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Lancaster Choice Energy (“LCE”) utilizes its load forecasting model/methodology for three primary purposes: (1) for portfolio management and procurement; (2) for the development of financial projections; and (3) for Resource Adequacy compliance with the California Public Utilities Commission (“CPUC”) and the California Independent System Operator (“CAISO”). The adopted load forecasting methodology focuses primarily on the projected customer counts within the LCE service territory and incorporates historical per capita usage data to derive the load forecast. LCE serves customers in a service territory that covers the City of Lancaster.

The load forecast is developed for each of the thirteen major customer classes served by LCE. These include the following customer classes:

Load Profile Group	Classification
DOM-S/M	Domestic
DOM-MM	Domestic
GS-1	Small Commercial
TC-1	Traffic Control
GS-2	Medium Commercial
TOU-GS	Time-of-Use, Medium Commercial
Ag-TOU	Agriculture & Pumping, Time-of-Use
TOU-PA-2	Agriculture & Pumping, Time-of-Use
TOU-PA-3	Agriculture & Pumping, Time-of-Use
TOU8-SEC	Time-of-Use, Large Power (Below 2kv)
TOU8-PRI	Time-of-Use, Large Power (2kv-50kv)
TOU8-SUB	Time-of-Use, Large Power (Above 50kv)
St-Ltng	Street and Area Lighting

LCE’s load forecasting methodology utilizes historic trends in customer accounts and monthly electricity usage by customer class, and peak demands are projected using historic hourly meter data for LCE’s customers. LCE aggregates individual customer monthly usage by customer class and then applies hourly load profiles, derived from historical data, to the monthly class values. LCE utilizes its class hourly load profiles to translate the monthly usage data into hourly in order to develop peak demand forecasts for Resource Adequacy and Congestion Revenue Rights obligations. Furthermore, LCE utilizes a multi-year rolling average for the hourly load profiles in order to normalize for weather or other short-term events and anomalies that impact the hourly load profiles.

Now that Lancaster Choice Energy (“LCE”) has been serving its full customer base for over three years, LCE has adopted a peak demand forecasting methodology that utilizes the average of the five hourly peaks per each month. In order to normalize for weather, LCE averages the estimated monthly peak demand over three years of historical data. For example, LCE pulled the five peak demand values for January 2016, 2017, and 2018 and then calculated the overall average of these demand values in order to normalize for weather variances.

LCE utilizes historical consumption data to calibrate and adjust its load forecast. The calibration process is run monthly and compares the most recent monthly KWh and peak KW usage data to the forecast values. The forecast is tracked relative to both the initial usage estimates (T+3) reported to the CAISO as well as the final reported usage (T+55). To the extent that the monthly forecast error exceeds a 5% threshold, LCE evaluates the potential causes of the variance and, if such error is deemed likely to persist, adjusts the forecast going forward.

For load projections beyond the current year, LCE assumes a long-term annual growth rate of 0.5%, which reflects the estimated net increase in customer consumption due to economic and demographic factors, less estimated impacts from energy efficiency and behind the meter generation. LCE does not have a long-term history for its current customer base with which to compare the reasonableness of the projected long-term growth rate. However, based on the relatively flat customer counts observed since LCE began operations in 2015, LCE believes that its long-term growth rate would be generally consistent with the net growth rate in the SCE service area as a whole.