



**PJM Interconnection
Load Analysis Subcommittee
DRAFT - Minutes of the 291st Meeting
Conference Call
February 15, 2011**

Members Present:

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| John Reynolds, Chairman | PJM Interconnection, L.L.C. |
| Randy E. Holliday | American Electric Power |
| John Goodenough | Baltimore Gas and Electric Company |
| Dennis Kelter | Commonwealth Edison (Exelon) |
| Dale Flaherty | Duquesne Light Company |
| Bill Moll | FirstEnergy Solutions Corp. |
| Timothy Devitt | PECO Energy Company |
| Kemm Farney | Pepco Holdings Inc. |
| Susan Mushock | PPL Electric Utilities |
| Stephen Wreschnig | Public Service Electric & Gas |
| Molly Mooney, Secretary | PJM Interconnection, L.L.C. |

Others Present:

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|-------------------------|---------------------------------------|
| Jeff Brown | American Electric Power |
| Leon Brunson | Baltimore Gas & Electric Company |
| James Jablonski | Borough of Lavallette, New Jersey |
| Guy Filomena | Customized Energy Solutions |
| Mike Hurd | Dayton Power & Light Company |
| James Habberfield | Duquesne Light Company |
| Audrey Lyke | Exelon Generation Co., L.L.C. |
| Valerie Martin | Federal Energy Regulatory Commission |
| Nicholas Tackett | Federal Energy Regulatory Commission |
| Stuart McMenamain | Itron |
| Andy Sukenik | Itron |
| David Hamilton | Old Dominion Electric Cooperative |
| James Wright | Old Dominion Electric Cooperative |
| James Wilson | Wilson Energy Economics |
| Yasmin Snowberger | PA PUC |
| Bryan Mills | PSEG Energy Resources and Trade L.L.C |
| Jeff Burke | Virginia Electric & Power Company |
| Yashodhan Dongre | Virginia Electric & Power Company |
| John J. Slivka | PJM Interconnection, L.L.C. |
| Jennifer Warner-Freeman | PJM Interconnection, L.L.C. |



1. ADMINISTRATIVE

PJM took attendance and asked for any additional agenda items.

2. MINUTES

Minutes from the January 4, 2011 meeting were reviewed. The minutes were approved and final minutes will be posted to the LAS webpage.

3. STATUS OF IMPLEMENTATION OF ITRON RECOMMENDATIONS

Mr. Reynolds informed the subcommittee on the assignment from the Planning Committee. The Planning Committee has assigned LAS the task of finishing Phase I and Phase II of the Itron recommendations and any items from Phase III that are achievable by an August 2011 deadline. PJM is to have changes to the model in place by August 31, 2011 so that manuals can be updated and the development of the 2012 Load Forecast can include the changes. PJM has conferred with Itron about moving forward with some of the recommendations.

4. PJM PLAN FOR IMPLEMENTATION OF ITRON RECOMMENDATIONS

PJM presented the following plan to move forward with Phase I and II recommendations:

Recommendation #1 (Index Variable)

PJM plans to implement Index 2 which by definition is zone specific and would take care of the issue that many members had with Index 1 being too global.

Recommendation #2 (Price Shift)

PJM noted that there was no support for this recommendation last year and suggested dropping this recommendation. PJM does plan to investigate using a price variable in the models.

Recommendation #3 (Combined Forecasts)

PJM suggested deemphasizing this recommendation and emphasizing modeling enhancements. Nothing needs to be done on this recommendation in the next couple of months.

Recommendation #6 (Interactive Variables)

PJM plans to pursue using weather sensitive economic variables to interact with weather variables once the index variable is chosen.

Recommendation #7 (CP Processing)

PJM explained that the biggest impact for the CP forecast is RPM and therefore any change needs to involve the Members Reliability Committee (MRC). PJM management suggested identifying different options for coming up with a CP forecast that will work their way through the MRC.

Mr. Reynolds discussed that only areas of Phase III that are model related and could be completed by August would be investigated. Adding a price variable to the model will be difficult since both identifying a historical price series and coming up with a price forecast will be a challenge.



5. MEMBER RESPONSE TO PJM PLAN

Members were asked for feedback on incorporating the Itron Phase I and II recommendations.

Mr. Wilson was concerned with Phase III items being pushed aside again this year because they are time consuming. For example, he brought up the issue of Price Responsive Demand (PRD) and would be interested in hearing Itron's views.

Mr. Wreschnig asked about using three separate variables for the residential, commercial and industrial sectors rather than one index variable. Dr. McMenamin from Itron replied that they have tried models with three separate drivers and it can be somewhat of a multicollinearity issue with not all three variables having a positive sign. He said that using three separate variables for each sector could be investigated.

Ms. Lyke asked if new models would need to outperform the current models. PJM responded that selection criteria have not been determined. PJM management and the Board will make decisions concerning the new versus current model structures.

Dr. Farney strongly recommended putting search criteria into words.

Mr. Reynolds then asked the group if member companies would be willing to share Zone specific data. For example, PJM would need monthly data for prices by revenue class. A number of member companies responded that they would be willing to share data. One issue that was discussed was that utilities may not know complete price data for all customers if shopping is significant since there is no way of knowing prices paid by those customers.

6. NEXT STEPS

PJM plans to further discuss the recommendations and work with Itron on producing results to share with LAS. Progress on implementing the Itron recommendations will be shared with the Planning Committee.

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