



R.17-09-020 Track 3 Workshop: Day 1



RA Load Forecasting

March 12, 2019

California Public Utilities Commission





WebEx and Teleconference Info

Web Conference Information

Meeting Number: 713 131 650

Meeting Password: !Energy1

To start or join the online meeting, go to:

<https://centurylinkconferencing.webex.com/centurylinkconferencing/j.php?MTID=m72e232c4fe1b5a4c44a3bfa18cb9bc7e>

Telephone Only Participation

Teleconference Number: (866) 811-4174

Participant Code: 4390072#

Note: All phones will be in listen only mode. Please raise your hand through WebEx if you have a question or comment.

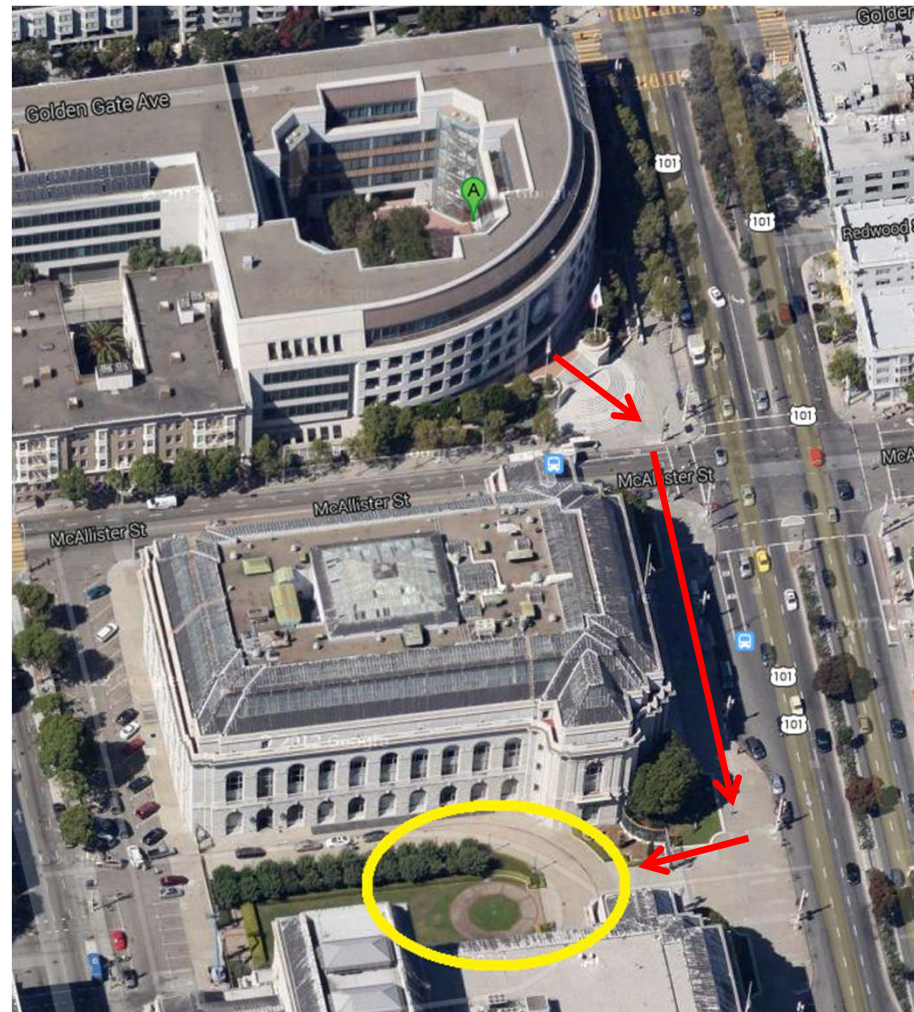




Restrooms & Evacuation Procedure

Restrooms are at the far end of the hallway.

In the event of an emergency evacuation, please cross McAllister Street, and gather in the Opera House courtyard down Van Ness, across from City Hall.





Workshop Agenda

10:00 - 10:10 am	Introduction, Ground Rules, Agenda
10:10 - 10:30 am	Overview and Administrative Changes to Load Forecasting Process
10:30 am - 12:30 pm	CEC Load Forecasting Process
12:30 - 1:30 pm	Lunch
1:30 - 3:30 pm	Load Forecasting Proposals and Discussion
3:30 - 4:00 pm	Planning Time for Parties to Discuss Multiyear Workshops





Overview and Administrative Changes to Load Forecasting Process





Problem Statement

- Forecasting process = forecast + forecast adjustment
- Process originally developed in 2004 workshops and expanded over time
 - Recurring Qs: definition of load migration, components of “best estimate,” how to perform certain adjustments
- Resurfaced in last two years with quicker expansion of new LSEs and unexpected adjustments to forecasts
 - Load migration does not net out, growing plausibility adjustments
 - Additional Qs: timing of expansion, coordination (including forecast assumptions), timing of data receipt, what is the comparison forecast?
- ED spoke with CEC and LSEs over last year, issued data request
- Conclusion: current process does not align with needs





Proposal Components

- Forecasting process needs (1) better data, (2) more coordination, and (3) more transparent processes
- “Proposal” has two parts:
 - Administrative changes that follow past Commission direction and can be made without Commission decisions
 - Substantive changes that require a Commission decision





Administrative Changes

- Formal adoption of CEC reference forecasts for RA
- Updates to year ahead data requests and templates
 - **Historical data:** all LSEs provide data on customers they did serve by March 15 (same as in past), CCAs also provide data on customers they will serve next year along with forecast (new)
 - **Minimum forecast documentation:** additional clarity in templates
 - **Additional forecast documentation:** IOUs disaggregate CCA load by CCA, IOUs and CCAs provide assumed transition schedule of accounts by CCA, month, and customer class
- Transparency in forecast adjustment steps
- Annual forecast adjustment workshop (June DAWG)
 - Review methods and aggregate adjustments
 - CEC publishes document outlining the process for that year





Energy Division Load Forecasting Process Proposal





Proposal Components (1/4)

- Definition of Load Migration
 - Load effects that are tied directly to customer counts and that an LSE **cannot reasonably predict or control** (e.g. opt out rates and new service requests)
 - Does not include changes to implementation plans, updated weather modeling, changes to customer class load profiles, or new data
- Application of “Best Estimate” and Load Migration
 - “Best estimate” applies to all forecasts but is most critical in initial (April) year ahead. Account for all data, assumptions, and criteria that LSEs can reasonably predict or control, which should not change after April. Make placeholder assumptions for the rest.
 - Load migration, as defined above, should be the **only reason for differences between initial and final YA forecasts**. (D.05-10-042 at 91 already states that it is the only reason for differences between YA and MA forecasts.)





Proposal Components (2/4)

- Binding Notice of Intent for RA Purposes
 - Initial (April) year ahead forecast serves as BNI for the next year.
 - Serves as benchmark of RA requirements for which LSE is responsible, aside from changes due to load migration.
 - Supports predictability in RA requirements.
 - No bearing on whether an LSE can legally serve load; **for RA purposes only.**
 - Additional forecast review triggers: change of + or – 5% between approved implementation plan and initial YA forecast, between initial and final YA forecasts, or between final YA forecast and MA forecast.
 - LSEs may be required to adjust forecast to meet approved implementation plan.





Proposal Components (3/4)

- LSE Coordination on Forecasts
 - Meet and Confer (one or all of the following)
 - IOUs meet separately with each non-IOU LSE during ERRA, before 12/31, to discuss load migration schedule for next YA forecast year. CCAs and ESPs meet outside of ERRA at the same time, if applicable.
 - IOUs and non-IOU LSEs meet in one place (workshops, teleconferences) by 2/15 to discuss load migration schedule for next YA forecast year. Allows CCAs to discuss final implementation plans submitted by 12/31.
 - LSEs list dates of relevant meetings in initial YA forecast filings and briefly explain any agreements or disagreements resulting from meetings
 - Data Provision
 - CCAs and ESPs request all historical data from IOUs for next YA process by 1/15
 - IOUs provide CCAs and ESPs with requested data by 3/1
 - At a minimum, data consist of three immediately preceding years of hourly load for each account in each requested jurisdiction. Data should include customer classes.
 - May require phase-in to allow IOUs to update data handling procedures





Proposal Components (4/4)

- LSE Coordination on Forecasts (continued)
 - Conflict Resolution
 - If conflicts still exist by initial YA forecast filing, CEC and CPUC first try to resolve via discussions with individual LSEs, requests for more data, or both.
 - If resolution not found by 30 days before CEC and CPUC are to provide LSEs with initial YA requirements, CEC and CPUC will allocate differential pair-wise between IOU and non-IOU LSE.
 - Forecasting Standardization
 - Explore the extent to which LSEs can standardize certain forecasting inputs (e.g. profiles for various customer classes, profiles for inland vs. coastal loads, opt out rates for initial YA forecasts).
 - Parties' comments?

