Working to Perfect the Flow of Energy

PJM Manual 19:

Load Forecasting and Analysis

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Prepared by

Resource Adequacy Planning

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Table of Contents

Attachment A: Load Drop Estimate Guidelines

General

Load Drop Estimates (also referred to as addbacks) are produced for three types of occurrences:

1. Curtailment of load for customers registered in the PJM emergency or pre-emergency program either as a Load Management resource (Demand Resource) or an Emergency – Energy Only resource, or customers registered to meet a Price Responsive Demand (PRD) commitment for either the Reliability Pricing Model (RPM) or the FRR Alternative.

2. Voltage Reductions implemented by PJM or an EDC

3. Significant losses of load.

PJM is responsible for producing Load Management/Emergency/Pre-Emergency load drop estimates, from CSP and EDC input into the appropriate PJM system. EDCs are responsible for reporting the estimated impact of voltage reductions (optional) or significant losses of load on their systems.

PJM is responsible for producing PRD load drop estimates, from PRD Provider input into the appropriate PJM system. For purposes of 5CP identification, PRD Providers that registered price responsive demand to satisfy a PRD commitment for either RPM or FRR Alternative must provide PJM with meter data for a set of high load days to be identified by PJM by the end of each September. Meter data is entered at the site level; load drop estimates will be calculated at the registration level. Load drop estimates will only be applied for Maximum Emergency Generation hours as well as for any 5CP hours when there was no Maximum Emergency Generation event.

Load drop estimates are used to construct unrestricted loads used in the PJM Load Forecast Model, weather normalization of PJM seasonal peaks, and to calculate the unrestricted Peak Load Contributions used in formulating capacity obligations.

These rules also apply to Non-Retail Behind-the-Meter Generation as provided in Section G of Schedule 6 to the Reliability Assurance Agreement.

Load Drop Estimates for Load Management Customers

The table below summarizes the requirements for producing load drop estimates for customers registered as a Demand Resource, or in the Emergency– Energy Only option, or as Economic load response, depending upon the cause of the load curtailment. Following the table are descriptions of the methods used by PJM to calculate load drop estimates for each load management type (Legacy Direct Load Control, Firm Service Level, and Guaranteed Load Drop).

Requirements for Production of Load Drop Estimates

Reason for Load Drop		***PJM-Initiated Emergency or Pre-Emergency or CSP-Initiated Test***	***Economic***	***EDC- or CSP-Initiated***
Program Registration	***Emergency/Pre-Emergency Full (DR) or Emergency/Pre-Emergency Capacity Only (DR)***	***Load Drop Estimates must be produced for any interruptions from June 1 through September 30.***	***Load Drop Estimates must be produced for any settled interruptions from June 1 through September 30.***	***No Load Drop Estimates required.***
	Emergency Energy Only	***Load Drop Estimates must be produced for any interruptions during Emergency/Pre-Emergency hours from June 1 through September 30.***	***No Load Drop Estimates required.***	***No Load Drop Estimates required.***
	Economic	***No Load Drop Estimates required.***	***No Load Drop Estimates required.***	***No Load Drop Estimates required.***

Actual Emergency and Pre-Emergency Load Response and Economic Load Response load reductions for Load Management resources registered as Emergency Full or Emergency Capacity Only resources which occur from June 1 through September 30, will be added back for the purpose of calculating peak load for capacity for the following Delivery Year and consistent with the load response recognized for capacity compliance as set forth in the Manual.

Non-Interval Metered Customers Including Legacy Direct Load Control

Prior to June 1, 2016, ~~T~~the nominated quantity (MW) of Load Management provided by non-interval metered customers * Loss Factor will be the estimated load drop added back to the zone for a load management emergency, pre-emergency or test event. If the resource participates as an economic resource, then the hourly MW settled under the economic program will be used for the load drop that is added back to the zone. Non-interval metered customers may not participate in Load Management under Legacy Direct Load Control (LDLC) after May 31, 2016. ~~Effective June 1, 2015, non-interval metered residential customers using Direct Load Control may participate using statistical sampling to qualify as~~

~~Firm Service Level or Guaranteed Load Drop programs in accordance with Attachment D of this manual.~~

Contractually Interruptible

The estimated load drop for Firm Service Level and Guaranteed Load Drop customers is calculated as follows:

For Guaranteed Load Drop end-use customers, the lesser of (a) comparison load used to best represent what the load would have been if PJM did not declare a Load Management event or the CSP did not initiate a test as outlined in the PJM Manuals, minus the metered load ("Load") and then multiplied by the loss factor ("LF") or (b) the current Delivery Year peak load contribution ("PLC") minus the metered load multiplied by the loss factor ("LF"). A load reduction will only be recognized for capacity compliance if the metered load multiplied by the loss factor is less than the current Delivery Year peak load contribution. The calculation is represented by:

Minimum of {(comparison load – Load) * LF, PLC – (Load * LF)}

For Firm Service Level end-use customers the current Delivery Year peak load contribution ("PLC") minus the metered load ("Load") multiplied by the loss factor ("LF"). The calculation is represented by:

PLC – (Load * LF)

Note: When Generation interval meter data is provided to determine test or event compliance, and interval metering on load is available, the interval metered load data should be provided to ensure load drop is below the PLC. It is expected that interval load data will be available for all customers that have a PLC > 0.5 MW. If no interval meter load data exists, such Generation interval meter data multiplied by loss factor will be used as the estimated load drop.

Event Compliance for Guaranteed Load Drop (GLD) Customers

For purposes of determining compliance with a PJM-initiated Load Management event or test for Guaranteed Load Drop customers, several options are available to estimate comparison loads. The method used should result in the best possible estimate of what load level would have occurred in the absence of an emergency, pre-emergency or test event.

The CSP will be responsible for supplying all necessary load data to PJM in order to calculate the load reduction for each registered end use customer. PJM will calculate the load drop amount unless otherwise indicated below or approved by PJM. The amount of load data required will depend on the GLD method selected where the minimum amount shall be 24 hours for one full calendar day.

Comparable Day: The customer's actual hourly loads on one of the prior 10 calendar days before the test or emergency or pre-emergency event day selected by the CSP which best represents what the load level would have been absent the emergency or pre-emergency or test event. The CSP may request use of an alternative day for extenuating circumstances with supporting documentation that clarifies why the alternative day should be utilized. PJM must approve the use of any alternative day. CSP must provide usage data for all 10 days such that PJM may validate an appropriate day was selected.

Same Day (Before/After Event): The customer's average hourly integrated consumption for two full hours prior to notification of an emergency or pre-emergency event or prior to one full hour before a test and for two full hours after skipping first full hour after the event or test. This option is appropriate for high load factor customers with no weather sensitivity.

Customer Baseline: The Customer's estimated baseline used to calculate load drops for PJM economic demand resources as defined on the applicable PJM economic registration.

Regression Analysis: The customer's estimated hourly loads from a regression analysis of the customer's actual loads versus weather. This option is appropriate for customers with significant weather sensitivity. The CSP will perform the regression analysis and provide results including supporting information to PJM. The information should include all load and weather data and associated regression statistics used to estimate the load impact on the event or test day.

Generation: The hourly integrated output from a generator used to provide Guaranteed Load Drop. This method may only be utilized if the generation would not have otherwise been deployed on the emergency or pre-emergency event or test day and must comply with the provisions contained in the PJM Manuals.

Load Drop Estimates for PRD Customers

Load Drop Estimates are applicable to price responsive demand registrations that are used to satisfy a PRD commitment for either RPM or FRR Alternative. Load Drop Estimates are not applicable to Energy Only PRD registrations.

For Maximum Emergency Generation hour or a 5CP hour without Maximum Emergency Generation:

*Load Drop Estimate = Customer Expected Peak Load – (Metered Load * EDC Loss Factor)*

*Where: Expected Peak Load = PLC * Final Zonal Peak Load Forecast$_{DY}$ / Zonal Weather Normalized Peak$_{DY-1}$;*

PLC = Peak Load Contribution for the registration;

DY = Delivery Year

Missing Data

If an end use customer meter malfunctions during a Load Management test, retest or emergency or pre-emergency event and the end use customer performed the required load reduction activity and no interval meter data is available to use for purposes of measuring capacity compliance or to determine applicable energy settlements, then PJM may allow CSP one of the following two remedies, otherwise the end use customer will be considered to have taken no load reduction actions during such period:

1. CSP may provide supporting information to quantify the load reduction amount which includes an engineering analysis or meter data from a comparable site that reduced load based on the same actions during a comparable time, or;

2. CSP may perform a separate test for the end use customer(s) to quantify the load reduction that will be used for the test, retest or event time period compliance and, as appropriate, energy settlement(s). The test will need to be performed at comparable time and conditions to when the test, retest or emergency or pre-emergency event occurred.

Remedies will only be considered if the CSP and associated metering entity followed Good Utility Practice as outlined in the OATT, no interval load data is available from the EDC, and the CSP can provide supporting information, such as building automation system logs, to verify the load reduction action was taken during the test, or retest or emergency or pre-emergency event when the meter malfunctioned. CSP must also provide evidence that the meter did malfunction.

PJM must approve any remedy and CSP must meet appropriate load data submission deadline.

Voltage Reduction

Whenever a part of the PJM system experiences a voltage reduction, whether it is PJM- or locally initiated, the distribution companies involved are to estimate its impact on hourly load levels. The estimated impact of a 5% voltage reduction will be 1.7% of the load in the affected area at the time of the voltage reduction. Variances from this guideline are acceptable in cases where a thorough analysis was performed. In such cases, a written explanation of the estimate must accompany the reported values.

Loss of Load

Whenever a part of the PJM system experiences a loss of load event (beyond the level of nominal localized outages), the Distribution Company involved is to estimate its impact on hourly load levels. The method used to estimate the impact of the loss of load event will vary by the circumstances involved, but the outcome of the estimation should represent the best approximation of the actual hourly loads that would have occurred if the loss of load event had not occurred. A written explanation of the loss of load event and how its impact was estimated is to accompany the report.

Attachment B: Legacy Direct Load Control Load Research Guidelines

These guidelines are in effect prior to June 1, 2016 only. ~~Effective June 1, 2015 non-interval metered residential customers may participate using the statistical sample detailed in Attachment D.~~

The intention of these guidelines is to ensure that the estimated per-participant impacts of Legacy Direct Load Control program reliably represent the amount of load shed, on average, for active program participants.

Curtailment Service Providers with Legacy Direct Load Control programs which employ a radio signal may elect to either submit a load research study supporting base per-participant impacts for their program, or utilize the base per-participant impacts contained in the "Deemed Savings Estimates for Legacy Air Conditioning and Water Heating Direct Load Control Programs in PJM Region" report (http://www.pjm.com/~/media/documents/reports/20070406-deemed-savings-report-ac-heat.ashx). Providers utilizing other technology must submit a load research study. All Providers must submit switch operability studies once every five years.

Requirements for Provider-Submitted Studies

Study Design

LDLC load research base per-participant impact studies will be designed to achieve a minimum accuracy of 90% Confidence with 20% error.

Study Detail

Load research studies submitted must present estimated per-participant impacts in a matrix which details average impacts on non-holiday weekdays by hour, for the hours ending 13:00 through 20:00 (PJM Eastern Region) or 8:00 through 21:00 (PJM Western Region), and by weather condition (over a range of local conditions under which it can reasonably be expected that the program will be implemented). Separate matrices must be estimated:

By program (and/or cycling scheme);

By PJM zone.

Switch Operability Rate

In addition to base per-participant impacts, studies submitted to PJM must also include the average switch operability rate, reflecting the percentage of all active switches which both receive the control signal and operate. The switch operability rate must be supplied with the original base impact study, and then updated every five years. Any Provider with a switch operability study older than five years will be given a switch operability rate of 50%. See below for full requirements for switch operability studies.

Utilizing the Deemed Savings Estimates

[Note: The "Deemed Savings Estimates" study report is available on the PJM.com website.]

Eligibility

Load Management Providers with Legacy Direct Load Control programs which employ a radio signal may elect to utilize the base per-participant impacts contained in the "Deemed Savings Estimates for Legacy Air Conditioning and Water Heating Direct Load Control Programs in PJM Region" report.

Base Impact Value

Base impacts for air conditioning programs will be established utilizing the aggregate values detailed in Appendix F of the Deemed Savings Estimates report. The Provider must supply the applicable duty cycle strategy (percentage of each hour the unit is interrupted) and an appropriate weather station or mix of weather stations. PJM will determine the WTHI standard value from average historical peak load weather conditions (coincident with the RTO peak). The Provider may opt to customize the base impact by supplying a research study which stratifies its program by A/C usage or connected A/C load. In this case, base impacts will be drawn from the aggregate results presented in Appendix G or H, as appropriate.

Base impacts for water heating programs will be established utilizing the aggregate values detailed in Appendix J. The Provider must supply an appropriate weather station or mix of weather stations. PJM will determine the WTHI standard value from average historical peak load weather conditions (coincident with the RTO peak)

EDCs with base impacts presented in the Deemed Savings report (BGE, JCPL, and PSEG) may elect to use those impacts.

Switch Operability Rate

1. A random sample of customers must be selected to test. The sample must meet the following requirements:

    a. The study must be designed for a minimum accuracy of 90% confidence, 10% error.

    b. The sample must be randomly selected from the entire population of customers who will be counted for load reduction. No customers can be excluded and there can be no restrictions (e.g. only selecting customers within certain zip codes, only selecting customers with certain meters, only selecting customers that have enrolled in the last 12 months, etc.).

c. The sample must be stratified by equipment type if using multiple types of equipment to receive the signal and control the device.

d. The sample may be stratified by program segmentation (e.g. cycling level).

2. The following must be tested/verified at each customer in the sample:

a. The switching device needs to be properly installed, wired, etc.

b. A signal needs to be sent to the device to cycle it. Verification that the device receives this signal must be obtained. The signal must be sent in the same manner it would be sent during an event (i.e. over a public paging system, not from a local handheld device).

c. If the test in (2.b) does not provide verification of switch operation (i.e., it only tests signal reception), a technician must verify that the switch cycles the unit when the signal is received. This signal does not need to be sent in the same manner as it would during the event – it can be sent from a local handheld device.

d. If (2.a), (2.b) and (2.c) do not determine that the unit can properly receive the signal and control the device, the device is counted as inoperable. A technician may fix inoperable switches, however the device must still be counted as inoperable for the study.

3. Any Provider with a switch operability study older than five years will be given a switch operability rate of 50%

Attachment D: Residential Non-Interval Metered Guidelines

~~The provisions in this attachment are effective June 1, 2015.~~

Statistical sampling for residential customers:

Residential customers without interval metering may participate in the Synchronized Reserve, Capacity, and Energy markets using a statistical sample extrapolated to the population to determine compliance and energy settlements. The sample data must be from the same time interval as the event being settled.

Qualifications:

A registration may participate using statistical sampling to determine compliance and energy settlements under the following conditions, and subject to PJM approval:

- The registration consists entirely of residential customers.
- Locations can be sampled to accurately reflect the population load data.
- Curtailment at each location uses Direct Load Control Technology.
- Synchronized Reserve: Locations otherwise qualify for participation in the Synchronized Reserve Market. Locations do not have meters that record load data at a period of 1 minute or shorter.
- Economic Energy: Locations otherwise qualify for participation in the Economic Energy Markets. Locations do not have meters that record load data at a period of 1 hour or shorter.
- Load Management: Locations otherwise qualify for Load Management. Locations do not have meters that record load data at a period of 1 hour or shorter.

Sample Design:

Samples must be designed to achieve a maximum error of 10% at 90% confidence. The locations in the sample must be randomly selected from all the locations in the population group (a population group is a group of registrations that can share a sample based on the criteria listed below). The sample must be stratified by control device size (minimum of 2 strata) and geographic location, unless otherwise approved by PJM.

For Load Management registrations that participate in the energy market, a sample is required for each combination of EDC, CSP, end-use device (such as air conditioner or water heater) or device grouping, curtailment algorithm and switch vintage if there is substantial variation among installed switch capability.

For economic registrations that participate in the Energy Markets, a sample is required for each combination of dispatch group or registration, end-use device or device grouping, curtailment algorithm, and switch vintage if switch capability is substantially different.

For economic registrations that participate in the Synchronized Reserve market, a sample is required for each combination of SR subzone, dispatch group or registration, end-use device or device grouping, curtailment algorithm, and switch vintage if switch capability is substantially different.

Sample Size Determination:

A variance study is used to determine the initial sample size. Interval data must be collected from at least 75 randomly selected and stratified customers during the season the end use device is in use in order to determine the variance of the load data for the sample.

Synchronized Reserves: At least 2 weeks of continuous meter data collected at a period of 1 minute or smaller.

Load Management and Economic Energy: At least 4 weeks of continuous meter data collected at a period of 1 hour or smaller.

The number of locations in the sample is then calculated as follows, unless otherwise approved by PJM:

n = number of sampled customers in variance study, ≥ 75

$X_{i,t}$ = meter reading for customer i during interval t

Calculate the mean and variance of the meter data across all customers for each interval:

$$\text{Mean}(X_t) = \overline{X_t} = \frac{1}{n}\sum_{i=1}^{n} X_{i,t}$$

$$\text{Var}(X_t) = s_{X_t}^2 = \frac{1}{n}\sum_{i=1}^{n}\left(X_{i,t} - \overline{X_t}\right)^2$$

Calculate the sample size necessary to get 10% error at 90% confidence for each interval:

$$M_t = \left(\frac{Z\alpha_{/2}}{e}\right)^2 \frac{s_t^2}{\overline{X_t}^2}$$

Where

$$Z\alpha_{/2} = 1.645 = \text{critical value at 90\% confidence } (\alpha = 0.1)$$

$$e = 0.1 = \text{error}$$

Take the average sample size across all intervals to determine *M,* the sample size:

$$M = \frac{1}{T}\sum_{t=1}^{T} M_t$$

Where *T* is the total number of intervals. *T* should be at least 20,160 for SR (2 weeks of 1 minute intervals) and 672 for economic energy and Load management (4 weeks of hourly intervals).

Alternate calculations may be used subject to PJM approval.

Sample Recalibration:

The sample must be recalibrated annually as follows:

1. The sample size must be recalculated using the same method listed above using data from all locations in the sample.

2. If the population was expanded in a non-random manner, the sample must be expanded appropriately, so that the sample is representative of the population.

3. The number of locations in each stratum in the sample must be adjusted so that the number of locations in each stratum is proportional to the population in that stratum within +/- 1 location.

Data Validation and Estimation:

Data must be validated and estimated in accordance with the NAESB Validating, Editing, and Estimating (VEE) Protocol. This protocol should be used for validation and estimation of 1-minute data for the SR market as well as hourly data for capacity and energy markets. Note: All rules for hourly data shall apply to 1 minute data where the only difference is the use of 1 minute interval instead of 1 hour interval.

If 5 minutes or more are missing or faulty from 1 minute meter data for a single event, or 2 hours or more are missing or faulty from hourly meter data for a single event, data from that meter may not be used for that event. If there is 1 way switch communication, the data for that meter must be reported as the PLC level for every reported interval on the event day. If there is 2 way switch communication and a sufficient number of locations in the sample without the missing meter data to meet the minimum sample size, then the an estimate for the missing meter data should not be reported for this event. If there is 2 way switch communication and an insufficient number of locations in the sample without the missing meter data to meet the minimum sample size, then the PLC value should be reported for every reported interval for the event day for each location with missing meter data such that there are enough locations to meet the sample requirements unless otherwise approved by PJM.

Example with one-way switch communication: The minimum required sample size is 300. There are 305 meters in the sample. 7 meters have missing or faulty data that cannot be corrected. The CSP must include data from the 298 correctly functioning meters, and report the data from the 7 faulty meters as the PLC value for each of the 7 EDC accounts for every reportable hour that day.

Example with two-way switch communication: The minimum required sample size is 300. There are 305 meters in the sample. 7 meters have missing or faulty data that cannot be corrected. The CSP must include data from the 298 correctly functioning meters, and report the data from 2 randomly selected faulty meters as the PLC value for those 2 EDC accounts for every reportable hour that day.

Switch Operability

Two-way switch communication: Two-way switch communication is when the CSP receives verification from the switch that it successfully cycled base on CSP instruction. When there is two way switch communication in place, the CSP will calculate the performance factor, *F,* as number of switches in the population that successfully cycled for that event divided by the total number of switches in the population that were sent the instruction to cycle for that event. The meter data will be multiplied by this value before submission to PJM to scale the sample average load data to the represent the population that performed the load reductions.

One-way switch communication: One-way switch communication is when the CSP cannot accurately determine if each switch in the population successfully cycled based on CSP instruction. In this case the operability value is implicit in the sample. The CSP must report all data from all meters in the sample, even if a switch in the sample is faulty. The CSP may not repair any faulty devices in the sample that could also be faulty in the population (for example an air conditioner cycling switch cannot be repaired/replaced but a 1-minute meter could be repaired/replaced) unless the CSP repairs/replaces those same devices that are faulty in the population. Switch failure in the sample must be reported to PJM within 2 business days.

Converting sample data to meter data

Note that the sample data must be from the same time interval being settled.

$X_{i,t}$ is the meter reading for customer i during interval t after VEE protocol is applied per this Manual.

B is the
$=$ set of EDC accounts in sample that are to be included in estimation (after subject to rules in this manual)

M_s $=$ Sample size (number of EDC accounts in B)

M_c $= Population\ of$ Cycled customers

F is the opearbility factor, calculated subject to this manual (1 for one way switch communication)

The meter data value to be submitted to PJM for interval t is Y_t:

$$Y_t = F\frac{M_c}{M_s}\sum_{i\in B} X_{i,t}$$

Measurement and Verification Plan

The CSP must submit a Measurement and Verification (M&V) plan to PJM before the registration is submitted. The M&V plan must be approved by PJM before the registration is submitted. CSP is to resubmit an updated M&V plan annually to continue participation in the PJM markets.

The M&V plan must include details on: how the variance study was conducted and sample size was determined; sample selection and stratification; meter qualification and quality assurance; data validation and error correction protocol; and how sample meter data will be converted to population meter data. A template of the M&V plan is to be published on pjm.com.

Churn and Customer Documentation

Note: Parts of this section apply to interval metered residential customers, as indicated below.

Applicable to all residential customer registrations (interval metered and non-interval metered):

- CSP to submit initial list of customers to PJM at time of registration, including all EDC account numbers and service addresses.
- Replacement allowed for customer who moves from their premises or customer terminates contract with CSP.
- CSP must maintain list of all replacement and furnish to PJM within 2 business days of request.
- CSP must maintain list of customers who were cycled during an event.
- All customer lists, meter data, and documentation must be furnished to PJM within 2 business days of request and be maintained by CSP for 2 years.

Applicable to interval-metered Load Management:

- CSP to submit list of PLC values for each EDC account at time of registration.
- Replacement customers must be selected to maintain PLC and load drop.
- CSP must maintain list of customers for each event and maintain for 2 years from event date.
- CSP may not add/remove customers (other than replacement). If number of customers falls below registered number, CSP must report to PJM within 2 business days and is subject to RPM Resource Deficiency Charges if applicable.

Applicable to non-interval metered Load Management:

- CSP to submit list of PLC values for each EDC account at time of registration.
- Replacement customers must be randomly selected to maintain integrity of strata, and if applicable PLC and load drop.
- CSP must maintain list of customers for each event and maintain for 2 years from event date.
- CSP may not add/remove customers (other than replacement). If the number of customers falls below registered number, CSP must report to PJM within 2 business days and is subject to RPM Resource Deficiency Charges if applicable.

Applicable to interval metered Economic Energy and Synchronized Reserve:

- There are no restrictions on replacement customers since actual meter data is submitted.
- CSP must maintain list of customers for each offer for 2 years from date of offer.
- CSP may add/remove customers at any time, but must maintain documentation and update the value on the location in eLRS. This value must be accurate every day an offer is submitted.
- List of offered customers must be finalized at time of offer. Number of offered customers cannot exceed number of customers on location.

Applicable to non-interval metered Economic Energy and Synchronized Reserve:

- Replacement customers must be randomly selected to maintain the integrity of the strata.
- CSP must maintain list of customers for each offer for 2 years from date of offer.
- CSP may add/remove customers at any time, if it can be done such that the sample remains representative of the population. CSP must maintain documentation and update the value on the location in eLRS. This value must be accurate every day an offer is submitted.
- If CSP offers partial list of customers to market, then such customers must be randomly assigned from pool of all registered customers. List of offered customers must be finalized at time of offer. Number of offered customers cannot exceed number of customers on location.