

**From:** Bock, Mark J [mailto:Mark.J.Bock@bge.com]  
**Sent:** Monday, December 06, 2010 4:19 PM  
**To:** Reynolds, John  
**Cc:** Manion, Evelyn; Pino, William B; Goodenough, John M; Matassa, Charles P; Bloom, David N  
**Subject:** BGE Concerns about changes to PJM's forecasting methodology  
**Importance:** High

Mr. Reynolds,

BGE is very concerned that the changes in load forecasting methodology now being considered by the PJM Load Analysis Subcommittee will be implemented without careful study. Any changes to the PJM forecast methodology must be done in a transparent, deliberate and thoughtful process that preserves the independent point of view that has been so important in the past.

During the conference calls that have been held on this subject, several forecasters have put forth their concerns about rushing into making changes without careful study of the issues arising from the Itron recommendations. These concerns must be thoroughly addressed before being implemented into the forecast.

The annual PJM Load Report has a forecast track record that is quite accurate. Any change in the forecast methodology must be expected to improve upon an already excellent track record. To do this, the PJM forecasting staff must continue to carefully examine any proposed improvements and implement any proposals that are likely to lead to improvements. Such changes must then be monitored to understand the impacts on forecast accuracy. This is "best practice" in forecasting - it is what all professional forecasters strive to achieve.

BGE recommends that PJM should include all of the proposals that they think are worth consideration on their research agenda, and that they allocate their available resources to carefully work through that agenda. They should seek continuous improvement over time, through a process that is transparent, deliberate, thoughtful and inclusive. We are opposed to any changes that might be made prescriptively, without thorough analysis and discussion with stakeholders.

Thank you very much for giving us the opportunity to share our views on this very important subject. Please include this correspondence and our point of view in your report to the Planning Committee.

Sincerely,

Mark J. Bock, Ph.D.  
Principal Electric Supply Analyst  
BGE

John Goodenough  
Supervisor, Electric and Gas Forecasting  
BGE