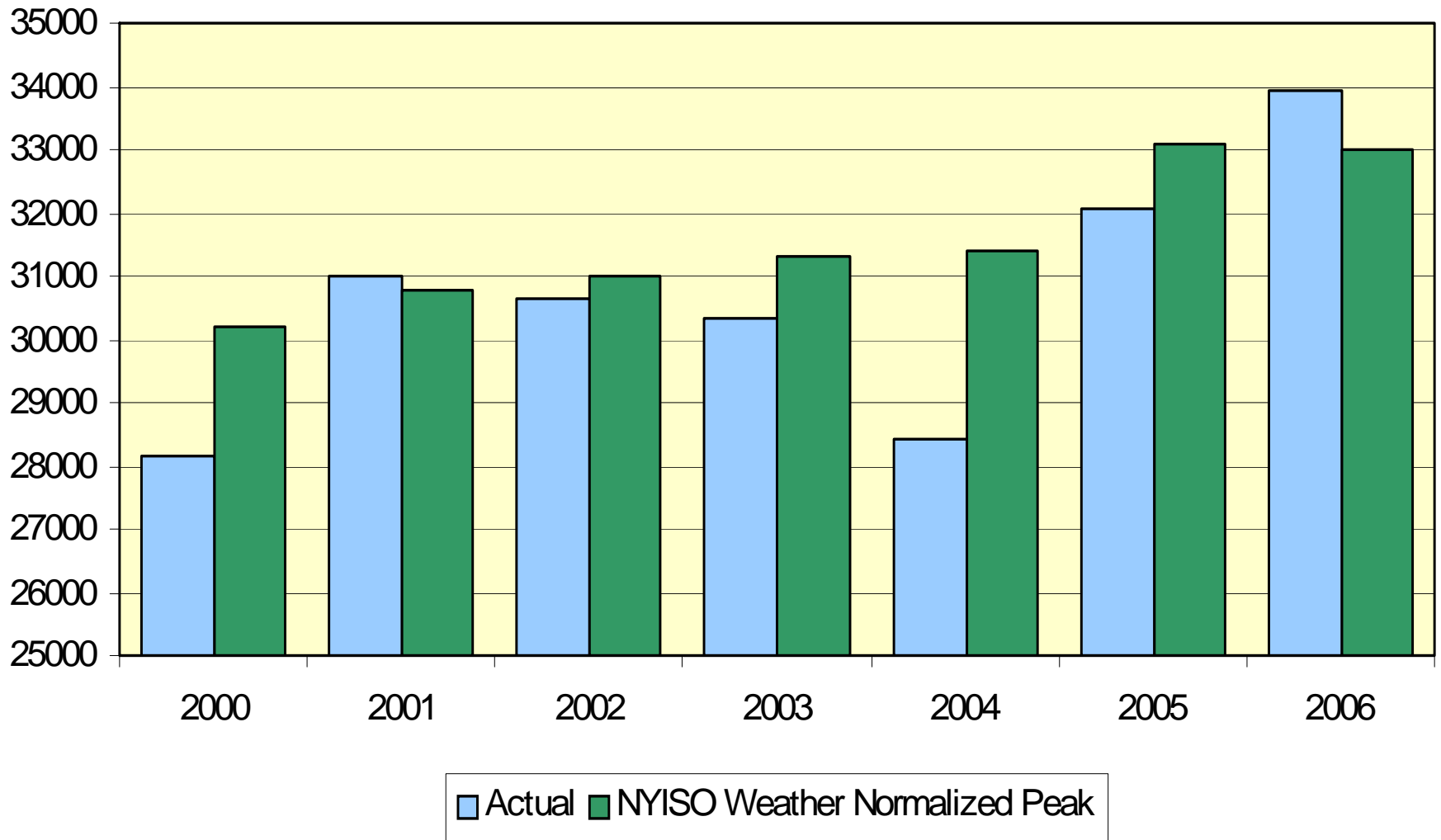


Review of NYISO Summer Peak Models – 2000 to 2006

NYISO
Resource & Load Adequacy
January 22, 2007

NYISO Actual & Adjusted Peaks - 2000 to 2006



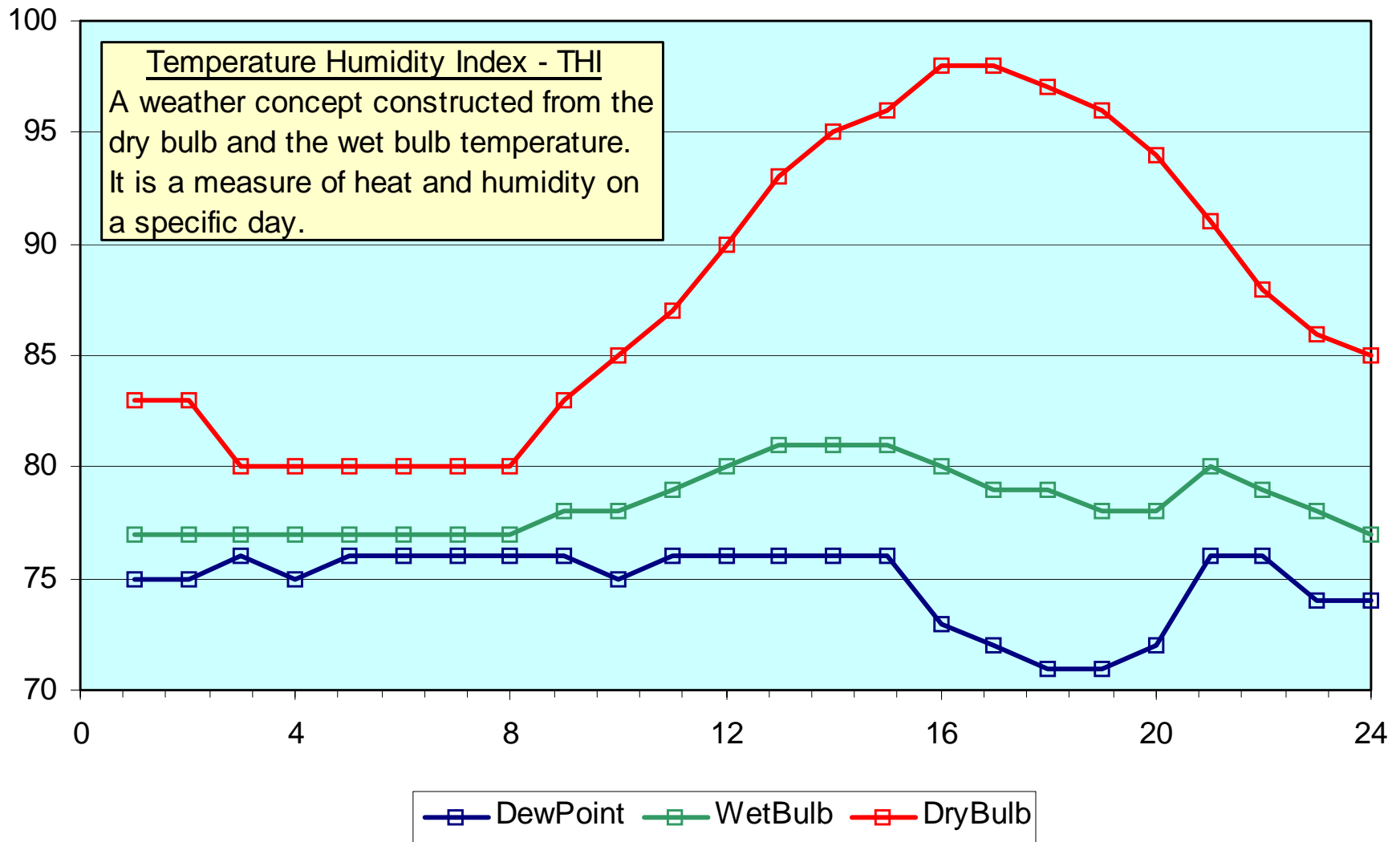
Summary of Review

1. Trends in both base load & weather sensitivity are present in the time series of parameters from 2000 to 2006. However, it is not true that these trends must increase year after year in a steady or predictable manner.
2. In 2004, the peak was set on June 9th. The remainder of the summer was cool. Effect on weather normalization is real.
3. The NYISO methodology has better statistical behavior than using a parameter trend approach as was suggested by an MP.
4. NYISO's year-by-year method captures the effect of higher electric utilization, along with other reasons for changing peaks.
5. Every TO's model showed less weather response in 2004 than 2003 or 2005. Consequently, the 2004 WN peak was lower than the trend from 2000 to 2006.
6. A correction to account for an early peak ought to be considered in the future, since early peaks are rare.

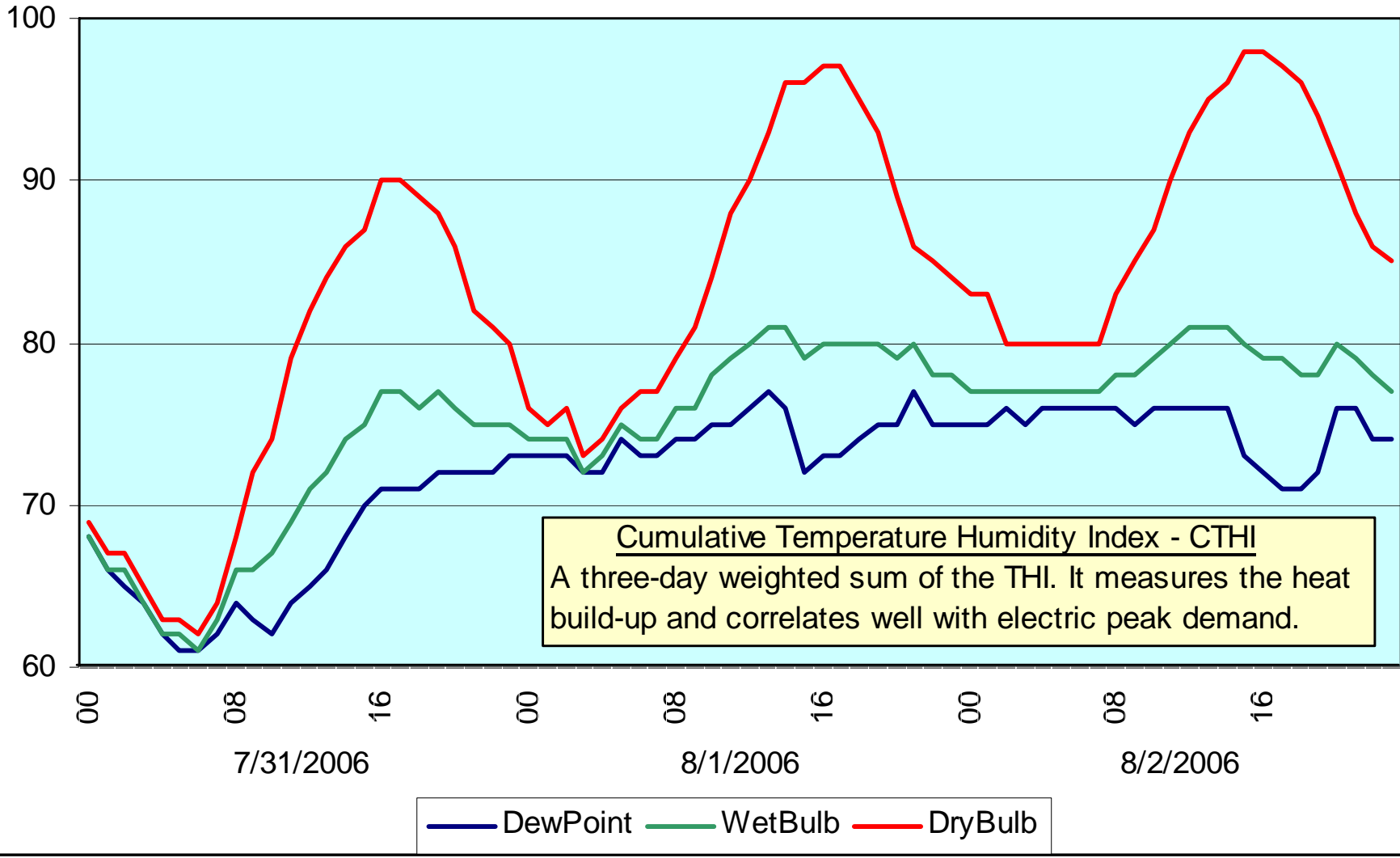
(1) NYISO Weather Normalization of Peak Demand

- NYISO models summer weekday peak demand for each transmission organization on a year-by-year basis.
- NYISO Method: Piecewise-Linear Regression
 - Independent model estimation performed each year
 - Estimates both weather-sensitive & non-weather-sensitive load
 - Evaluates weather response separately for each TO
 - Low/Medium/High weather response chosen based on best r-squared
- We compare our estimates of weather-adjusted peak and the size of the adjustment to those submitted by each TO.
- The NYISO normalizes weather conditions to a 30 year median peak-producing index of temperature & humidity.

Poughkeepsie Weather Data - 8/2/2006

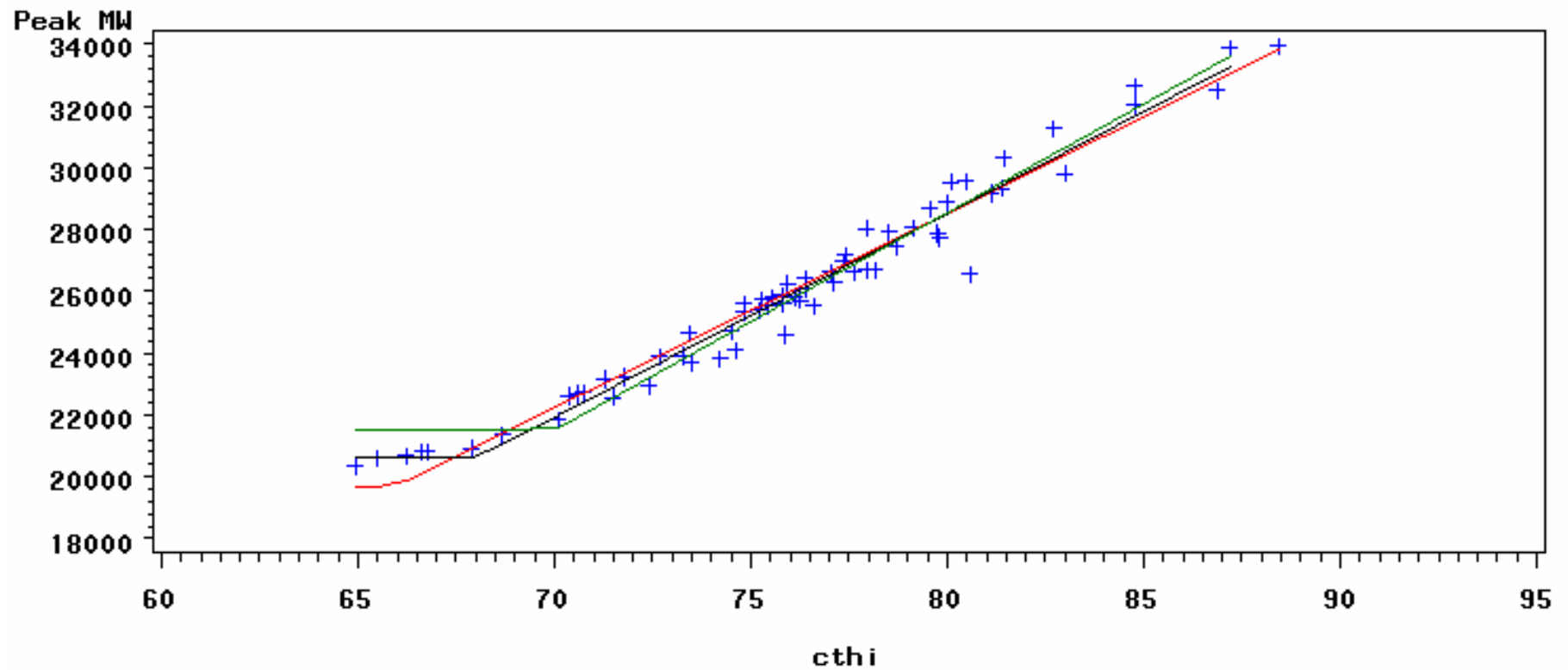


Poughkeepsie Weather Data - 7/31 to 8/1



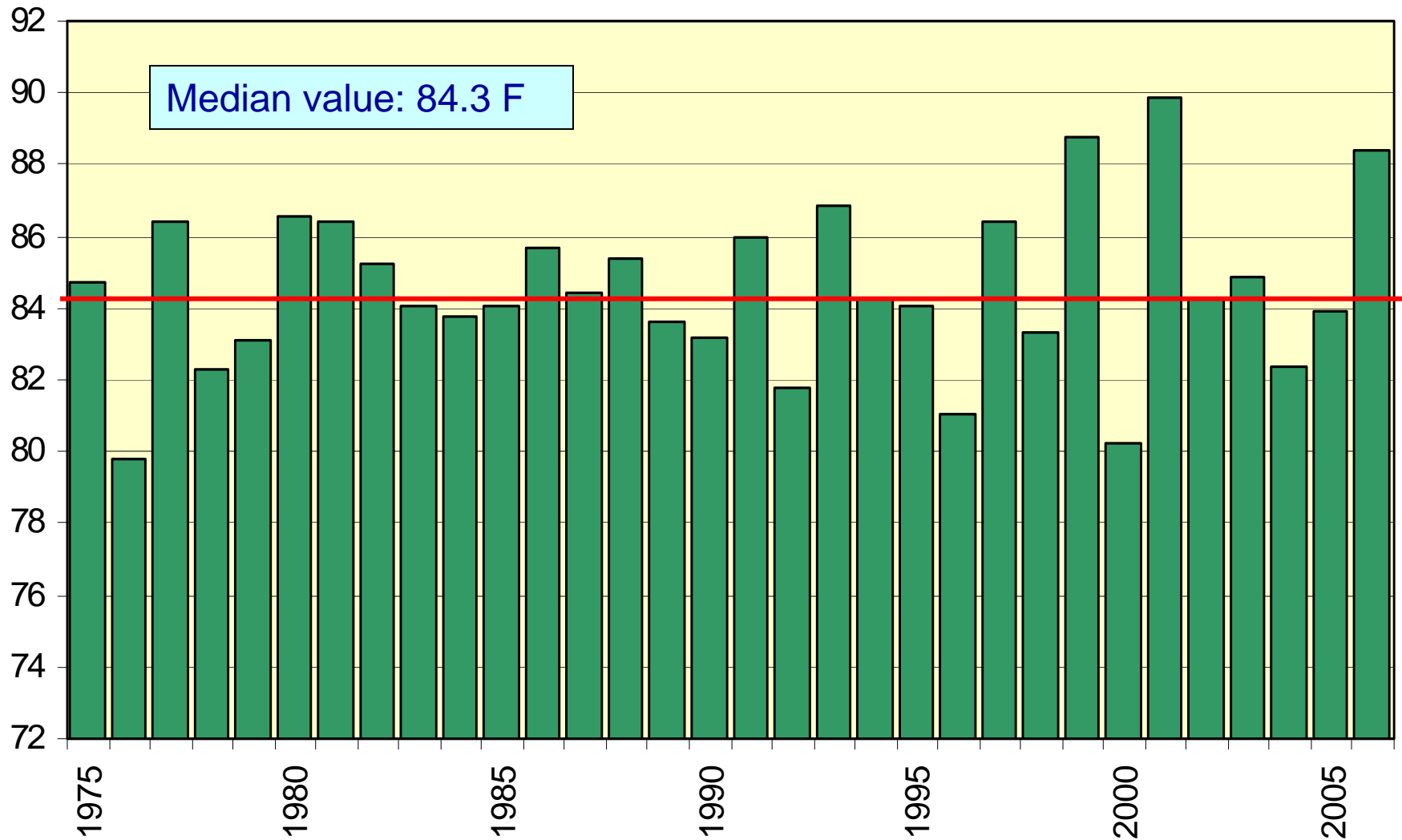
NYCA Summer Peak vs CTHI

Low=66, Med=68, High=70
year=2006

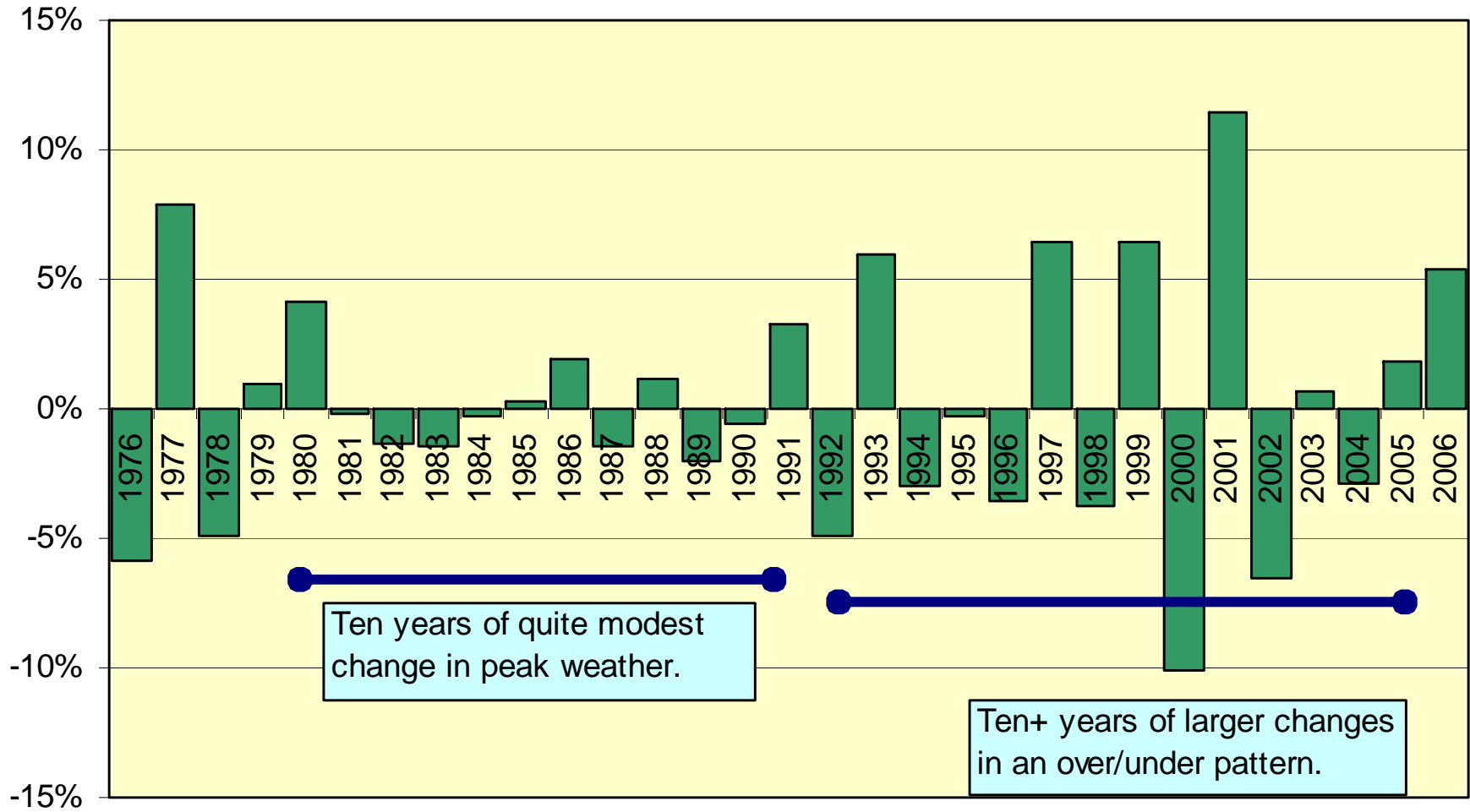


PLOT + + + Actual — LinearLow — LinearMed — LinearHigh

Peak-Producing CTHI - 1975 to 2006



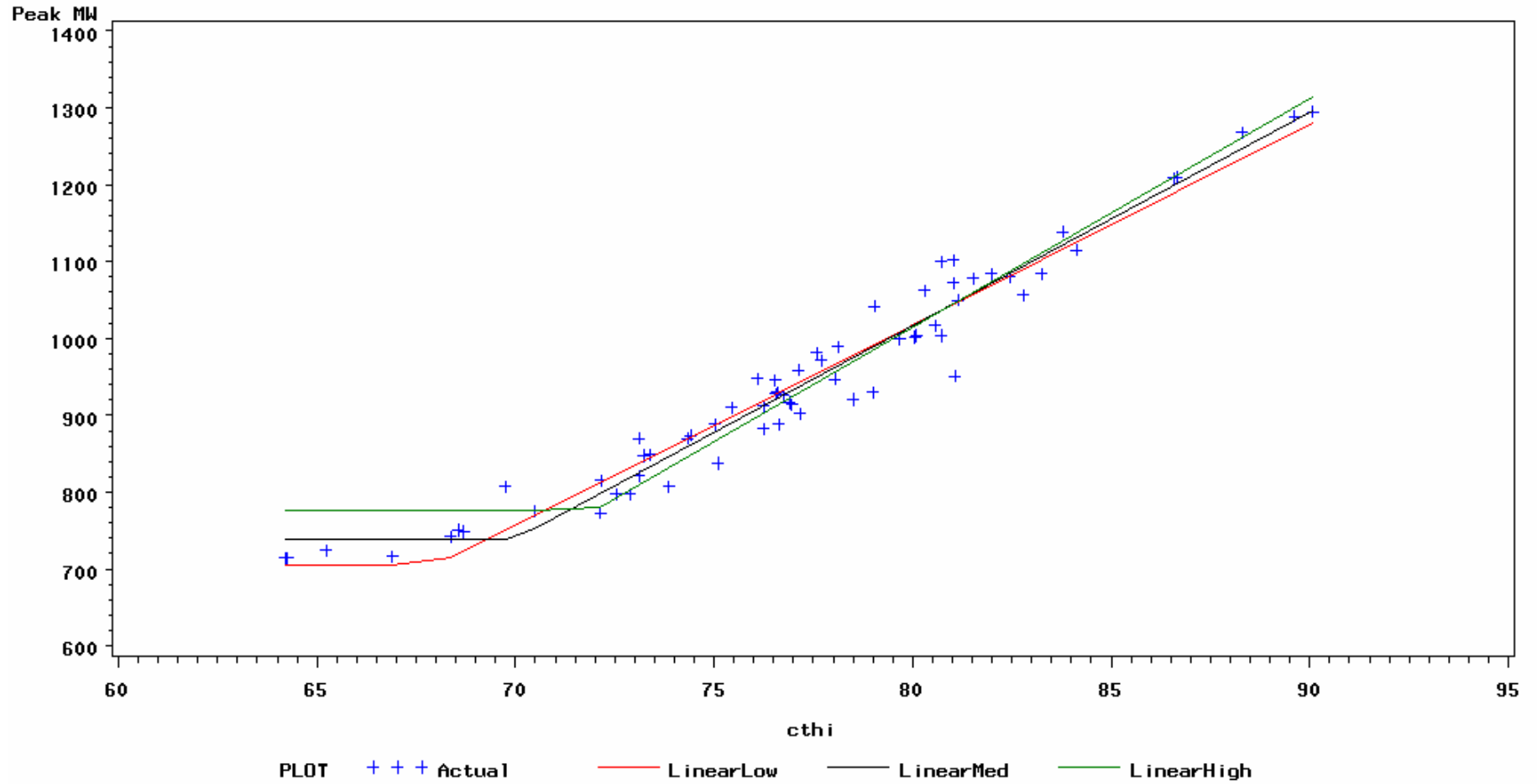
Annual Changes in Peak-Producing CTHI



(2) Review of 2006 Weather Response of Each TO

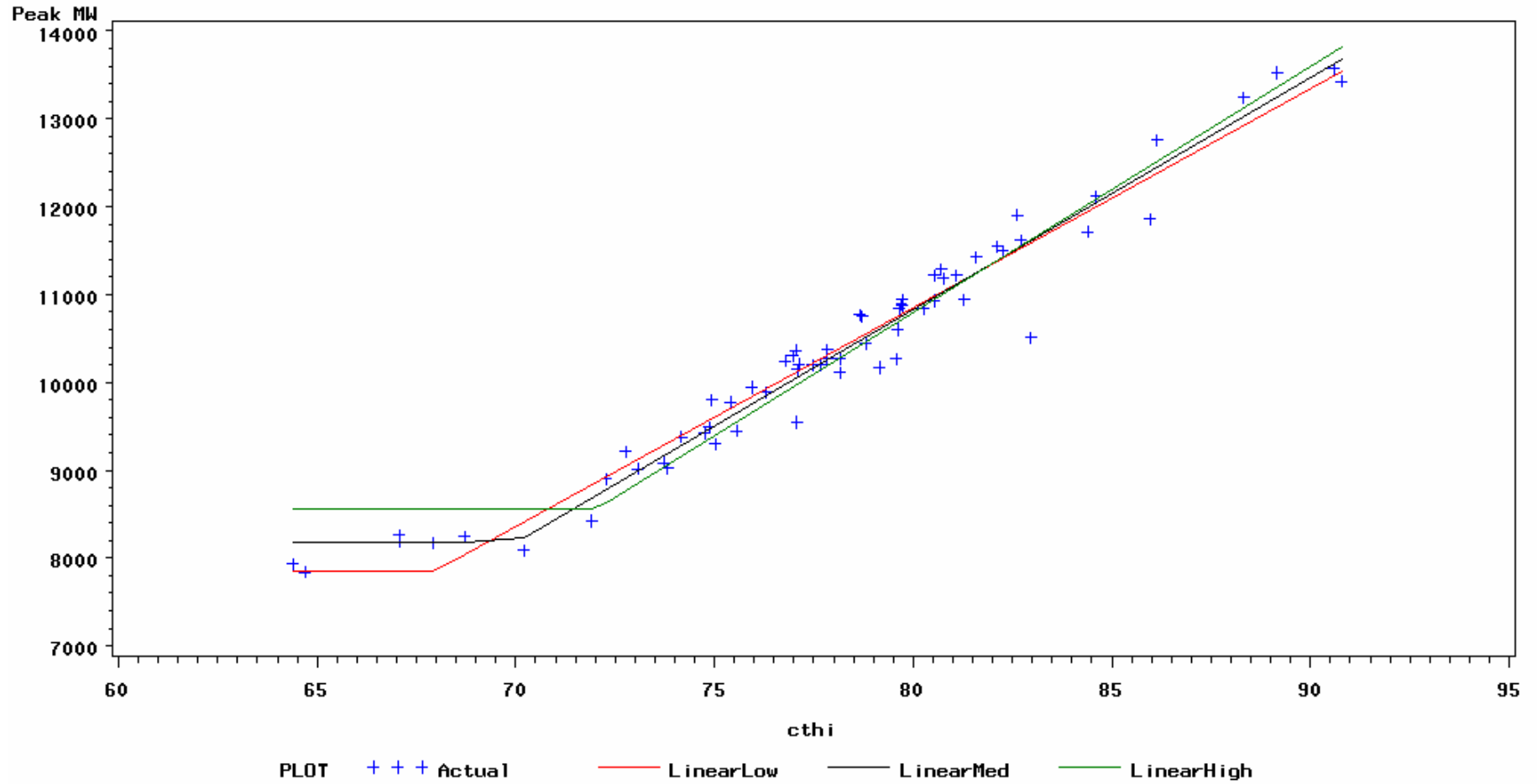
Central Hudson Summer Peak vs CTHI

Low=68, Med=70, High=72
year=2006



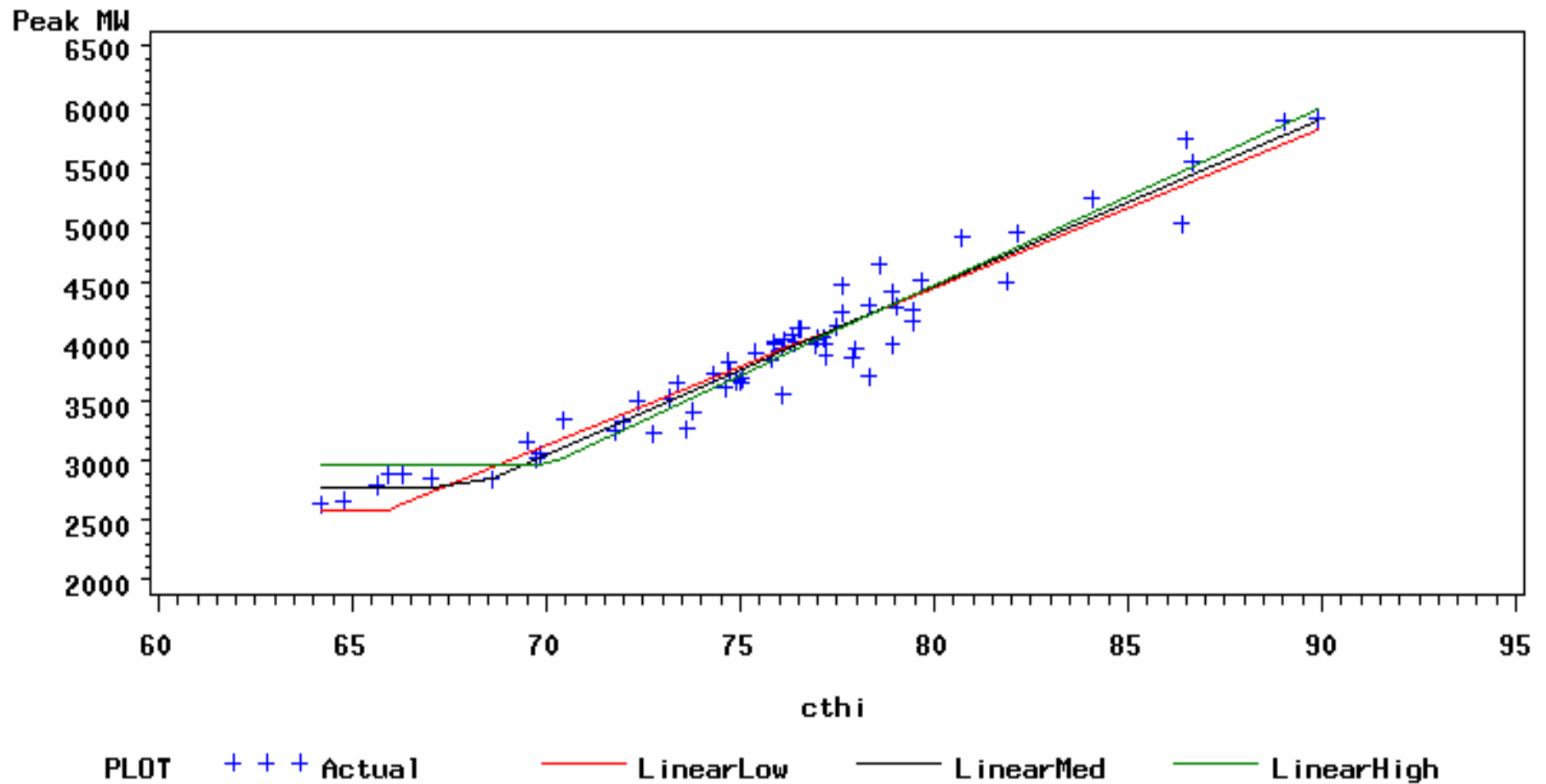
Consolidated Edison Summer Peak vs CTHI

Low=68, Med=70, High=72
year=2006



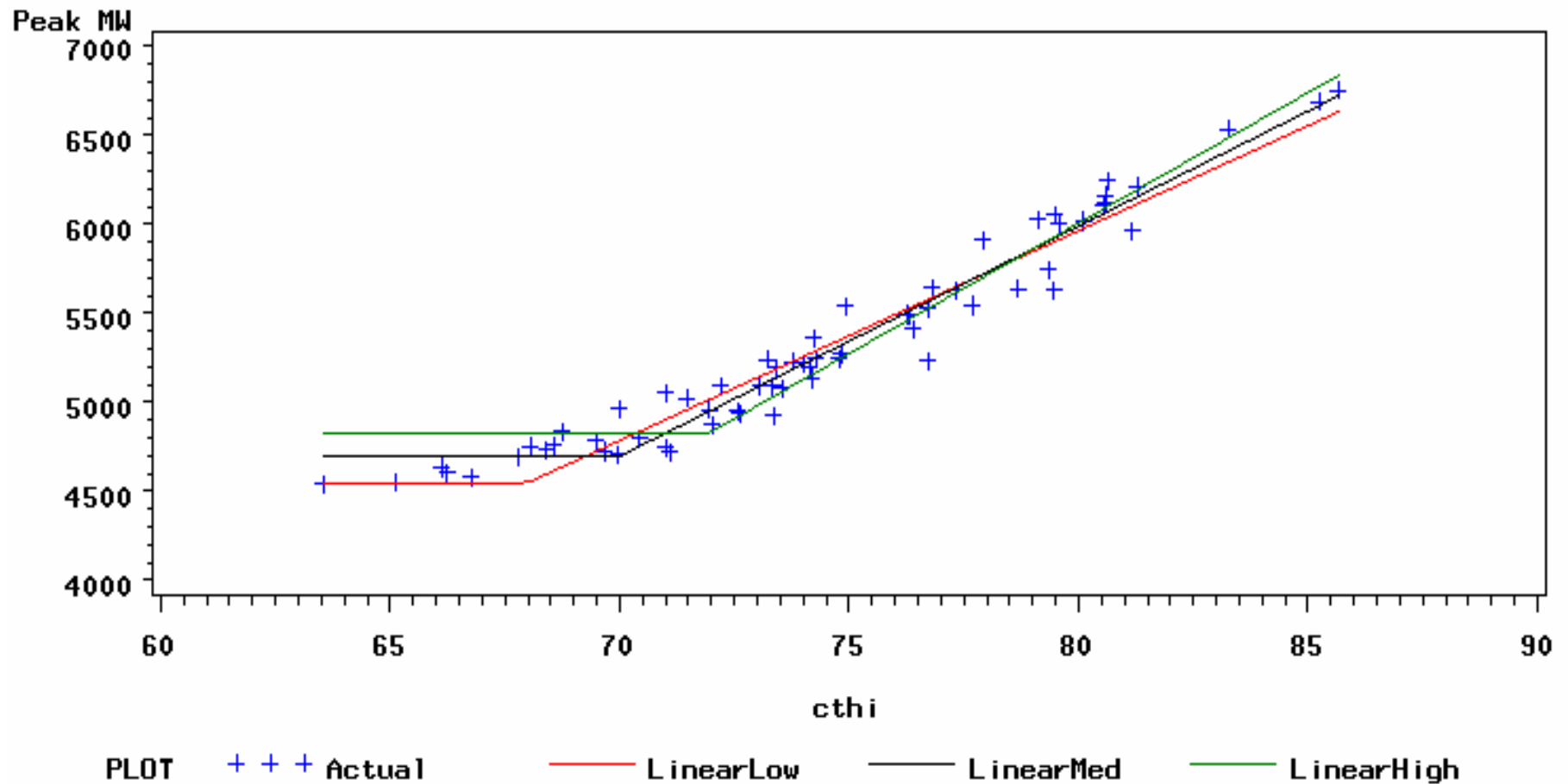
Long Island Summer Peak vs CTHI

Low=66, Med=68, High=70
year=2006



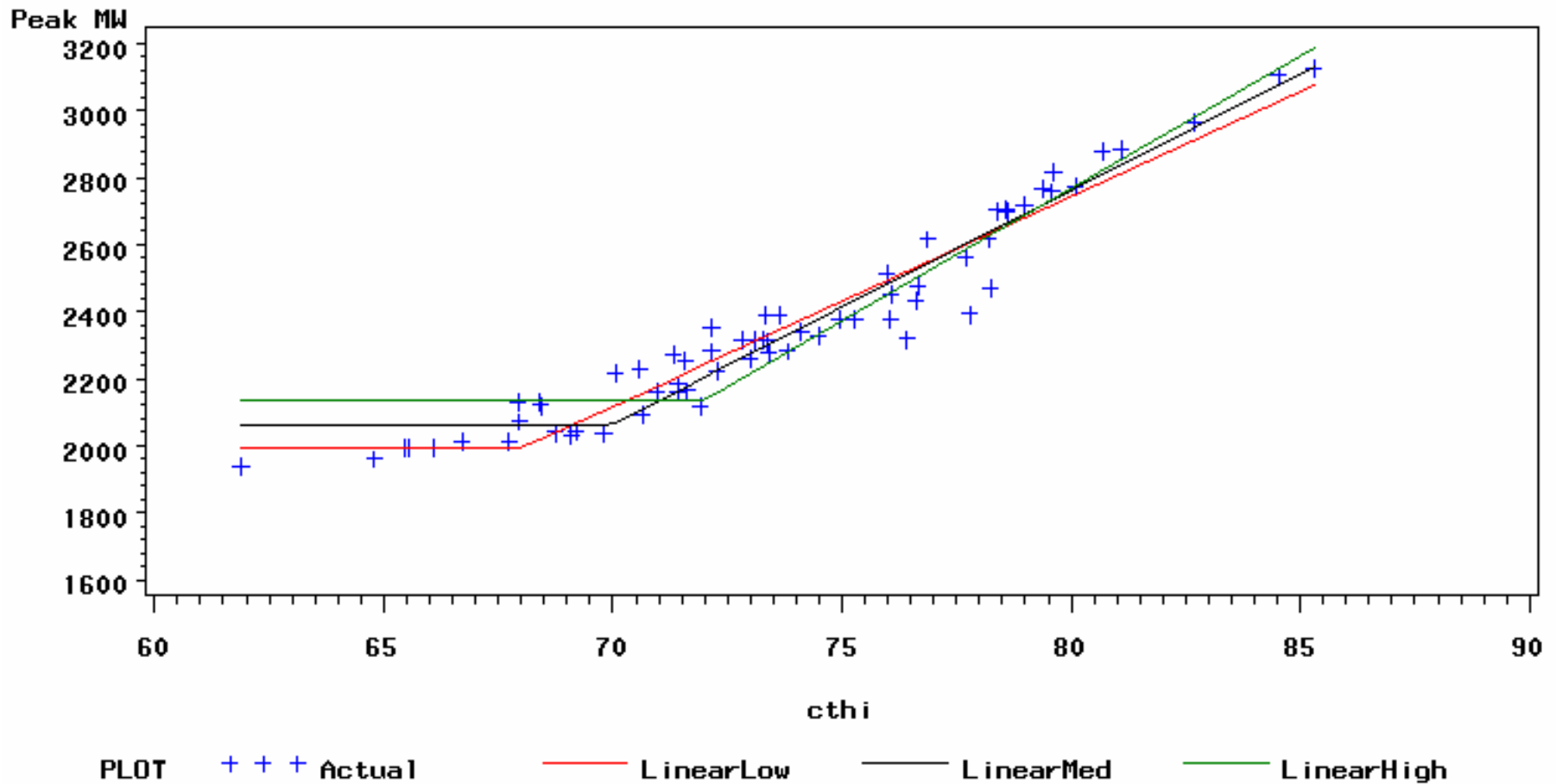
National Grid Summer Peak vs CTHI

Low=68, Med=70, High=72
year=2006



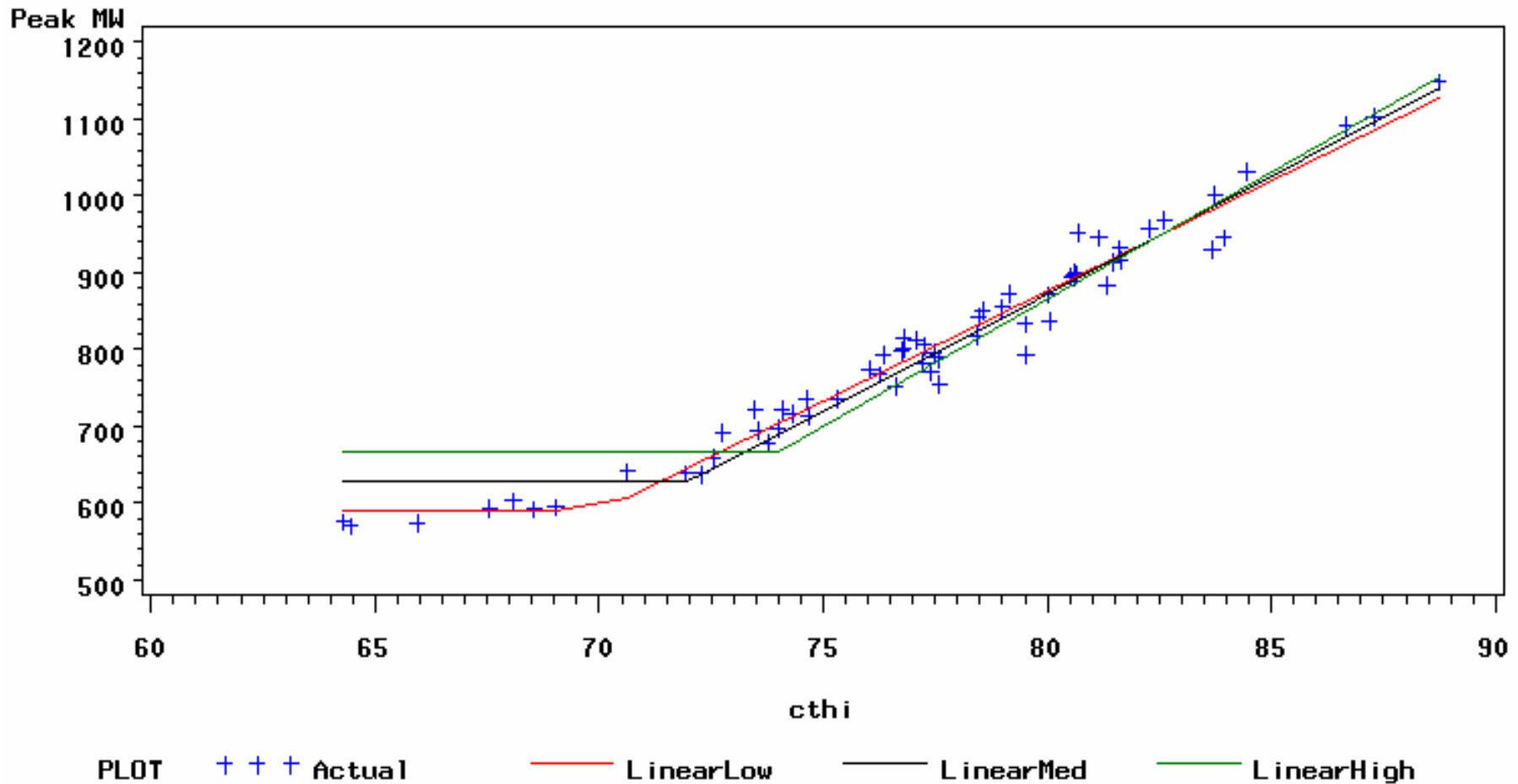
NYSEG Summer Peak vs CTHI

Low=68, Med=70, High=72
year=2006



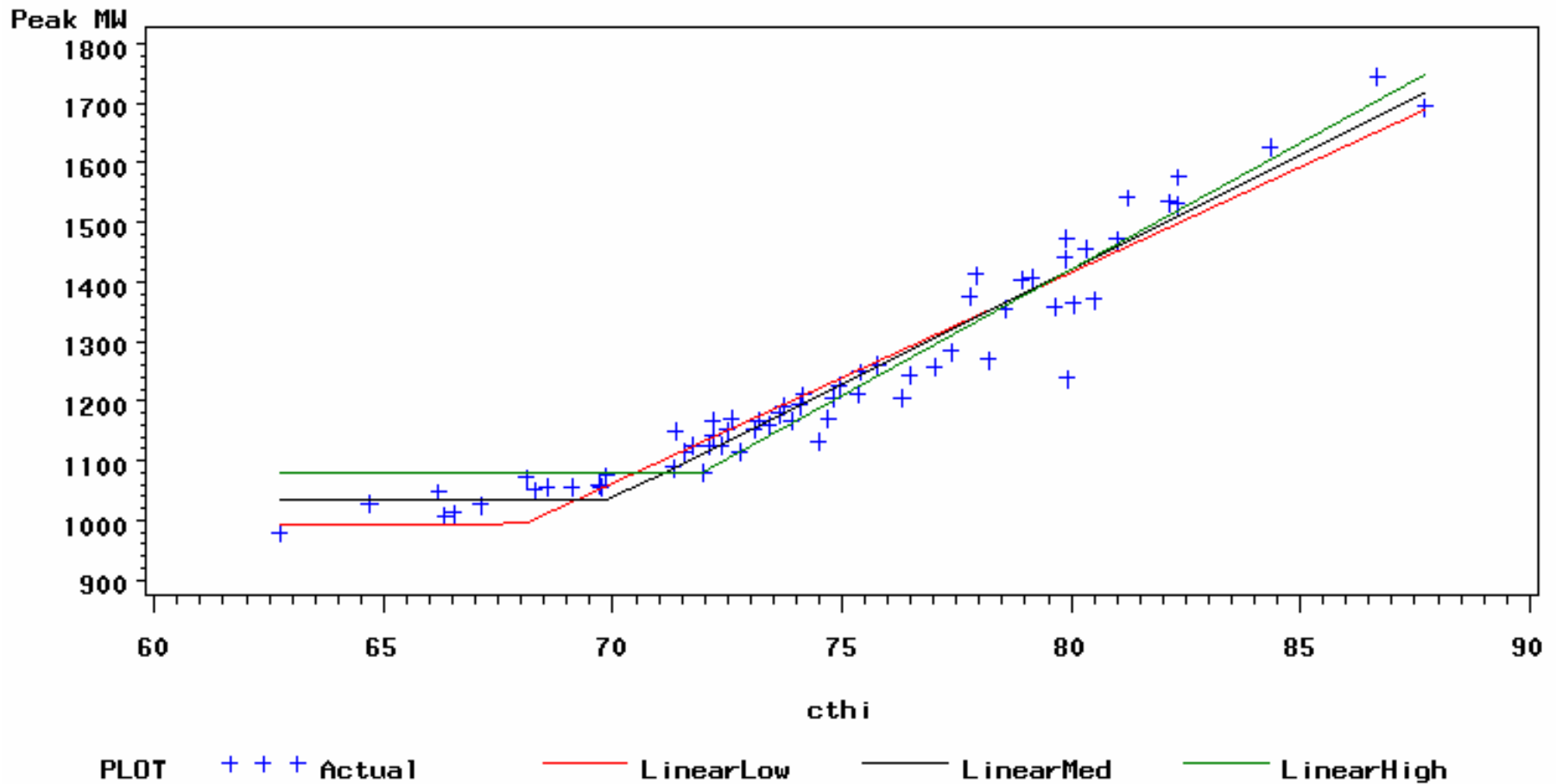
Orange & Rockland Summer Peak vs CTHI

Low=70, Med=72, High=74
year=2006



RG&E Summer Peak vs CTHI

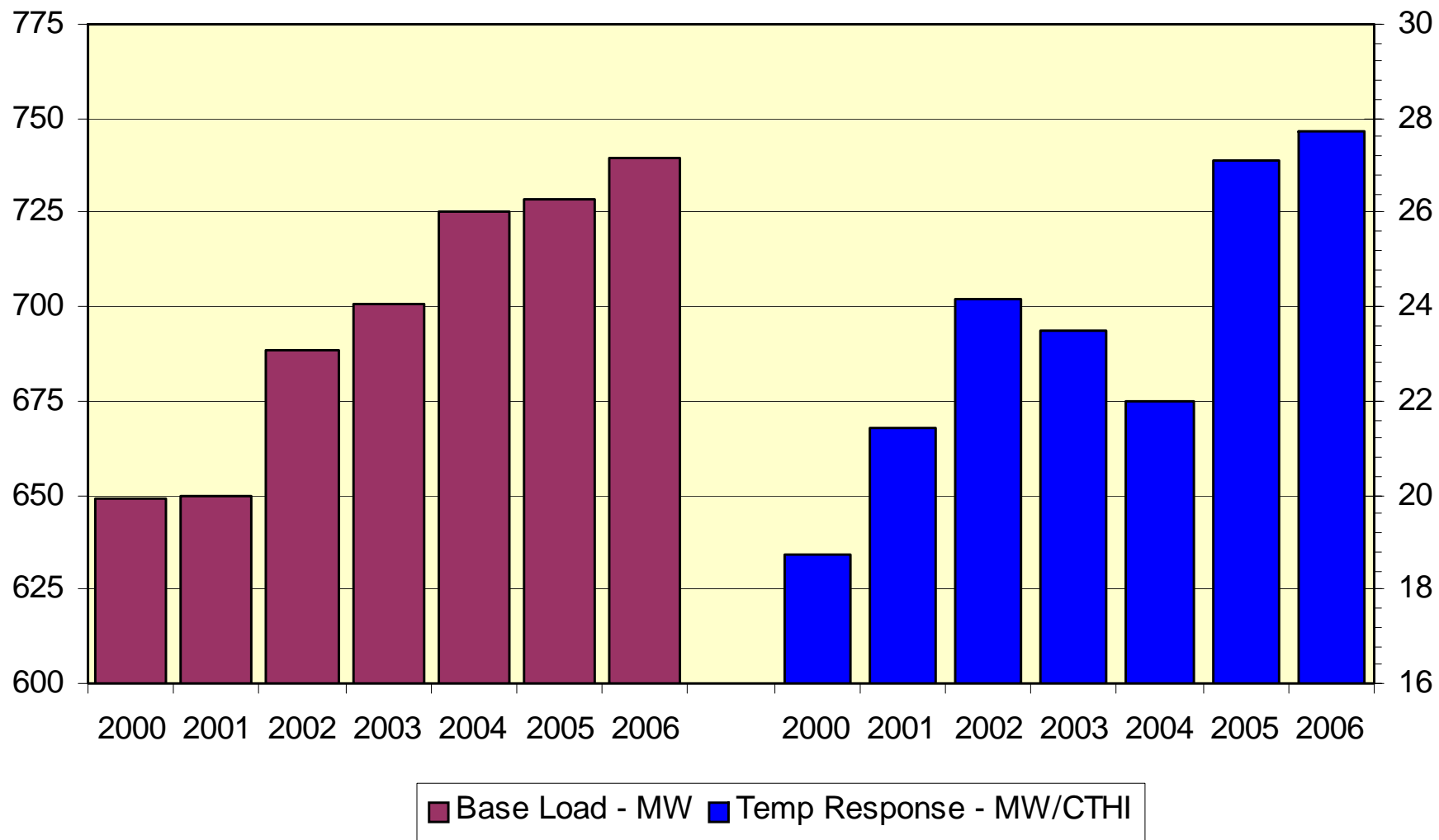
Low=68, Med=70, High=72
year=2006



(3) Review of NYISO Estimates of TO Weather Response - 2000 to 2006

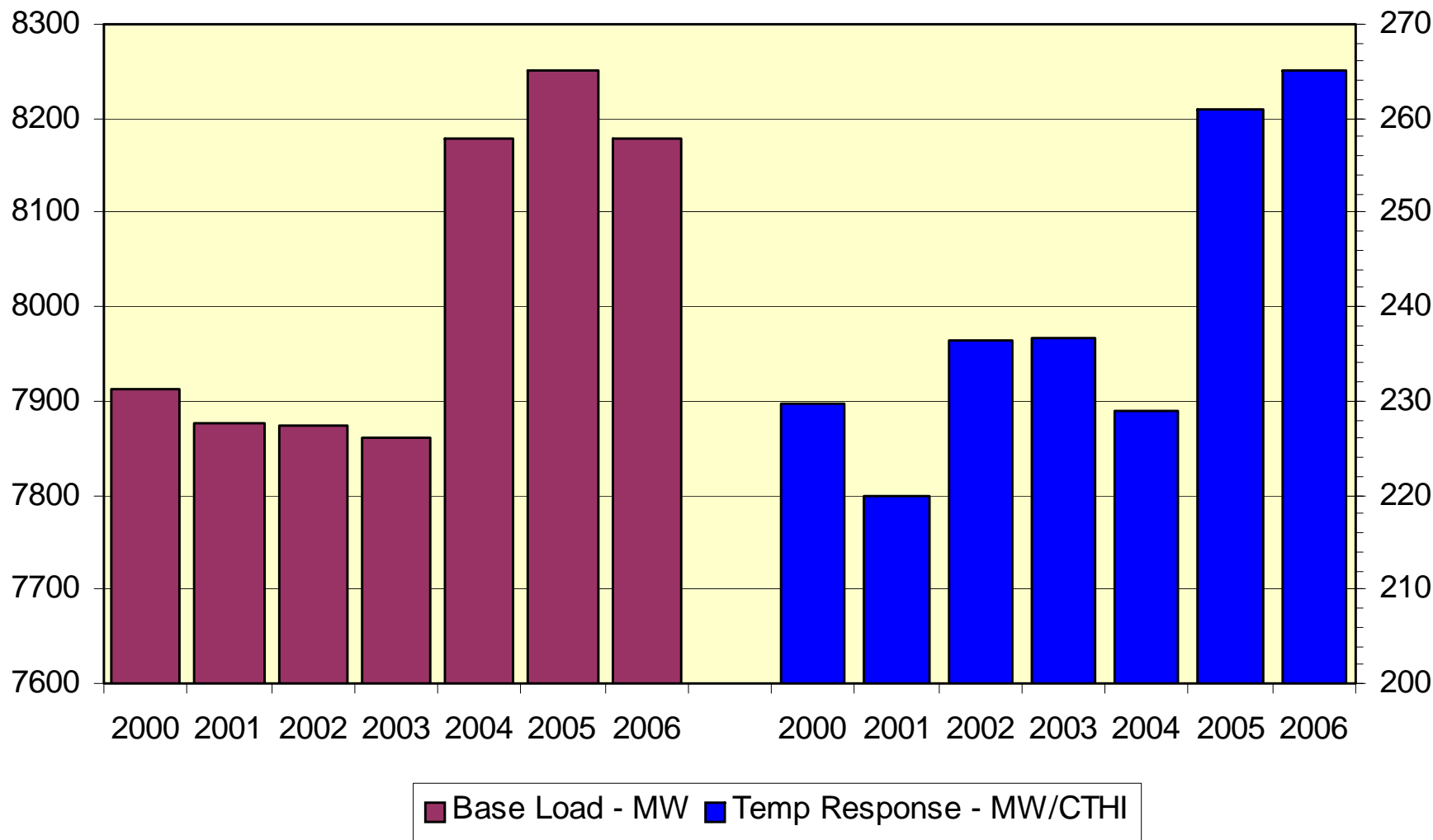
Central Hudson Multi-Year Weather Response

Base Load Growth & Weather Sensitivity



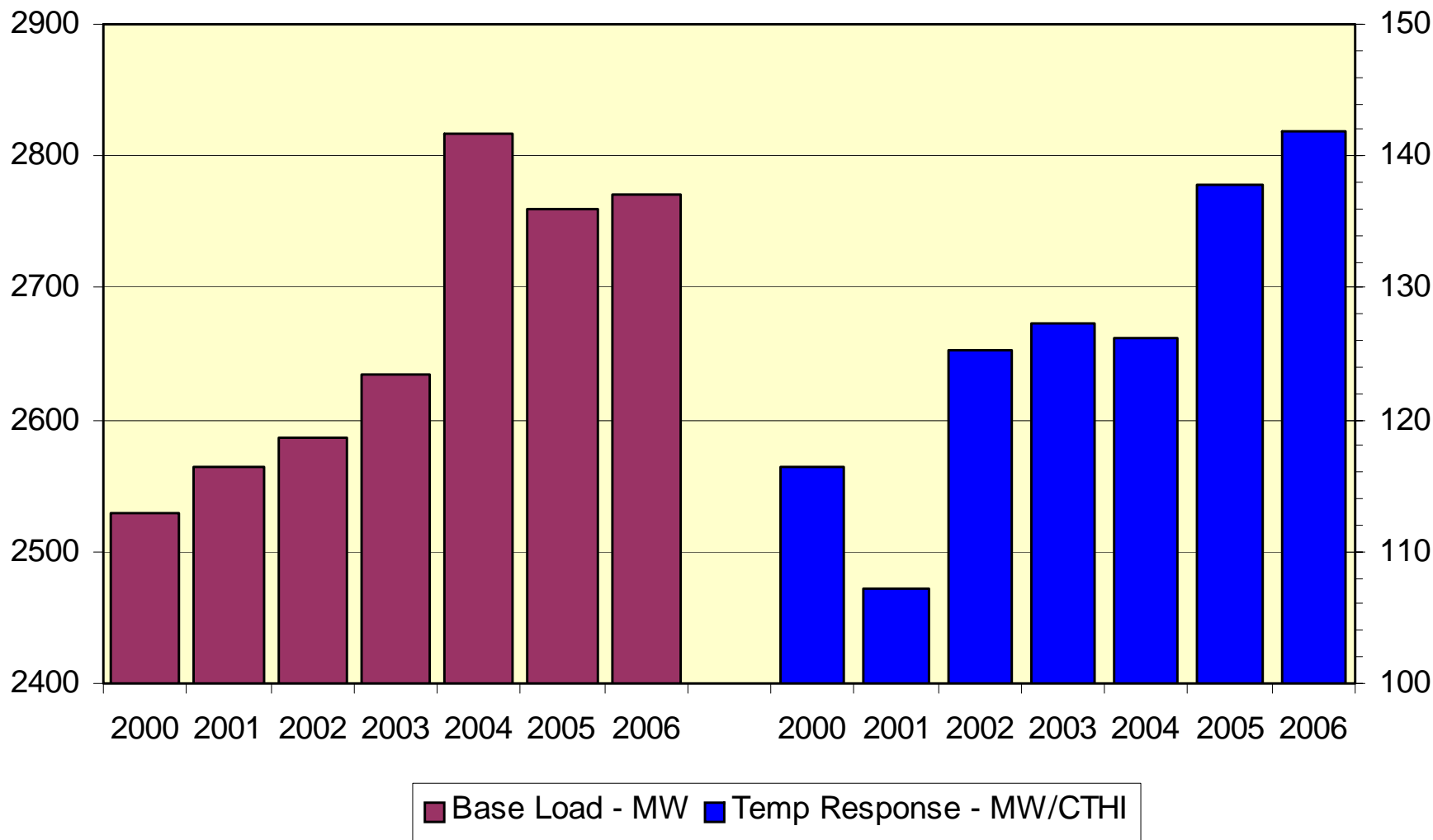
Consolidated Edison Multi-Year Weather Response

Base Load Growth & Weather Sensitivity



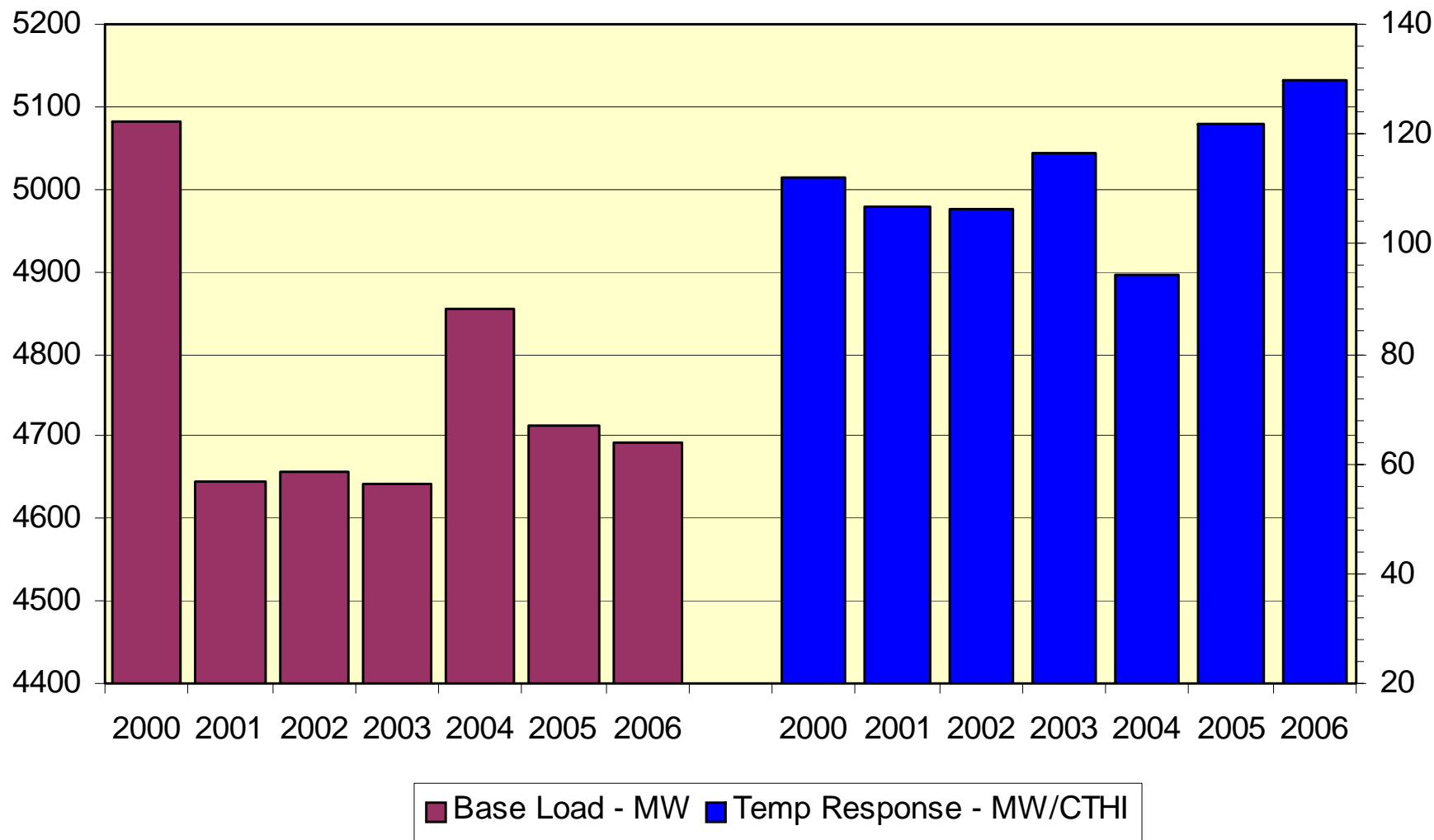
Long Island Multi-Year Weather Response

Base Load Growth & Weather Sensitivity



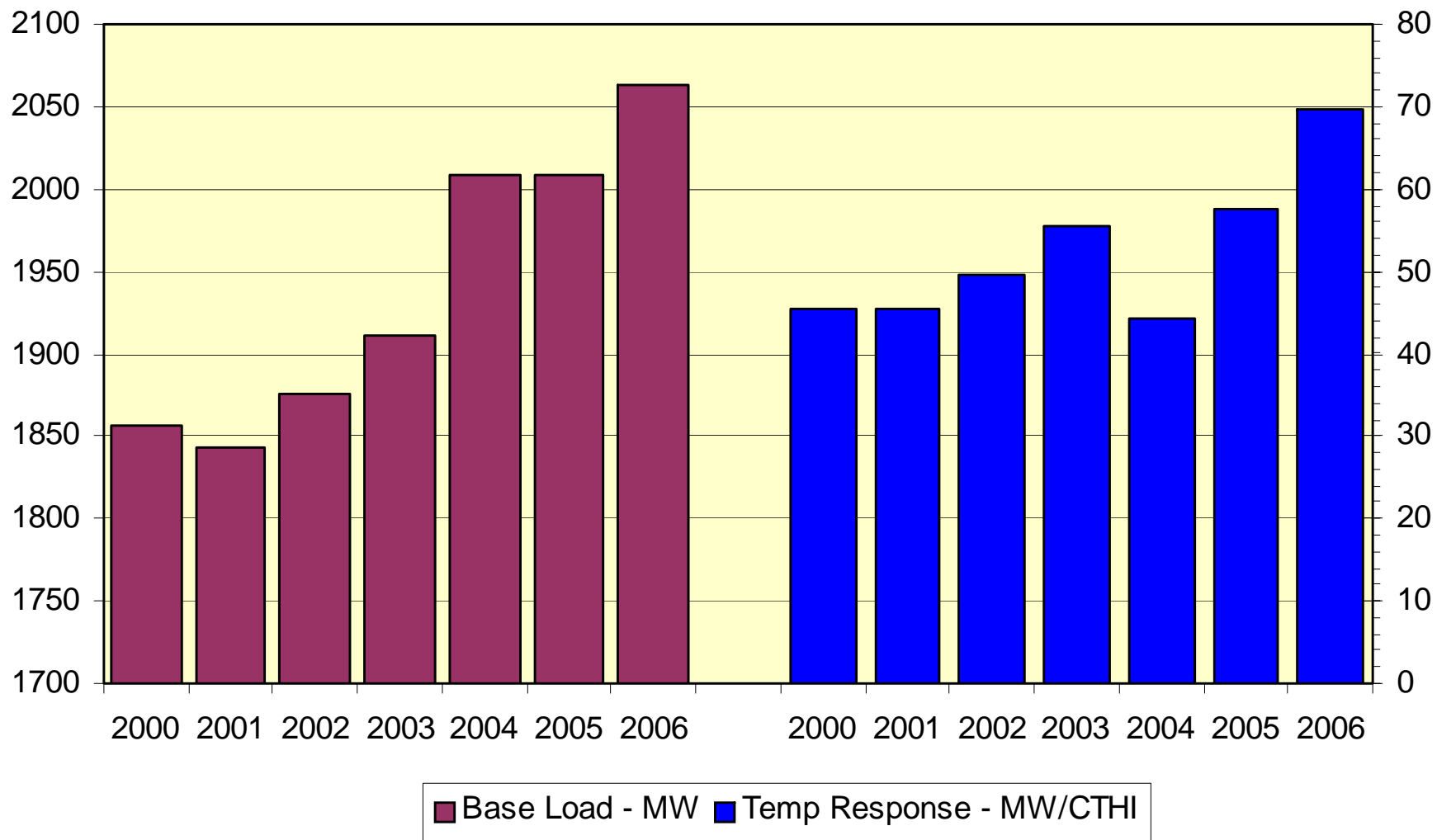
National Grid Multi-Year Weather Response

Base Load Growth & Weather Sensitivity



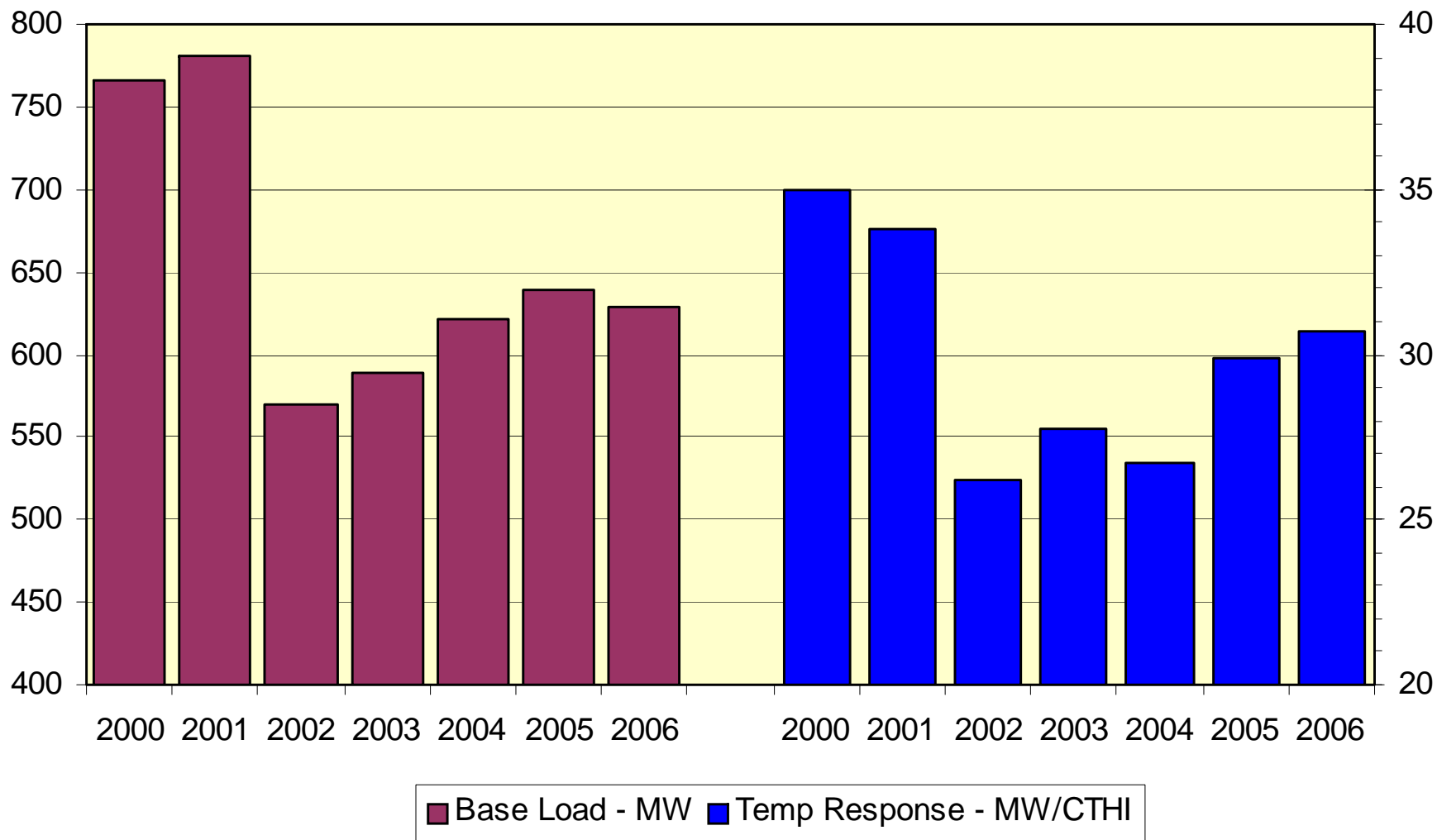
NYSEG Multi-Year Weather Response

Base Load Growth & Weather Sensitivity



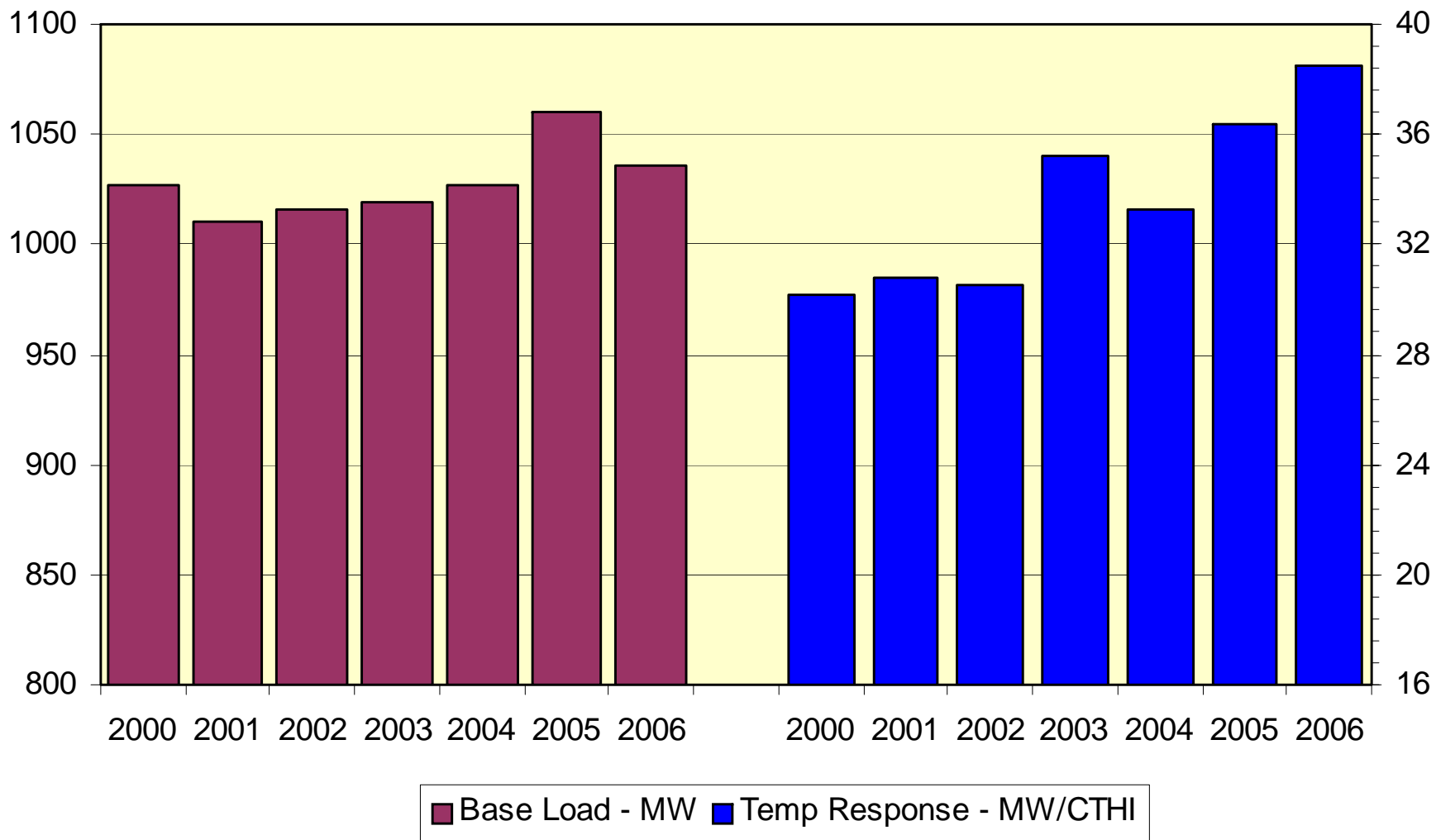
Orange & Rockland Multi-Year Weather Response

Base Load Growth & Weather Sensitivity

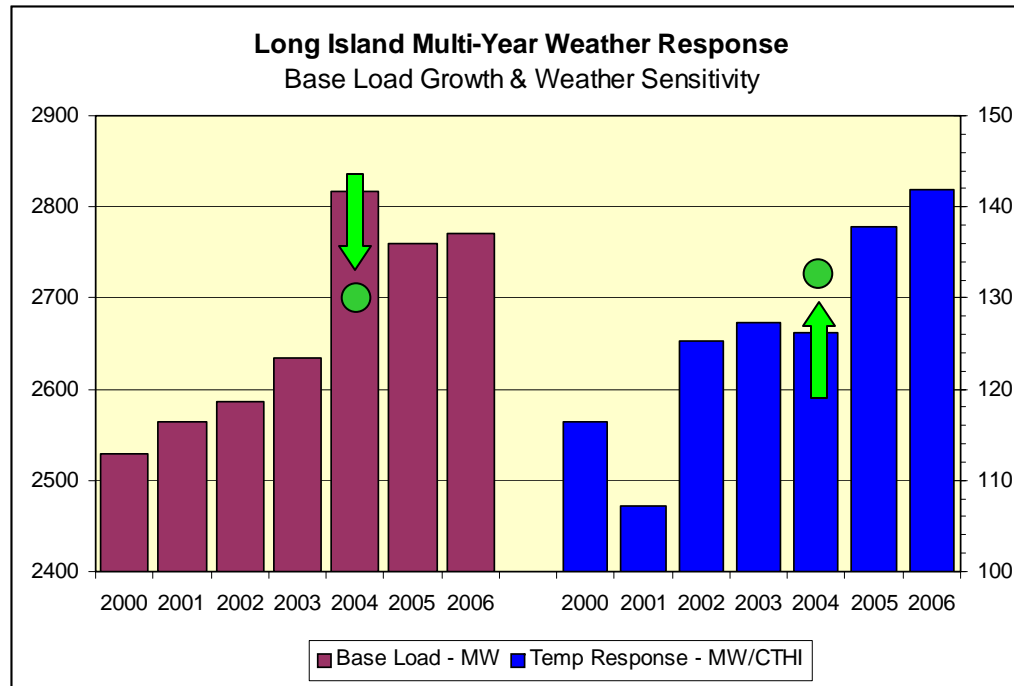


Rochester Gas & Electric Multi-Year Weather Response

Base Load Growth & Weather Sensitivity



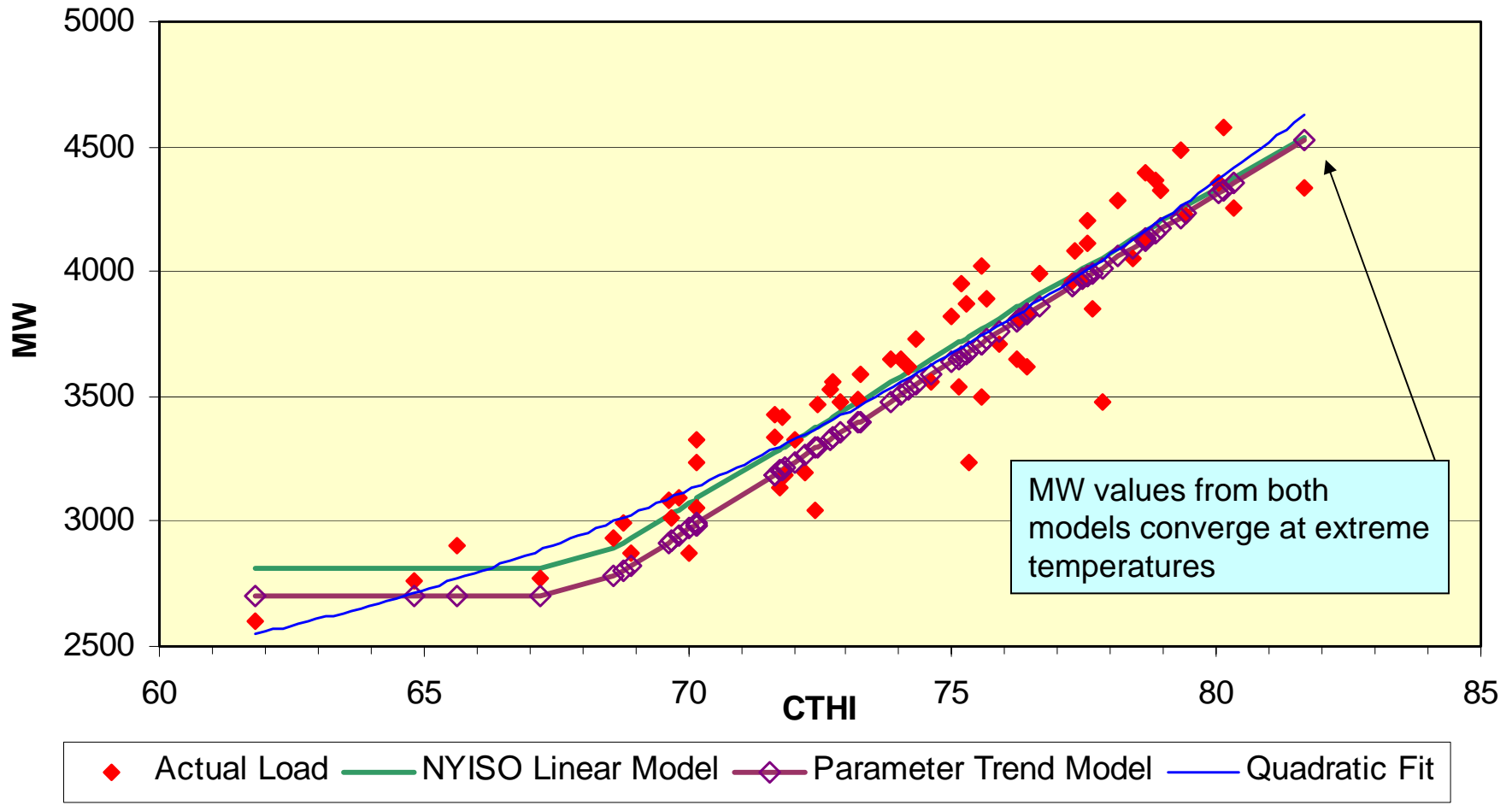
(4) Critique of NYISO Parameter Estimates for 2004



- NYISO models may seem to over-state base load & under-state weather-sensitivity in 2004, compared to 2003 & 2005.
- If 2004 weather-sensitivity were higher, then perhaps 2004 WN peak would be higher too.
- So what would happen if a NYISO 2004 model was replaced by one whose parameters trended between 2003 & 2005?
- We will consider the equation $MW = 2700 + 134 * (CTHI - 68)$ for Long Island.....

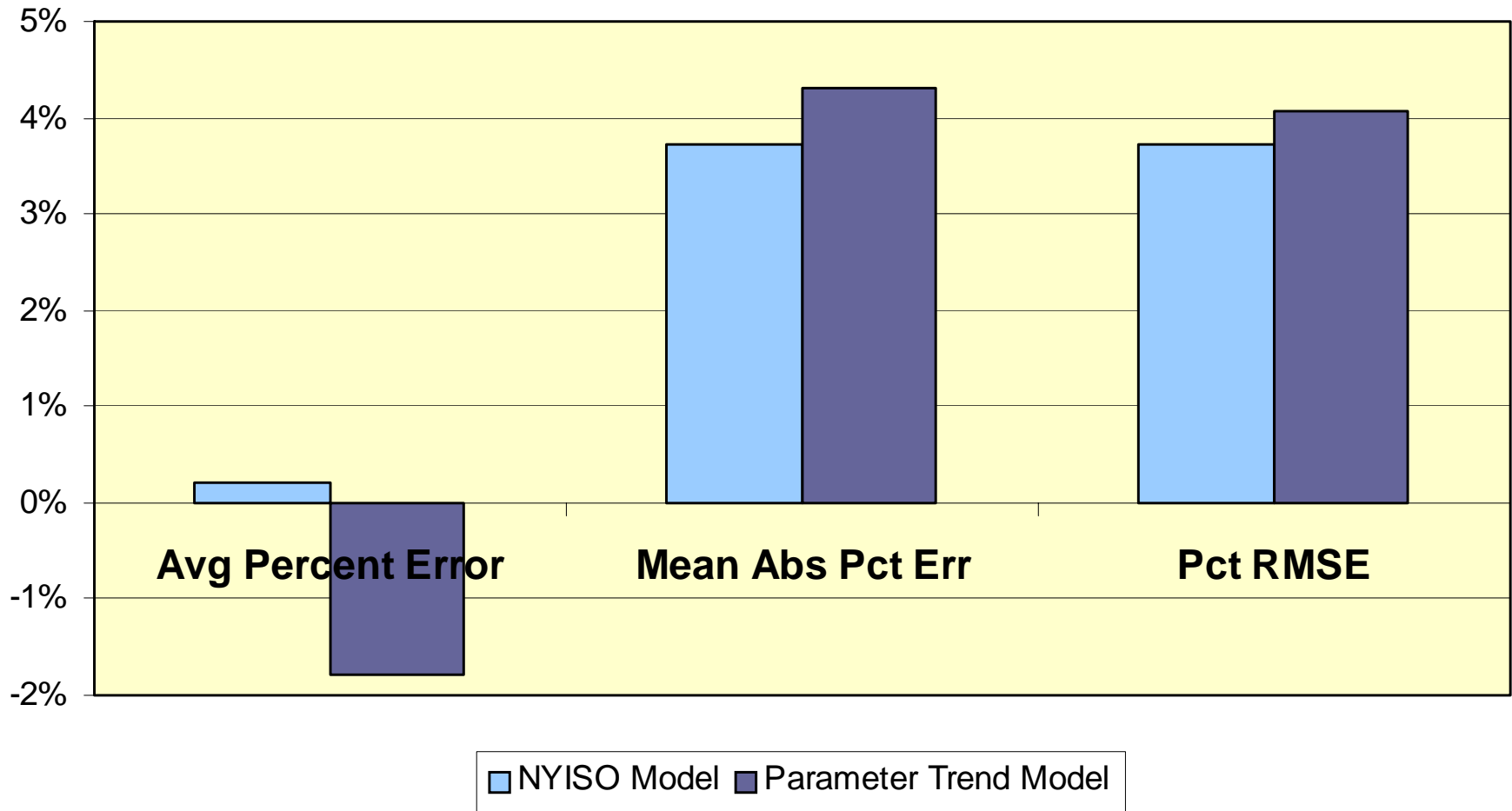
Long Island - 2004 Summer Weekday Peak Demand

Comparison of NYISO Model to a Parameter Trend Model



NYISO Model vs Parameter Trend Model

Goodness of Fit Statistics



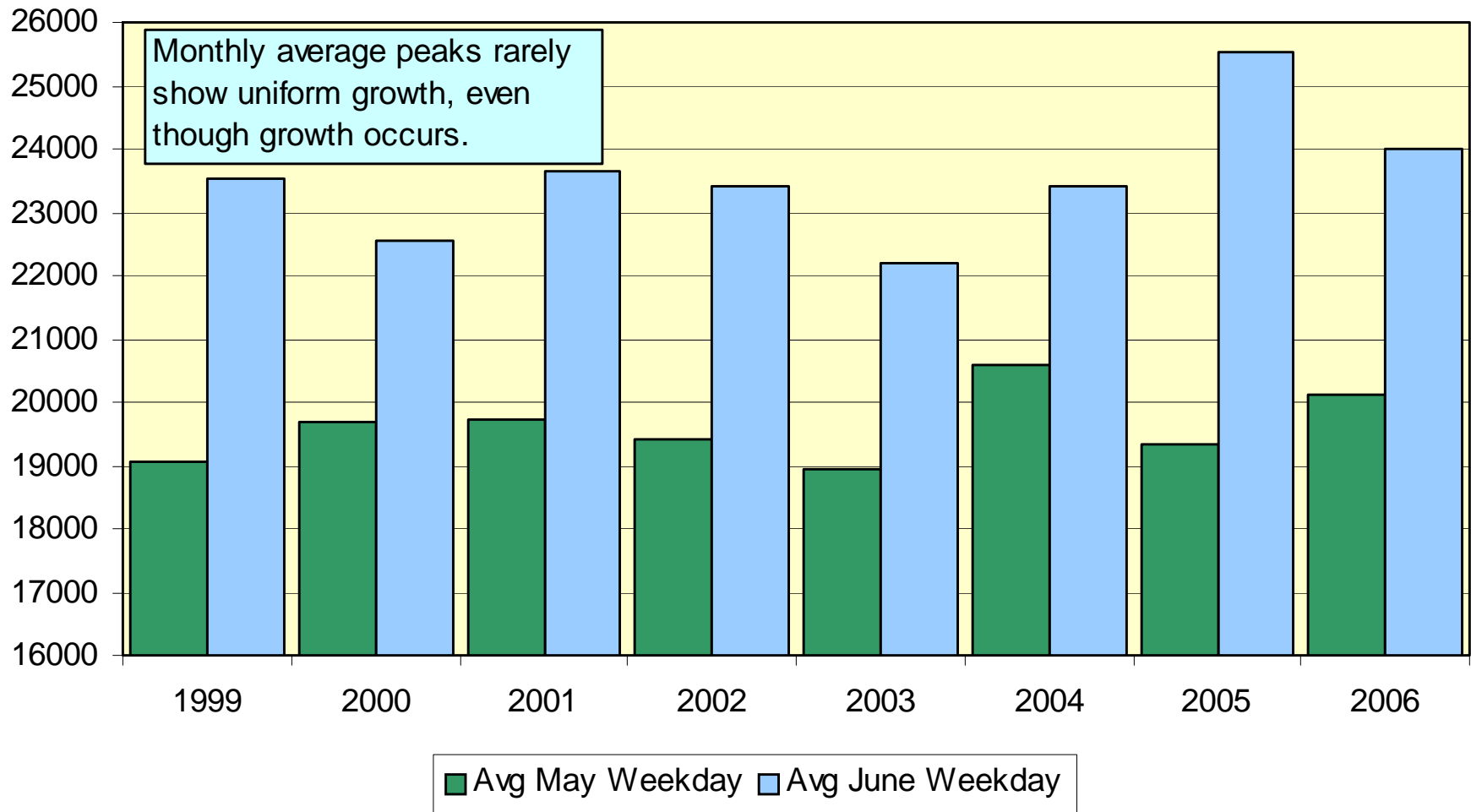
Results of Model Comparison

1. NYISO model is unbiased, while the parameter trend model under-predicts at most load levels.
2. NYISO model has slightly better mean absolute percent error (MAPE) and root mean square error (RMSE).
3. Both models predict essentially the same peak at high values of CTHI. Net effect of parameter changes is 0.
4. A parameter trend model is judgmental & of poorer quality and is therefore rejected.
5. The NYISO's statistical measure of weather response decreased from 2003 to 2004 for every TO, then increased in 2005. This is very difficult to explain away.
6. The result may be counter-intuitive, but it is statistically valid.

(5) Further Review of NYISO Results for 2000 to 2006

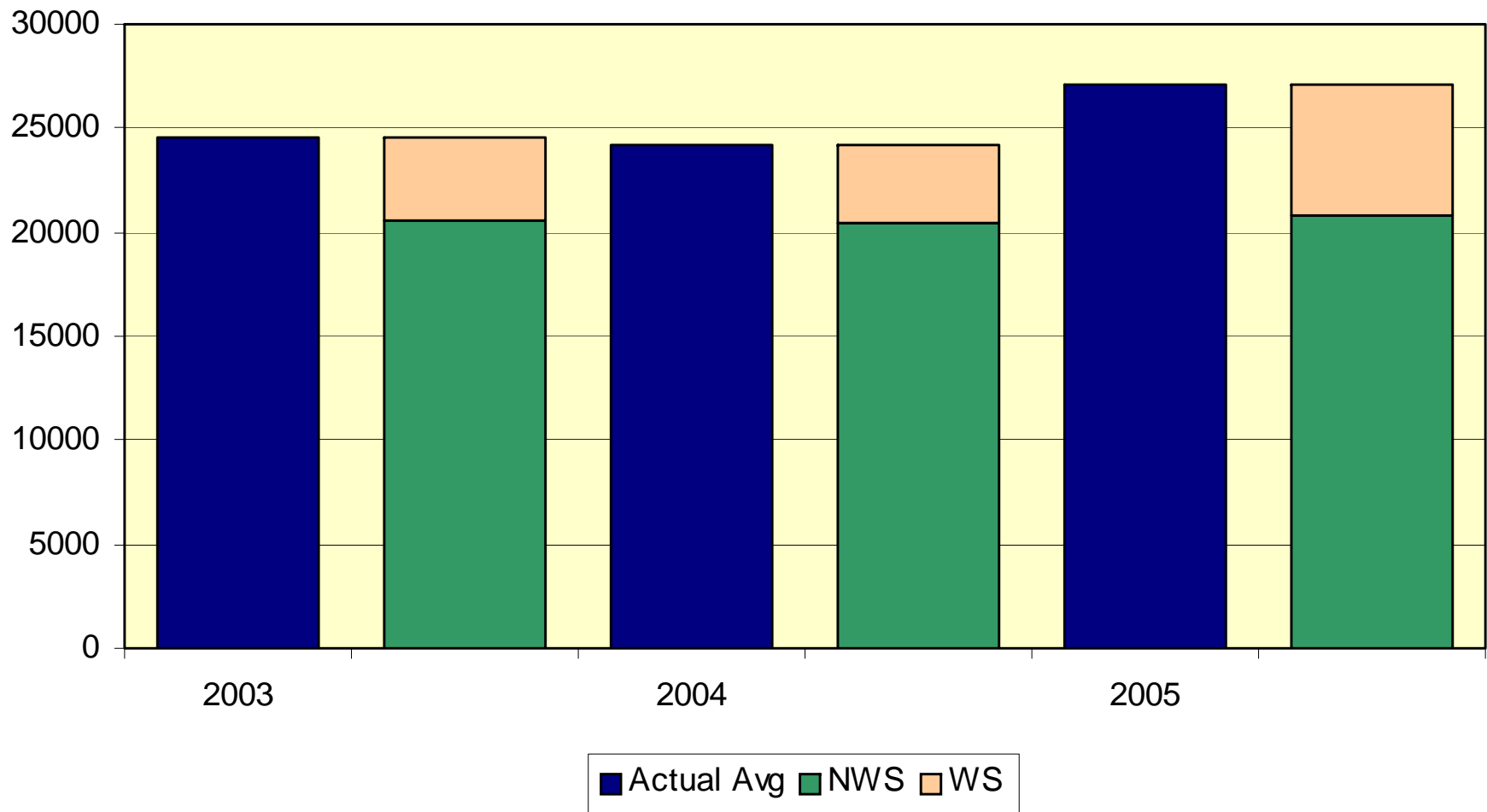
1. NYISO model tracks daily pattern of peak loads each summer.
2. NYISO model finds same behavior in 2004 as was found in each TO: lower weather response in 2004.
3. NYISO model is +/-2.5% accurate on peak day from 2000 to 2006, which is appropriate for a screening tool.
4. NYISO's day-ahead forecasting model is more accurate but also much more complex.
5. A more complex model must specify peak-producing conditions for each variable in the model, and is therefore less desirable as a screening tool.

Average Weekday Peaks

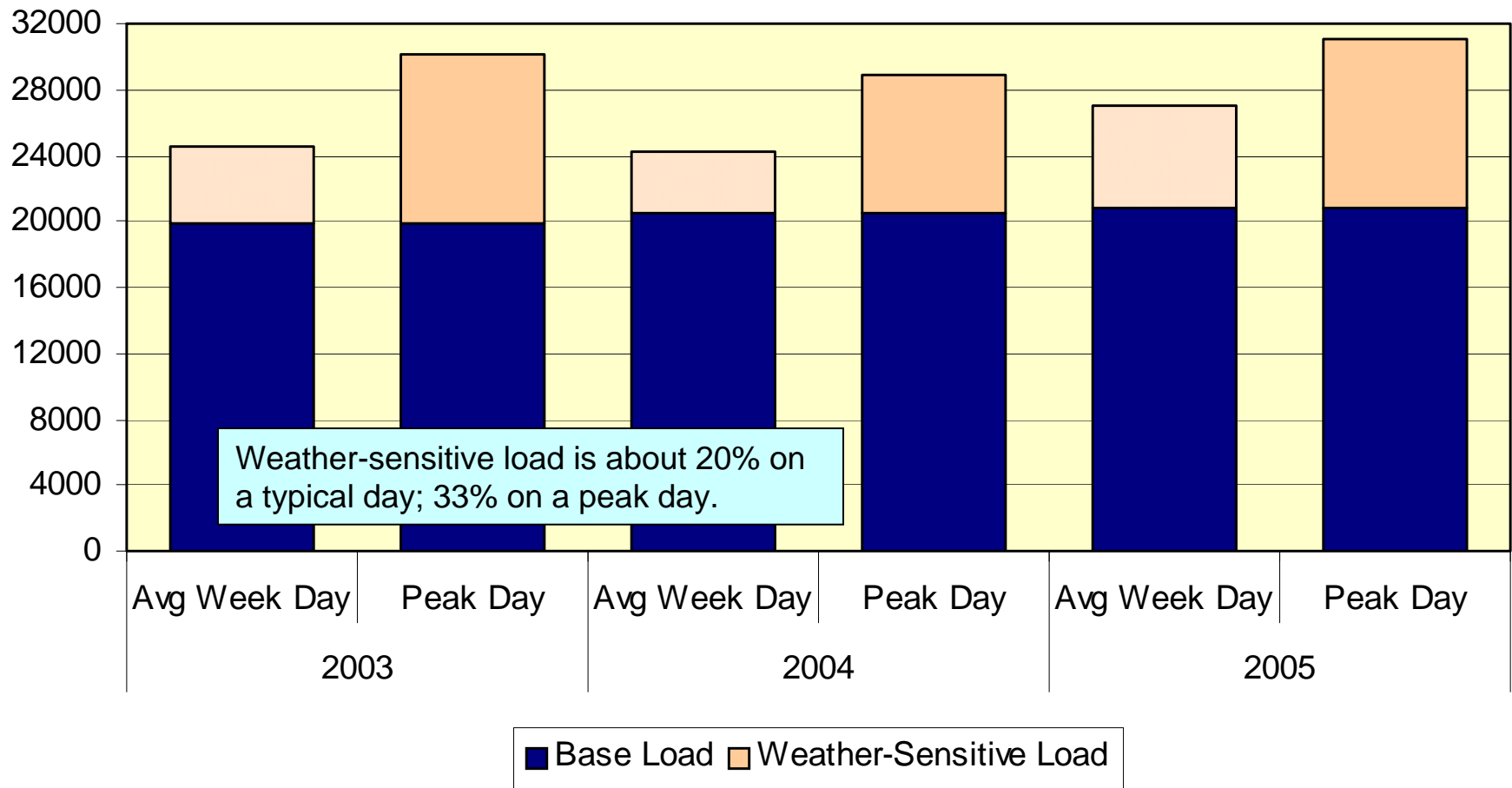


Average Summer Peak Load - 2003 to 2005

With Base & Weather-Sensitive Breakdown

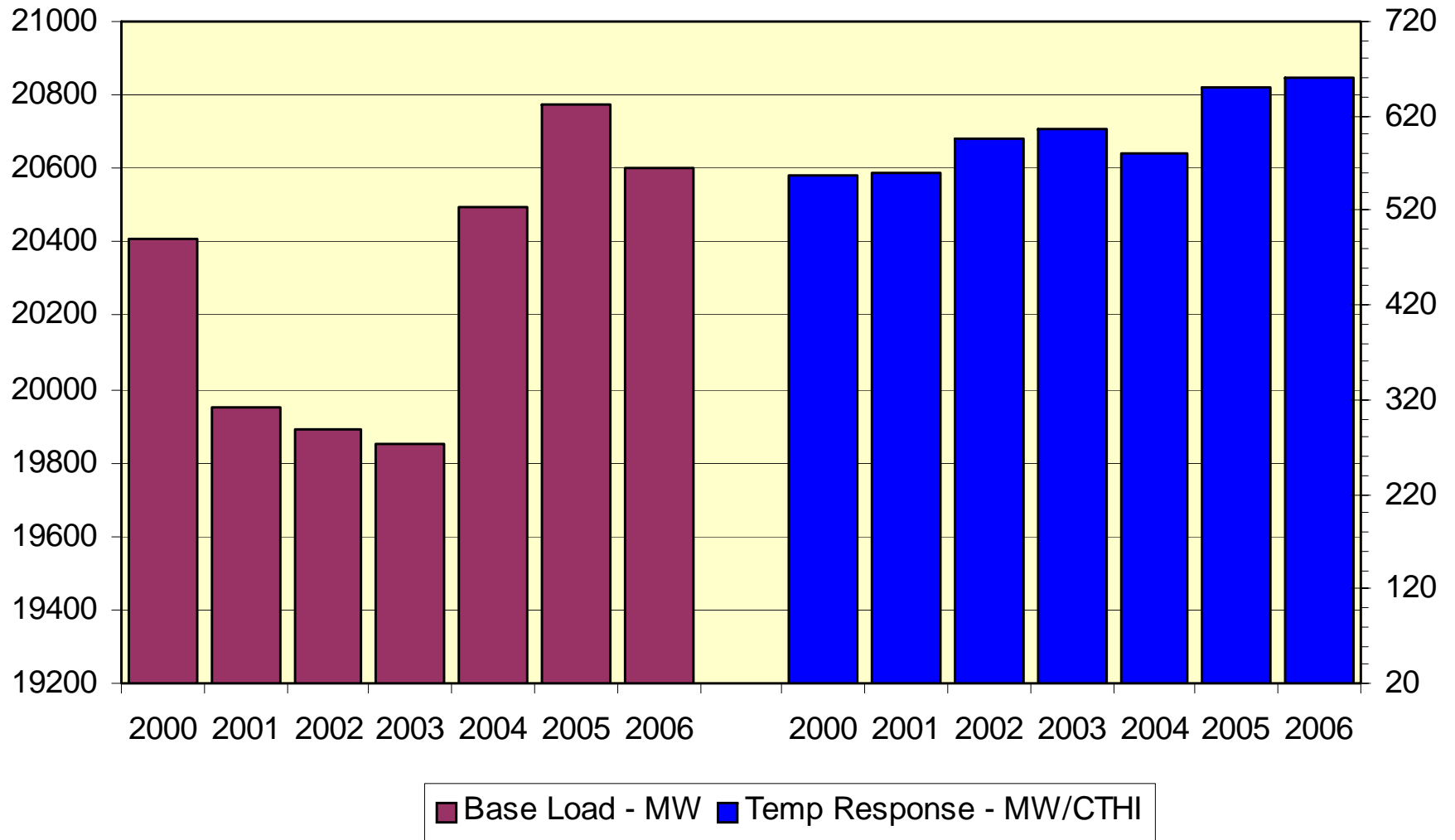


Weather Sensitive Load on Average Days & Peak Days 2003 to 2005



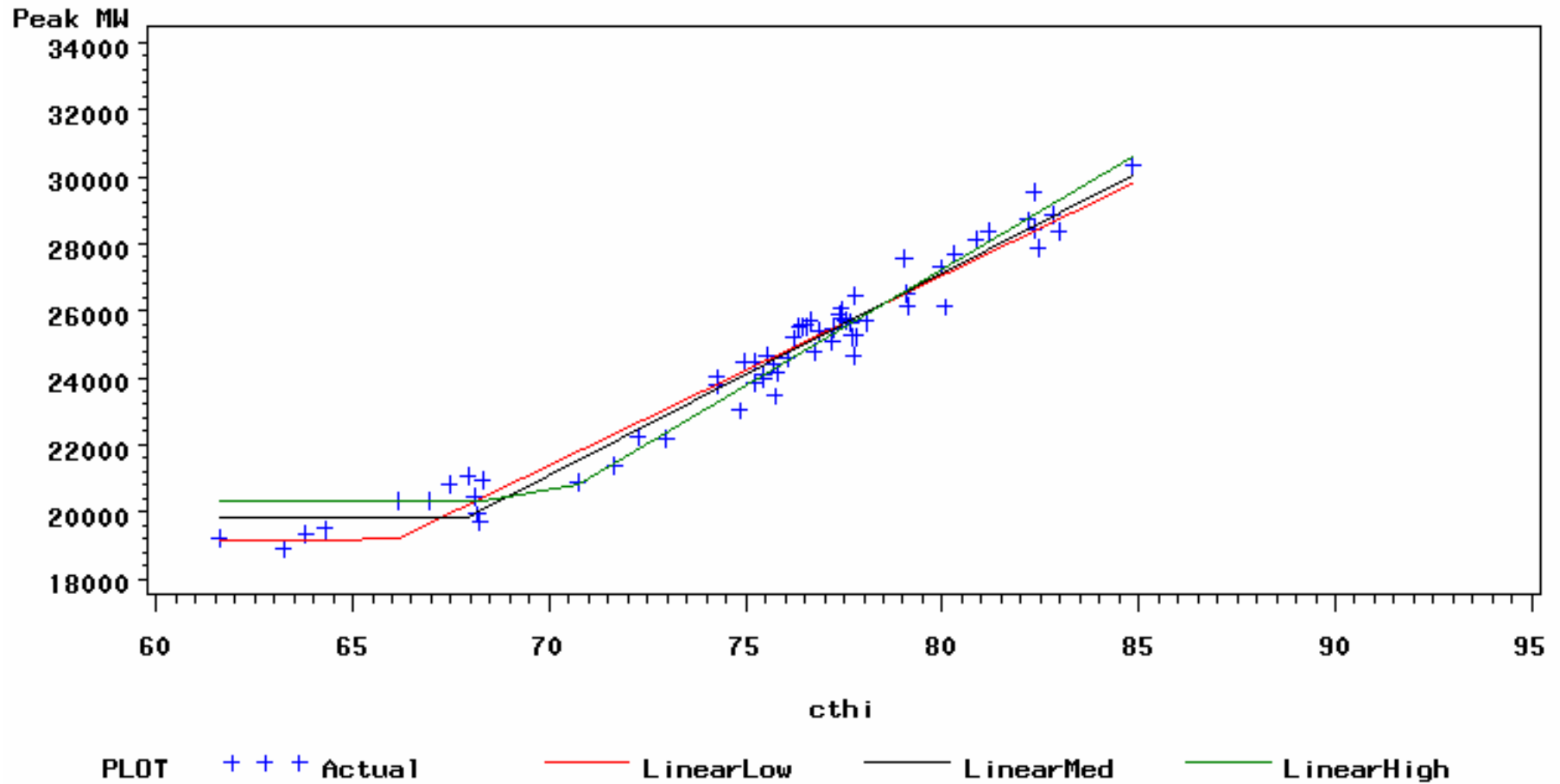
NYCA Multi-Year Weather Response

Base Load Growth & Weather Sensitivity



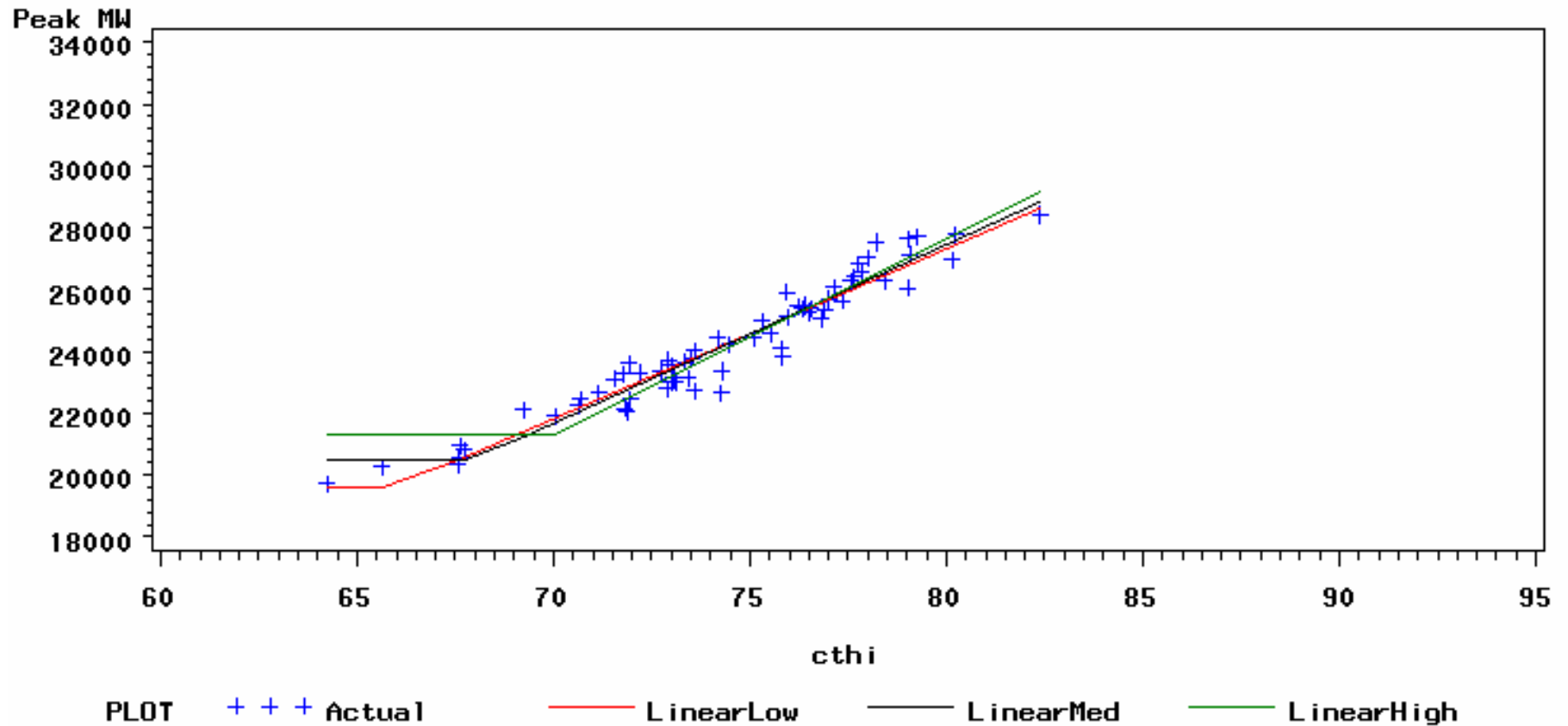
NYCA Summer Peak vs CTHI

Low=66, Med=68, High=70
year=2003



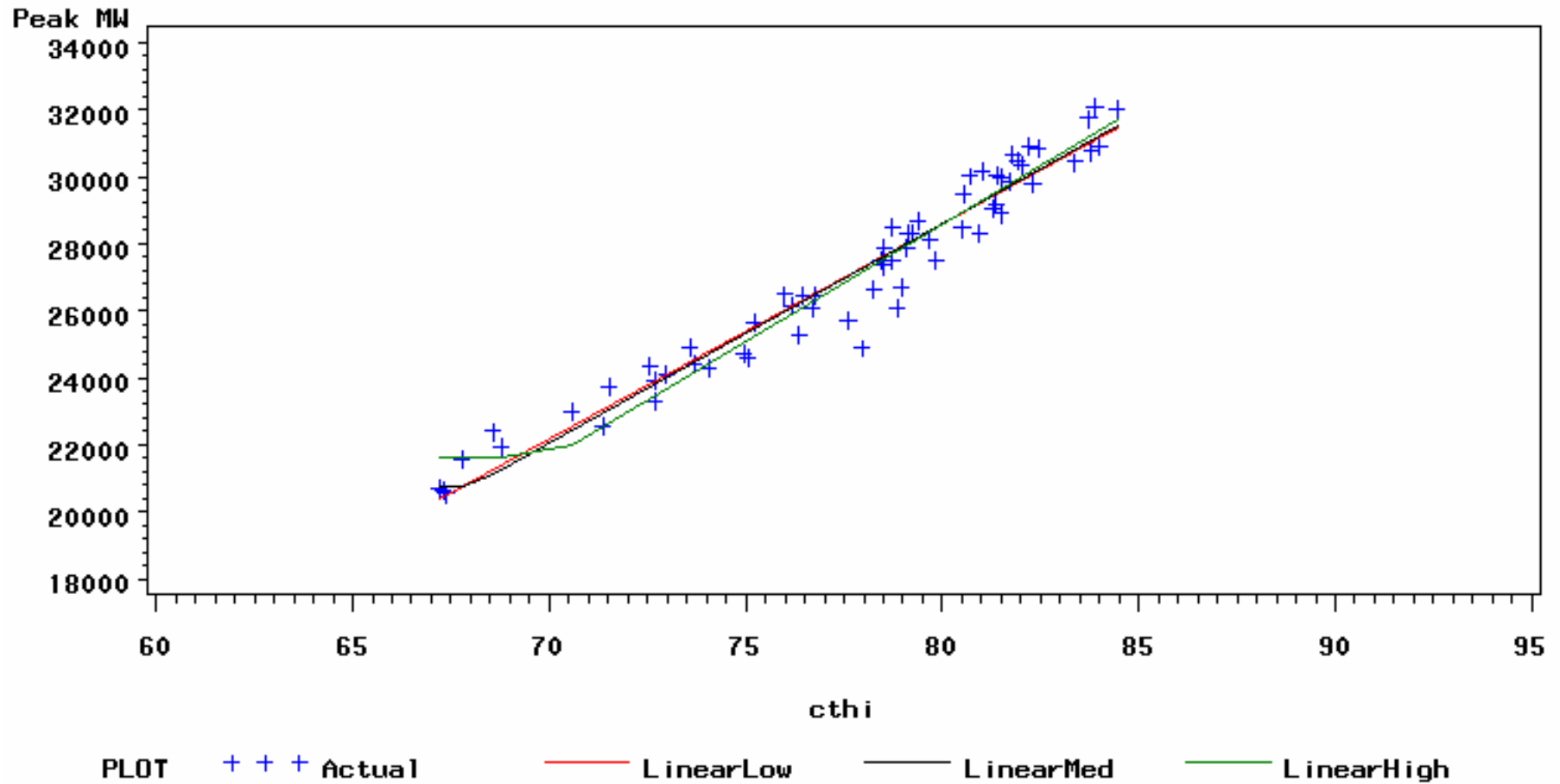
NYCA Summer Peak vs CTHI

Low=66, Med=68, High=70
year=2004



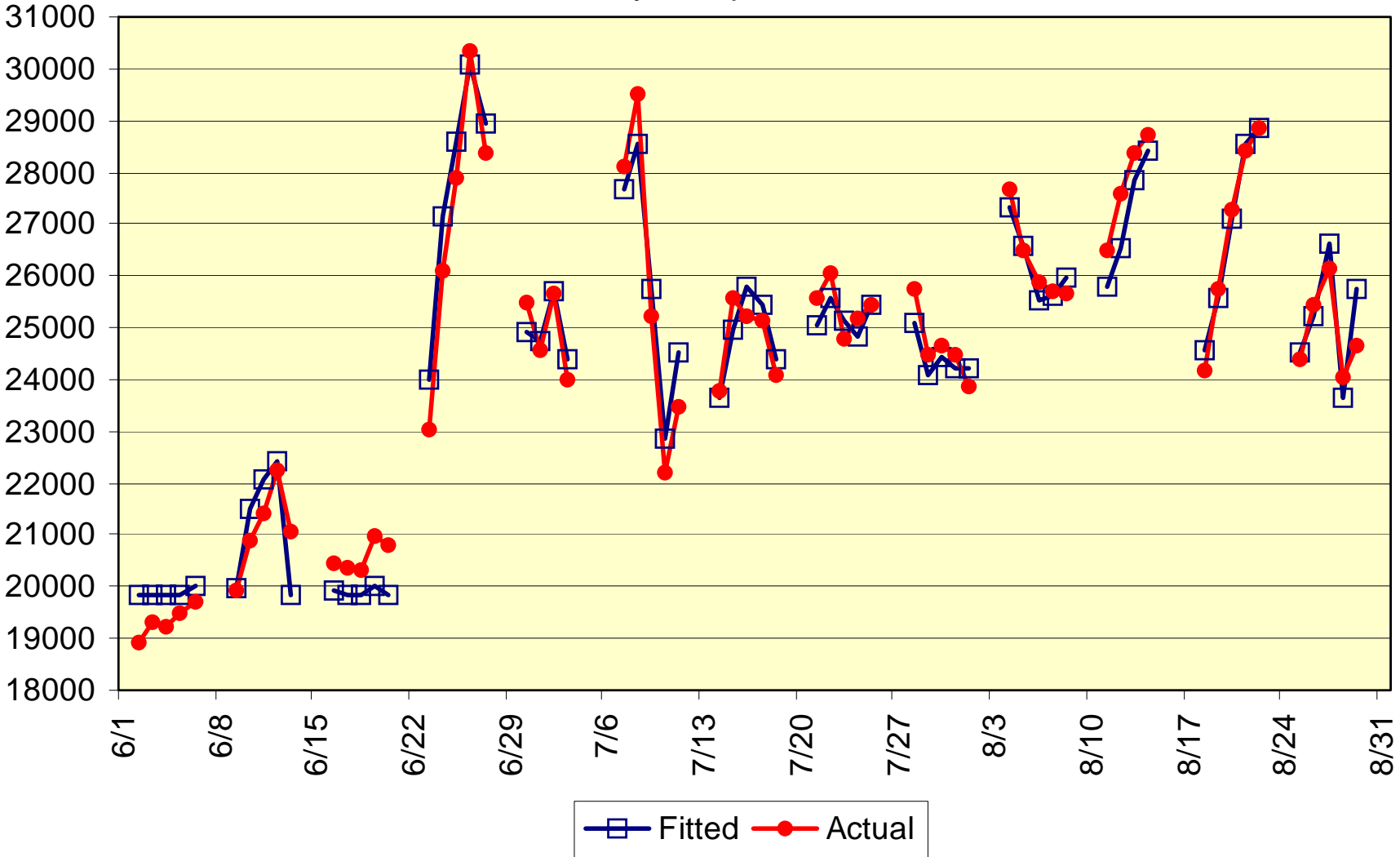
NYCA Summer Peak vs CTHI

Low=66, Med=68, High=70
year=2005



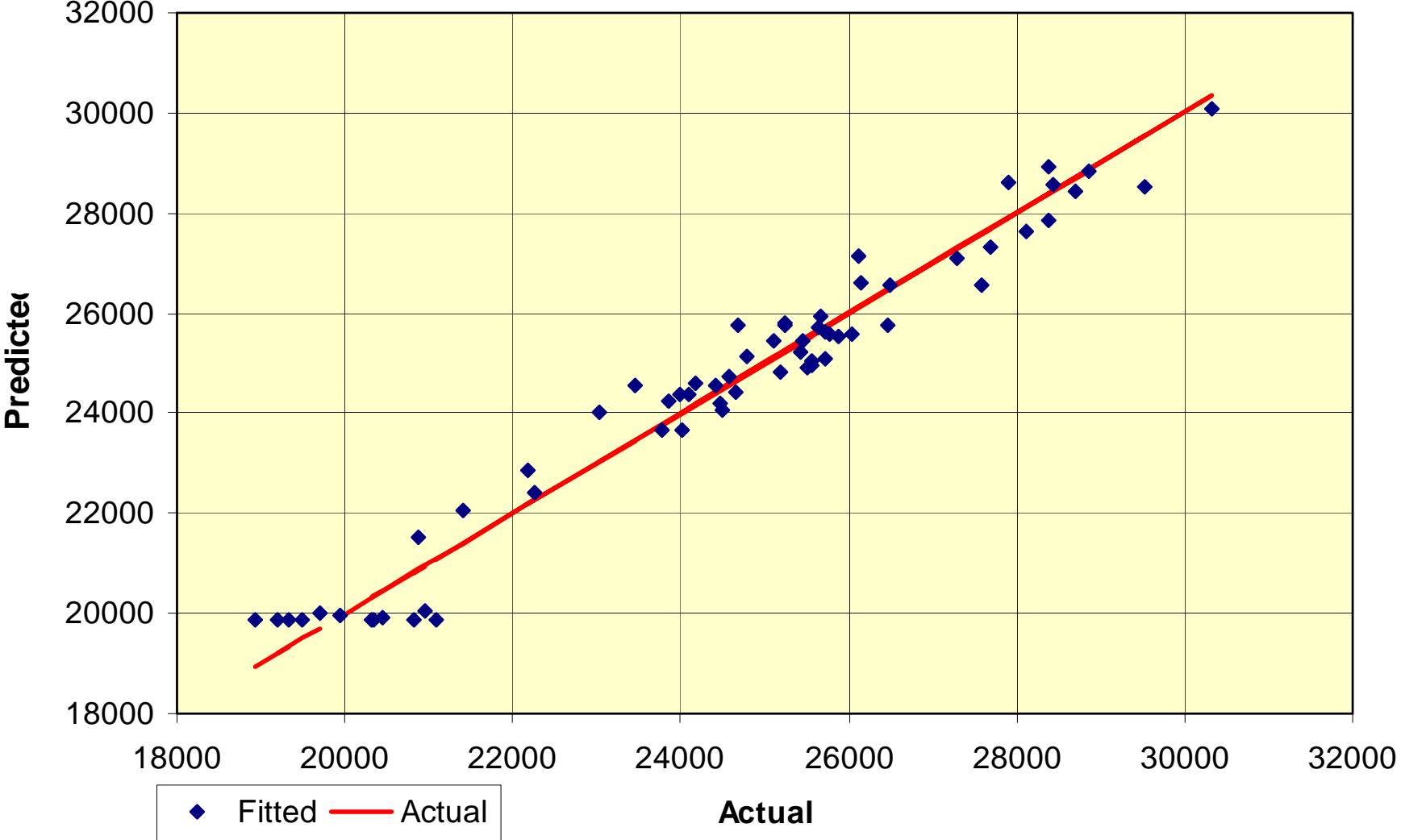
NYISO Peak Model - 2003

Daily Comparison



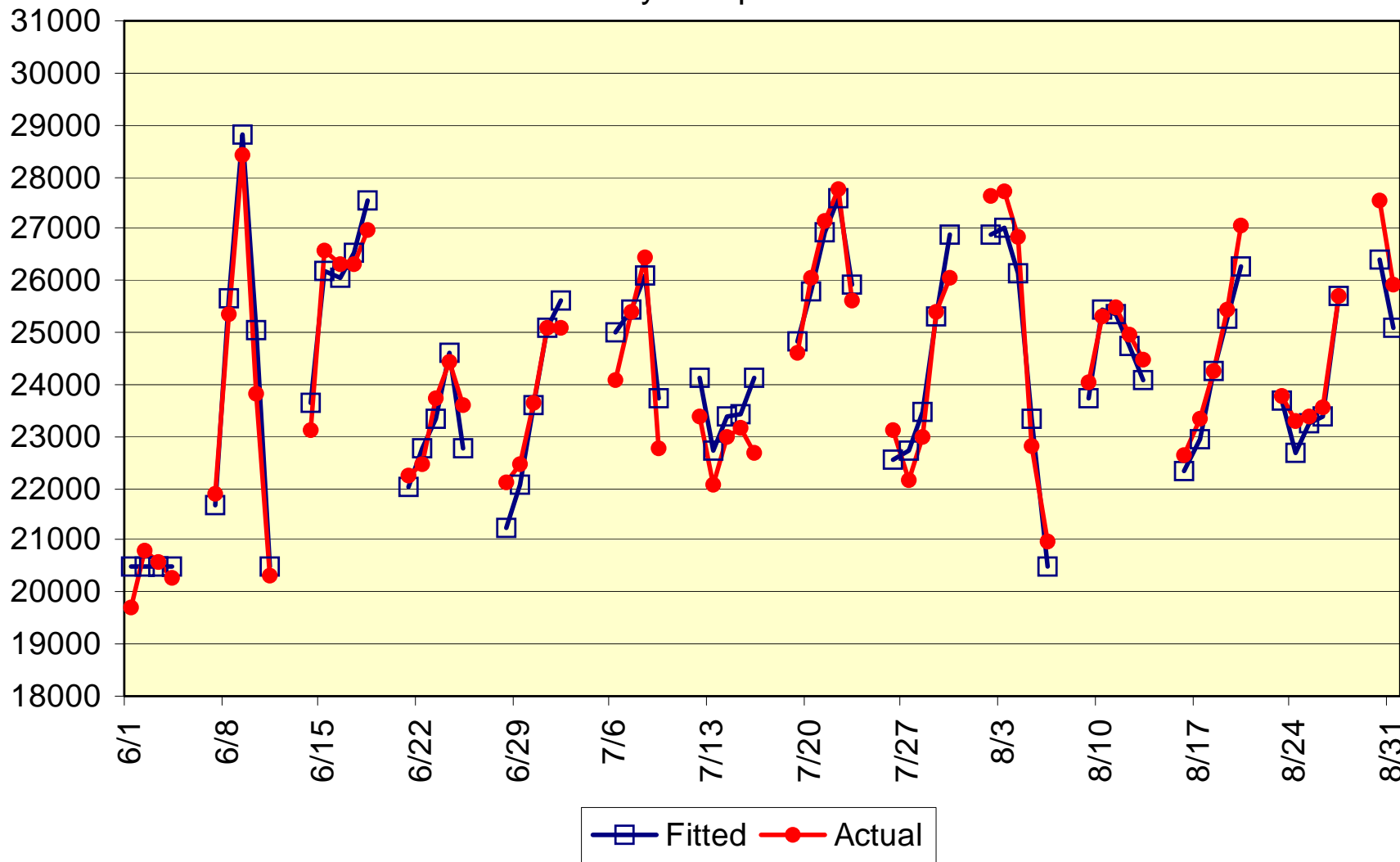
NYISO Peak Model - 2003

Actual vs Model



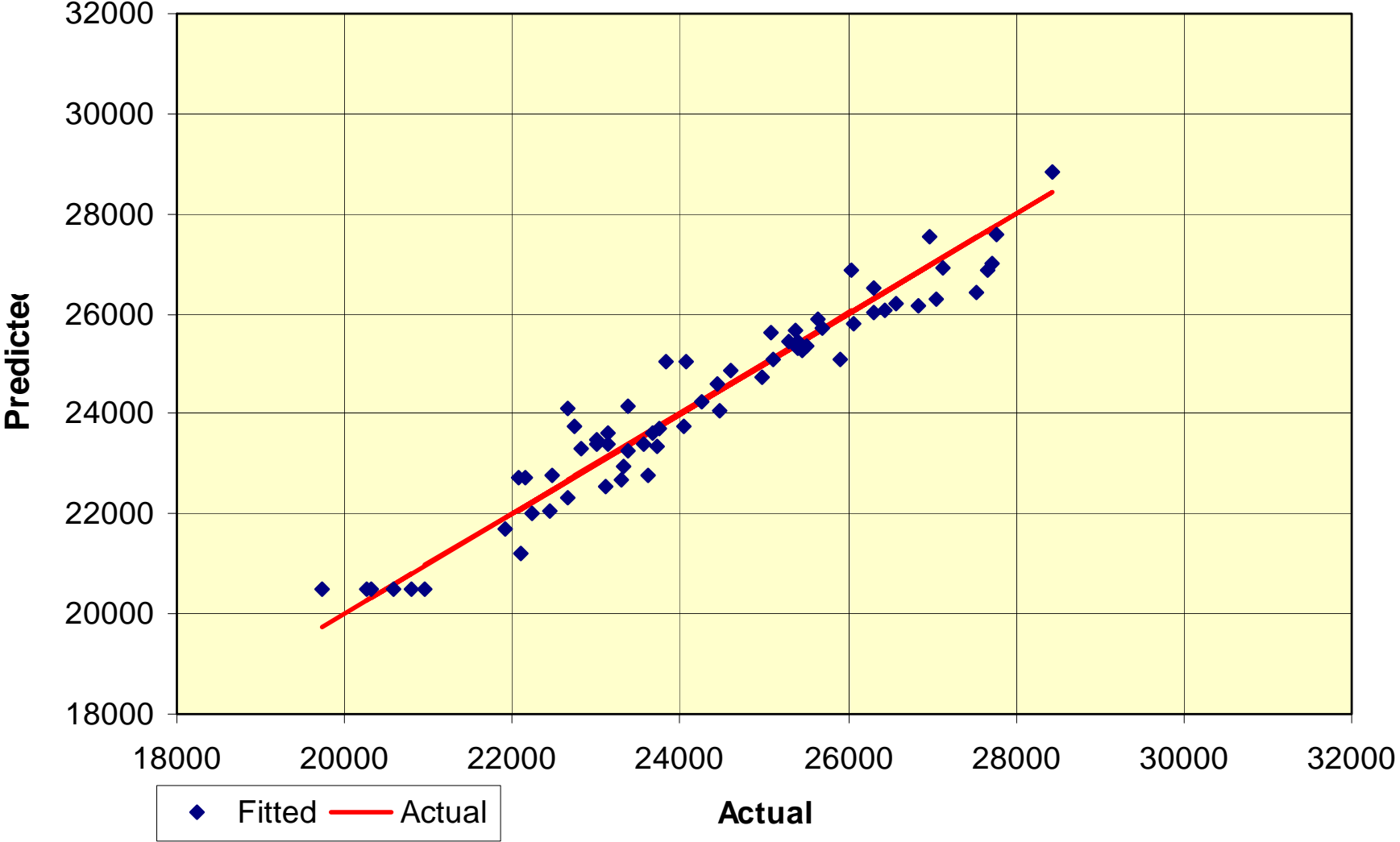
NYISO Peak Model - 2004

Daily Comparison



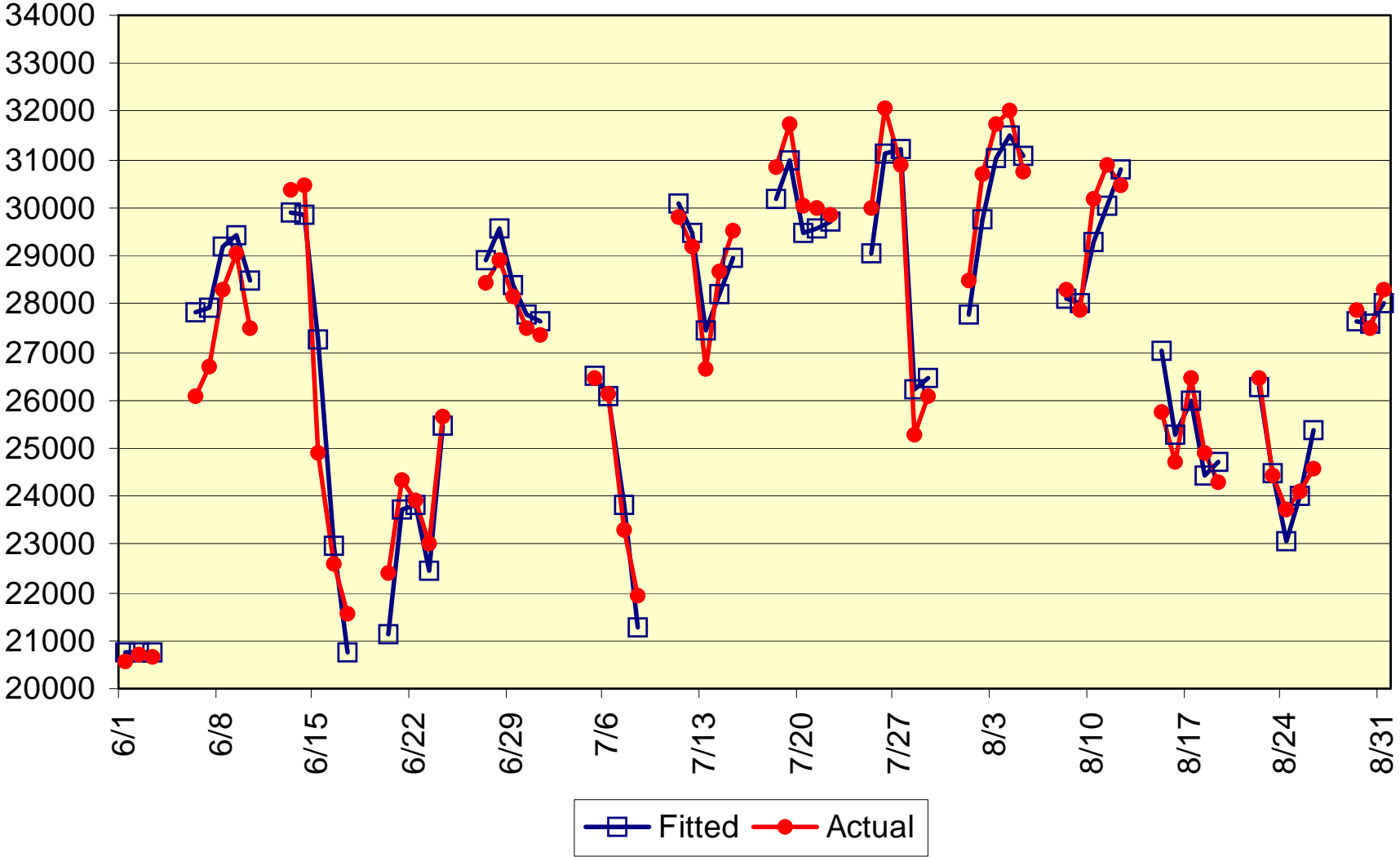
NYISO Peak Model - 2004

Actual vs Model



NYISO Peak Model - 2005

Daily Comparison



NYISO Peak Model - 2005

Actual vs Model

