

Load Drop Reporting Guidelines

Problem / Opportunity Statement

The objective of the load forecast is to be accurate and unbiased. When available, estimates for load drop are accounted for (i.e., added back) in PJM's load forecast. Although the current estimated load drop guidelines are adequate for market settlements purposes, they are incomplete for meeting the criteria for an unbiased load forecast.

Currently, there are guidelines [documented in PJM Manual M-19] for producing load drop estimates for customers registered as 1) a Demand Resource (DR), 2) Interruptible Load for Reliability, 3) an Emergency–Energy Only DR (for PJM initiated emergency) or 4) Curtailment Service Provider (CSP) initiated test events. However, PJM Economic programs and EDC- or CSP-initiated curtailments do not require load drop estimates to be provided to PJM. Without the availability of these estimates, the load drop will not be added back to load and therefore that load will not be included in the load forecast.

For load forecasting purposes, to properly estimate the historical load-weather relationship, it is appropriate to account for all load drops. This includes load drop estimates throughout the delivery year. This would also include not only those initiated by PJM, but also those initiated by an EDC or CSP.

If this issue is not addressed, PJM's weather-normalized peaks and load forecast will be understated, presenting the potential for PJM to have inadequate resources to meet reliability requirements.

Issue Source

This issue is being brought forward for consideration by American Electric Power Service Company (AEP).

Stakeholder Group Assignment

It is anticipated that the Load Analysis Subcommittee will undertake this issue, upon approval by the Planning Committee.

Key Work Activities

1. Issue identification and clarification
2. Determine if load drop reporting for market settlements purposes can or should be separated from load drop reporting for load forecasting purposes.
3. Determine the roles of PJM, EDCs, CSPs, and end-users in the calculation and reporting of load drops.
4. Analyze impacts of any proposed changes on the PJM load forecast and system planning studies.

5. Determine if revised load drop reporting guidelines will be effective only going forward or if they will be applied retroactively.
6. Identify any PJM processes that will be affected by proposed changes.

Expected Deliverables

1. Monthly status reports to Planning Committee
2. Analysis of impacts of proposed changes
3. Proposed language changes to PJM Manual 19

Expected Overall Duration of Work

Issue identification and analysis of any proposed changes to load drop reporting can be done in calendar year 2012. Guideline revisions that require the creation of, or changes to, PJM systems may require substantially more time to implement. Back-filling historical load drop estimates will also require substantial time to implement.

Decision-making Method

It is anticipated that the Tier 1, consensus (unanimity) on a single proposal (preferred default option) method of decision-making will be used to resolve this issue.