



**PJM Interconnection
Load Analysis Subcommittee
Minutes of the 294th Meeting
Conference Call
January 5, 2012**

Members Present:

Debbie Kanner	Allegheny Power
Jeff Brown	American Electric Power
Chris Norton	American Municipal Power, Inc.
David Canter	Appalachian Power Company
Leon Brunson	Baltimore Gas & Electric Company
John Goodenough	Baltimore Gas & Electric Company
John McDaniel	Baltimore Gas and Electric Company
John Citrolo	Calpine Energy Services, LP
Haibin Yu	Calpine Energy Services, LP
Matt DeRusha	Cargill Power Markets LLC
Dennis Kelter	Commonwealth Edison Company
John Miller	Commonwealth Edison Company
Rehan Gilani	ConEdison Energy, Inc
Guy Filomena	Customized Energy Solutions, Ltd.
Mike Hurd	Dayton Power & Light
David Hastings	DHastCo, LLC
Jose Merino	Duke Energy Ohio, Inc.
Richard Stevie	Duke Energy Ohio, Inc.
Dale Flaherty	Duquesne Light Company
James Habberfield	Duquesne Light Company
Malcolm Ainspan	Energy Curtailment Specialists, Inc.
Audrey Lyke	Exelon Generation Co., L.L.C.
Bill Moll	FirstEnergy Solutions Corp.
Neal Fitch	GenOn Energy Management, LLC
Katherine Guerry	Hess
David Mabry	McNees Wallace
Stephen Huntoon	NextEra Energy Power Marketing, LLC
Pati Esposito	NRG
David Hamilton	Old Dominion Electric Cooperative
Jocelyn Burton	PECO Energy Company



Willa Hightower
Dave Vermeire
T.L. Hamilton
Susan Mushock
David Woodruff
Bryan Mills
Stephen Wreschnig
Jeff Burke
Abhijit Rajan
Yashodhan Dongre
James Wilson

PECO Energy Company
Pepco Holdings Inc.
Platts
PPL Electric Utilities
PPL Electric Utilities
PSEG Energy Resources and Trade L.L.C
Public Service Electric & Gas
Virginia Electric & Power Company
Virginia Electric & Power Company
Virginia Electric & Power Company
Wilson Energy Economics

PJM Staff Present:

John Reynolds, Chairman
Andrew Gledhill
Tawyna Luna
John J. Slivka
Jeff Williams
Dave Ulmer
Molly Mooney, Secretary

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1. ADMINISTRATIVE

PJM took attendance and asked for any additional agenda items. Ms. Esposito asked for more information about Demand Resources and its impact on the load forecast.

2. MINUTES

Minutes from the November 10, 2011 meeting were reviewed. Mr. Wilson expressed a concern that there was too much detail in the minutes. Other members responded that they thought the amount of detail was helpful and should remain. Mr. Wilson agreed to draft changes to the minutes and LAS will review the revised minutes at their next meeting. Mr. Rajan also requested an opportunity to send edits to be incorporated in the revised minutes.

3. PJM.COM LOGIN

Mr. Ulmer presented information regarding new features to pjm.com to be effective in early February.



4. REVIEW OF DRAFT PJM 2012 LOAD FORECAST REPORT

Mr. Reynolds reviewed the 2012 forecast report. He mentioned that the report was in draft format and that it incorporates Itron's recommendation for using Index2 as an economic driver. Index2 combines six separate economic variables into one economic variable to use in the model. Both ATSI and DEOK zones are included in the 2012 Load Forecast Report.

Several changes to this year's report content were noted. A new summary table is now included after the Executive Summary. This table was an internal request to show forecast values for PJM RTO and selected geographic regions for selected years. There will be a written summary provided by Moody's Analytics of their forecast and why it has changed from last year's economic forecast. The 2012 Load Forecast Report now includes graphs for Mid-Atlantic, PJM Western, E-MAAC, and SW-MAAC. Finally, NERC reporting tables have been moved and re-stated to be coincident loads in order to be consistent with what PJM reports.

Mr. Reynolds presented graphs and tables showing changes from last year's forecast and the "status quo" forecast (using Gross Metropolitan Product). He explained that the load forecast drop in the early years is primarily caused by Moody's rethinking of the economic recovery, showing slower growth in the early years of the forecast followed by faster growth in the mid-term. The smaller difference in the load forecast in later years is explained by PJM changing from using GMP to Index2 as an economic driver.

Mr. Reynolds highlighted that there is a greater than 5,000MW increase in Load Management and Energy Efficiency assumed in the 2012 Load Forecast for the RTO by 2014. Projected Load Management as a percent of forecasted load for zones ranges from a low of 1.5% to a high above 17%.

Members were asked for comments or questions on the 2012 Load Forecast. Ms. Esposito asked about which graphs and tables included or did not include Load Management. The footnotes on tables B1 & B2 state that all forecast values represent unrestricted peaks, prior to reductions for load management or energy efficiency.

Mr. Wilson asked if the forecast without ATSI and DEOK could be added to the report. PJM will forward this request on but practice is to only include forecasts that PJM will use in planning. Mr. Wilson suggested that a comment be added to the Executive Summary stating that all unrestricted peaks are non-coincident except those forecast values in Table B10. He suggested that the references to growth rates on the first page of the executive summary should be re-stated into shorter time periods. Mr. Wilson suggested moving the graphs to the end of the report or an appendix. PJM responded that they are looking to revamp the Load Report in the future to address this type of issue. In response to a request to include a graph of the economic forecast, PJM replied that the Moody's report is expected to address that issue.

Mr. Burke asked about the weightings for Index2 and source of these weightings. PJM answered that the fixed weights for the six economic variables are listed in Manual 19 and the zonal weights for Residential, Commercial, and Industrial are pulled from FERC Form 1 data. More discussion about Index2 weights included the fact that these weights are held static for the forecast. A question about other sectors was brought up and PJM agreed to look into how these sectors were processed. PJM will list the zonal weights used in Index2 with the posted forecast statistics.

Ms. Lyke asked about Table F-1 and if PJM plans to WN the RTO for previous years. PJM plans to WN previous years back to 2004 as long as economic data is available.



Mr. Merino asked if PJM could produce 10 year historical growth rates similar to the 10 year forecast growth rates. PJM explained that W/N values for the expanded RTO going back 10 years are not available.

5. ADDBACK ISSUE

Mr. Reynolds updated the Subcommittee on a possible assignment to review the current load drop estimate business rules. He noted that Mr. Brown from AEP will discuss the issue charge that will be presented at the January 12th Planning Committee meeting. Mr. Reynolds provided background on changes to addback guidelines that include not collecting addback data for non-summer months, only collecting addback data if PJM called the interruption or if the interruption resulted in a PJM settlement, and a cap on addbacks. Mr. Brown said that a problem/opportunity statement was shared with the Planning Committee in December. He said that since the objective of the load forecast is to be as accurate and unbiased as possible we should look into the situation to see where it has happened in the past and its potential to impact results in the future. The Subcommittee was asked for comments on the issue charge to be shared with the Planning Committee. Several members agreed it is a worthy issue to look at and as a result members were asked to advocate within their organization for support on this issue. Subcommittee members were asked to participate in how to move forward if this issue does get assigned to the Load Analysis Subcommittee.

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