

- 1 **Q. (Reference Pre-filed Evidence of Larry Brockman) It is stated (page 12, lines 11 to**  
2 **12) "While the system load factor method does include an energy weighting, it is not**  
3 **rooted in cost causality." Please explain this statement in further detail. In**  
4 **Mr. Brockman's experience as a generation planner, is he aware of any jurisdiction**  
5 **that has planned its power system to meet the system load factor?**  
6
- 7 A. In the load factor method, the cost of a baseload unit is multiplied by the system load  
8 factor, which is the amount of energy a system uses divided by the amount it would use if  
9 the peak load was consumed in all hours of the year, to arrive at the percentage of the  
10 baseload unit that is to be considered energy-related. In Mr. Brockman's experience as a  
11 generation planner, the load factor ratio is not directly related to how much baseload  
12 capacity would be added to an optimal system, versus how much relatively inexpensive  
13 peaking power would be added. It is therefore not rooted in causality.  
14
- 15 Mr. Brockman is not aware of any jurisdiction where a power system has been planned  
16 based on a system load factor criterion. In developing a system plan, a utility will  
17 consider appropriate planning criteria, such as loss of load probability, reserve margins,  
18 firm energy criteria, fuel diversity, and renewable energy requirements. Although load  
19 factor is a statistic based on the load curve, it is not, in Mr. Brockman's experience, a  
20 planning criterion.