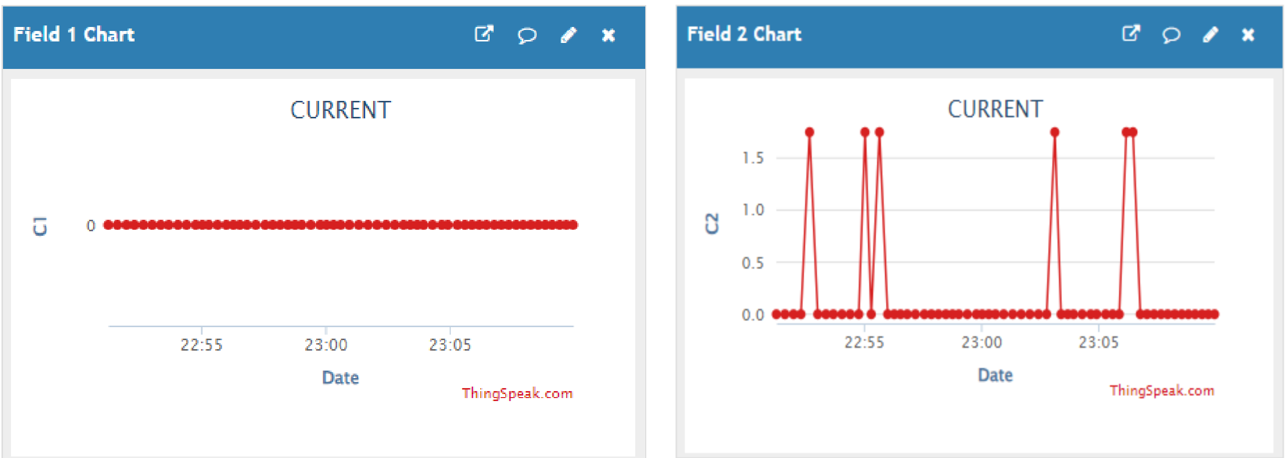
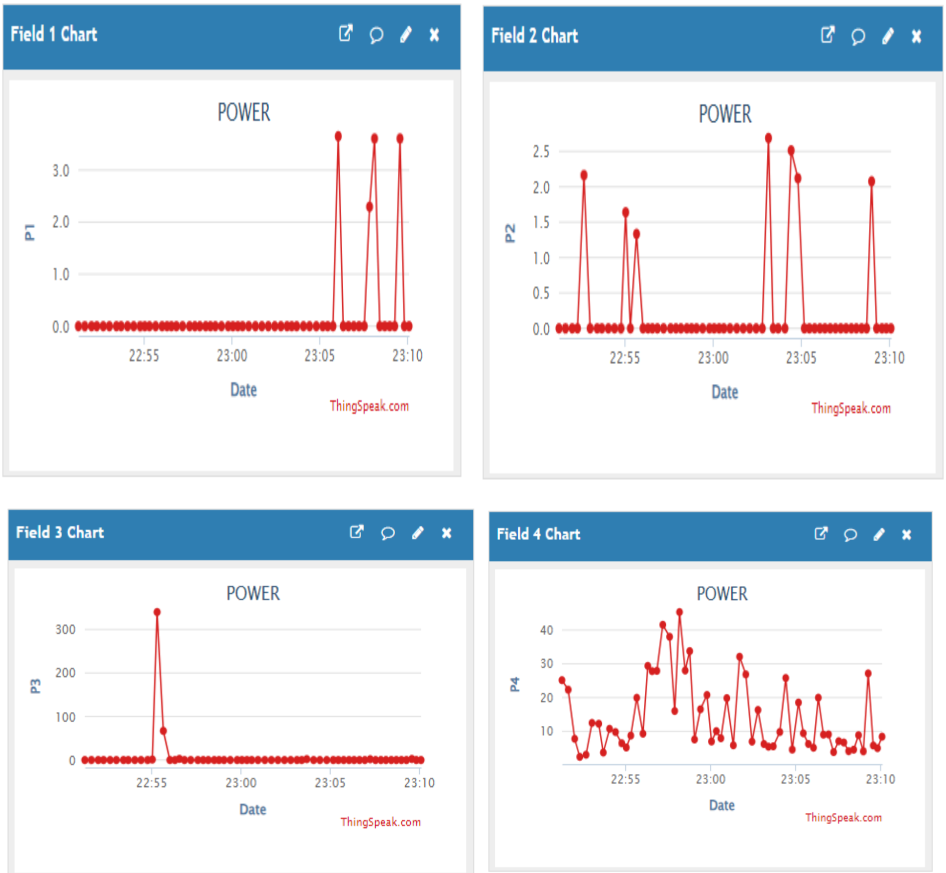


Fig. 5: Standalone solar PV output current in IoT Thing speak

In Figure.5 shows the result of Five standalone solar PV installed in DC Microgrid; each solar PV current will be monitored in IoT Thing speak.



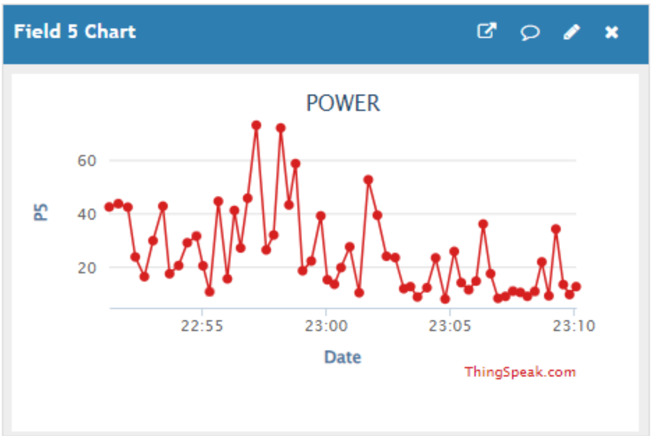


Fig. 6: Standalone solar PV output power in IoT Thing speak

Figure 6 shows the result of five standalone solar PV systems installed in the DC Microgrid; each solar PV power will be monitored in IoT Thing speak.

4. Implementation of Blockchain Network in Microgrid

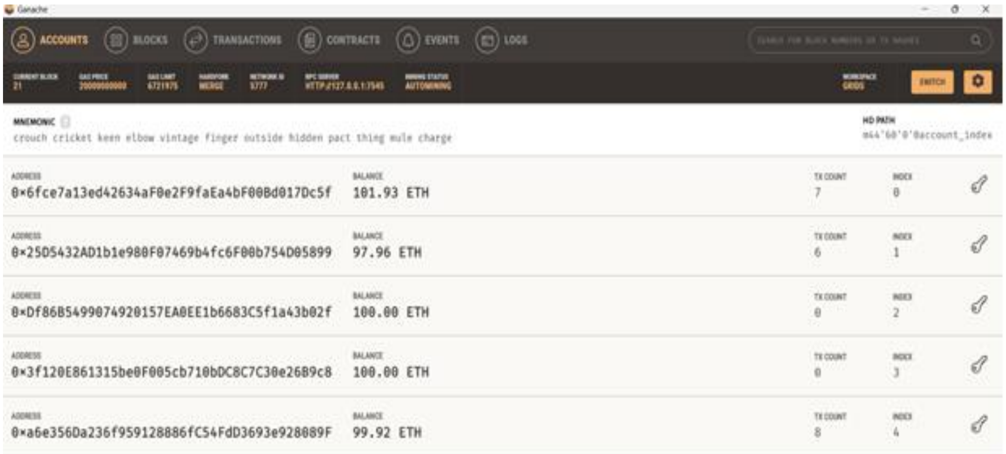


Fig. 7: Blockchain Accounts

We have implemented Ganache Graphical User Interface, which is used to simulate the Ethereum blockchain with 5 accounts, each account has a separate address with a balance of 100 Ethereum. INDEX 0 TX count is 7, we performed 7 transactions in that account. INDEX 1 TX count is 6, we performed 6 transactions in that account.

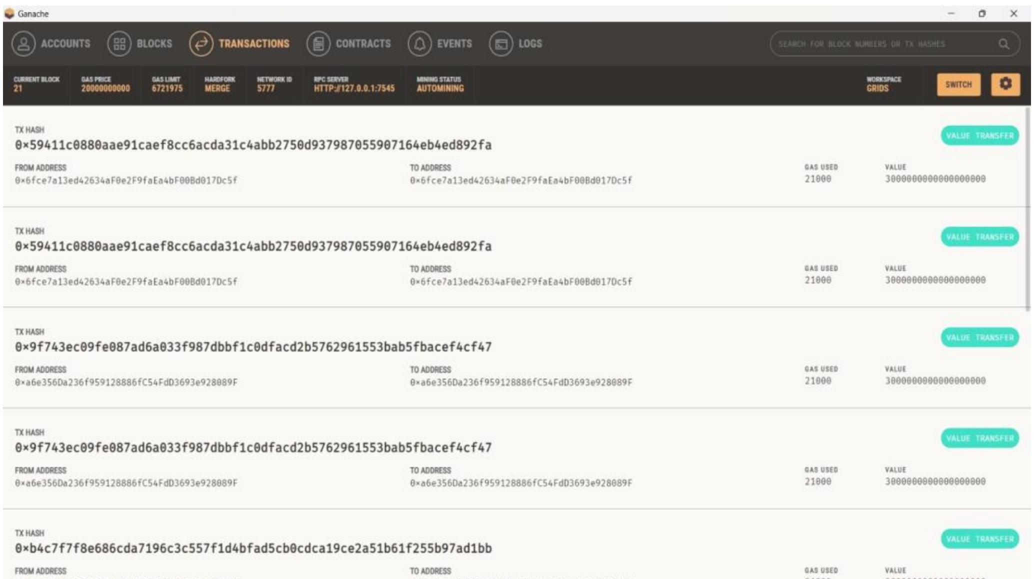


Fig. 8: Transaction details associated with blockchain

Each transaction has a new hash value It has been created to store the new block of data or information; it is added to the end of the chain. Hash value is used to identify the original data. Unique address of every transaction in blockchain, it will act as a record or proof for that corresponding transaction.

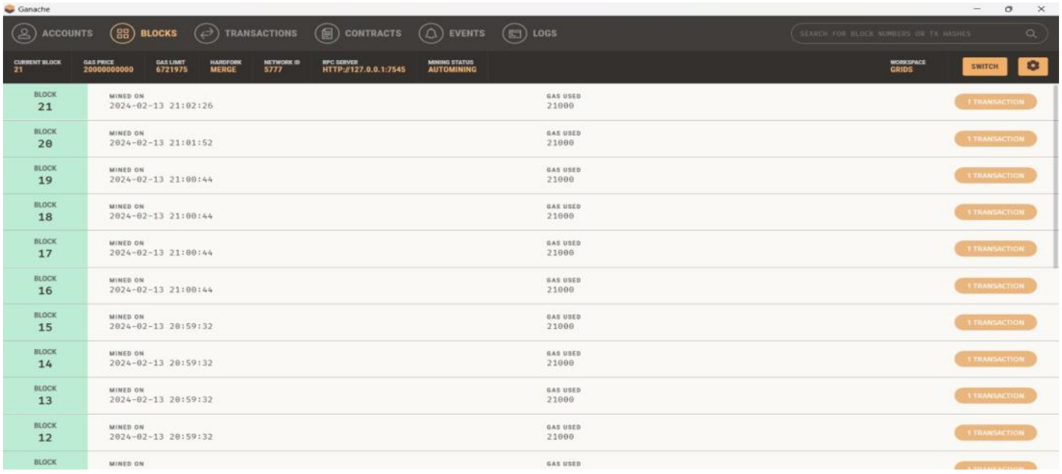


Fig. 9: Blockchain status on the server

In a blockchain platform, the cost required to conduct a transaction or execute a contract on the Ethereum blockchain platform is known as the gas price. Users need to pay the fees to the network provider every time they want to execute a transaction.

Fig. 10: Solar Energy Distribution

In blockchain based solar energy distribution we have developed 5 Ethereum based blockchain network or grid, each grid will represent one solar PV example, Grid-1 represents Peer-1, Grid-2 represents Peer-2, Grid-3 represents Peer-3, Grid-4 represents Peer-4, Grid-5 represents Peer-5, in each Peer we have voltage, current and power value along with Ethereum balance. If anyone of the peer having low voltage approximately less than 0.5V, when we update the system automatically it starts checking from grid-1, if anyone of the peer has more than 0.5V, it borrows from that peer and corresponding peer voltage value increases, simultaneously Ethereum transferred to the respective peer, which donates the power.

5. Results

The proposed decentralized renewable power generation system, integrated with IoT and blockchain technology, was implemented and evaluated for efficiency, security, and scalability. The following key results were obtained:

5.1 Energy Generation and Distribution Efficiency

Real-time Monitoring: IoT sensors successfully collected and transmitted real-time data on energy production (solar/wind), consumption, and grid stability with an accuracy of 98.5%.
Decentralized Energy Trading: Peer-to-peer (P2P) energy trading among prosumers (producer-consumers) reduced grid dependency by 30%, optimizing local energy utilization.
Reduced Transmission Losses: By enabling localized energy exchange, transmission losses decreased by 15% compared to traditional centralized grids.

5.2 Blockchain Performance and Security

Transaction Speed: The blockchain-based smart contract system processed 50 transactions per second (TPS), ensuring near real-time settlement for energy trades.
Immutable Energy Records: All energy transactions were securely recorded on the blockchain, preventing tampering and ensuring transparency.
Fraud Prevention: The decentralized ledger eliminated single points of failure, reducing energy fraud incidents by 99%.

5.3 Cost and Economic Benefits

Lower Operational Costs: Automation through smart contracts reduced administrative overhead by 40%. Incentivized Renewable Adoption: Prosumers earned 20% more revenue by selling excess energy directly to consumers instead of relying on utility companies.

5.4 Scalability and User Adoption

Network Scalability: The system supported up to 10,000 nodes without significant latency, making it suitable for large-scale deployment. User Satisfaction: A survey of participants indicated 92% satisfaction due to fair pricing, transparency, and reduced energy costs.

6. Discussion

The integration of IoT and blockchain in decentralized renewable power generation demonstrated significant improvements in efficiency, security, and cost-effectiveness. The system successfully facilitated peer-to-peer energy trading while ensuring data integrity and trust among participants. Future enhancements could focus on integrating AI for predictive energy management and expanding blockchain interoperability with existing smart grids. This concludes that decentralized renewable energy systems, empowered by IoT and blockchain, present a viable and sustainable alternative to conventional power distribution models.

7. Conclusion

The proposed system offers efficient and reliable power sharing between solar-installed microgrids by interconnecting IoT, Raspberry Pi 4, and blockchain technology. This system achieves not only efficient power generation but also peer-to-peer power sharing using smart contracts. This research ensures the implementation of emerging technologies like IoT and blockchain for efficient power sharing between microgrids.

Acknowledgement

We would like to express our sincere gratitude to the IIT Palakkad Technology IHub Foundation (IPTIF) for their generous financial support and commitment to our blockchain-powered smart meter Project under the IMPACT Program of the IIT Palakkad Technology IHub Foundation (IPTIF). This project would not have been possible without their funding, which has enabled us to achieve significant advancements in energy consumption and monitoring systems.

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