Members Present:

Debbie Kanner  
Allegheny Power

Jeff Brown  
American Electric Power

Chad Burnett  
American Electric Power

Chris Norton  
American Municipal Power, Inc.

Randy Holliday  
Appalachian Power Company

Patricia Esposito  
Atlantic Grid Operations, LLC

David Bloom  
Baltimore Gas and Electric Company

John Goodenough  
Baltimore Gas and Electric Company

Scott Steimer  
Bank America/Merril Lynch

John Brodbeck  
Potomac Electric Power Company

Rehan Gilani  
ConEdison Energy, Inc.

Chelsea Yeager  
Commonwealth Edison Company

Bill Dugan  
Customized Energy Solutions, Ltd

Guy Filomena  
Customized Energy Solutions, Ltd

Carl Johnson  
Customized Energy Solutions, Ltd

David Hastings  
DhastCo, LLC

Mike Hurd  
Dayton Power and Light Company

Yohannes Mariam  
DC Office of People’s Counsel

John Faber  
Delaware Commission Staff

William Coyle  
Dominion Energy Marketing

Jeff Burke  
Dominion Resources

Abhijit Rajan  
Dominion Resources

Dale Flaherty  
Duquesne Light Company

Jamie Hall  
East Kentucky Power Cooperative

Bruce Campbell  
Energy Connect, Inc.

Malcolm Ainspan  
Energy Curtailment Specialists, Inc.

Arpita Kumari  
Exelon Corp.

Dave Martin  
FirstEnergy Solutions Corp.

Bill Moll  
FirstEnergy Solutions Corp.

Paul Patterson  
Glenrock Associates, LLC
1. **ADMINISTRATIVE**

PJM took attendance and asked for any additional agenda items.

2. **MINUTES**

The July 29, 2013 meeting minutes were reviewed, marked as final, and will be posted.

3. **DRAFT 2014 PJM LOAD FORECAST REPORT**

Ms. Warner-Freeman reviewed model specifics for the 2014 PJM Load Forecast Report including model estimation period and weather scenarios. A test is done each forecast cycle to attribute the change from the prior forecast to economics and the change in estimation period. This year the change is evenly split between new economics and a new estimation. There were four zones that have been adjusted to account for large, unanticipated load changes.

Mr. Gledhill discussed the Moody’s November 2013 economic release used in the forecast. There were revisions to history and forecast impacting both the estimation period and the forecast period. PJM uses an
index of six economic variables, four of which have had historical revisions (GDP, GMP, Real Personal Income, Non-manufacturing Employment) and two of which had changes to just their forecast based on revised assumptions (Population and Households).

PJM will publish two energy forecasts in Table E1 and Table E1a in the 2014 Load Report. Table E1 is consistent with the approach described in Manual 19. Table E1a is an approach developed recently given concerns for internal planning of overforecasting energy. PJM has seen generally declining load factors that are not being adequately captured by the model which are contributing to recent overforecasting. The new E1a table is a step forward at addressing this and will be used internally. PJM will continue to examine its energy model and will likely bring forward manual changes once a final method is developed.

PJM asked for any questions. More information on load adjustments was requested but PJM was unable to disclose any further information due to the confidentiality of the project. The Moody’s Analytics’ write-up on economic changes compared to the prior forecast will be sent to PJM at the end of the month and included in the final report. The timing of the economic forecast vintage used in the final report was discussed as a subcommittee member would like to see Moody’s Analytics’ write-up earlier next year.

The next steps will be to present the draft 2014 PJM Load Forecast to the Planning Committee at their December 11th meeting. The final 2014 PJM Load Forecast will be published by the end of the year.

4. LOAD REPORT ADDITIONS

Mr. Wilson presented his work on elasticities. He would like PJM to publish the economic index values used in the forecast and the elasticities of peak load to the economic index. Mr. Wilson showed a number of graphs showing a peak forecast based on a solved elasticity vs. the PJM published peak forecast. Mr. Wilson believes that adding the economic index value information and a table of elasticities would further understanding and transparency of the forecast and methodology. The elasticity then used to backcast could be used to compare to weather normalized peaks. Mr. Wilson showed a number of graphs that were backcast with this method and compared to PJM weather normalized peaks. PJM agreed to post the economic index variable information in a spreadsheet format, noting that with the economic index values and peak loads anyone could perform the elasticity analysis.

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