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| NPRR Number | [975](http://www.ercot.com/mktrules/issues/NPRR975) | NPRR Title | Load Forecast Model Transparency |
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| Date | December 11, 2019 |
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| Submitter’s Information |
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| Market Segment | Not Applicable |

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| Comments |

Texas Competitive Power Advocates (TCPA) understands the concern with removing certain models from options for selecting the Seven Day Load Forecast. The transparency for which generators are seeking to improve market information is when more moderate Load forecasts are considered but discounted in favor of outliers on either the higher or lower forecast models or when forecasts that were initially chosen are later discounted in favor of either extreme outliers. Generators understand that the process of balancing temperature forecasts, storms, and any other factors likely to influence ERCOT’s expected Load are considered multiple times each day by a core group of meteorologists, operations supervisors, and other key personnel. While the typical forecasts are not the cause for concern, the information being sought is specific to those forecasts chosen that are outside of those considered typical. It is not our intention to create a burdensome process, but to work with ERCOT operations to establish an information sharing tool for operators’ use that will inform Market Participants of circumstances such as expected storms that are moving slower than forecast, storms that have abated or accelerated to impact Load in a manner that may not be visible, or similar scenarios that may prompt operators to choose outliers on either side of the average Load forecast.

Market Participants use ERCOT Load forecasts, as well as others they procure from vendors or internally generate, to best estimate the capacity needs and bid resources into the market. A high Load forecast that is substantially greater than other forecasts assessed, as well as a low Load forecast unusually below others, may result in market participants offering in more Resources than needed or less as a result. The transparency sought would better inform Market Participants of the types of issues that ERCOT considers that may be outside of the norm from what Load forecasts may provide and should better enable grid stability in terms of ensuring Resource commitments match the reliability needs. This information should enable generators to fine-tune their own forecasts for more efficient and accurate Resource commitments, enhancing market operations.

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| Revised Proposed Protocol Language |

3.12.1 Seven-Day Load Forecast

(1) ERCOT shall use the Seven-Day Load Forecast to predict hourly Loads for the next 168 hours based on current weather forecast parameters within each Weather Zone. Preparation for Day-Ahead Operations requires an accurate forecast of the Loads for which generation capacity must be secured. The Seven-Day Load Forecast must have a “self-training” mode that allows ERCOT to review historic Load data and provide the ability to retrain the Seven-Day Load Forecast algorithm. ERCOT will use a variety of Load forecast models and will select a Load forecast model that best fits the expected weather conditions for each hour of the day as the Seven-Day Load Forecast. ERCOT may change the selection of a Load forecast model for a particular hour if weather conditions vary and justify a change. If an outlier that is more than 2% above or below the average of the forecast models of the group is selected at any time, ERCOT shall produce and post to the MIS Public Area an explanation of why that outlier Load forecast model was selected.

(2) The inputs for the Seven-Day Load Forecast are as follows:

(a) Hourly forecasted weather parameters for the weather stations within the Weather Zones, which are updated at least once per hour; and

(b) Training information based on historic hourly integrated Weather Zone Loads.

(3) ERCOT shall review the forecast suggested by Seven-Day Load Forecast and shall use its judgment, if necessary, to modify the result prior to implementation in the Ancillary Service capacity Monitor, Day-Ahead Reliability Unit Commitment (DRUC), Hour-Ahead Reliability Unit Commitment (HRUC), and Resource adequacy reporting.