**PWG Meeting Notes** – February 13, 2025

ERCOT MET Center & Via WebEx 9:30 AM

Attendees:

In Person

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| Richard Beasley - CNP  | Monica Jones – CNP | Eric Newnam – Texas RE |  Bonnie Trevino - AEP |
| Robert Bevill - TNMP  | Cindy Juarez - AEP | Sam Pak - Oncor |  Jordan Troublefield - ERCOT |
| William Butler LP&L | Amar Khalifeh - ERCOT | Kyle Patrick - NRG |  Sheri Wiegand - Vistra |
| Rita Cardenas - AEP | Emilio Legorreta - Bravos | Steve Pliler - Vistra |   |
| Sylvia Garcia - AEP | Eric Lotter – Grid Monitor | Kathy Scott - CNP |   |
| Angela Ghormley - Calpine | Sam Morris - ERCOT | Bill Snyder - AEP |  |

* **Admonition**
	+ Sam Pak advised the attendees of the Antitrust Admonition**.**
* **Introductions, Agenda Overview**
	+ Sam confirmed the meeting participants and reviewed the agenda. He said a 2025 goal stated to RMS leadership is timely delivery of meeting notes, reminders, and meeting materials to ERCOT.
* **Review of January 28 Meeting Notes**
	+ Rob Bevill asked for clarification about the Annual Validation exclusion of deenergized/inactive ESIIDs. Sheri Wiegand clarified zero usage ESIs are not excluded as zero is a valid number. Under the third bullet, the word “zero” was replaced with “missing”. ESIs with no usage (no numerical measure) will be excluded. Sam performed a desktop edit to the second bullet under *Annual Validation Process Outstanding* to add PV as an excluded profile.
	+ Sam inquired if the ESIs excluded from Annual Validation 2025 were helpful to TDSP AV work processes. Kathy Scott said the exclusions addressed process gaps, although the March AV results will be the true indicator of work reduction. Amar Khalifeh and Sheri predicted efficiencies would be gained with the 2025 AV tweaks.
* **Update BUSIDRRQ & LRG Profile Market Counts**
	+ Sam said there is little change to the profile counts. Rob updated that TNMP is performing system testing to prepare for conversion work which should begin as scheduled. Sheri asked for market notification when the TNMP conversions begin.



* **2025 Annual Validation (RES & BUS) Kickoff Update**
	+ Amar confirmed Annual Validation is on track to begin the internal ERCOT processing at the end of February. Amar will coordinate with Sam to provide AV MarkeTrak updates.
* **Future Annual Validation Process-Enhancements**
	+ Sam began the conversation by advising that load profile shapes be delineated from the discussion. He reminded PWG of Amar’s load shape review in the 1/28 meeting. Sam said with the current AV process established, PWG should look forward with a goal of minimizing TDSP effort while providing more accurate data to the market.

**RESIDENTIAL AV DISCUSSION**

* + Residential AV discussion began with consideration of extending the lookback period from three to five years. Amar suggested use of heating (HDD) and cooling degree days (CDD) for one year would be more accurate than use of R² correlation between temperature and consumption for two months of the year. He said cooling and heating coefficients should be with 15% of each other if the load profile was to remain RESLOWR
	+ Sam said market electrification works against R² accuracy. Amar added that symmetrical coefficients indicate a “high winter” and that PV profiles can be included in the same analysis. Amar replied yes when asked by Kathy if a proof of concept can be performed on the coefficient method. Amar said a caveat is an ESI which begins the year as LO Winter and then changes to HI Winter, which suggests a premise equipment change. Those ESIs would have to be reviewed manually or through a process change. Sam Morris remarked that weather data and data granularity are much more available compared to 20 years ago when AV was set up. Sheri said the true intent of AV may be to identify ESIs that are sensitive to cold temperatures and thus consume more energy during the winter months
	+ Amar advised coefficient-based sensitivities can be tested (such as 15% versus 20%). Sheri asked about the developmental timeline, to which Sam Morris replied the effort should not be prohibitive and may involve support from other ERCOT resources. Amar said an approach for LO to HI changes within the year would need to be defined. Sheri and Sam Morris spoke of equipment changes that make R² obsolete. Amar observed the coefficient model may not be complicated and code development should not take long, but evaluation of the impact on AV processing will be needed. The initial run will likely include numerous tweaks and modifications. NCEN was mentioned as a possible test zone due to temperature diversity.
	+ Rob asked how frequently the coefficient process could be engaged. Amar and Sam Morris said the process could be run annually, although a percentage of the ESIs will be fuzzy and require a separate process. Sheri and Rob agreed that the LO/HI swings should not be excluded. Amar said the load shapes will be based on data from September 2020 to February 2025, with exclusions based on dates to exclude anomalies such as Uri and Beryl when considering modifying the shapes. Sam Pak asked how far the lookback period should extend when reviewing AV and the HDD vs CDD. Sam Morris said one year would be sufficient although more years can be included. Sheri noted that new ESIs are assigned a default LO profile in most weather zones excluding one.
	+ Sam Pak said the meeting discussion indicated support to move away from R² and use HDD and CDD coefficients instead. He noted the burden of making these changes falls to ERCOT, and PWG is sensitive to the impact on ERCOT resources. Sheri and attendees voiced support for Amar’s coefficient proposal. Amar advised other ERCOT projects are ongoing and testing could not begin until Q3 at the earliest. He added if the results deliver as expected, the process could be engaged annually. The optimal path would include implementation of the coefficient approach (HDD vs CDD) in 2027. Rob said the timeline would be impacted by discussion of commercial ESIs.

**BUSINESS AV DISCUSSION**

* + Following lunch, the PWG conversation turned to business accounts. Sam Pak observed the business methodology is based on load factor percentage rather than R². Amar said opportunities to revise AV on the business side are limited due to the dependence on load profiles. Sam suggested updating the percentage thresholds. Further PWG discussion centered on defining LO as < 25% and HI as > 75%. Sam noted if the LO threshold is dropped, the MED segment accordingly increases. Sheri said the impact would also pull out churches and small weekend businesses. Sam asked if data could be run on the thresholds being considered. Amar advised not immediately but possibly at the end of this year. He also said there would be winners and losers among customers with any implemented change.
	+ Sheri asked if ERCOT was comfortable with the load factor approach. Amar said the approach is acceptable although magnitude should be part of the data, as the basis on percentages does not eliminate weather variation. Sam Pak asked Sam Morris if ERCOT sees value in the load profiles. Morris said ERCOT has moved away from load research, although that could change via a Legislature request or other high-level inquiry. Sam Pak said because the rate drives the profile with the profile not affecting the rate, the REPs should take the lead in suggesting revisions. Sheri said the REPs will be consulted for suggestions. Amar added the key is a more stable approach that is not dependent on weather variations. Amar asked Sheri if REP pricing is still dependent on load profiles and not usage data. Sheri said it depends as there are multiple scenarios in managing risk. Amar suggested using the shoulder months of April and November for consistency, although Sam noted the sample size would be small.
	+ Sam ended discussion of the agenda item by noting the quality takeaways generated through the discussion. He said PWG is now looking for REP feedback about changes to business Annual Validation, although the timeline mentioned by ERCOT (end of year testing at best) allows for unhurried REP feedback.
* **Other Business**
	+ Sam said because PWG now knows the 2025 Annual Validation run will not impact the Decision Tree, review of the Decision Tree conversion to Word format can move forward. A PWG review request for the document will be included when the 2/13/25 meeting notes are distributed.
	+ With clarification that ERCOT’s availability for AV testing will occur toward the end of 2025, and moderate urgency for the Decision Tree review, PWG agreed to cancel the meeting scheduled for March 25. The next meeting is scheduled for April 17. The April meeting date could change to allow in-person attendance.

**Future Meeting Dates –** 4/17/24 at 9:30 a.m. The meeting is (tentatively) in-person with WebEx coverage.

* **The meeting adjourned at 1:34 p.m.**