

# Integrating BPA into the forecast

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Customer Support Services  
Load Forecasting & Analysis

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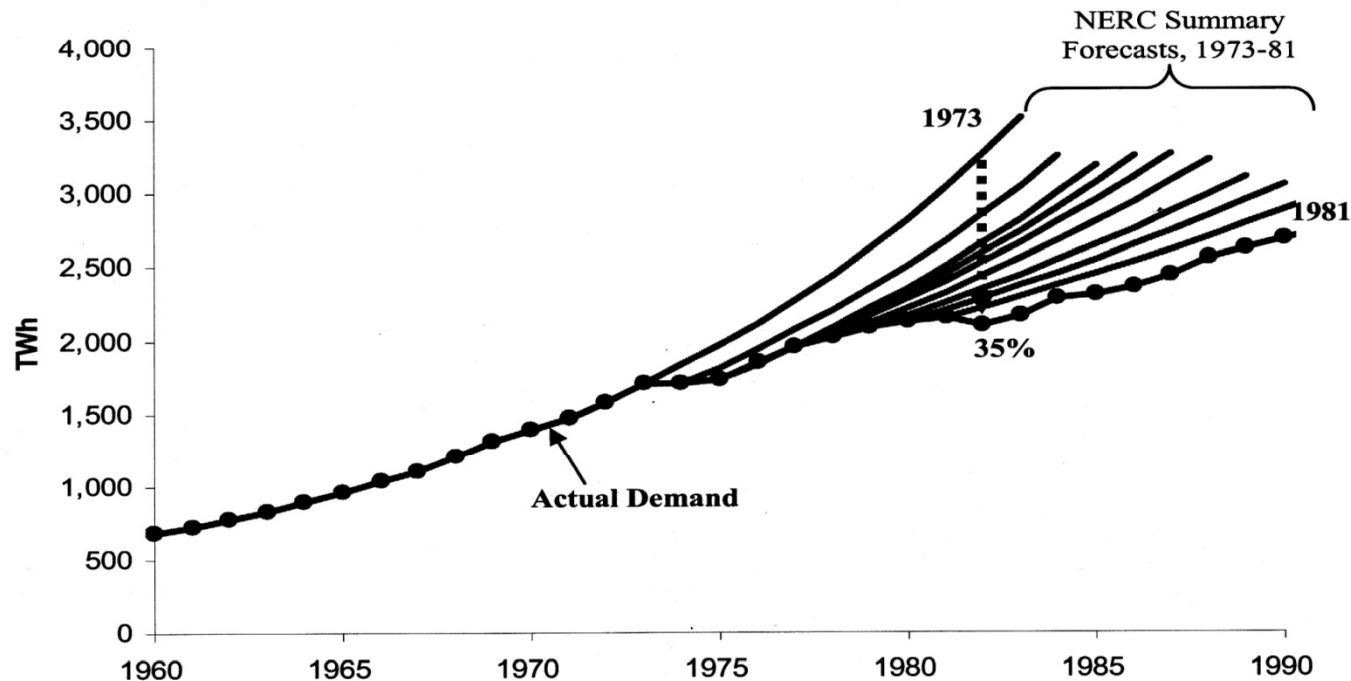
## The world just ain't what it used to be

- Recession at levels not seen since the Great Depression
- Changing resource decisions
- Resource planning requirements are being established by states
- Changing economic climates
- Changing electricity uses



# We would prefer not to repeat the past-

**Figure 11 Actual U.S. Electricity Demand Fell Below Projections in the 1970s**



Source: Edison Electric Institute, Historical Statistics of the Electric Utility Industry Through 1992; Nelson, Charles, and Peek, Stephen, "The NERC Fan: A Retrospective Analysis of the NERC Summary Forecasts," *Journal of Business and Economic Statistics*, Vol. 3, No. 3, July 1985.

and produce forecasts that lead to incorrect decisions



## Working together –we can reduce that concern

- Working together should give us better forecasts
  - We can make sure we are all working with the same data
  - We can make sure we have similar assumptions or understand why the assumptions should be different
  - We can align to similar risk levels
  - Open exchange of ideas can foster improvement
  - Shared monitoring of results can identify real improvements



## Yet, we need to keep some distance

- Keeping our distance should also assure that we produce better forecasts.
  - Separate models that give similar results will give comfort that we are not too far off
    - Differences need to be explored.
    - Differences provide opportunity for improvements
  - We will create better forecasts as we achieve efficiency in our markets
  - We may need to actually answer different questions



## What we all need, to work better collectively

- Committed engagement by everyone in the forecasting activity
- Candid sharing of information
- Establish a common risk measurement scale
- A common standard to measure results by
- Regular reporting on results
- Cooperative results based efforts
- Establish and focus on key results
- Look for the best in each other



## Opportunities for improvement

- Common education to decision makers on just what is possible with forecasting
- Regular cycle of forecasting
- Reporting to each other on forecasted results
- Survey of satisfaction with results
- Training on methods
- Survey of methods
- Common base assumptions



## What BPA has in the plans

- Economic summit to annually discuss the outlook for the nation and region.
- Assistance with cost based resource siting decisions
- Consulting on forecasting activity and methods
- A commitment to results based accuracy
- Transparency (methods, models, other)
- Commitment to continuous learning and improvement
- New tools (shared website, other)
- Enhancements to hourly long-term forecasts and peak planning



## So what's in it for me?

- Lower costs
- Increased reliability
- Economies that can handle growth
- Lower risk
- Better planning and results
- Rapid knowledge transfer



## Parting thought...

- Our geography makes us neighbors
  - Our economies make us partners
- Our collaboration makes us successful
  - Because our results will be reliable

We are all in this together for the betterment of the  
Region.

