



**PJM Interconnection
Load Analysis Subcommittee
Minutes of the 285th Meeting
Conference Call
March 23, 2010**

Members Present:

John Reynolds, Chairman	PJM Interconnection, L.L.C.
Debbie Kanner	Allegheny Power
Randy E. Holliday	American Electric Power
Mark Bock	Baltimore Gas & Electric Company
Dennis Kelter	Commonwealth Edison (Exelon)
Dale Flaherty	Duquesne Light Company
Kemm Farney	Pepco Holdings Inc.
Susan M. Mushock	PPL Electric Utilities
Michael E. Prendergast	Public Service Electric & Gas
Ayana Wood	UGI Utilities, Inc.

Others Present:

Rebecca Shaver	Allegheny Power
Jeff Brown	American Electric Power
Leon Brunson	Baltimore Gas & Electric Company
Guy Filomena	Customized Energy Solutions, Ltd.
Allen Mitchem	Dominion Virginia Power
Mike Hurd	Dayton Power & Light Company
Ken Jennings	Duke Energy
James Habberfield	Duquesne Light Company
Audrey Lyke	Exelon Generation Co., L.L.C.
Jonathan Fernandez	Federal Energy Regulatory Commission
James Wilson	Independent Consultant
Michael Lee	Maryland PSC
Pat Esposito	NRG Power Marketing, L.L.C.
David Hamilton	Old Dominion Electric Cooperative
Darren Gill	PA PUC
David Woodruff	PPL Electric Utilities
Bryan Mills	PSEG Energy Resources and Trade L.L.C.
John J. Slivka	PJM Interconnection, L.L.C.
Jennifer Warner-Freeman	PJM Interconnection, L.L.C.
Jeff Williams	PJM Interconnection, L.L.C.



1. DISCUSSION OF LETTER REQUESTING CONSULTANT REVIEW OF PJM'S LOAD FORECASTING METHODOLOGY

PJM reviewed the stakeholder letter requesting PJM to retain an independent consultant to review PJM's peak load forecasting methodology. PJM asked for input from LAS members to draft a scope of work to be used in any consulting request.

Ms. Esposito asked the signatories of the letter to explain what needs to be fixed in the PJM forecast model.

Mr. Wilson suggested an approach to take with a consultant review, including a broad scope view and a broad and shallow view in which a list of recommendations for immediate attention and those that do not need immediate attention would be listed. Issues that should be addressed are those in the stakeholder letter and specifically the model's use of a single economic driver.

Ms. Lyke commented about the task of modeling efficiency of electricity use (Item 5 in the letter). She noted that it would be a challenge to avoid double counting with history and government mandates.

Mr. Farney stated that when developing a scope of work the whole forecasting process including committee process, approval process, etc. should be addressed. Mr. Farney mentioned that he has done analysis with both economic vendors (Moody's Economy.com and Global Insight) and that the differences between the two forecasts are not substantive.

Mr. Farney also brought up the issue of a price term in the model. In practice there are a number of issues with price, including price data that is not robust and the need for a price forecast to use in the model.

Mr. Prendergast suggested that since Brattle already reviewed the whole forecast process a possible starting point could be going to them to review the issues raised in the letter, in light of their experience with the model as part of their review several years ago.

Mr. Woodruff spoke about Item 5 in the stakeholder letter which addresses policies promoting greater efficiency in electricity use. He noted that the PJM peak model uses unrestricted load and that energy efficiency needs to be added in, to show a "worst-case" scenario. Programs may come in and out but for reliability they cannot be counted on. Mr. Reynolds noted that energy efficiency adjustments that are in the PJM Load Report are those that are considered firm.

Mr. Kelter suggested PJM look at end-use modeling, mentioning Itron's SAE product.

Mr. Mitchem stated that Dominion would like to see a price term in both the peak load and energy models. Dominion duplicated PJM's model and incorporated a price term from revenue requirements which yielded good results.

PJM will circulate a scope of work to LAS and the Planning Committee prior to their April 14th meeting.

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