

SOUTHWEST POWER POOL, INC.
Load Forecasting Task Force Meeting

Face-to-Face Conference

August 6th: 8:00 am – 4:00 pm

SPP Offices – Little Rock, AR

Meeting Minutes

Meeting Attendance

Cochran, Brad	Oklahoma Gas & Electric
Olsen, Connor	Arkansas Electric Cooperative Corporation
Harris, Mark	American Electric Power
Maddock, JP	Basin
Houser, Will	Continental Resources
Bass, Al (Proxy)	Evergy
Chris Matos (Proxy)	Google
Hebble, Eric	Golden Spread Electric
Brown, Scott	NextEra
Rosenkranz, Jason	Nebraska Public Power District
Goodenough, John	SPS

Administrative Items

1. LFTF Chair, Brad Cochran, called the meeting to order at 08:00 AM on August 6th, 2024
2. Roll call and review of proxies
3. Agenda review

LFTF Scope Review

Brad Cochran and Afshin Salehian went through the LFTF scope and discussed some of the changes made by SPP leadership prior to SPC review and approval.

Consultant/3rd Party Presentations

Ben Levitt and Douglas Guiffre of S&P Global gave their presentation on the North American Power Market Outlook. They discussed electricity supply and demand as well as generation and prices, providing trends and forecasts across different regions, RTOs, and markets.

Evolved Energy Research's founder, Ryan Jones, gave his presentation on High Electrification Load Shapes specific to the SPP region. His research concluded that SPP's share of national data center load is estimated at 7%, which is predicted to remain constant for modeling/forecasting purposes over the next decade. There was also a lot of information on hydrogen electrolysis which is being driven by the 45V tax credit. Ryan's research suggests that 39% of U.S. electrolysis load is allocated to SPP. There was discussion from LFTF members regarding the 60 GW of new renewable projects within SPP's footprint required by 2035 to support electrolysis load, per the presentation. There were also doubts about the size of the market for hydrogen fuel, despite tax credits and recent policy changes.

Load Forecast Uses at SPP

Afshin presented how US RTOs approach load forecasting. His key findings from his research are 1) the scope and scale of changes in the industry require continuous analysis of the drivers, trends, risks and assessment of the potential scenarios for load growth and 2) the energy transition in SPP may require new techniques and tools for load forecasting and a regional view for optimized transmission and resource planning.

SPP Resource Adequacy's Sydney Breaker discussed some of the challenges with using LRE forecasted peak demand and highlighted the pre-2022 trend of over-forecasting on a BA level, versus the recent trend of under-forecasting. LFTF members discussed the Planning Reserve Margin and how it would differ if SPP used actual/historic LRE load values instead of forecasted load.

Eddie Watson, SPP Modeling Policy, presented on Load Forecasting for Transmission Planning. He reviewed the inputs which go into the SPP Planning Model, as relating to future load. He stated that load forecasting should be based on a 50/50 forecast. This prompted some discussion on weather normalization practices across various entities, and John Stephens from City Utilities of Springfield expressed concern over the use of 50/50 forecasts for resource adequacy and transmission planning. Order 1920, which relates to planning for extreme weather scenarios, should be considered.

Brad Cochran prompted discussion on why there is a difference between the load forecasts provided to Transmission Planning (TP) and the ones provided to Resource Adequacy. Chris Haley, SPP Resource Adequacy, pointed out that the TP load forecast is usually 2-3 GW greater than the RA load forecast for the SPP BA. Demand Response and Behind the Meter are thought to be contributors to this difference. This identified a need for a list of load sources/inputs which make up LRE load forecasts. This was identified as something the LFTF needs to study.

Member Presentations

Brad Cochran and Jeremy Schwarz (OG&E) presented their organization's load forecasting methodology, including inputs, modeling, adjustments, external forecasts, and customer forecasts.

Al Bass presented Evergy's long-term energy forecast. He went through forecast methodology, demand response, and emerging product considerations.

Review of Deliverable Priorities

Afshin discussed the goals of the LTF once again, and restated what is expected of the task force.

Future Meetings

Sonny Bandak stated that a meeting schedule for 2024 will be sent out via email in the coming weeks.

Administrative Items

4. Brad Cochran Adjourned the meeting at 2:50 PM on August 6, 2024