

## OMS Regional Planning Work Group Feedback on Independent Load Forecast Project

March 6, 2014

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The OMS Regional Planning Work Group (RPWG) has several concerns and questions regarding MISO's decision to retain the State Utility Forecasting Group (SUGF) at Purdue University to perform an independent Load Forecast Project.

MISO's February 19, 2014, Planning Advisory Committee (PAC) presentation indicates that there are some discrepancies among various load forecasts that should be analyzed further. However, before retaining SUGF to perform an independent load forecast, MISO did not provide stakeholders with sufficient opportunity to discuss these discrepancies. Indeed, until the presentation on February 19, 2014, MISO had been unclear about the key activities of this project.

Including stakeholders earlier in this process would have improved the level of stakeholder understanding as to the concerns that MISO had with the current load forecast processes and could possibly have led to alternative solutions. Instead, stakeholders were kept in the dark, which ultimately led to a lack of understanding about what exactly MISO was trying to solve with this proposed 10-year forecast. Such an approach by MISO is not conducive to efficient solutions and breeds mistrust between MISO management and MISO stakeholders. MISO can avoid such outcomes by discussing such initiatives earlier in its stakeholder process.

At this point, the RPWG has the following concerns and questions:

- 1) What is the underlying problem that MISO is seeking to resolve with this Independent Load Forecast Project? In its presentation to the PAC, MISO points out a discrepancy in the demand forecast from the OMS Survey, MISO's weather adjusted annualized data, and the Long-Term Reliability Assessment. They are three forecasts based on different methodologies, used for different purposes and over different time periods. Therefore, these demand forecasts will not match. How would the Independent Load Forecast Project shed any additional light on or improve on the methodology of these other forecasts? Is this the most practical approach to resolving MISO's concerns regarding the results of the current long term forecasting process? How will the SUGF forecast provide the clarity and reconciliation that MISO seeks?
- 2) Instead of developing an alternative forecast for comparison, it may be more beneficial to have an independent party, such as the SUGF:
  - a. provide guidance to utilities in forecasting their demand at the MISO peak (especially difficult now with a new much larger footprint);
  - b. assist in developing a more robust methodology for modeling DSM;

- c. contribute expertise in the ongoing debate over the proper calculation of load forecast uncertainty; and
  - d. provide guidance on forecasting distributed generation.
- 3) Given that SUFG proposes to use only publically available data and provide forecasts only down to the Local Resource Zone level, how can the SUFG forecast provide a realistic comparison to the current forecast approach—which is at the LSE level? We would like to have a better understanding of how MISO plans to use the LSE-based forecasts vis-a-vis the SUFG forecast. What applications does MISO have in mind for these two very different forecasts?
- 4) MISO states that this forecast will not supersede current LSE forecasts. What, if any, assurances can MISO offer to LSEs and all other stakeholders that the results will in no way be used in lieu of current LSE forecasts?
- 5) Will there be an attempt to reconcile the SUFG forecast with the LSE forecasts? If so, what would be the proposed process? If MISO were to find that the forecasts were irreconcilable, which forecast would prevail?
- 6) During the modeling phase of the SUFG project, will SUFG work with the states to double check the accuracy of state-specific assumptions and data gleaned from public sources?
- 7) The RPWG suggests that MISO solicit questions from stakeholders in advance of the proposed workshops so stakeholders can get specific questions fully answered during that time. In light of this suggestion the RPWG has some more granular questions that we would like MISO to clarify during the workshops.
  - a. Will MISO provide to SUFG the historical data series used in the LSE/state load forecasts it received as a result of the MISO-OMS Resource Adequacy Survey? If so, will the SUFG be bound by the confidentiality agreements MISO made with the LSEs and other parties?
  - b. If the SUFG will not receive the data from MISO, how will SUFG replicate whatever non-public data (e.g., information communicated to LSEs by third parties regarding future load growth, assumptions made based upon experiential knowledge of their service territory) is incorporated into the LSE/state load forecasts?
  - c. Does the SUFG intend to contact the LSEs or state government agencies to determine state-specific load growth drivers such as: (i) population and

demographics; (ii) personal income; (iii) commercial and manufacturing employment; and (iv) gross domestic product?

- d. Does the SUFG intend to make the same assumptions regarding future weather conditions underlying the LSE/state load forecasts?