**PWG Meeting Notes** – December 11th, 2024

ERCOT MET Center & Via WebEx 9:30 AM

Attendees:

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| --- | --- | --- | --- |
| Richard Beasley - CNP | Rachel Hendrix – LP&L | Eric Lotter – Grid Monitor | John Schatz - Vistra |
| Robert Bevill - TNMP | Monica Jones - CNP | Jesse Macias - AEP | Kathy Scott - CNP |
| William Butler – LP&L | Cindy Juarez - AEP | Sam Morris - ERCOT | Bill Snyder - AEP |
| Sam Cannon – ERCOT | Amar Khalifeh - ERCOT | Calvin Opheim - ERCOT | Clayton Stice - ERCOT |
| Jackie Contreras - CNP | Kimaniece George - CNP | Sam Pak - Oncor | Kelly Taylor - PUC |
| Hayden Dillavou - Balyasny | James Langdon - Vistra | Steve Pliler - Vistra | Jordan Troublefield - ERCOT |
| Angela Ghormley - Calpine | Jim Lee - CNP | Chris Rowley - Oncor | Sheri Wiegand - Vistra |

* **Admonition**
  + Sam Pak advised the attendees of the Antitrust Admonition**.**
* **Introductions, Agenda Review**
  + Sam confirmed the meeting participants (in-person attendees highlighted above) and reviewed the agenda.
* **Meeting notes for August 21**
  + Sam reviewed the notes from the October 22 meeting. The meeting notes were approved with no revision.
* **Update BUSIDRRQ & BUSLRG Profile Market Counts**
  + Sam said there was little change to the TDSP counts. Rob said TNMP is ready to begin conversions in 2025 and should finish in Q2 indicating ~370 to move to BUSLRG with ~92 to remain as BUSIDRRQ

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* **Annual Validation Process Enhancements**
  + Sam recalled past discussions with the ERCOT Forecasting team about the need for Annual Validation process enhancement. Sam said today’s meeting should review pain points and possible improvements.
  + Sam Morris said there is a difference in the shape of load profiles today compared to 2002. He asked Amar to review the change analysis.
  + Amar said the initial AV models were based on data from Nov 2004 to Jul 2006 and represented only a sample of premises. He compared the current shapes of profiles RESLOWR and BUSMEDLF against the 2006 shapes and found the shapes to be largely the same. There was more change on BUSMEDLF while RESLOWR remained very consistent. Sam Morris said the models were not intended to be permanent and Calvin agreed the models are stale. Calvin observed the original profiles were based on data samples, but now the data is all-inclusive with no sampling error (all LSE files). Through discussion it was agreed that one or two years is not enough to capture seasonal variation, and five years would be more accurate by smoothing out abnormal weather spikes for residential analysis
  + Sam Morris said a data refresh would not be a problem although the models would have to be updated, perhaps connecting to a database. Sheri asked if a System Change Request would be needed. Sam replied the update would be more internal to ERCOT for possible cloud-based computing, although the market can assist with the push. Rob inquired about the market impact of changing load shapes. Sam said the impacts are backend although Sheri noted there would be impacts for REPs. There was discussion of omitting some data from a lookback, such as COVID impacts or Winter Storm Uri/hurricane events. Kathy reminded the group of the resources and cost associated with confirmation of AV data.
  + Sam Pak asked if ERCOT would provide regression for all profiles against weather zones, and of a general timeline. Sam Morris advised code crunching and math will need to be performed, but the most difficult piece will be updating the hard-coded system. He referred to prioritized PUC requests currently in front of the Forecasting team and said the hope is to have the AV updates before PWG by summer 2025.
    - Amar said updating the criteria should also be considered. For business ESIs, is load factor the best option as this is impacted by weather? Should load be considered in late October/early November where weather may not be as impactful.
    - Sam Pak inquired if the business 12-month lookback is based on 867 transactions or aggregation of LSE files. Amar said the code would be reviewed to determine.
  + Sam Pak also asked for clarity if a system change would require an SCR and if the SCR should come from ERCOT or PWG.
  + The process for Business AV was reviewed identifying pain points and possible opportunities:

1. In Feb/Mar timeframe, ERCOT reviews all ESIs with a current BUS load profile and evaluates the following:

* + - * Is the ESI currently active as of January 1st? OPPORTUNITY: Active ESIs should be recognized as of December 31st
      * Does the ESI have load information for the past 12 months?

2. The ESIs are evaluated per the Decision Tree to determine LO,MED,or HI classification based on load factors:

* + - * + BUSLOLF LF < 40%
        + BUSMEDLF 40% < LF < 60%
        + BUSHILF LF > 60%

3. ERCOT prepares list of ESIs for revision and sends to TDSP

4. TDSP reviews ESIs to determine if active and have consumption. OPPORTUNITY: Should ERCOT exclude ESIs with zero consumption? Is there a threshold for zero consumption?

5. TDSPs send lists of ESIs to be excluded from the list of revisions. GOAL: TDSPs should feel confident in the data provided by ERCOT to minimize review.

6. TDSPs send 814\_20s over a period of 6 months. OPPORTUNITY: TDSPs are encouraged to send 814\_20s within two billing periods to minimize changes.

7. ERCOT monitor 814\_20s received and reports progress to PWG until concluded.

* + Following a lunch break, Sam turned the meeting to the residential side. The AV residential process was reviewed, identifying pain points and possible opportunities:

1. ERCOT pulls all active residential ESIs as of January of the respective year. De-energized and inactive ESIs are eliminated. OPPORTUNITY: active ESIs should be recognized as of December 31st of study year.

* + - * Data is pulled from the previous year and 2 years back i.e. 2025 study would represent 2024 consumption and 2023 and 2022 data.
      * Consumption values for January and February for above years is evaluated
      * If 90% of the total intervals for the 6 periods in question is available, the ESI is evaluated
      * If r^2 > 0.6 for 3 months, premise is considered RESHIWR (NOTE: r^2 represents temperature and usage correlation)
      * If r^2 < 0.4 for all 6 months, premise is considered RESLOWR
      * OPPORTUNITY: should the data be reviewed in pairs of 3 to determine r^2? Should 5 years of weather data be considered to normalize, thus 5 pairs of data?

2. ERCOT sends list of ESIs to TDSP for review

3. TDSPs first review if ESI is still active - \*\*Opportunity above should reduce # of inactive and de-energized ESIs included. GOAL: TDSPs should feel confident the data provided by ERCOT is accurate thus the review should be minimal.

4. TDSPs send 814\_20s to update any necessary load profiles. Current timeline is March – September to submit 814\_20s. Some TDSPs send within the first month(s) to minimize changes in status.

* + To summarize, the snapshot date for active ESIs should be moved from January 1st to December 31st for this year’s AV process.
  + Next steps will include detailed review of the current code addressing some of the questions noted above.
  + Kathy observed AV would be commencing soon. She said if the Review Date tweaks could not be implemented in AV 2025, the path forward for AV should be identified. Kathy also spoke of the need to ascertain if an SCR will be needed; and if so, should the SCR be requested by ERCOT or PWG.
  + Sam advised the next PWG meeting on 1/13/25 at 9:30 is Webex only.

**Future Meeting Dates –** 1/13/25 at 9:30. The meeting will be WebEx only.

* **The meeting adjourned at 2:19 p.m.**