

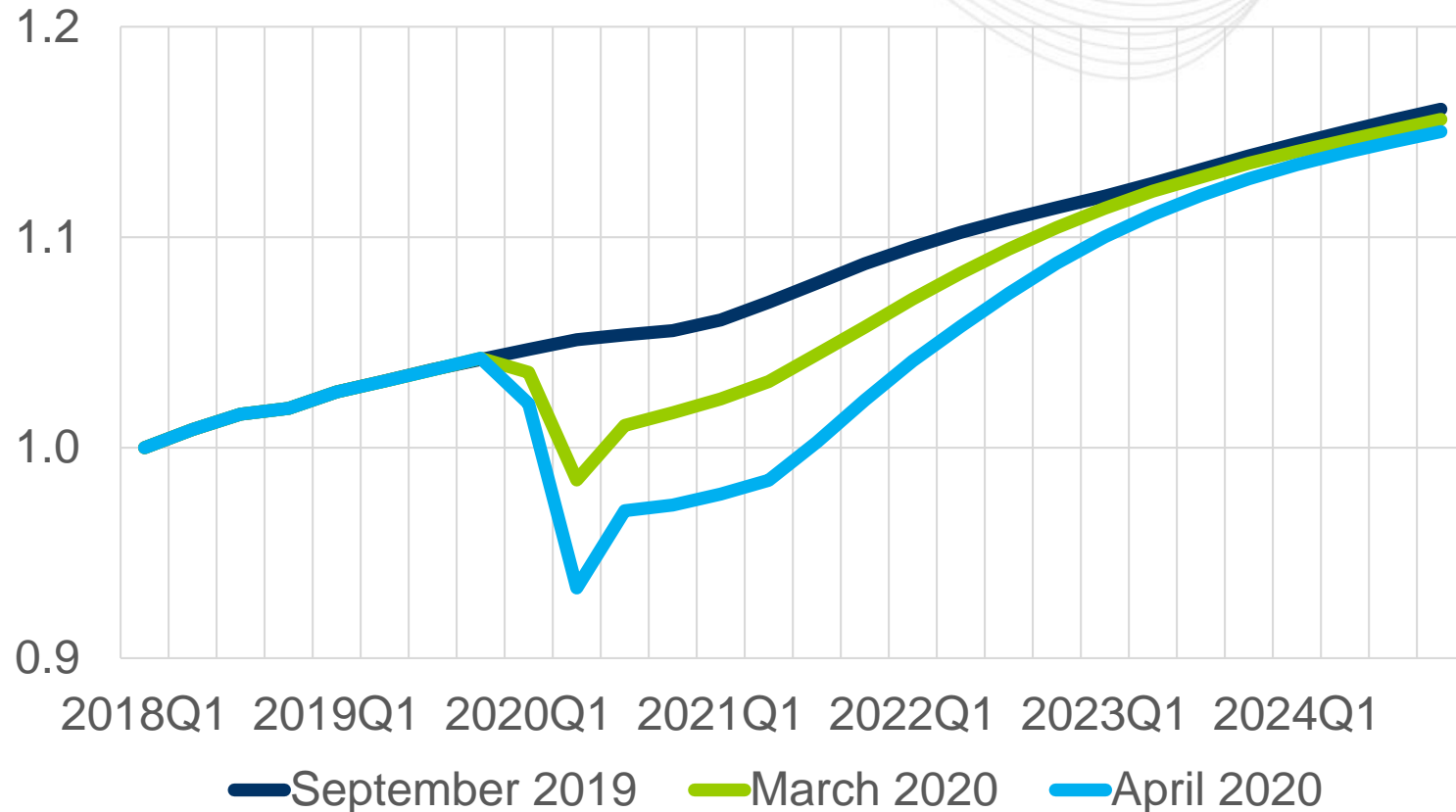


April Forecast Update

Load Analysis Subcommittee
May 5, 2020

- Stakeholders have expressed interest in an updated forecast to reflect COVID-19 impacts
- The forecast in the slides that follow will be used to set the planning parameters for the 2021/22 2nd Incremental Auction.
- Additional forecast updates will be produced in 2020 should RPM timing warrant it.

U.S. Real GDP (2018Q1 = 1.0)



- Economic forecast has been revised downward since the vintage used in the 2020 Load Forecast
- Still evolving situation. March was first to significantly reflect COVID19 impacts and April was revised down even further.
- Economic rebound/recovery will be dependent on progression of COVID cases as well as medical advancements such as a vaccine.
- Potential full recovery by mid 2023

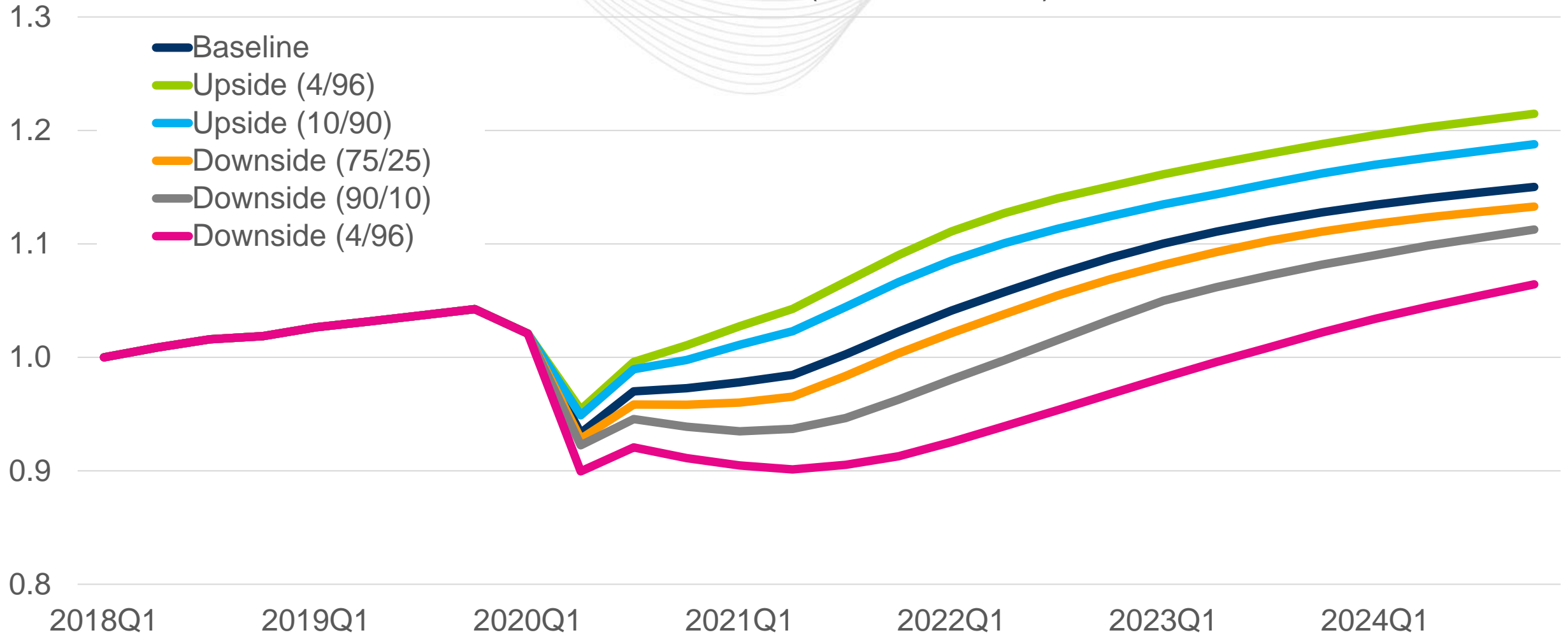
<https://www.inquirer.com/business/recovery-economy-zandi-moodys-virus-covid-19-jobs-prediction-20200423.html>

- PJM subscribes to a consensus economic forecast. Last release was on April 10, 2020.
 - Moody's Analytics responses in that survey line up with it's March 2020 forecast.
 - Smaller declines than consensus in 2020.
 - Smaller rebound than consensus in 2021
 - If we instead look at Moody's Analytics April forecast relative to that consensus.
 - Larger declines than consensus in 2020.
 - Smaller rebound than consensus in 2021.



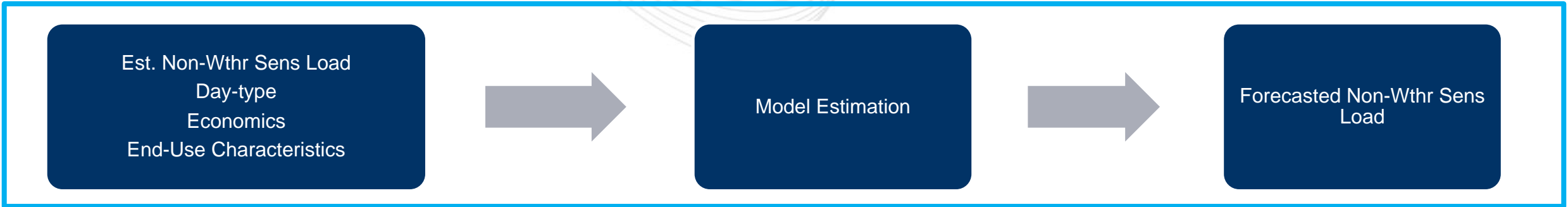
Moody's Analytics April 2020 Forecast Scenarios

U.S. Real GDP (2018Q1 = 1.0)

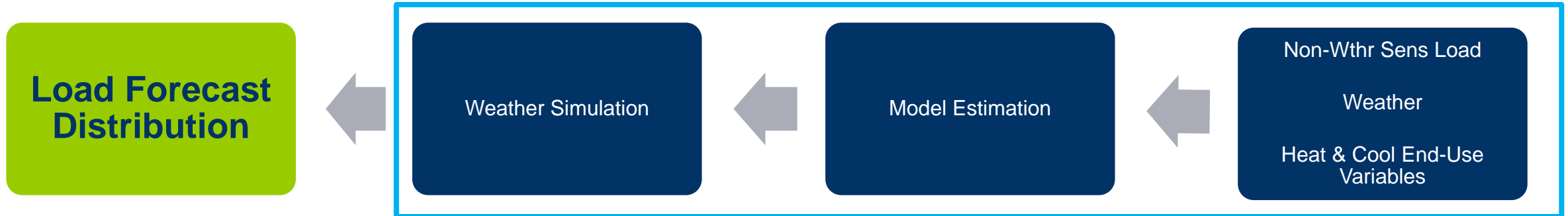


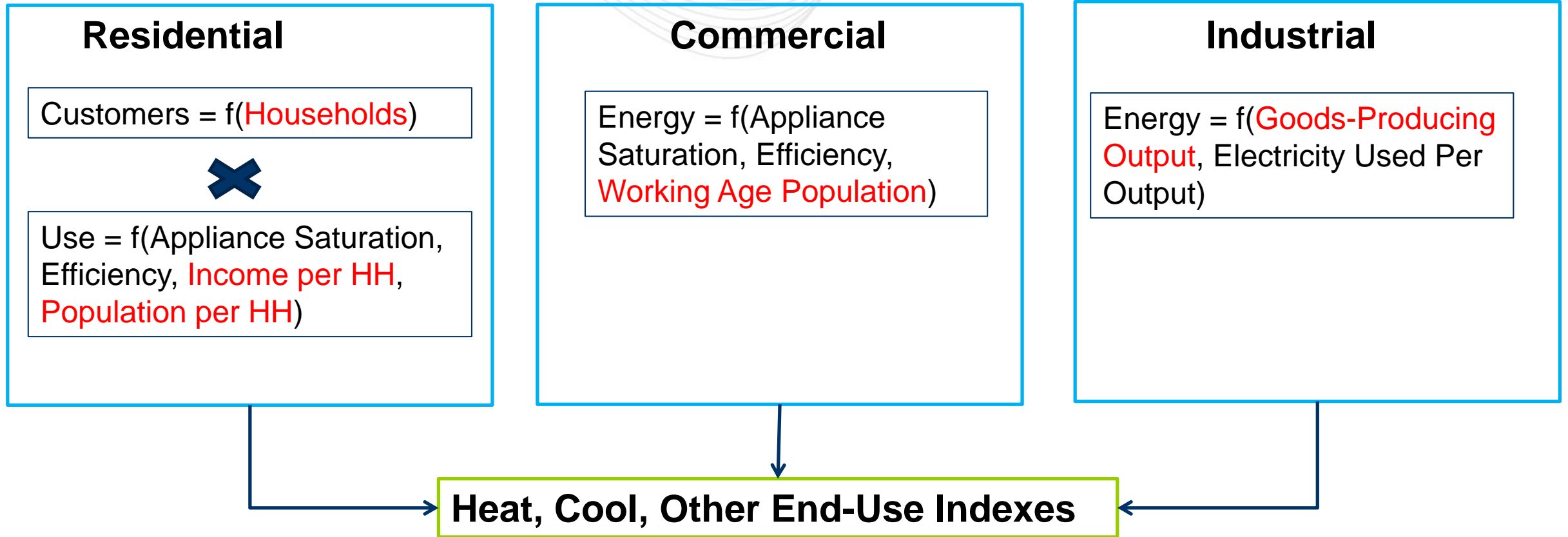
- Estimation Period: January 2010 through August 2019
- Weather Simulation: 1994 to 2018 (325 Scenarios)
- End Use Data: Based on Itron's 2019 release
 - ***Calibration 1998-2018 using EIA 861 data***
- ***Economics: April 2020 vintage from Moody's Analytics***
- AWS Solar Addbacks & IHS Solar Forecast (zonal & peak allocation by PJM)
- Forecast Adjustments – APS, BGE, COMED and Dominion

First Model



Second Model



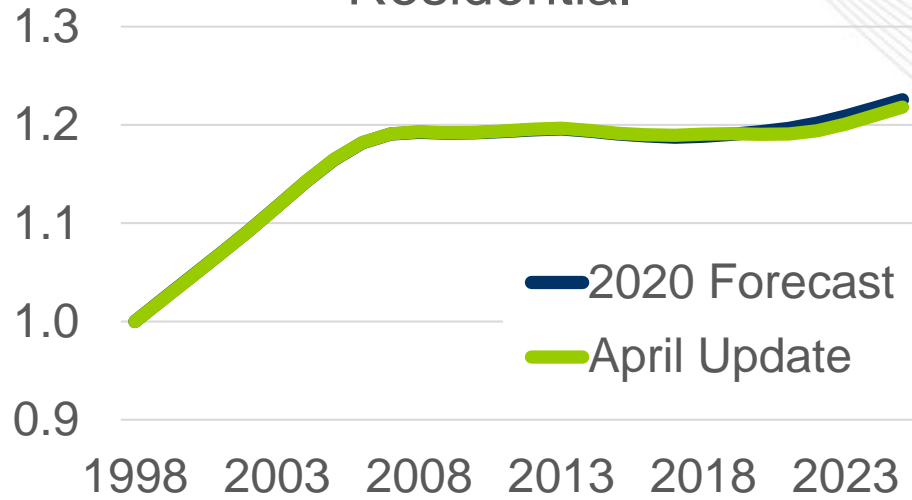


***Updated Variables**

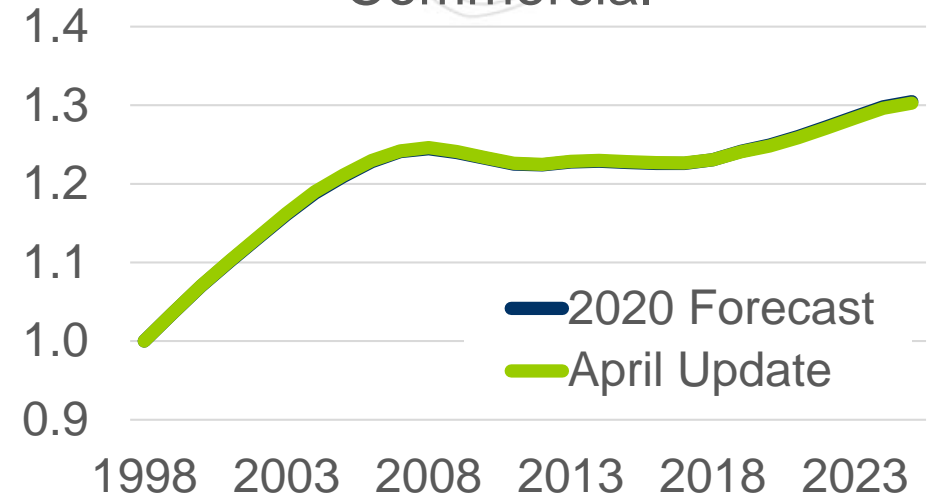


Residential, Commercial, and Industrial

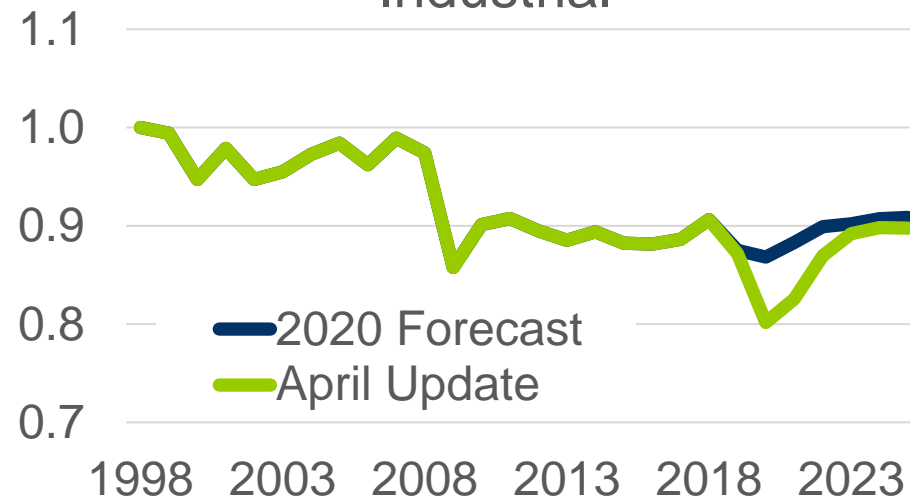
Residential



Commercial

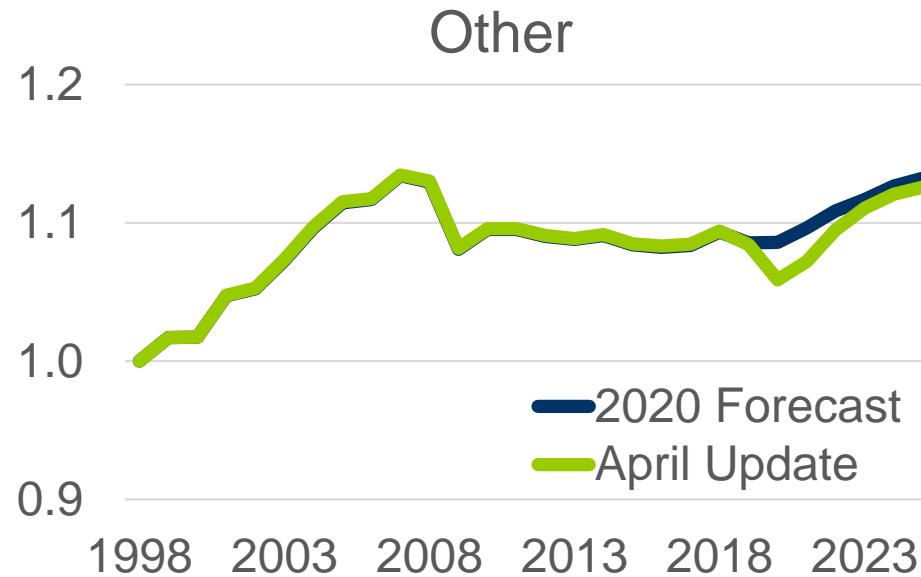
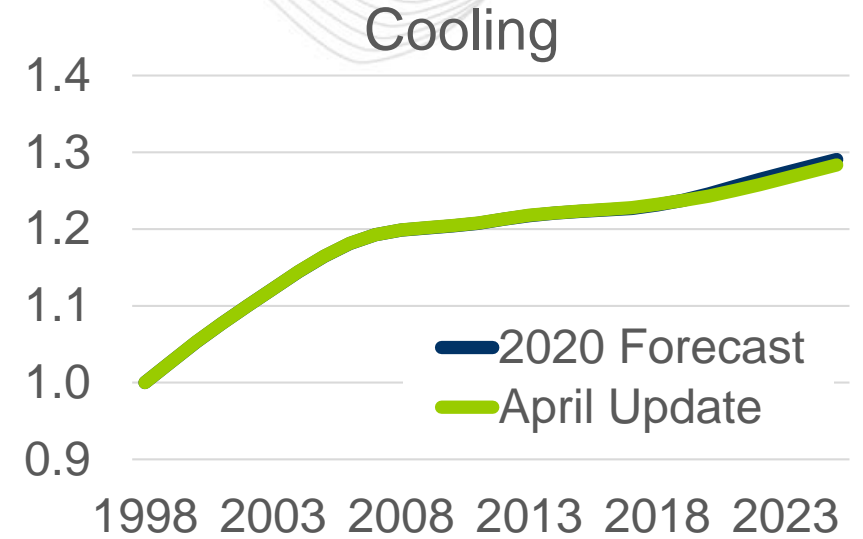
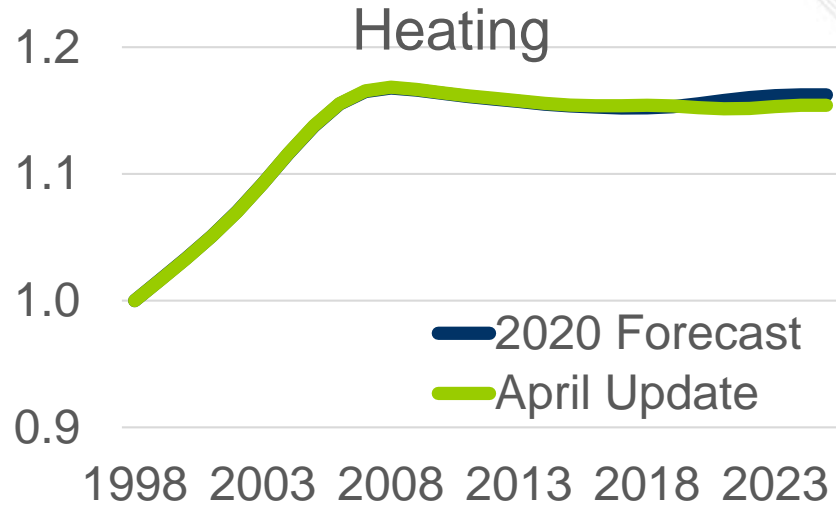


Industrial

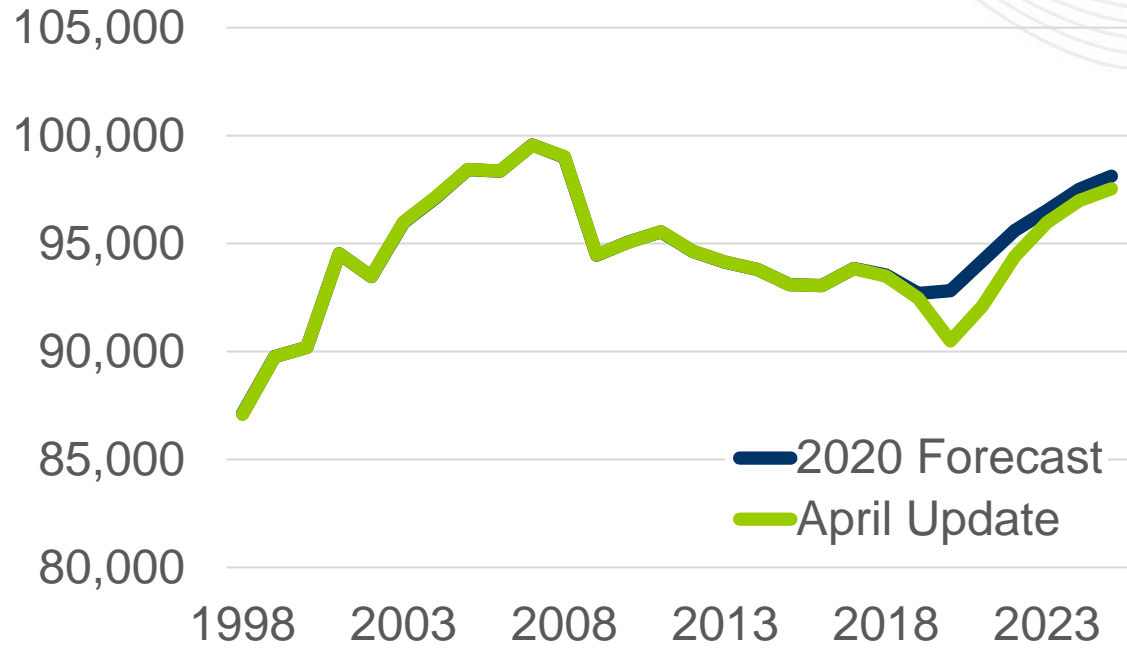




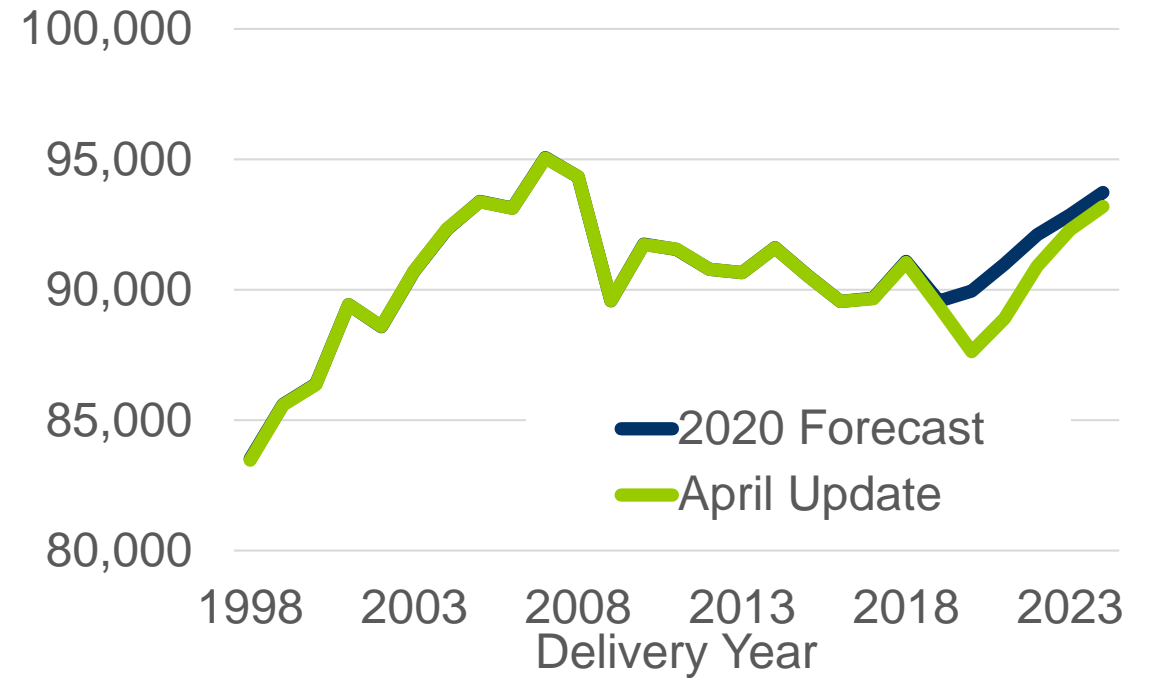
Heating, Cooling, and Other End-Use Indices

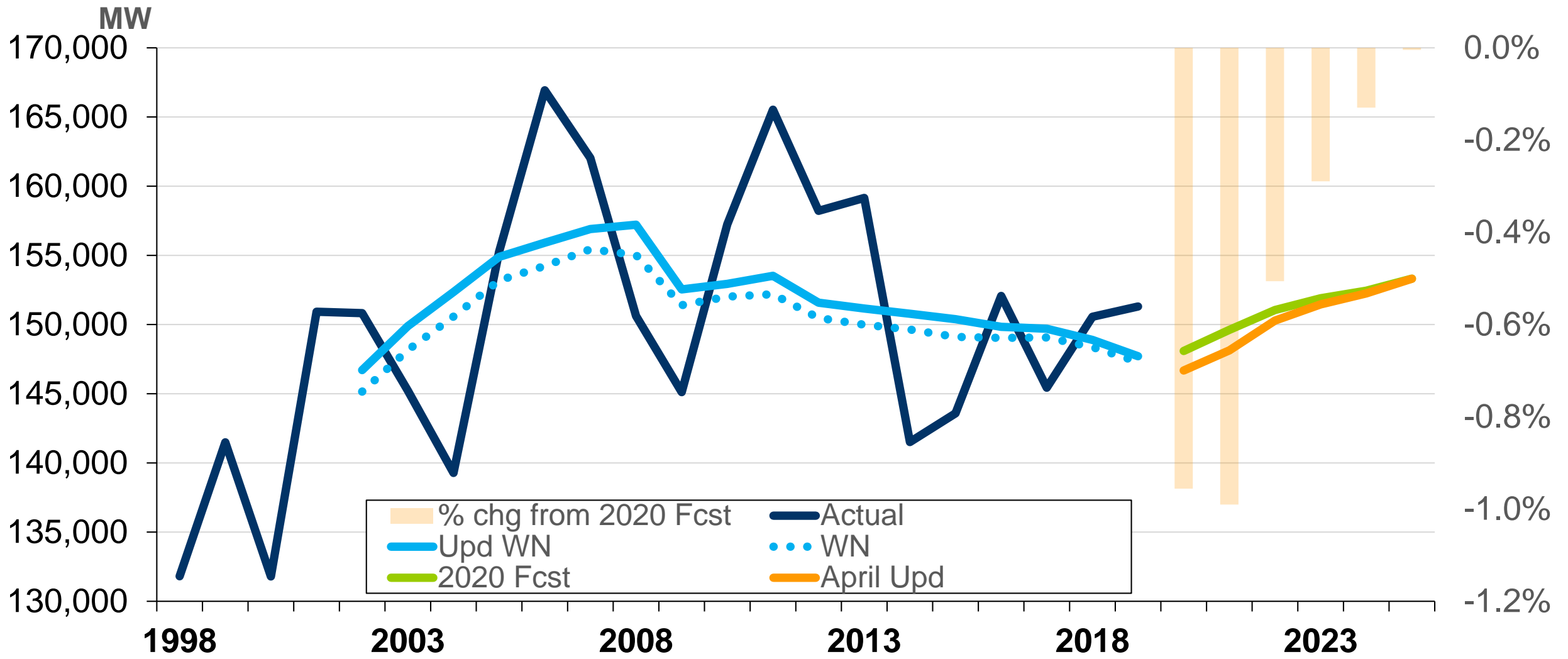


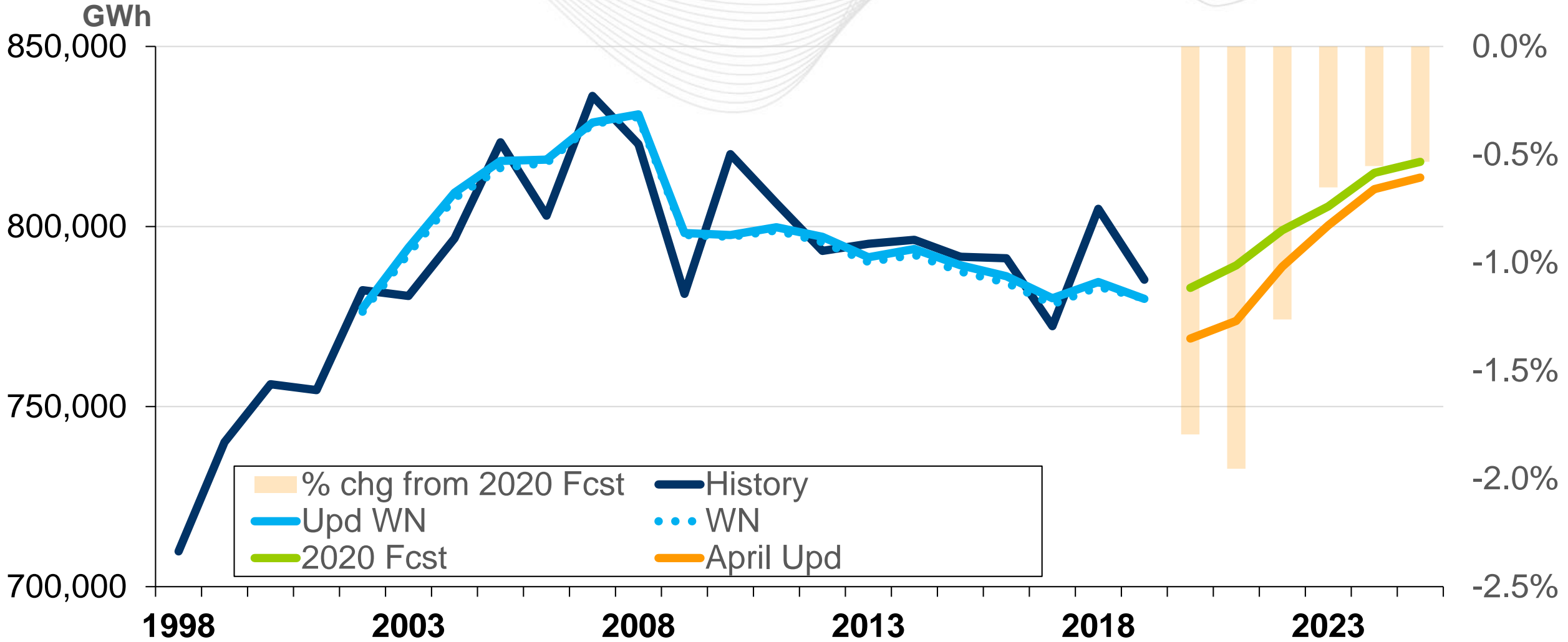
Summer



Winter







- Share update with Planning Committee (5/12)
- Investigate potential modeling changes
 - Particularly the Commercial model
- Update forecast as necessary to meet RPM needs