



PJM Plan for Forecast Model for 2012 Forecast

Planning Committee
November 3, 2011

- **Implement the Itron-recommended Index2 variable**
 - Further Itron analysis of economic driver continues. PJM believes there is insufficient time for driver development and stakeholder review prior to 2012 forecast.

- **PJM will continue to use only the Moody's Analytics economic forecasts to develop the economic driver for the 2012 load forecast.**
 - Concerns with Global Insight long-term growth rates
 - Analysis indicates that Moody's forecasts have led to more accurate forecasts over 5 years

Vendor Forecast Accuracy

- Over five years of forecasts, Moody's GMP forecast accuracy has consistently exceeded Global Insight's.

Zone	Time Period	Moody's Average	Moody's Absolute Average	Global Insight Average	Global Insight Absolute Average
RTO_ATSI_DUKE	6 month	-1.8%	2.0%	-1.8%	2.5%
RTO_ATSI_DUKE	12 month	-2.7%	3.1%	-2.6%	3.3%
RTO_ATSI_DUKE	18 month	-3.6%	4.2%	-3.8%	4.3%
RTO_ATSI_DUKE	24 month	-5.0%	5.1%	-5.4%	5.6%
RTO_ATSI_DUKE	30 month	-6.9%	6.9%	-7.6%	7.6%
RTO_ATSI_DUKE	36 month	-8.7%	8.7%	-9.9%	9.9%
RTO_ATSI_DUKE	42 month	-9.6%	9.6%	-11.2%	11.2%
RTO_ATSI_DUKE	48 month	-9.8%	9.8%	-11.9%	11.9%
RTO_ATSI_DUKE	54 month	-10.0%	10.0%	-12.5%	12.5%
RTO_ATSI_DUKE	60 month	-10.4%	10.4%	-13.1%	13.1%
RTO_ATSI_DUKE	66 month	-10.6%	10.6%	-14.0%	14.0%

- **PJM will not adopt Itron proposal for allocation of CP forecast, pending stakeholder initiatives on this issue**
 - Adopting Itron recommendation would have no impact on planning study results.