Members Present:

Debbie Kanner
Debbie Kanner
Debbie Kanner
Allegheny Power
Allegheny Power
Allegheny Power
David Canter
David Canter
David Canter
Appalachian Power Company
Appalachian Power Company
Appalachian Power Company
Randy Holliday
Randy Holliday
Randy Holliday
Appalachian Power Company
Appalachian Power Company
Appalachian Power Company
David Bloom
David Bloom
David Bloom
Baltimore Gas and Electric Company
Baltimore Gas and Electric Company
Baltimore Gas and Electric Company
John Goodenough
John Goodenough
John Goodenough
Baltimore Gas and Electric Company
Baltimore Gas and Electric Company
Baltimore Gas and Electric Company
John McDaniel
John McDaniel
John McDaniel
Baltimore Gas and Electric Company
Baltimore Gas and Electric Company
Baltimore Gas and Electric Company
Judith Judson-McQueeney
Judith Judson-McQueeney
Judith Judson-McQueeney
Beacon Power Corporation
Beacon Power Corporation
Beacon Power Corporation
James Jablonski
James Jablonski
James Jablonski
Borough of Butler
Borough of Butler
Borough of Butler
Jeffrey Bassett
Jeffrey Bassett
Jeffrey Bassett
BP Energy Company
BP Energy Company
BP Energy Company
Derek Hagaman
Derek Hagaman
Derek Hagaman
Calpine Bethlehem, LLC
Calpine Bethlehem, LLC
Calpine Bethlehem, LLC
Dennis Kelter
Dennis Kelter
Dennis Kelter
Commonwealth Edison Company
Commonwealth Edison Company
Commonwealth Edison Company
Rehan Gilani
Rehan Gilani
Rehan Gilani
ConEdison Energy, Inc.
ConEdison Energy, Inc.
ConEdison Energy, Inc.
Eric Meyer
Eric Meyer
Eric Meyer
Constellation Energy
Constellation Energy
Constellation Energy
Mike Hurd
Mike Hurd
Mike Hurd
Dayton Power and Light Company
Dayton Power and Light Company
Dayton Power and Light Company
Andrea Maucher
Andrea Maucher
Andrea Maucher
Division of the Public Advocate of State of Delaware
Division of the Public Advocate of State of Delaware
Division of the Public Advocate of State of Delaware
William Coyle
William Coyle
William Coyle
 Dominion Energy Marketing
 Dominion Energy Marketing
 Dominion Energy Marketing
Abhijit Rajan
Abhijit Rajan
Abhijit Rajan
Dominion Resources
Dominion Resources
Dominion Resources
Kenneth Jennings
Kenneth Jennings
Kenneth Jennings
Duke Energy Business Services
Duke Energy Business Services
Duke Energy Business Services
Leon Brunson
Leon Brunson
Leon Brunson
Duke Energy Ohio, Inc.
Duke Energy Ohio, Inc.
Duke Energy Ohio, Inc.
James Habberfield
James Habberfield
James Habberfield
Duquesne Light Company
Duquesne Light Company
Duquesne Light Company
Bruce Campbell
Bruce Campbell
Bruce Campbell
EnergyConnect, Inc.
EnergyConnect, Inc.
EnergyConnect, Inc.
Tom Dolezal
Tom Dolezal
Tom Dolezal
FirstEnergy Solutions Corp.
FirstEnergy Solutions Corp.
FirstEnergy Solutions Corp.
Bill Moll
Bill Moll
Bill Moll
FirstEnergy Solutions Corp.
FirstEnergy Solutions Corp.
FirstEnergy Solutions Corp.
Megan Wisersky
Megan Wisersky
Megan Wisersky
Madison Gas & Electric Company
Madison Gas & Electric Company
Madison Gas & Electric Company
Kevin Dean
Kevin Dean
Kevin Dean
McNees Wallace & Nurick
McNees Wallace & Nurick
McNees Wallace & Nurick
David Hamilton
David Hamilton
David Hamilton
Old Dominion Electric Cooperative
Old Dominion Electric Cooperative
Old Dominion Electric Cooperative
Juliana Brint
Juliana Brint
Juliana Brint
Platts
Platts
Platts
Joe DeNavas
Joe DeNavas
Joe DeNavas
Potomac Electric Power Company
Potomac Electric Power Company
Potomac Electric Power Company
Kenneth Reif
Kenneth Reif
Kenneth Reif
PPL Electric Utilities Corp.
PPL Electric Utilities Corp.
PPL Electric Utilities Corp.
Kenneth Carretta
Kenneth Carretta
Kenneth Carretta
PSE&G
PSE&G
PSE&G
1. **ADMINISTRATIVE**

PJM took attendance and asked for any additional agenda items.

2. **MINUTES**

The December 6, 2012 meeting minutes were reviewed, marked as final, and will be posted.

3. **2013 MID-YEAR LOAD FORECAST UPDATE**

Mr. Gledhill presented the mid-year forecast update which is meant to better inform RPM market participants between auctions and is done in response to a Brattle report recommendation. The forecast update is not used in PJM planning studies or as an input in auction parameters. An updated economic forecast from June 2013 was used to re-estimate and reforecast models. The mid-year forecast for the RTO is up slightly from the official 2013 forecast. The only zone with a noticeable difference in the updated forecast is AE which went down about 2% because of an economic restatement downward.

4. **SUMMER 2013 PEAK LOAD EXPERIENCE**

Mr. Reynolds updated the subcommittee on PJM loads from July 15th to the 19th. PJM initiated load management on Monday, Tuesday and Thursday in ATSI on all three days and PECO, PL and a part of AEP on Thursday. The estimates of load management on these days are estimates of PJM-initiated reductions. There will probably be more load management that was done for economic reasons and will show up as addbacks in October. PJM noted that the preliminary loads are metered loads shown on an unrestricted peak distribution from the 2013 forecast. Heat Index values are also preliminary as final weather data was not available yet.
5. **PJM LOAD FORECAST MODEL DEVELOPMENT**

Ms. Warner-Freeman gave an update on the PJM driven load forecast model development. The testing procedure using Metrix and SAS was discussed along with model fit statistics that were reviewed. PJM is working within the current model structure on daytype, weather and economic variables.

There was discussion from the subcommittee on a number of items, including the six month forward forecast that when comparing the weather normalized peak to the December forecast, the forecast has been high. PJM does not believe there is a structural problem with the economic variable but that the economy has underperformed compared to the economic forecast. Another question relating to the price shift variable test is how PJM will forecast price shifts. PJM responded that price shifts would not be forecasted but would be held constant throughout the forecast, similar to the way load adjustments are treated. Another topic brought up was the estimation period used in modeling and if it is too long and therefore missing possible new trends in peak usage behavior. PJM responded that they have routinely looked at varying the estimation period every forecast and, although a shorter time period may give better model fit statistics, it produces an unstable forecast. PJM also cautioned against using an estimation time frame that does not include a period of stable growth. The subcommittee was queried on the time period used in their forecast models. From those who responded, estimation start years ranged from 1980 to 2004. It was noted that the 2004 start year had to do with poor quality of data prior to 2004.

The next steps will be to present materials related to the model development to the Planning Committee and discuss how changes would be implemented and rolled out in production. The areas where PJM believes should be examined further are weather splines and refining the indexed economic term.