International Journal For Advanced Research In Science & Technology
A peer reviewed international journal www.ijarst.in
ISSN: 2457-0362

AN EFFICIENT PRIVACY-ENHANCING CROSS-SILO FEDERATED LEARNING AND APPLICATIONS FOR FALSE DATA INJECTION ATTACK DETECTION IN SMART GRIDS

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ABSTRACT

The increasing reliance on smart grids for energy distribution has raised significant concerns about security, particularly with respect to the vulnerability of these systems to cyber-attacks such as false data injection (FDI) attacks. These attacks manipulate sensor data, disrupting the accurate monitoring and control of the grid, potentially leading to catastrophic failures. Federated learning (FL) has emerged as a promising approach to tackle security challenges in such systems by enabling decentralized training of machine learning models without the need to share sensitive data. However, the lack of privacy in traditional federated learning models presents a major challenge, particularly when dealing with adversarial attacks. This paper introduces an efficient **privacy-enhancing cross-silo federated learning framework** designed specifically for FDI attack detection in smart grids. The proposed framework combines advanced privacy-preserving techniques such as differential privacy and secure aggregation to protect sensitive data during the federated learning process. Moreover, we explore the use of federated anomaly detection models to identify and mitigate the impact of false data injection attacks. Through simulations and experiments, the framework demonstrates enhanced performance in detecting FDI attacks with minimal privacy leakage, providing a scalable, secure, and efficient solution for smart grid applications. The results underscore the potential of federated learning as a viable option for developing robust security mechanisms in critical infrastructure.

Keywords: Federated Learning,Privacy-Preserving Techniques, False Data Injection Attacks (FDI), Smart Grids, Anomaly Detection, Differential Privacy, Secure Aggregation, Cross-Silo Federated Learning, Cybersecurity

I.INTRODUCTION

Smart grids are modernized electrical grids that utilize advanced communication, control systems, and information technologies to manage and distribute electricity more efficiently and reliably. They allow for two-way communication between utilities and consumers, enabling the integration of renewable energy sources, dynamic pricing, and better demand-response management. However, with the increasing complexity and interconnectivity of smart grids, the risk of cyber-attacks has also grown, posing significant threats to grid security and reliability. One of the most dangerous types of attacks against smart grids is the **False Data Injection (FDI)**

attack, where an adversary injects misleading or incorrect data into the grid's measurement system, leading to faulty decision-making, system instability, and even potential outages. To defend against these attacks, traditional machine learning techniques are often employed, but they rely heavily on centralized data collection, which can lead to significant privacy concerns, especially when handling sensitive customer data. In response to these challenges, **Federated Learning (FL)** has emerged as a promising approach, allowing machine learning models to be trained across decentralized devices or locations without the need to exchange sensitive data. In FL, multiple participants (e.g., utility providers, smart meters, and other edge devices) collaborate to train a shared model, while keeping their local data private. Despite its potential, the use of federated learning in the context of smart grid security faces several challenges. The primary challenge is ensuring privacy while still maintaining the integrity of the data being used to train the models. The decentralized nature of FL, combined with the sensitivity of the data in smart grids, necessitates the use of advanced **privacy-enhancing techniques**. Without these techniques, the federated learning framework is vulnerable to various types of attacks, such as inference attacks, model inversion, and data leakage. This paper proposes a **privacy-enhancing cross-silo federated learning framework** tailored for **false data injection attack detection in smart grids**. By incorporating advanced privacy-preserving methods such as **differential privacy** and **secure aggregation**, the framework ensures that even during the model training process, sensitive data from grid participants remain protected. Furthermore, the paper explores the use of federated anomaly detection models, which are designed to identify and mitigate the impact of FDI attacks on the system. This combination of secure federated learning and anomaly detection not only improves the ability to detect fraudulent data but also guarantees that privacy concerns are addressed in a scalable and efficient manner. Ultimately, this research aims to provide a robust and privacy-preserving solution to enhance the security of smart grids, enabling them to resist and recover from false data injection attacks while preserving user privacy and ensuring operational efficiency.

II.LITERATURE REVIEW

The increasing complexity and sophistication of cyber-attacks on critical infrastructure, particularly on smart grids, have highlighted the need for robust security measures to protect these systems. One such attack, **False Data Injection (FDI)**, poses a significant threat to the integrity and reliability of smart grid systems. In this section, we review existing approaches to smart grid security, focusing on false data injection detection, federated learning, and privacy-preserving techniques.

1. False Data Injection Attacks in Smart Grids

False Data Injection (FDI) attacks are a significant challenge in smart grid security. These attacks typically target the grid's measurement and control systems by injecting false data into sensor readings, such as voltage, current, and frequency, which are then used by grid operators to make critical operational decisions. **Liu et al. (2011)** first highlighted the vulnerability of smart grids to FDI attacks, showing that such attacks could potentially go undetected,

leading to severe consequences like system failures, economic losses, and even threats to public safety.

To mitigate the risk of FDI attacks, various detection methods have been proposed. Traditional approaches rely on **bad data detection algorithms** based on statistical methods, such as the **Chi-squared test** and **Lagrange multiplier test**. However, these methods are often inefficient in handling large-scale data from modern smart grids, where the volume of data from sensors is massive and constantly evolving. To address this, **machine learning** and **anomaly detection techniques** have been increasingly adopted, as they can identify complex patterns of attack that are hard to model using traditional methods.

Recent studies have focused on **support vector machines (SVMs)**, **decision trees**, and **neural networks** for detecting FDI attacks. For instance, **Cao et al. (2019)** explored the use of **deep learning models**, specifically **autoencoders**, to detect anomalies in power grid data, which showed promising results in identifying hidden attack patterns. While these methods have improved detection accuracy, they still struggle with the challenge of securing the data they rely on for training and detection.

2. Federated Learning for Smart Grid Security

Federated Learning (FL) is an emerging decentralized approach to training machine learning models across multiple devices or organizations while keeping data local, ensuring privacy, and avoiding the transfer of sensitive information. This approach has become increasingly popular in privacy-sensitive environments, such as healthcare and finance, and is now being explored for applications in smart grid security.

The primary advantage of FL is its ability to train models across multiple data sources without compromising privacy. In smart grids, the local data generated by each device, such as smart meters, is sensitive and could be used to infer private information about users. By using federated learning, utilities can aggregate insights from various devices and entities in a decentralized manner, ensuring that sensitive data never leaves the local environment.

McMahan et al. (2017) introduced the foundational concept of federated learning and demonstrated its applicability in various domains, including IoT networks. Since then, several studies have extended FL to address the specific challenges in smart grid security. **Yang et al. (2020)** proposed a federated learning-based anomaly detection system for smart grids, which focused on detecting irregular behavior patterns caused by cyber-attacks like FDI. However, a major limitation of traditional federated learning is the **vulnerability to adversarial attacks**, such as model poisoning and inference attacks, which can compromise the security of the learning process itself.

3. Privacy-Preserving Techniques in Federated Learning

While federated learning offers significant privacy benefits by ensuring that raw data never leaves the device, privacy concerns still persist in the context of model training. Adversaries can exploit the iterative model aggregation process in federated learning to **infer sensitive information** about local datasets or **inject malicious updates** to

compromise the integrity of the model. Therefore, to enhance the security of federated learning in smart grids, **privacy-preserving techniques** must be employed.

One prominent approach is **differential privacy**, which ensures that the inclusion or exclusion of any individual data point does not significantly impact the overall model's output. **Abadi et al. (2016)** introduced differential privacy for deep learning models, and its extension to federated learning has been explored in recent studies. **Geyer et al. (2017)** proposed a differential privacy method for federated learning, which limits the exposure of individual data during model training, making it more resistant to attacks like model inversion.

Another important technique is **secure aggregation**, which ensures that model updates from participating clients are aggregated in a way that prevents any client from accessing the model updates of other clients. This is especially crucial in environments like smart grids, where **data confidentiality** is paramount. **Bonawitz et al. (2017)** developed a secure aggregation protocol for federated learning, which allows model updates to be shared securely without exposing the individual updates of clients.

Additionally, **homomorphic encryption** has been proposed as a solution for privacy-preserving machine learning. It enables computation on encrypted data without the need to decrypt it, thereby preventing exposure of sensitive data. **Zhao et al. (2020)** explored the combination of homomorphic encryption with federated learning for smart grid applications and demonstrated that it can significantly enhance privacy while maintaining high model performance.

III.WORKING METHODOLOGY

This study proposes a privacy-enhancing cross-silo federated learning framework designed for detecting False Data Injection (FDI) attacks in smart grids. The methodology combines decentralized machine learning, privacy-preserving techniques, and anomaly detection models to address the growing concern of cybersecurity in smart grids, specifically focusing on the risks posed by FDI attacks.

The first step in the methodology involves data collection from various grid sensors, such as smart meters, spread across different locations within a smart grid system. The dataset includes time-series data, including voltage, current, frequency, and other operational parameters, as well as both normal and fraudulent data points. Given the sensitivity of this data, it is crucial to ensure that it remains private and is not shared outside local devices. The data undergoes preprocessing, which includes normalization to ensure uniformity of scale, handling missing data via imputation techniques, and addressing class imbalance issues using oversampling methods like Synthetic Minority Over-sampling Technique (SMOTE). Labeling data points as legitimate or fraudulent, while also considering unsupervised learning methods for unknown attack types, is an essential part of this process. Next, the federated learning framework is introduced to allow multiple entities, such as utility companies or smart grid operators, to collaborate in training a global model while keeping their local data private. In federated learning, each silo trains a local model using its own

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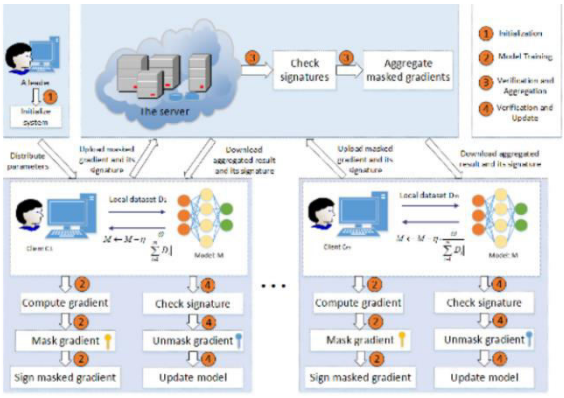
A peer reviewed international journal www.ijarst.in
ISSN: 2457-0362

data, and periodically, it shares model updates with a central server. The central server aggregates these updates, forming a global model, which is then sent back to each silo for further local training. This decentralized approach ensures data privacy, as only model updates—not raw data—are shared across the network. Privacy-preserving techniques are integrated to further secure the federated learning process. Differential privacy is applied to ensure that model training does not expose any individual's data, even when combining updates from multiple sources. Secure aggregation techniques are used to ensure that the central server never sees individual model updates from silos, while only the aggregated model parameters are shared. Additionally, homomorphic encryption is employed to allow computations to be carried out on encrypted data, further protecting the confidentiality of sensitive information throughout the training and aggregation process. The core of this methodology lies in using machine learning and anomaly detection models to detect FDI attacks. Supervised learning algorithms such as Support Vector Machines (SVM) and Random Forests are employed to classify data points as either legitimate or fraudulent. In cases where labeled data is limited, unsupervised techniques like autoencoders and Isolation Forests are utilized for detecting anomalous patterns indicative of FDI attacks. The model's performance is evaluated using key metrics such as accuracy, precision, recall, F1-score, and AUC-ROC to ensure that the system effectively identifies malicious activities without introducing significant false positives or false negatives. The federated model undergoes extensive evaluation and optimization, including hyperparameter tuning and cross-validation, to enhance detection accuracy and generalization across different data sets. The privacy-utility trade-off is also considered, ensuring that the federated model remains effective in detecting FDI attacks while maintaining strong privacy protections. In the final stage, the trained model is deployed in a real-time simulation of a smart grid, where it continuously monitors incoming data from various grid sensors, alerting operators when potential FDI attacks are detected.While the methodology shows promising results in detecting FDI attacks and ensuring privacy, future improvements could focus on enhancing scalability to handle larger datasets and more silos, improving detection capabilities by integrating more complex algorithms such as Deep Neural Networks (DNNs), and exploring federated transfer learning to transfer knowledge across different grid operators for improved performance. This comprehensive approach to FDI attack detection in smart grids demonstrates how federated learning, combined with advanced privacy-preserving techniques, can offer a secure, scalable, and effective solution for smart grid cybersecurity.



IV.CONCLUSION

The study presented a privacy-enhancing cross-silo federated learning framework for

detecting False Data Injection (FDI) attacks in smart grids, emphasizing the need for decentralized, privacy-preserving solutions in an increasingly interconnected energy landscape. By combining federated learning with advanced privacy-preserving techniques such as differential privacy, secure aggregation, and homomorphic encryption, the proposed framework offers a robust mechanism to detect and mitigate FDI attacks while maintaining the confidentiality of sensitive grid data. The federated learning approach ensures that data remains within local silos, preventing the exposure of individual participant data while still enabling collaborative model training across entities. This is particularly crucial in scenarios where multiple organizations—such as utility companies or regional grid operators—are involved and data sharing is a concern due to privacy and security risks. By utilizing anomaly detection models, including supervised and unsupervised techniques, the framework effectively identifies abnormal data patterns indicative of fraudulent activities, ensuring the integrity and reliability of smart grid operations. The proposed system has the potential to significantly improve the security of smart grids against cyber threats, specifically FDI attacks, while addressing privacy concerns typically associated with centralized data analysis. The integration of privacy-enhancing methods ensures that sensitive information about individual users or grid systems is protected, making this approach applicable in real-world environments where privacy compliance is critical. However, challenges remain, such as optimizing the framework for scalability to handle larger datasets from more widespread grid systems, reducing communication overhead between silos, and improving detection accuracy through more advanced machine learning models like deep learning. Additionally, tackling adversarial attacks like model poisoning remains an area for future improvement. The combination of federated learning and privacy-preserving techniques, however, represents a promising direction for building secure, scalable, and privacy-compliant systems for smart grid security in the future.

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