**Purpose and Needs for Load Profiles and Annual Validation**

While the vast deployment of AMS meters and its interval data provide arguably the most accurate usage profiling, interval data is currently not readily accessible to all market participants. As such, Load Profiles and the Annual Validation process (Protocol 18.4.3.1) continue to benefit the market for a number of reasons outlined below. Estimated annual cost to support Annual Validation is also below.

**Pricing**

* Developing pricing programs for customers is frequently time sensitive. If AMS data cannot be obtained in time for development of pricing, Load Profiles may be used.

**Load Forecasting**

* Accurate Profiles support development of accurate load forecasts for new Customers
* Accurate Profiles allow for accurate aggregation in grouping classes of Customers

**Procurement**

* Allows for aggregation for accurate hedging and provides a checkpoint to compare AMS Data

**Validation of Substations**

* Substation assignments are validated through Annual Validation. Accurate Substation assignments is critical to determining the correct Congestion Zone (which is a vital component for determining accurate pricing for customers).

**Other Uses**

* Non-IDR ESI ids – Load Profiles are used for Settlement processes
* REP Marketing efforts to segregate groups of customers
* REP Marketing materials and programs

As reported at the June 27, 2023 TAC meeting, estimated annual cost of supporting Annual Validation processing is as follows:

* ERCOT $25,000
* AEP $40,000
* Centerpoint $50,000
* Oncor $18,000
* TNMP $7,000