

Request for Proposals

Expert Consultation to evaluate PJM's Long-term Peak Load Forecasting Methodology

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Issued by:

Consumer Advocates of the PJM States (CAPS)

Point of Contact:

Greg Poulos, Executive Director

Gregorypoulos11@gmail.com

614-507-7377

Introduction & Background

PJM Interconnection is the Regional Transmission Operator (RTO) for 13 states and the District of Columbia. The Consumer Advocates of the PJM States (CAPS) is a non-profit organization whose members represent over 65-million consumers in the RTO region. While rules vary greatly across the PJM footprint, the electricity costs paid by consumers is at least partly determined by the tariff and rules under which PJM operates. CAPS mission is to actively engage in the PJM stakeholder process to ensure that the prices we pay for reliable, wholesale electric service are reasonable.

CAPS is seeking expert consulting services to perform an independent review and make recommendations to potentially improve the accuracy and stability of PJM's methodologies for forecasting future peak loads and weather-normalized historical peak loads.

The overall goal is to assist CAPS member offices through education regarding PJM's forecasting methodology and opportunities for improvements.. CAPS seeks a qualified consultant (individual or firm) to:

1. Review PJM's Long-Term Load Forecasting Methodology:

- a. Review PJM's current load forecasting methodology (2020 load forecast report).

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- b. If appropriate, identify an alternative forecasting approach that might provide superior results, and prepare initial results.
- c. Prepare recommendations with respect to long-term forecasting methodology.

2. Review PJM’s Methodology for Weather-normalizing Historical Peak Loads:

- a. Review PJM’s current (2020 report) and prior (2019 report) approaches to weather-normalizing historical summer and winter peak loads.
- b. If appropriate, identify an alternative weather-normalization approach that might provide superior results, and prepare initial results.
- c. Prepare recommendations with respect to weather-normalization methodology.

The objective of this Request for Proposal is to locate a professional expert source that will provide the best overall value to CAPS. While the proposed price of services is a significant factor, other criteria will form the basis of our award decision, as more fully described in the Evaluation Factors section of this Request for Proposal below. The consultant(s) will provide analysis and recommendations to members of CAPS as requested but will not be representing CAPS as an organization.

Project Purpose

Provide CAPS members with education and information regarding PJM’s long term forecasting methodology including analysis, review, training and education and, where appropriate, recommendations, points of advocacy that can be leveraged by our membership to advance their policy goals. Services will not include direct advocacy or representation on behalf of members of CAPS at PJM stakeholder meetings or at FERC.

Project Scope

The consultant(s) will be responsible for the following services and tasks:

Review PJM’s Long-Term Load Forecasting Methodology:

- a. Review PJM’s current load forecasting methodology (2020 report). Identify issues and concerns; evaluate the likely accuracy and stability of the approach for forecasting RTO and zonal seasonal peak loads. Identify potential modifications and enhancements; evaluate the approach with these changes.

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- b. Perform a similar review of PJM's prior load forecasting methodology (2019 report). Based on preliminary results, discuss with Client and PJM staff whether to pursue this task in full detail or instead focus on the current (or an alternative) methodology.
- c. If appropriate, identify an alternative forecasting approach that might provide superior results, and prepare initial results. Discuss with Client and PJM staff whether to pursue an alternative approach in further detail.
- d. Prepare recommendations with respect to long-term forecasting methodology: the recommendations might call for enhancing the current methodology, enhancing the prior methodology, and/or implementing a different methodology.

Review PJM's Methodology for Weather-normalizing Historical Peak Loads:

- e. Review PJM's current (2020 report) and prior (2019 report) approaches to weather-normalizing historical summer and winter peak loads.
- f. Identify issues and concerns; evaluate the likely accuracy and stability of the approaches. Identify potential modifications and enhancements; evaluate the approaches with these changes.
- g. If appropriate, identify an alternative weather-normalization approach that might provide superior results, and prepare initial results. Discuss with Client and PJM staff whether to pursue an alternative approach in further detail.
- h. Prepare recommendations with respect to weather-normalization methodology; the recommendations might call for enhancing the current methodology, enhancing the prior methodology, and/or implementing a different methodology.

CAPS proposes a three (3) to four (4) month term of engagement with an option to renew for an additional three months at CAPS discretion. Work on the project is expected to begin around October 1, 2020 however, that day is subject to discussion.

The successful bidder will be responsible for providing recommendations, analysis and supporting documentation to support its evaluation of PJM's load forecasting methodology:

- The degree to which the candidate possesses a detailed understanding of the PJM Long-term Load Forecasting Methodology;
- An existing body of work that demonstrates high competency in analyzing long term load forecasting; and
- A proposal for how best to analyze and potentially improve PJM's load forecasting methodologies.

Evaluation Factors

CAPS' evaluation will be based upon, in part:

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- The experience of the candidates;
- The candidate that best demonstrates the ability to meet the scope of work identified above; and
- The expected level of compensation

CAPS reserves the right to award the bidder that presents the best value to its members. CAPS also reserves the right to conclude the process without selecting any bidder.

Budget

The budget will depend on the scope of work that is agreed upon and the timeframes necessary to complete the work. The budget is negotiable but we are budgeting \$30,000.

Submission Guidelines & Requirements

The following submission guidelines and requirements apply to this Request for Proposal:

- Bidders intent on submitting a proposal should notify the representative identified above as early as practical and proposals are due ~~September 4, 2020~~ **Monday, September 14, 2020.**
- A price proposal must indicate an overall fixed price for the project as well as an estimated number of hours for project completion and an hourly rate for work performed.
- Proposals must be signed by a representative that is authorized to commit bidder's company. If you have a standard set of terms and conditions, please submit them with your proposal. All terms and conditions will be subject to negotiation.
- Provide a full list of prior and existing clients represented in the area of utility regulation and identification of conflicts if any.
- Proposals must remain valid for a period of 30 days.

CAPS will evaluate the submittals and, if necessary, request follow-up information and interviews if necessary. CAPS expects to make a final selection by ~~September 18, 2020~~ **October 1, 2020.**

Project Terms

The following terms will apply to any agreement entered into pursuant to this RFP. The Consultant must agree to enter into a contract for services acceptable to CAPS which shall include, at minimum, the following terms:

- The Consultant agrees to work as an independent contractor and not an employee of CAPS.
- The Consultant will maintain adequate liability insurance for all work done for CAPS and will pay all taxes incident to the performance of the consultant work.
- The Consultant will conduct work with all due diligence, efficiency and economy, in accordance with generally accepted professional standards and practices.
- The Consultant will observe sound management practices and employ appropriate technology to ensure the secure and safe retention and storage of information created or generated through work for CAPS. All information and other documents created or obtained during the course of the Consulting work shall be the sole and exclusive property of CAPS. Further, upon written request of CAPS all information will be turned over to CAPS and Consultant will certify it has not retained any copies of CAPS documents and information.
- The Consultant will not use any subcontractors to provide consulting services to CAPS without prior written approval of CAPS.
- The Consultant confirms there are no prior or existing clients with conflicts of interest to CAPS or its members and agrees to hold CAPS interest paramount and strictly avoid any conflicts of interest when handling or considering any work in addition to the CAPS consulting work.
- The Consultant agrees no monies from the contract issued for consulting services will be paid to any CAPS Member as wages, compensation or gifts of any kind.
- The Consultant will abide by all state and federal laws, regulations and rules when providing services to CAPS including but not limited to anti-discrimination, employment and harassment laws.

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- The Consultant agrees any disputes or issues regarding Consultant services and the related contract and agreements shall be governed by the laws of Maryland and Consultant shall be prohibited from initiating any action against CAPS outside the venue of the state of Maryland.