**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 easily accessible to non-Retail Electric Providers (REPs) of record. 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 are critical to determining the correct Congestion Zone (which is a vital component for determining accurate pricing for customers).

**Other Uses**

* Non-IDR ESIs – Load Profiles are used for Settlement processes
* REP marketing efforts to differentiate groups of customers
* REP marketing materials and programs

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

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