



**RHWM Process Workshop
June 12, 2012
9:00-12:00**

Rates Hearing Room

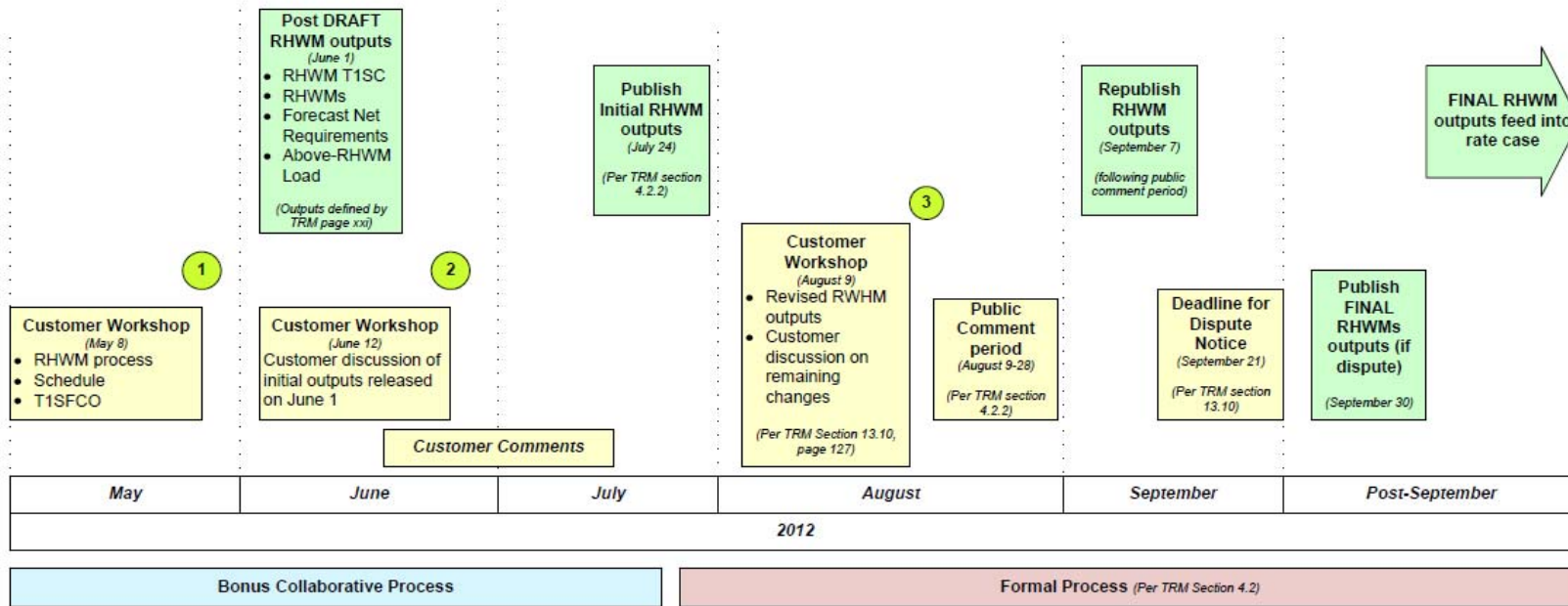


RHWM Process Workshop Agenda

June 12th - 9:00 to 12:00

Topic	Presenter
Intro and Purpose of Workshop	Stiffler
Part 1	
RHWM Process Review and Questions	Stiffler/Bliven
Part 2	
Customer Loads – TRL, NLSL forecasts, Change Guidelines and Next Steps	Davis
Part 3	
<i>draft</i> RHWM Outputs – separate handout	Stiffler
Discussion: <ul style="list-style-type: none"> • Discussion of T1SFCO and/or any proposed changes to specific loads 	All
Next Steps	Bliven/Stiffler

RHWM Timeline



Workshop Objectives

Workshop #1 Objectives

- 1. Review RHWM process with customers
- 2. Review schedule and milestones
- 3. Present and discuss Tier 1 System Firm Critical Output (T1SFCO)

Workshop #2 Objectives

- 1. Address Customer RHWM process questions (Goal: To work through as many questions and issues before the formal process begins)
- 2. Review RHWM formal process schedule
- 3. Discuss public comment period process
- 4. Discuss dispute process (including dispute notice deadline)
- 5. Method of communication for customers filings (Comments, Dispute Notices – how to file, applicable filing deadlines if customers have comments or disputes)

Workshop #3 Objectives

- 1. Begin formal RHWM Process

Load Forecast Update for 2012 RHWM Process

Load Forecasting & Analysis (KSL)

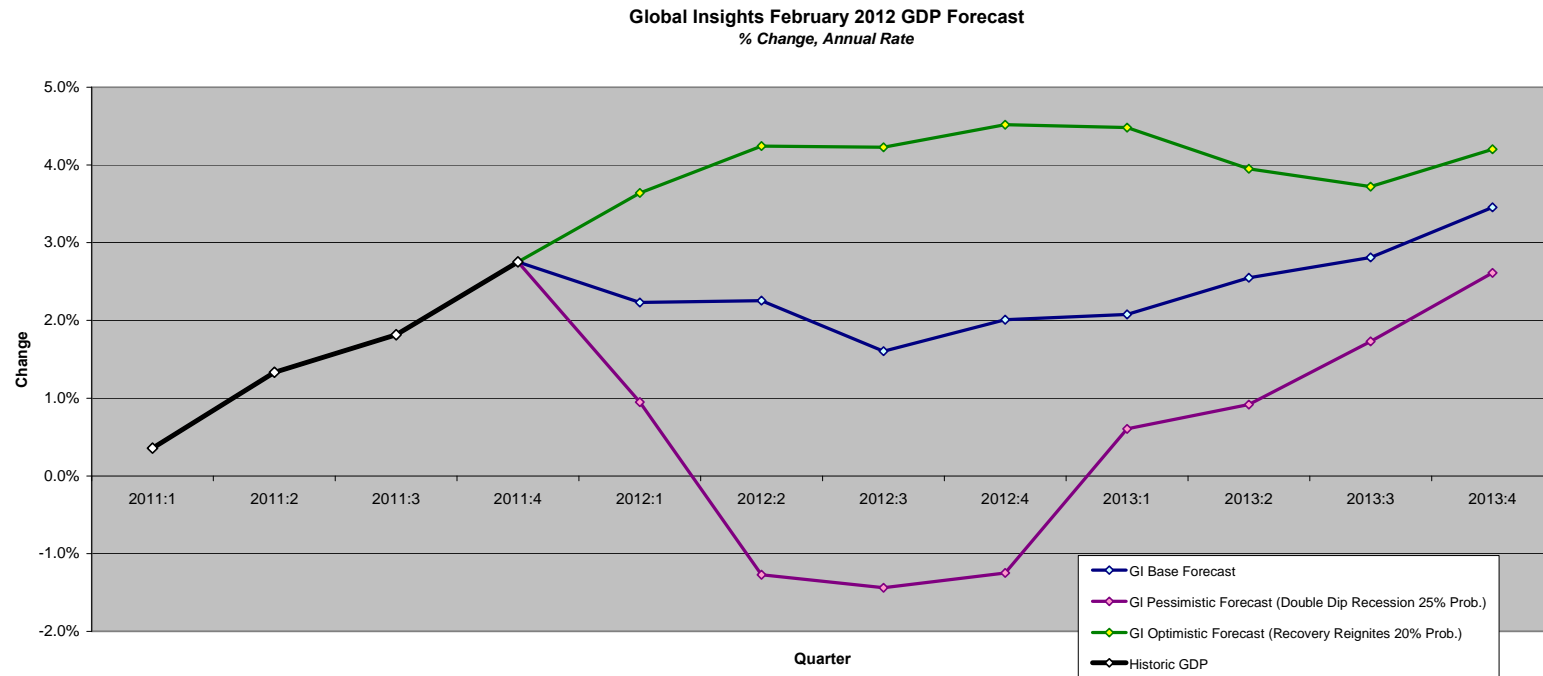
Reed Davis

June 12, 2012

Agenda

- Review economic conditions
- Review current model performance
- New forecast quantities
- Changes suggested
 - Principles guiding changes
 - Changes by subject
- Next steps

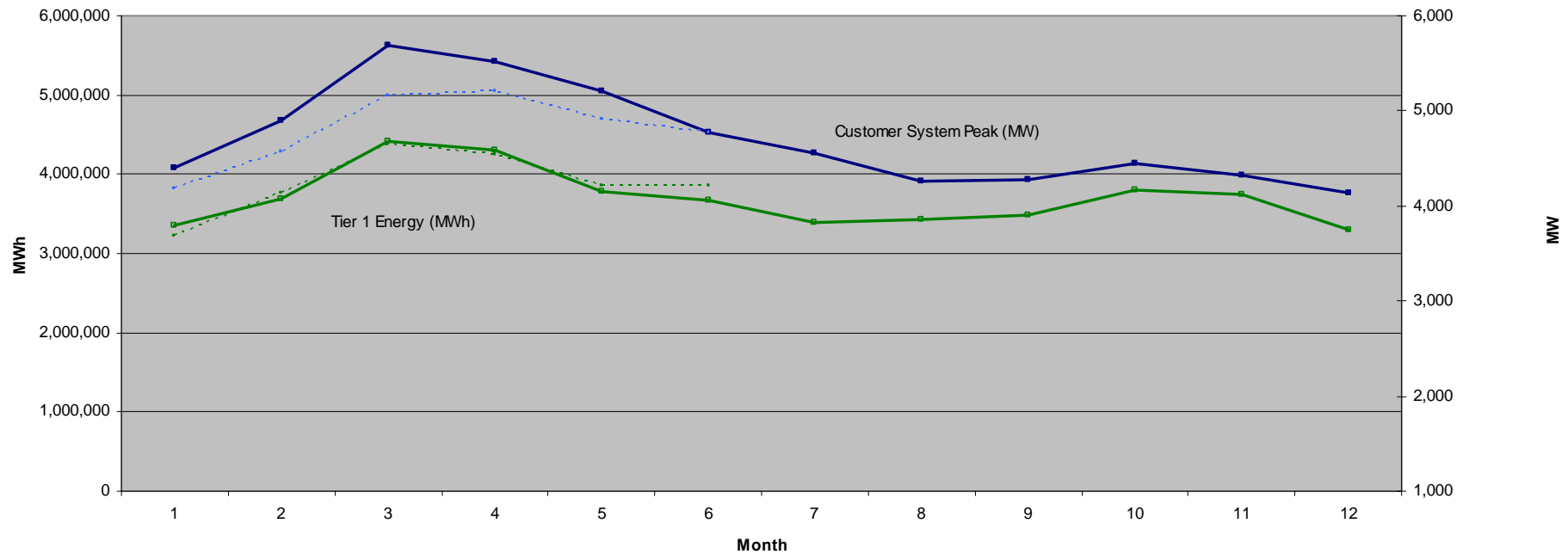
Forecasted economic conditions continue from last year



- Weak GDP growth is still expected for the nation
- Regional unemployment has only improved marginally
- Load continues with little significant growth
- World economic concerns continue
- Regular economic reports continue to indicate uncertainty as reports cycle between positive and negative updates

Current models are performing well

Forecasts (from Rate Case) vs Actual (from Power Bill)



Forecasted energy is tracking observed actual data, indicating models are working fairly well.

Demand models are being reviewed; investigation into alternative measures for weather impacts on monthly peak loads is underway.

Forecasted Agency Loads continue as planned last year

Prior Forecast (Mar 2011)
 Current Forecast (Feb 2012)
 change
 % change

MWa					
2012	2013	2014	2015	2016	2017
9,014	9,138	9,232	9,332	9,410	9,532
9,018	9,162	9,301	9,428	9,535	9,672
4	24	69	96	125	141
0.0%	0.3%	0.8%	1.0%	1.3%	1.5%

- Little bias in forecast adjustments
 - 40% of the customers expect higher loads, while 60% expect lower loads.
 - Average change less than 1 MW per customer

- Changes the results of anticipated specific large customer additions

Load Forecast Change Guidelines

Principles Guiding changes

- Avoid subjective bias in results-
 - Make changes with a clearly identifiable cause and effect.
 - Avoid making changes within the tolerance of model errors.
 - Rely on models and results put together when consequences are not on everyone's mind.
- Avoid forcing the models to give specific answers
 - Rely on statistics of models
 - Rely on accuracy of models and improve when results are not within tolerance levels.
 - Avoid updating without sufficient new data
- Incorporate highly probable information
 - Include new loads/projects that have higher than 70% probability of occurring.

Updates since the spring

BPA recommended changes

- Known load/project changes
 - Missing resource details in total retail load
 - EWEB, Seattle (less than 1 MWa of change)
- Projects where probability of occurrence has dropped below 70%
 - Data Warehouse additions in Umatilla (11 MWa- 100 MWa)
 - Operations of Ethanol plant in Clatskanie (9 MWa)

Are there changes recommended by others?

Next Steps

Review & update agreed-to recommended changes between now and July 15, 2012.

Communicate changes by July 24, 2012

Deliver updated data for continued processing

RHWM Output Calculations

- Please refer to separate excel model.

Next Steps

- Customer by customer review of outputs; correspond with BPA forecaster informally up to July 15th
- BPA will post updated results July 24th in advance of the August 9th workshop.