

# Operating Code 1: Demand Forecast

By :

**NOOR HAFIFI BIN JALAL**



The Malaysian Grid Code Awareness Programme Funded by  
Akaun Amanah Industri Bekalan Elektrik (AAIBE)

# Presentation Outline

- Introduction
- Short Term Forecasting Process in TNB
  - ISO Processes
  - Demand Profile Analysis
- Methodology and Tools
  - Regression using MetrixND
- Forecast and Performance

# Introduction

- OC 1 is concerned with demand forecasting for operational purposes.
- OC 1 outlines the obligations of GSO and users on the preparation of Demand Forecast of Active Power, Active Energy and Reactive Power on the Transmission System.
- Set out time scales within the Operational Planning and Operational Control periods.

# Introduction (cont.)

- Operational Demand Forecast covers:
  - Day-ahead demand forecast – half-hourly
  - Week-ahead demand forecast – half-hourly
  - Month to Four Months-ahead demand forecast-hourly
  - Special day/week/season demand forecast
  - 5 years-ahead demand forecast
    - hourly (based on the long-term demand forecast prepared by the Grid Owner while formulating the System Development Plan)

# Objectives

- To enable matching of Generation and Demand in operation
- To ensure the provision of data to the GSO for operation purposes
- To provide for the factors to be taken into account by the GSO when Demand forecasting is conducted in operation

# Scope

Applies to:

- GSO
- All Generators with CDGUs
- All Generators with Generating Units not subject to Dispatch by the GSO, with total on site generation capacity equal to or above 30MW and where the GSO considers it necessary
- Directly Connected Customers where the GSO considers it necessary
- Network Operators
- Distributors
- Directly Connected Customers who have agreed to participate in Demand control
- Interconnected Parties.

# Short Term Forecasting Process in TNB



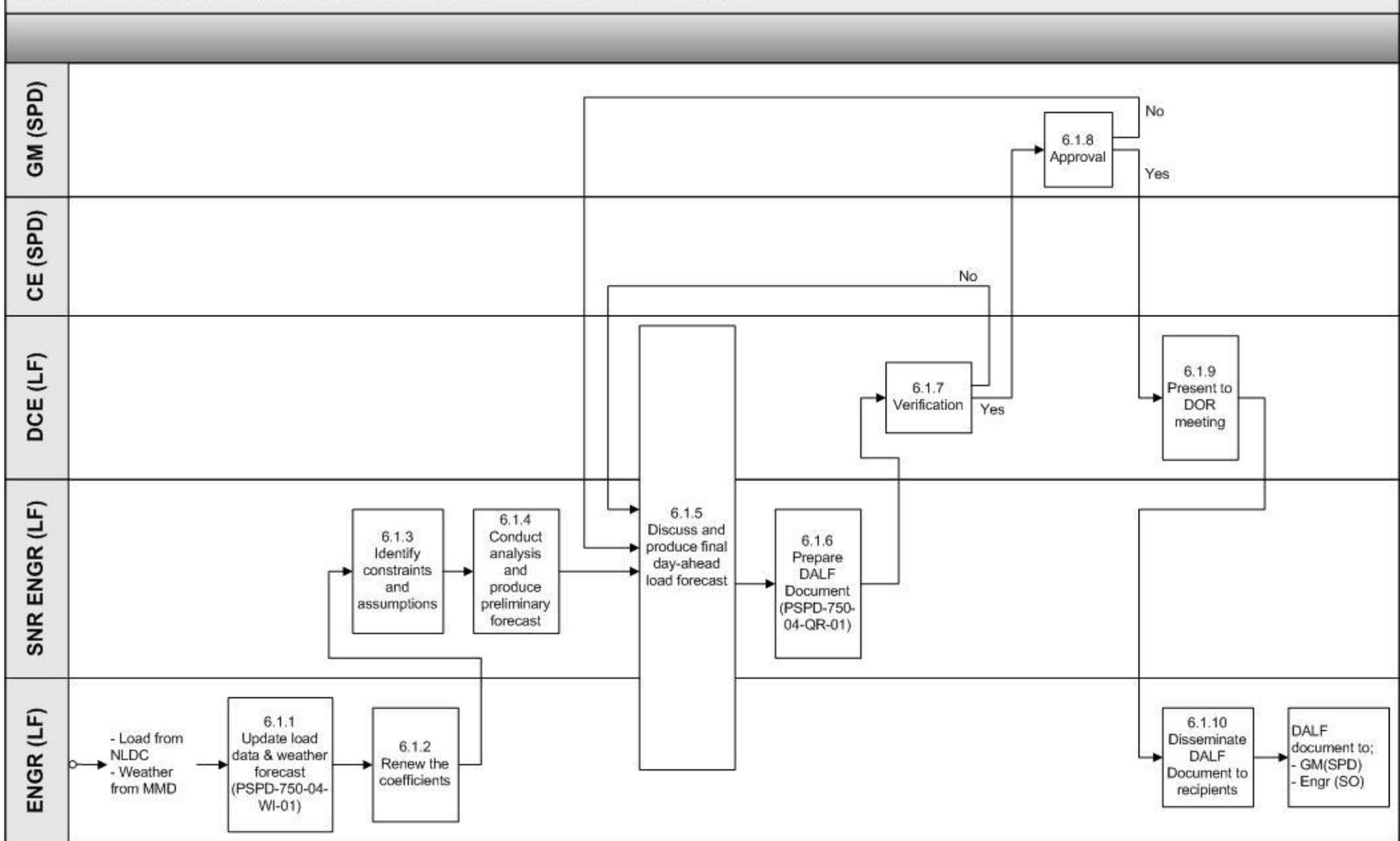
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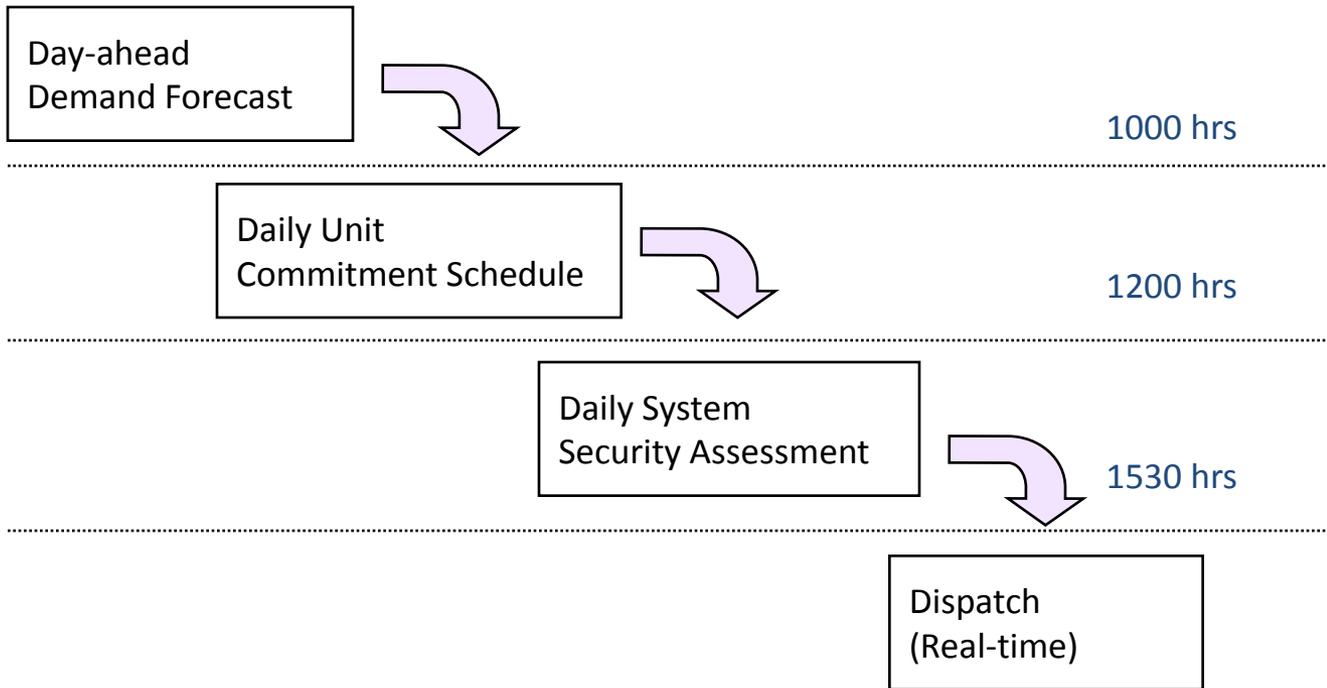
# Day-ahead Demand Forecast

- Consists of half-hourly demand forecast (00:30 to 24:00) and total energy forecast for the next day
  - National grid demand forecast
  - Regional demand forecasts (Northern, Central, Southern & Eastern regions)
- Used in power system operation planning and real time operation:
  - Scheduling, unit commitment and dispatching of generating units
  - Outage management of generating units
  - Outage management of transmission grid network
  - Power system security assessments
  - Fuel requirements and nominations, etc.
- The day-ahead forecast is carried out daily by 10 a.m. for the next day's demand.
- This forecast will be reviewed on the day itself, at 8 a.m. and 4 p.m. The forecast for the day can also be updated on half hourly basis at NLDC using ALSTOM forecasting tool.

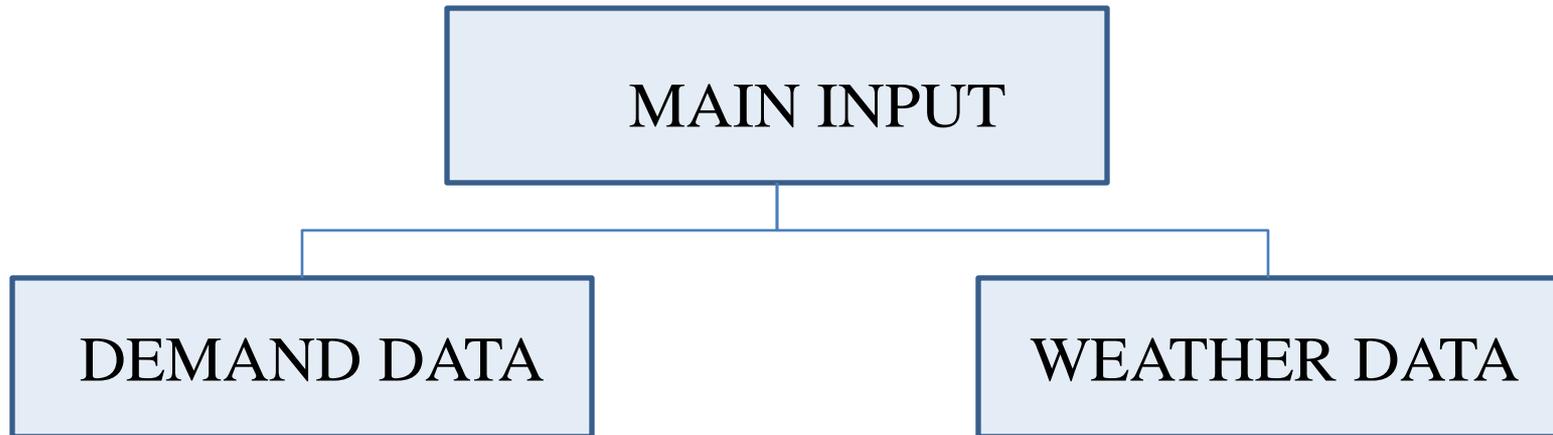
# Day-ahead Demand Forecast ISO Process

## APPENDIX 1: PREPARATION OF DAY AHEAD LOAD FORECAST

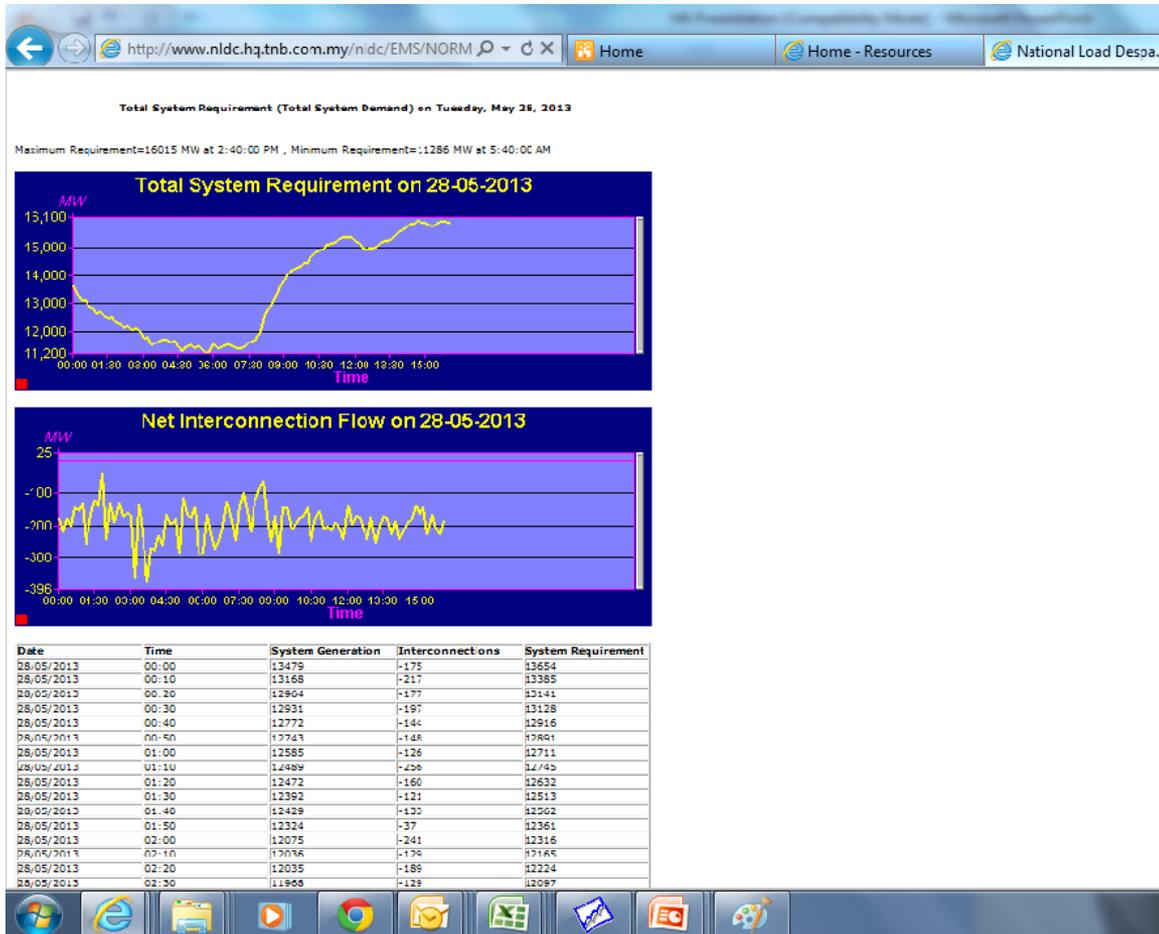




# Factors



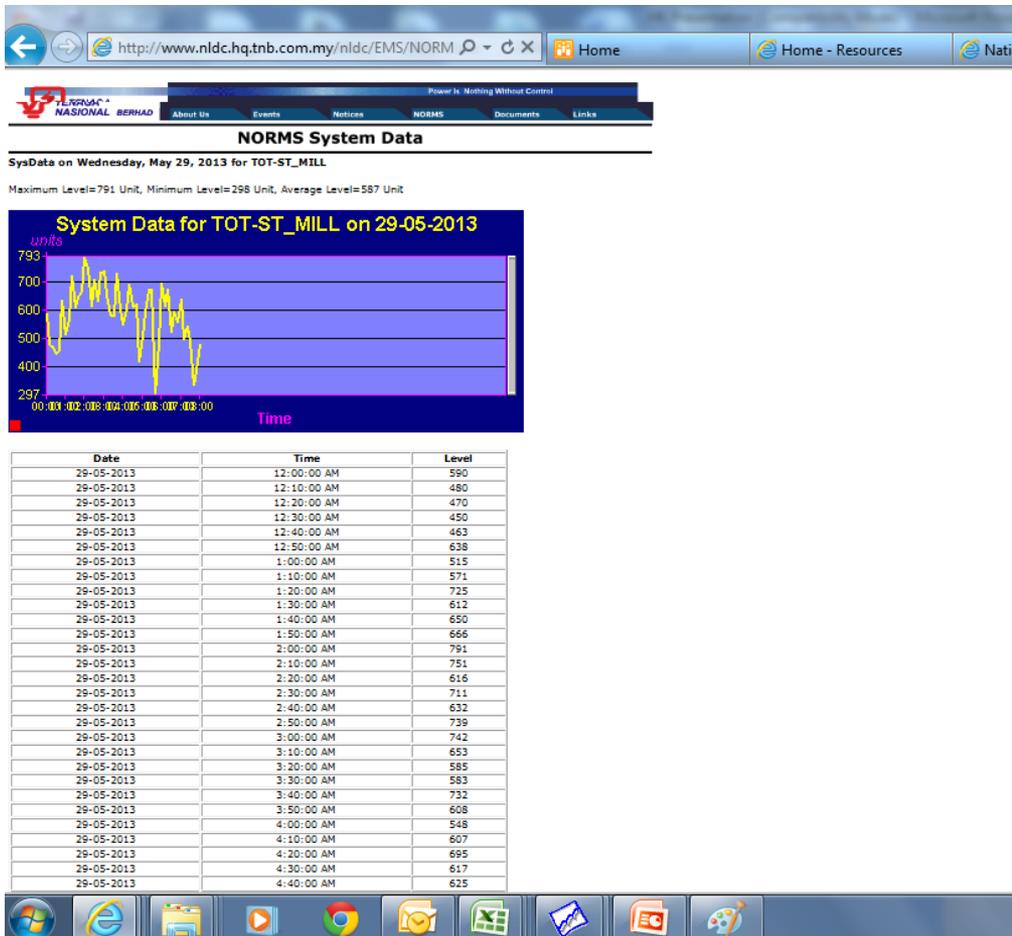
# Latest demand From NLDC



## Sample of data retrieved from NLDC (28 May 2013)

- Data is available every 10 minutes
- Data taken from generators
- For our forecasting purposes, we will take half-hourly data

# Steel mill demand From NLDC



## ■ Sample of data retrieved from NLDC (29 May 2013)

- Data is available every 10 minutes
- Data taken from 8 major steel mills which are connected directly to the grid via 132kV and 275kV feeder

# List of Steel Mills

Voltage	Company
275kV and 132kV	Megasteel
132kV	Orna Steel
132kV	Amsteel
132kV	Malayawata
132kV	Antara Steel
132kV	Perwaja Steel
132kV	Malaya Steel Work

# Weather Data From MMD

Ramalan Suhu dan Jumlah Hujan setiap Jam bagi Subang  
(Pengantaran melalui emel [tx\\_wf@tnb.com.my](mailto:tx_wf@tnb.com.my) pada 0700 LT)

Tarikh	Masa (LT)	Suhu(°C)	Jumlah hujan(mm)
<b>29 May 2013</b>	0800	25	0
	0900	26	0
	1000	28	0
	1100	30	0
	1200	31	0
	1300	32	0
	1400	33	0
	1500	34	0
	1600	32	0.2
	1700	30	1.0
	1800	28	0.4
	1900	28	0.6
	2000	27	0.8
	2100	27	0.1
	2200	27	0.1
	2300	27	0
	0000	27	0
	0100	26	0
	0200	26	0
0300	26	0	
0400	26	0	
0500	25	0	
0600	25	0	
0700	25	0	
<b>30 MEI 2013</b>	0800	26	0
	0900	28	0
	1000	30	0
	1100	31	0
	1200	32	0
	1300	33	0
	1400	34	0
	1500	33	0
	1600	33	0
	1700	32	0
	1800	31	0
	1900	29	0
	2000	28	0
2100	28	0	
2200	27	0	
2300	27	0	

## Sample of data retrieved from MMD (29 May 2013)

- Send by email very morning before 8 a.m.
- Hourly weather data in Microsoft Word format
- Stored in excel, accessible by forecasting tool MetrixND

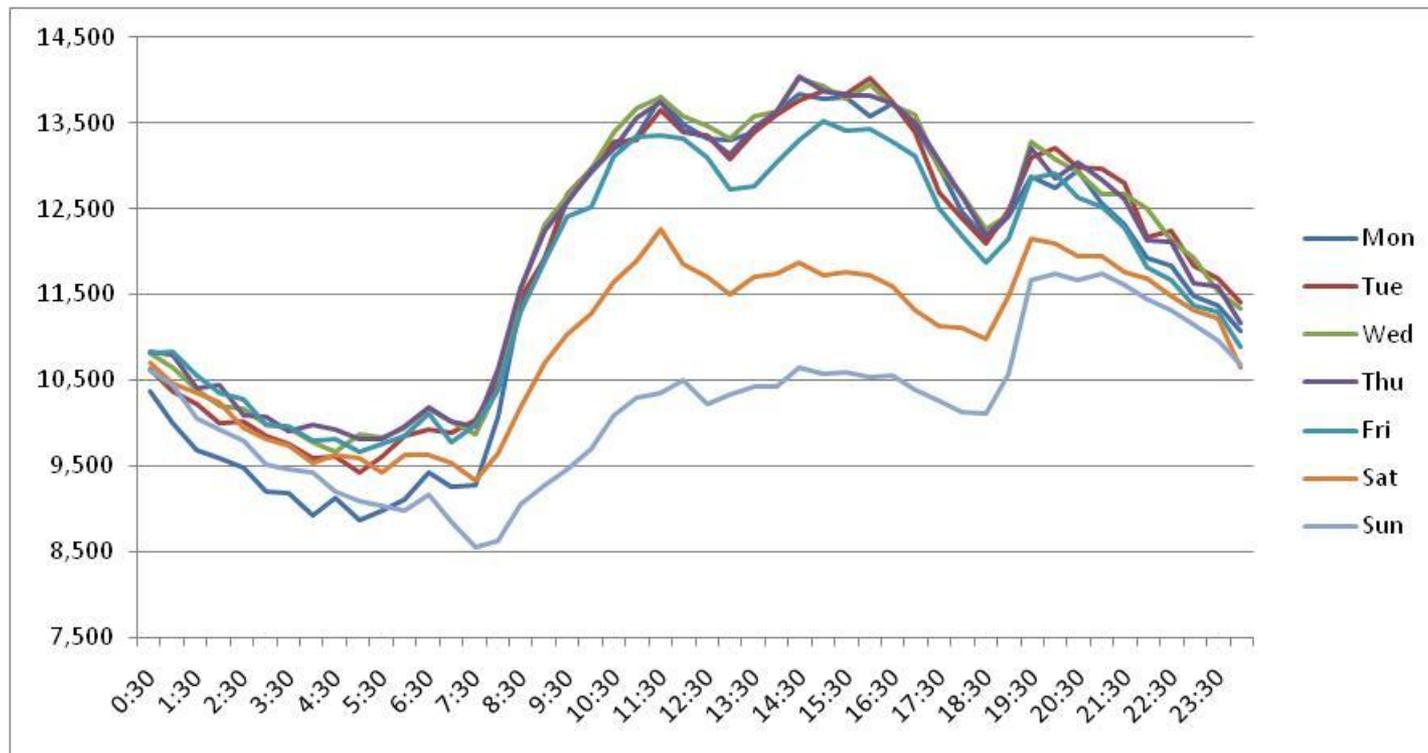
# Demand Profile Analysis

## – Daily demand Profile:

- Typical daily demand profile
  - Comparison between days of the week demand profiles
- Hot day vs. Wet day demand profile
  - Weather impact on demand profile
- National holidays impact on electricity demand
  - Various national holidays impact on demand demand
- State holidays impact on national electricity demand
  - Impact from state holidays of each region on the demand
- Festive week demand profile
  - Comparison between two major festivals: Hari Raya and Chinese New Year

## – Steel Mill demand Profile

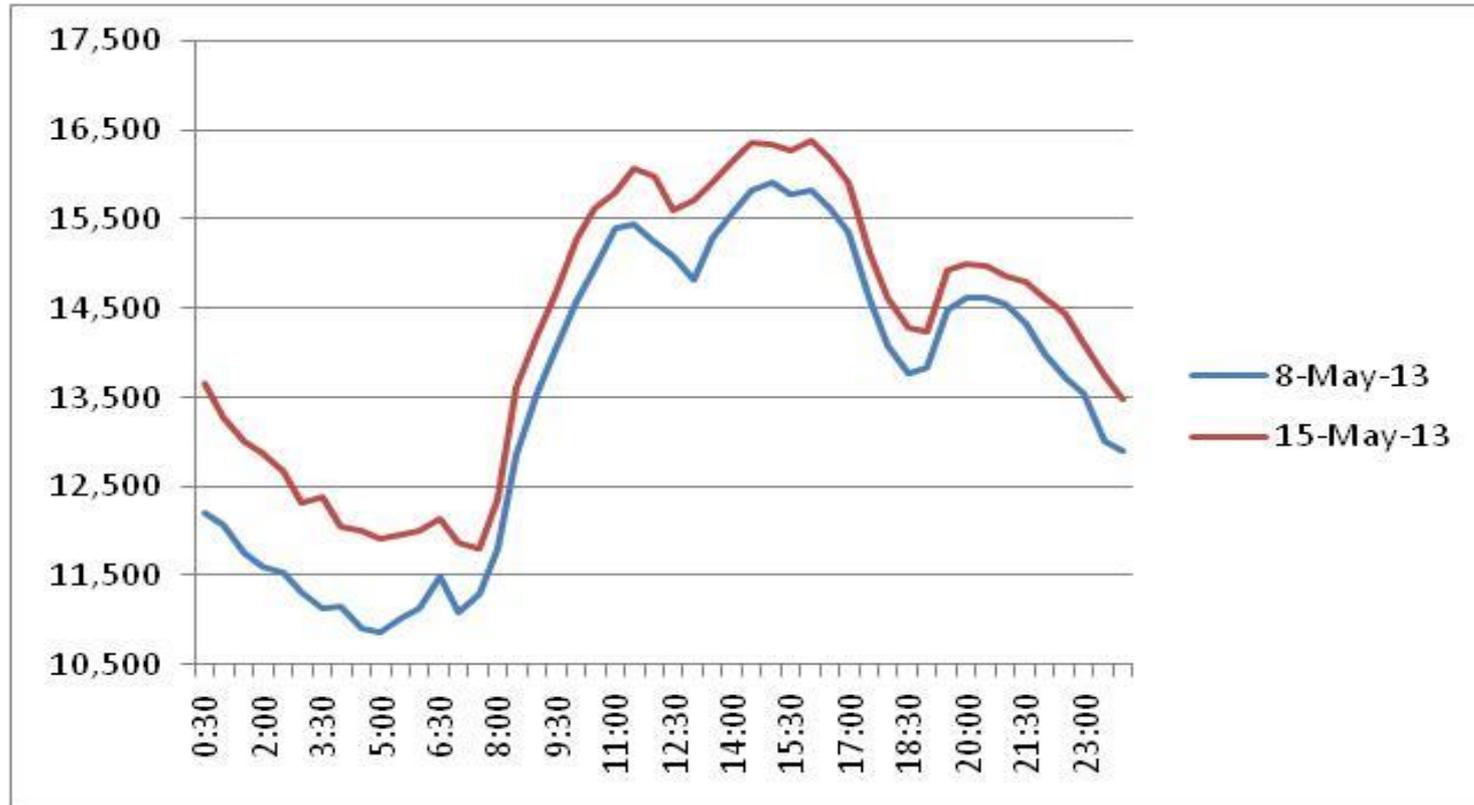
# Daily Demand Profiles



Maximum demand : 15,652 MW 13/5/2013

Maximum energy : 345.254 GWh 25/6/13

# Hot and Wet Day Profiles



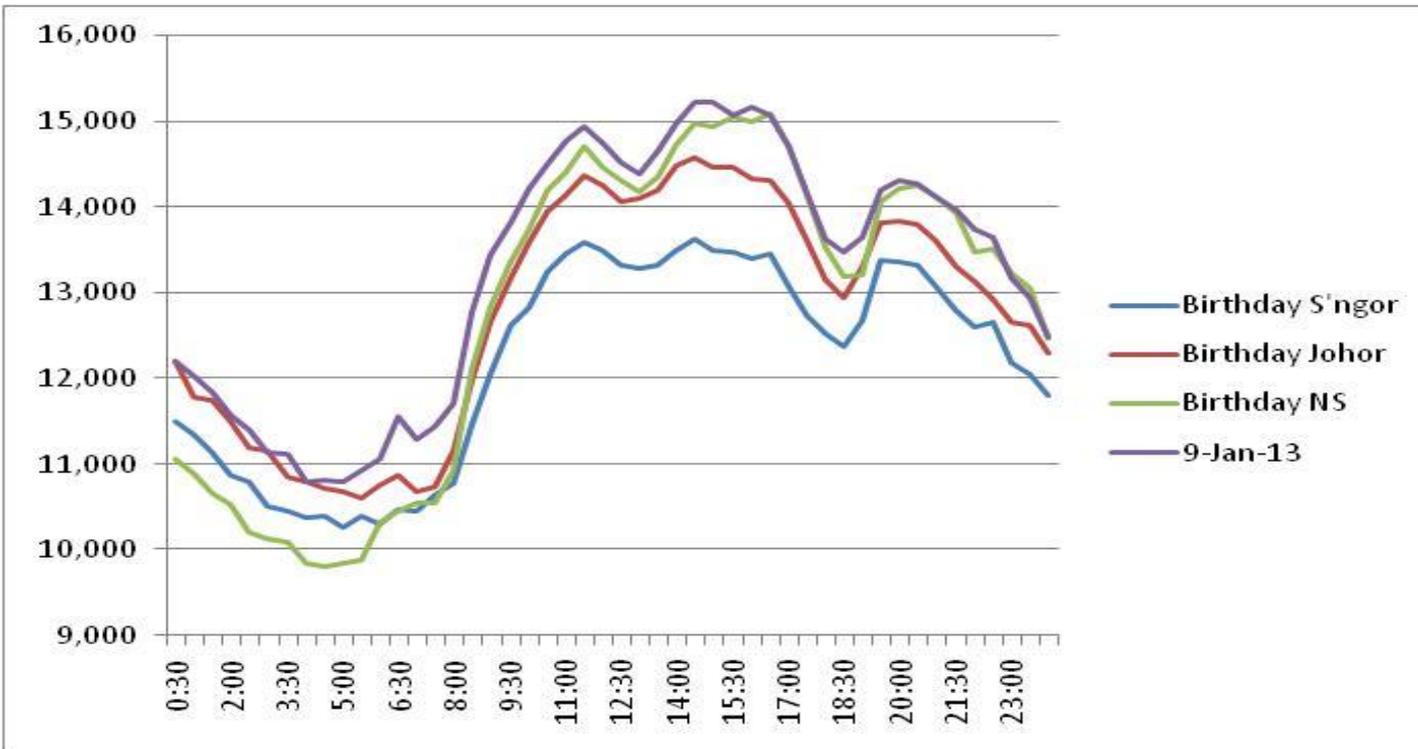
The variation in demand pattern is highly driven by the weather

# Public Holidays



Depending on how much they are celebrated

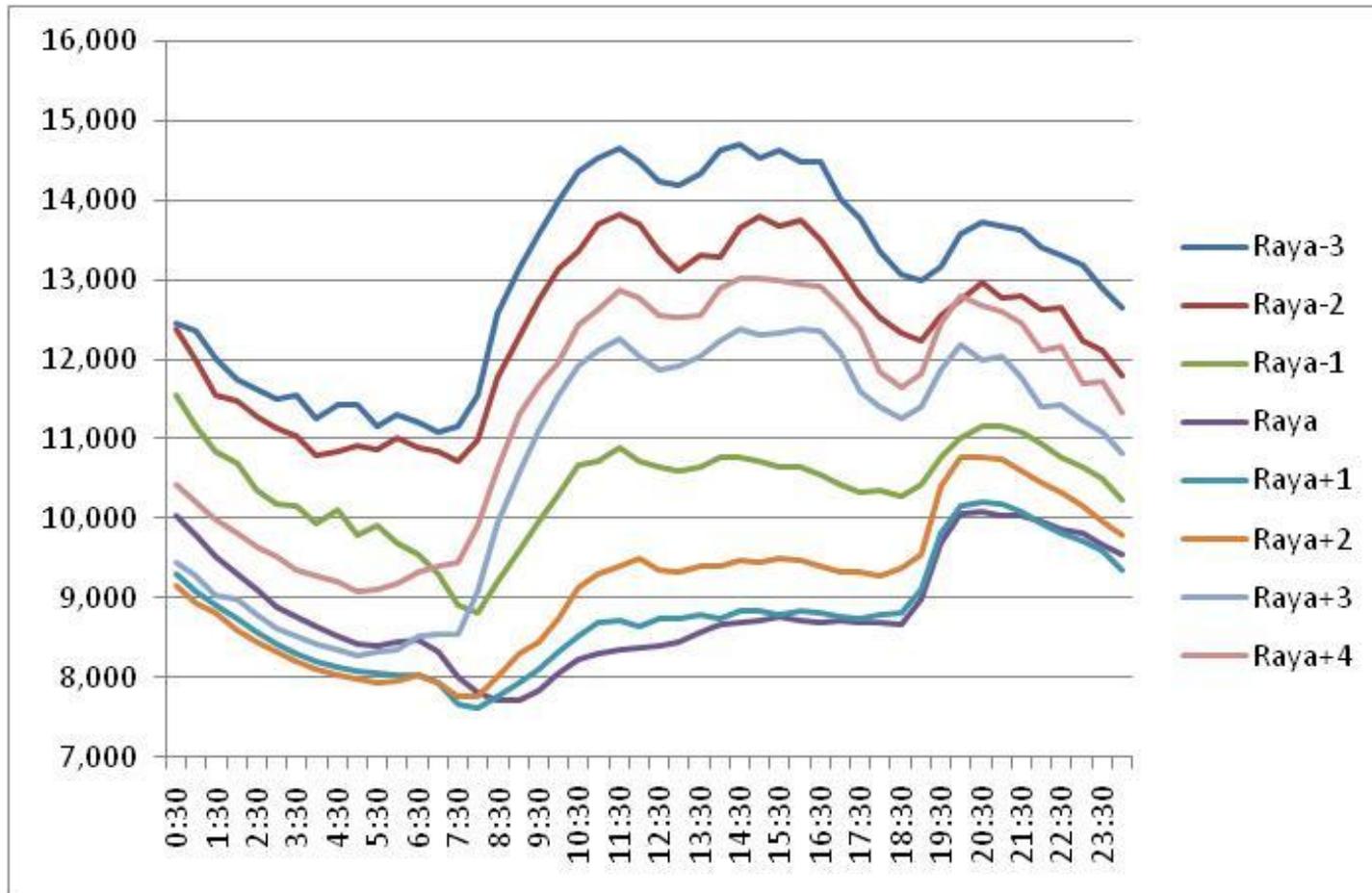
# State Holidays



Depending on how much the state consumes electricity

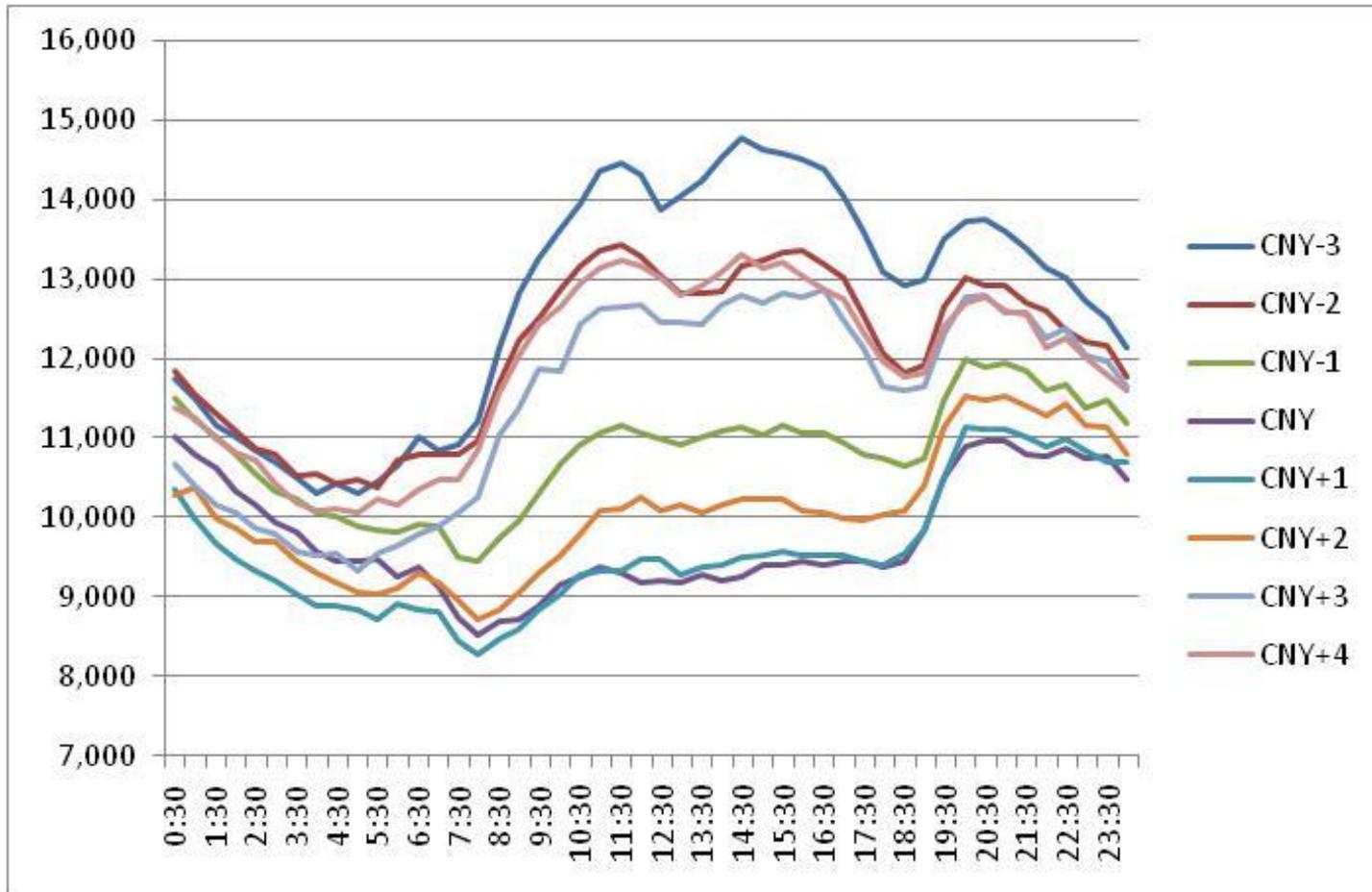
Selangor is the largest electricity consumer in Peninsular Malaysia

# Festive Week Profile



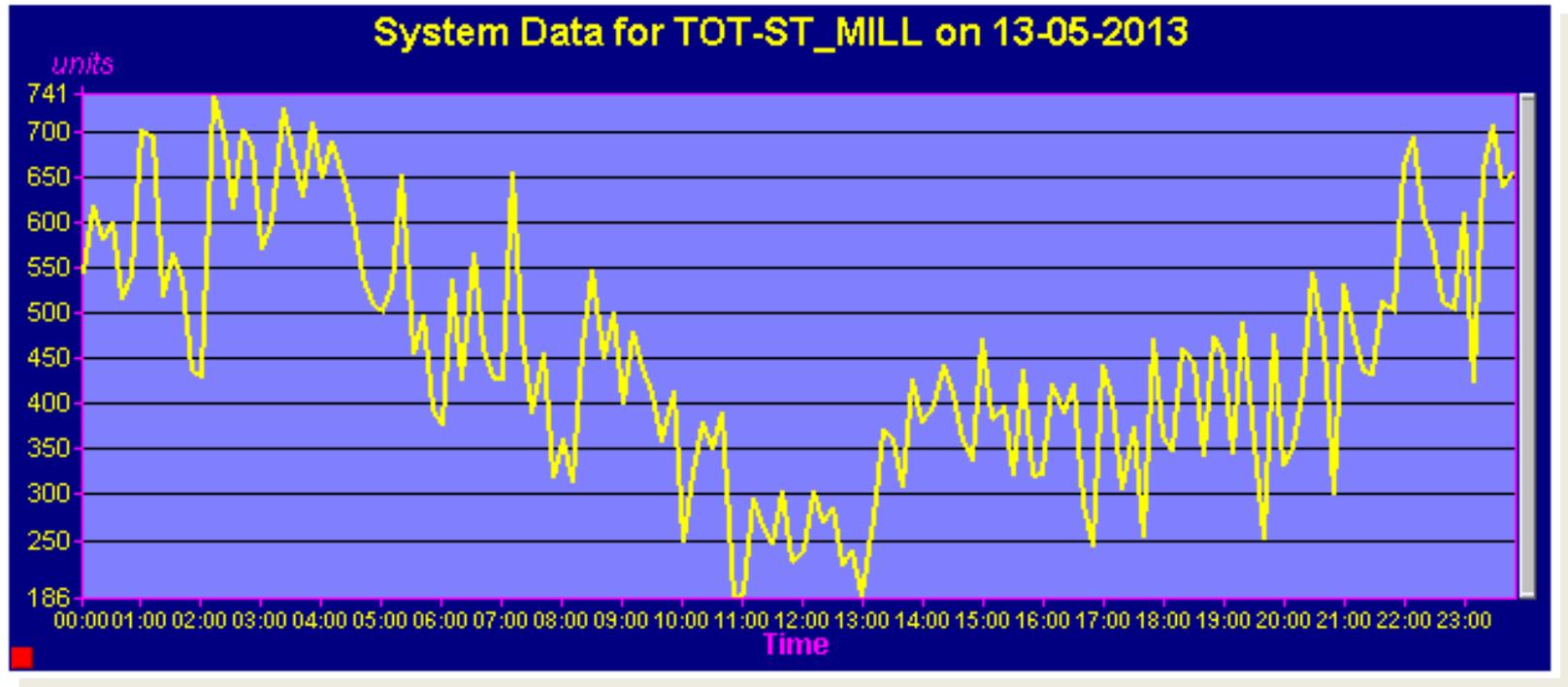
- Festive week daily demand Profile:

# Festive Week Profile



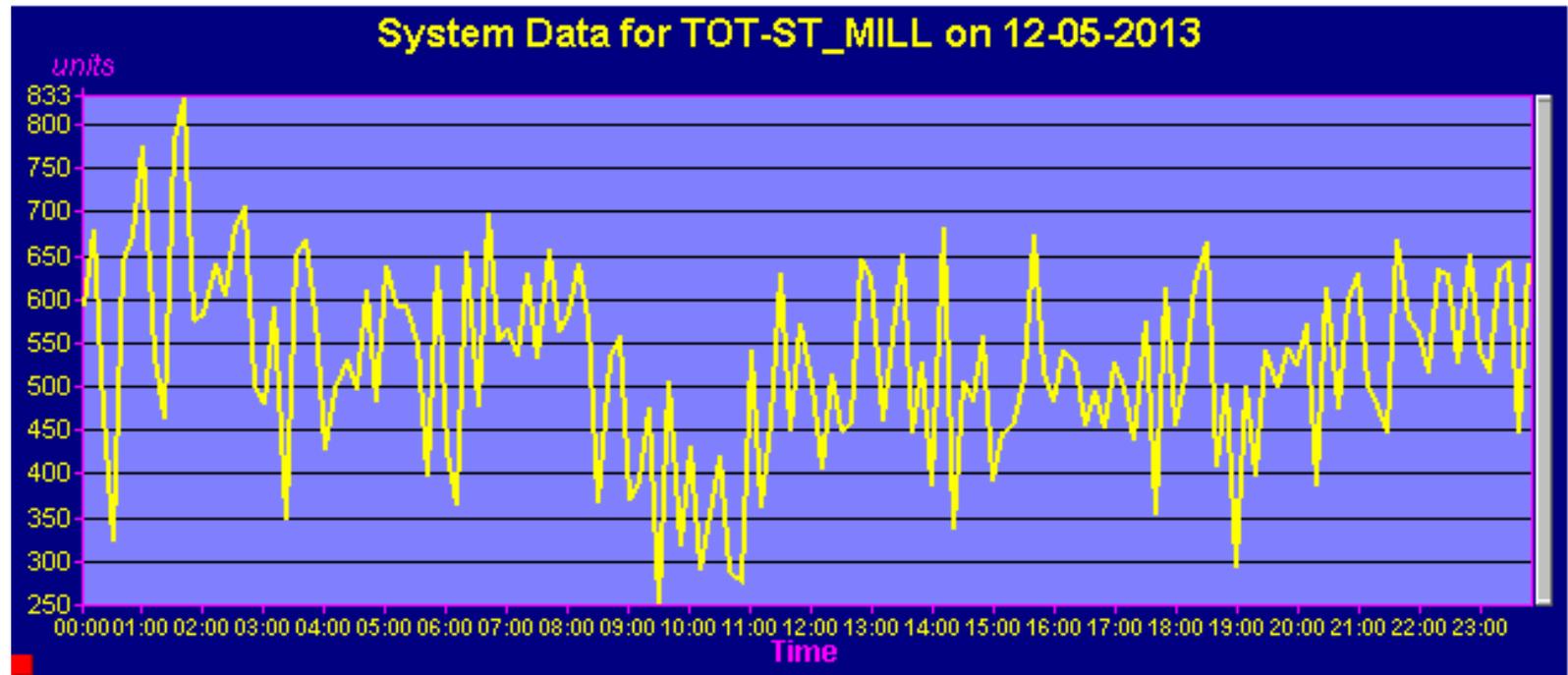
- Festive week Daily demand Profile:
  - Chinese New Year 2013

# Steel Mill demand Profile



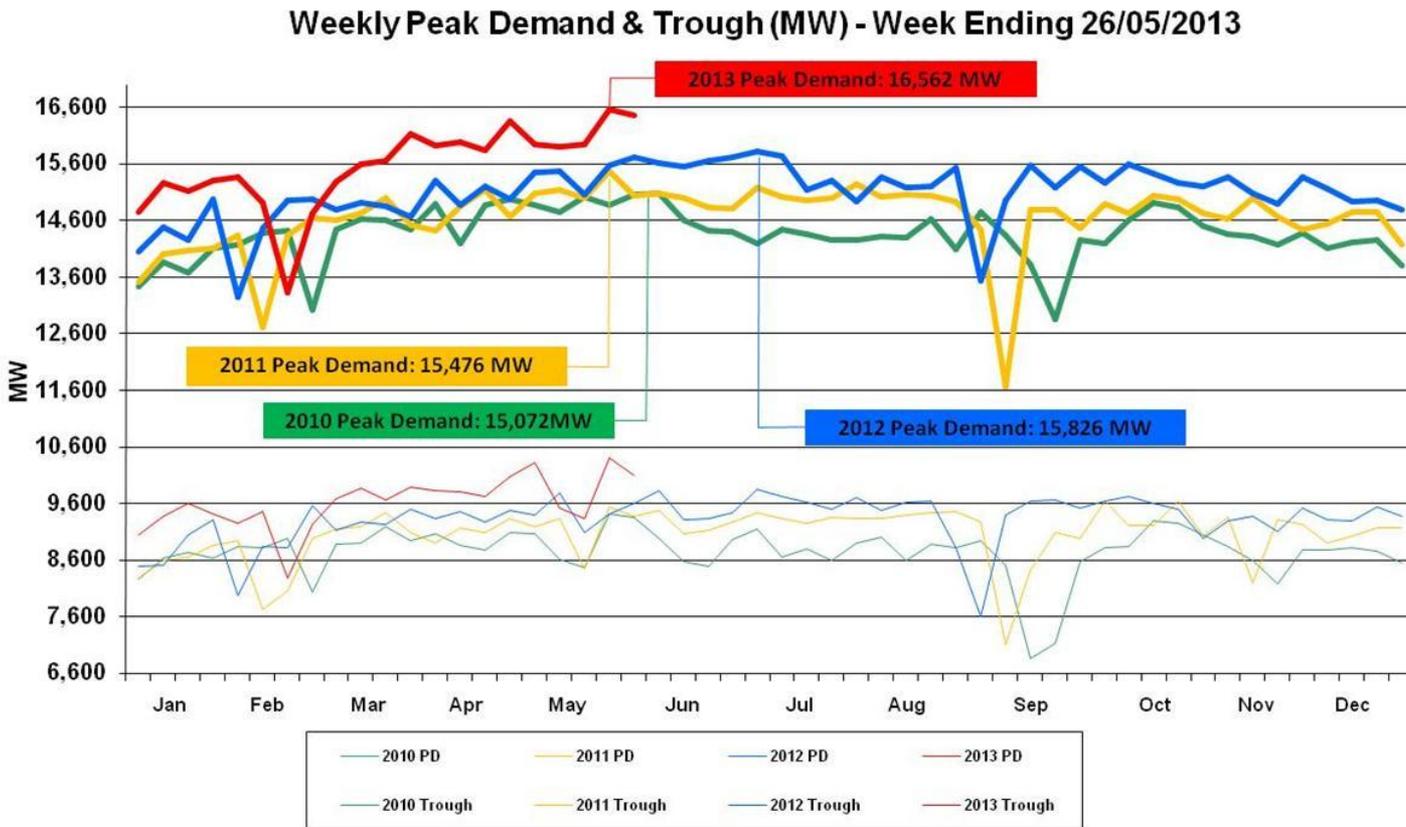
- Typical weekday profile (13 May 2013)

# Steel Mill demand Profile



- Typical Sunday profile (12 May 2013)

# Weekly MD For 2010 - 2013



Weekly Maximum Demand (MD) trend for the past 4 years

# Historical & Future MD

Year	Generation GWh	Growth %	Peak Demand MW	Growth %	MW Increase
2003	73,795	7.1%	11,329	5.1%	546
2004	79,022	7.1%	12,023	6.1%	694
2005	83,303	5.4%	12,493	3.9%	470
2006	86,472	3.8%	12,990	4.0%	497
2007	90,283	4.4%	13,620	4.8%	630
2008	94,370	4.5%	14,007	2.8%	387
2009	92,623	-1.9%	14,245	1.7%	238
2010	100,991	9.0%	15,072	5.8%	827
2011	103,354	2.3%	15,476	2.7%	404
2012	106,884	3.4%	15,826	2.3%	350
2013	111,129	4.0%	16,703	5.5%	877
2014	115,115	3.6%	17,275	3.4%	572
2015	118,886	3.3%	17,813	3.1%	538
2016	123,039	3.5%	18,407	3.3%	594
2017	127,258	3.4%	19,008	3.3%	601
2018	131,551	3.4%	19,619	3.2%	611
2019	135,919	3.3%	20,238	3.2%	620
2020	140,359	3.3%	20,867	3.1%	628

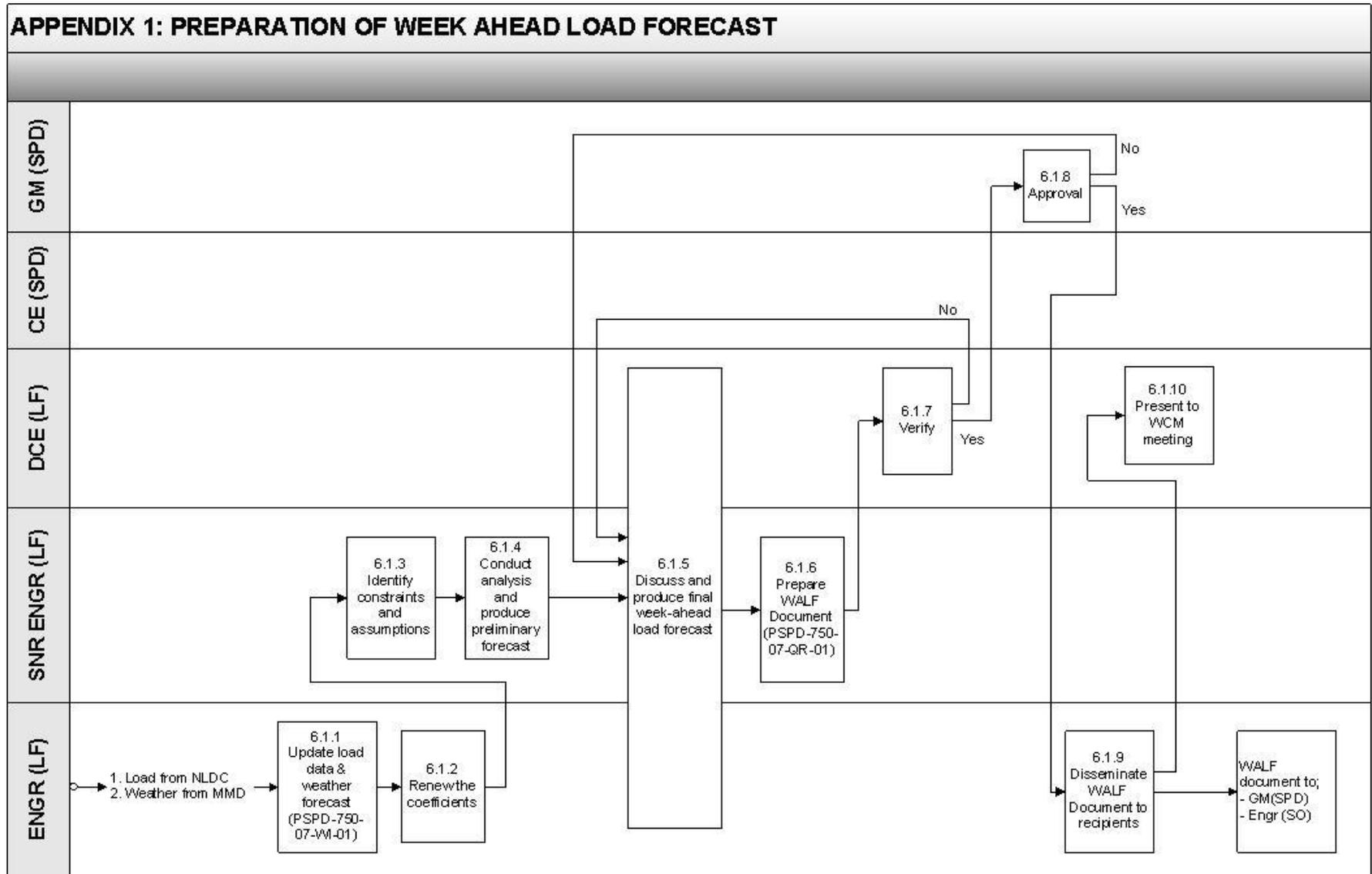
Based on the Electricity Demand Forecast May 2013

# Week-ahead Demand Forecast

- Consists of hourly demand forecast (24 hrs x 7 days)
- Used in power system operation planning:
  - Scheduling and unit commitment of generating units
  - Outage management of generating units
  - Outage management of transmission grid network
  - Power system security assessments
  - Fuel requirements and nominations, etc.
- Conducted weekly before 3 p.m. on Wednesday
- To be presented in the Weekly Coordination Meeting on Thursday at 3 p.m.

# Week-ahead Demand Forecast

## APPENDIX 1: PREPARATION OF WEEK AHEAD LOAD FORECAST



# Month to Four Months-ahead Demand Forecast

- Consists of hourly demand forecast (24 hrs x 30 days x 4 months)
- Used in power system operation planning:
  - Scheduling and unit commitment of generating units
  - Outage management of generating units
  - Outage management of transmission grid network
  - Power system security assessments
  - Fuel requirements and nominations, etc.
- Conducted monthly before end of every month

# 5 years-ahead Demand Forecast

- Consists of hourly demand forecast (24 hrs x 365 days x 5 yrs)
- Used to prepare:
  - 5-year Generation Operation Plan for capacity adequacy planning
  - 2-year System Operation Plan for system operation and security planning
  - Fuel requirement
  - Resource planning

# Methodology



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# Introduction

- Quantitative methods have been shown to be helpful in making better predictions about the future course of events.
- However, there is a rich history of forecasting based on subjective or judgmental methods, most of which remain useful today.
- Combine original quantitative forecast with the corresponding judgmentally adjusted forecasts.
- Implies 3 steps: Make quantitative forecast, allow for judgmental adjustment, then combine both forecasts.

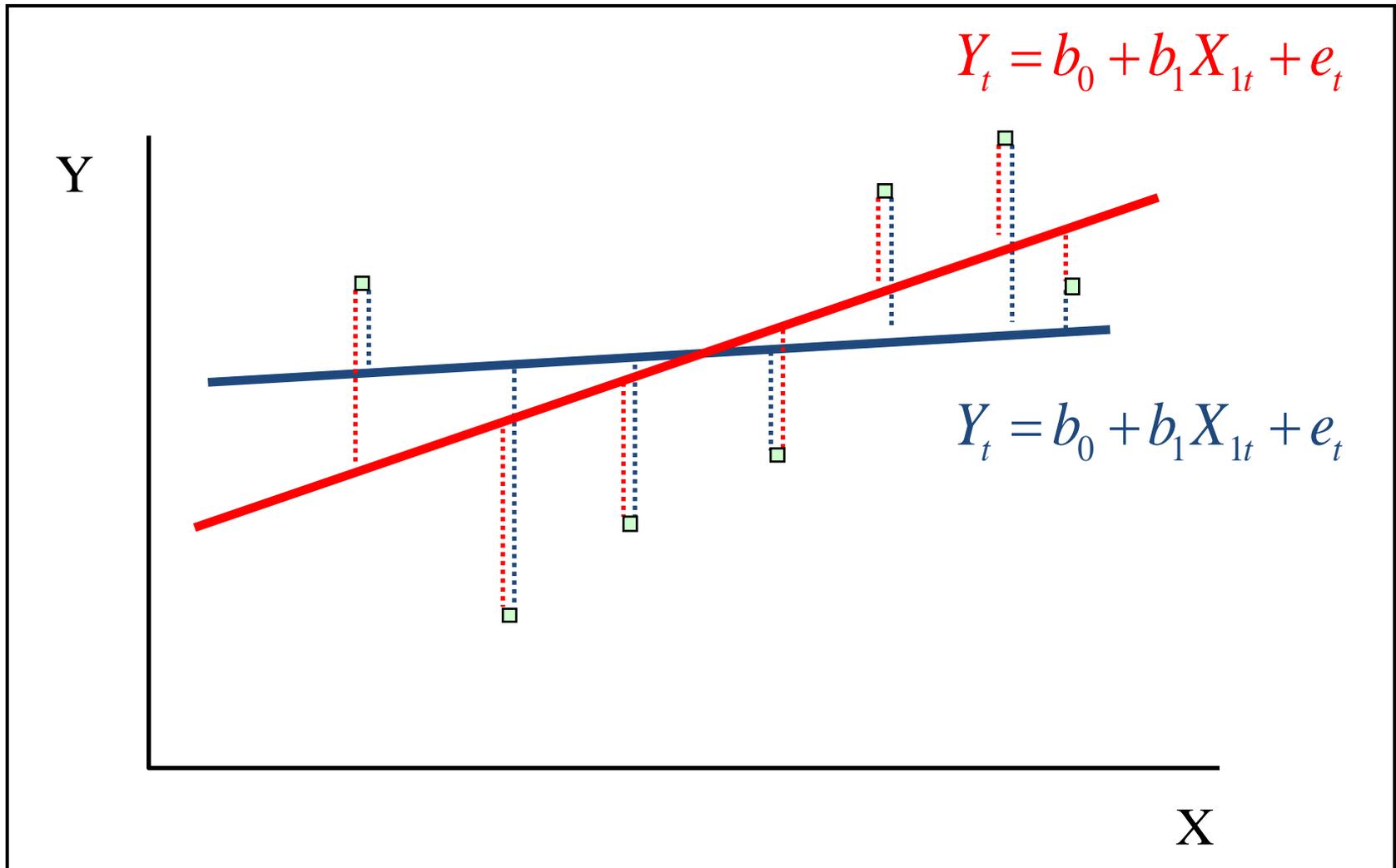
# Linear Regression

- Specification of the Model:
- Estimated Regression Model:

$$Y_t = b_0 + b_1 X_{1t} + b_2 X_{2t} \dots + b_k X_{kt} + e_t$$

$$\hat{Y}_t = \hat{b}_0 + \hat{b}_1 X_{1t} + \hat{b}_2 X_{2t} \dots + \hat{b}_k X_{kt}$$

# Depiction of Estimation



# Estimation Solution

In two dimensions, minimize the objective function with respect to  $B_0$  and  $B_1$ :

$$Q = \sum_{t=1}^N \hat{e}_t^2 = \sum_{t=1}^N (Y_t - B_0 - B_1 X_t)^2$$

Take Derivatives and set equal to zero:

$$\frac{\delta Q}{\delta B_0} = -2 \sum_t (Y_t - B_0 - B_1 X_t) = 0$$

$$\frac{\delta Q}{\delta B_1} = -2 \sum_t X_t (Y_t - B_0 - B_1 X_t) = 0$$

Reduces to the “normal equations”:

$$\sum_t Y_t = n B_0 + B_1 \sum_t X_t$$

$$\sum_t X_t Y_t = B_0 \sum_t X_t + B_1 \sum_t X_t^2$$



Solve the system of equations for  $B_0$  and  $B_1$

# Estimation Solution

In multiple dimensions, parameters are found using matrix mathematics:

$$Y = \begin{bmatrix} Y_1 \\ Y_2 \\ \dots \\ Y_n \end{bmatrix} \quad X = \begin{bmatrix} 1 & X_{1,1} & X_{1,2} \\ 1 & X_{2,1} & X_{2,2} \\ \dots & \dots & \dots \\ 1 & X_{n,1} & X_{n,2} \end{bmatrix} \quad X^T = \begin{bmatrix} 1 & 1 & \dots & 1 \\ X_{1,1} & X_{2,1} & \dots & X_{n,1} \\ X_{1,2} & X_{2,2} & \dots & X_{n,2} \end{bmatrix} \quad B = \begin{bmatrix} B_1 \\ B_2 \\ \dots \\ B_n \end{bmatrix}$$

$$Y = BX$$

$$X^T Y = X^T X B$$

$$(X^T Y)(X^T X)^{-1} = B(X^T X)(X^T X)^{-1}$$

$$(X^T Y)(X^T X)^{-1} = B$$

**A solution can be found if the inverse of  $X^T X$  exists**

# Advantages of Regression

- Model includes explanatory variables (drivers)
- Parameters provide information about the process (e.g., price elasticities)
- Forecasts can account for major changes in drivers
- Alternative scenarios can be evaluated
- Caveats:
  - Structural changes complicate the forecaster's work
  - You still need to have forecasts of the drivers

# Application to TNB Demand Forecasting

Regression Model



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# Our Model

- We utilize multiple regression model to forecast our demand which comprises of the following variables:
  - Day-of-the-Week Binary Variables
    - Mon, TWT, Friday, Saturday
  - Monthly Variables
    - Jan, Feb, Mar, Apr, May, June, July, Aug, Sept, Oct, Nov
  - Holiday Binary Variables
    - Major holidays – Raya, CNY
    - National holidays – New Year, Christmas, Labour Day
    - State holidays – Thaipusam, Sultan's Birthday & etc.

# Our Parameters

The screenshot displays the NDMetrix software interface for a regression model named "EnergyRegres". The window title is "NDMetrix - HHourlyNDF.NDM - [Regression Model: EnergyRegres]". The interface includes a menu bar (File, Edit, Insert, View, Window, Help) and a toolbar with various icons. On the left, a tree view shows the project structure: "HHourlyNDF.NDM" containing "Data Tables", "Transformation Tables", and "Models". Under "Models", several regression models are listed, including "EnergyRegres", "EnergyRegres2", "Template", "Template2", and a series of hourly models from "Hr0030" to "Hr1430".

The main workspace is divided into several sections:

- Y Variable:** A text box containing "DailyVariables.Energy".
- X Variables:** A list of variables with checkboxes, including "Predicted.TrendPredicted", "MonthlyVariables.Jan" through "MonthlyVariables.Nov", "DailyVariables.Monday" through "DailyVariables.Friday", "DailyVariables.DayAft", "Calendar.Raya", "Calendar.CNY", "Calendar.Haji", "Calendar.AwalM", "Calendar.Labour", "Calendar.Wesak", "Calendar.Agong", "Calendar.MRasul", "Calendar.National", "Calendar.Deepavali", "Calendar.Xmas", "Calendar.NY", and "Calendar.Thaiusam".
- Estimation Parameters:** Three input fields: "Estimation Begins" (9/1/2001), "Estimation Ends" (12/31/2006), and "Forecast Ends" (8/31/2008). Below these is a "GARCH" button.
- ARMA Errors:** A checked checkbox for "ARMA Errors" and four input fields for parameters: P (1), Q (2), SP (0), and SQ (0).
- Include Intercept:** A checked checkbox.
- Lock:** A checked checkbox.
- Estimate:** A button to execute the estimation.
- Estimation Variables:** Three input fields: "Wgt:", "Test:", and "Bad:" (containing "Mark.Off.Bad"). An "AutoBad" checkbox is also present.

The status bar at the bottom shows "Ready" and "NUM". The Windows taskbar at the very bottom displays the Start button, open applications (Windows Explorer, Sent Items - Microsoft..., NDMetrix - HHourlyN..., Microsoft PowerPoint...), and the system clock (2:22 PM).

# Forecast and Performance

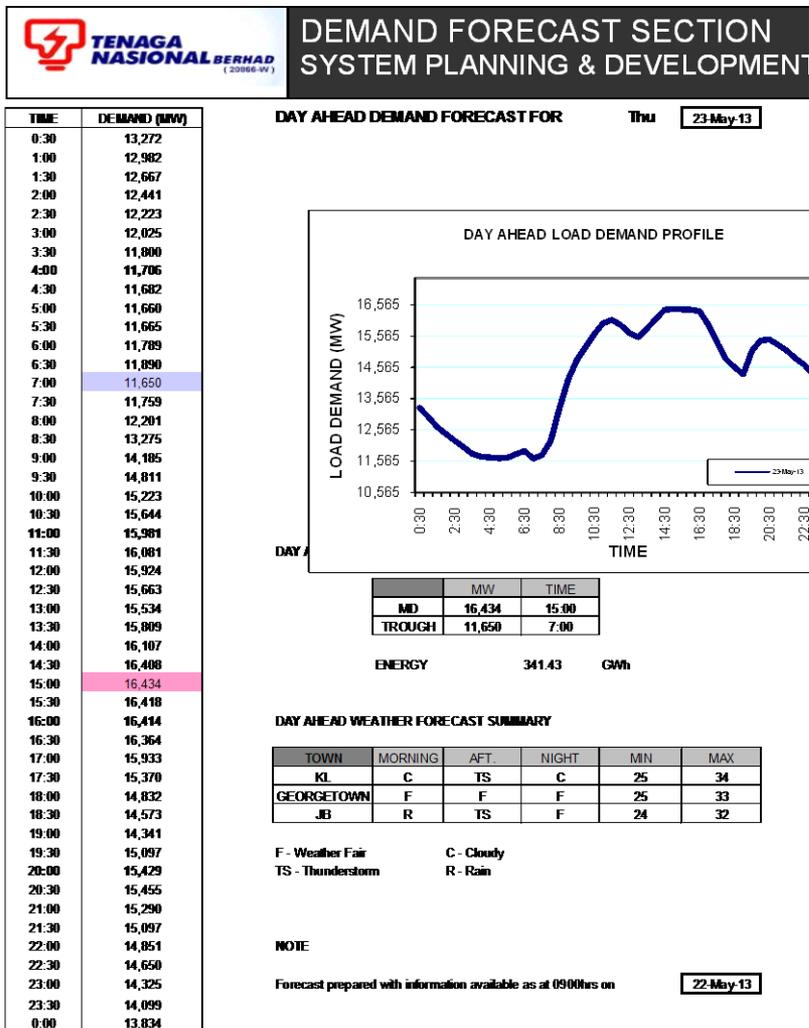


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# Day-ahead Forecast Sample Output

## Sample of Day-ahead Daily Forecast Report (23 May 2013)

- Half hourly demand figures from 00:30 to 24:00
- Graph for consistency checks
- Demand summary for maximum demand of the day and daily energy generation requirement
- Three cities weather forecasts used in forecasting assumptions are also summarized in a table



Prepared by	Noor Hafiz Jafar	Senior Engineer (LF)	22-May-13
Checked by	Mohd Fuzi Jamaludin	Dep. Chief Engineer (LF)	22-May-13
Approved by	Charan J. Singh	Senior General Manager (SG)	22-May-13

# Week-ahead Forecast Sample Output

## Sample of Week-Ahead Forecast Report (Week 22-23 2013)

- Hourly forecast figures for two weeks
- Used for generator outage and transmission outage and production planning



### SYSTEM PLANNING & DEVELOPMENT ( LOAD FORECAST SECTION ) WEEK AHEAD DEMAND (MW) FORECAST

WEEK **22/13**

DAY HRS/DATE	Sat 25-May	Sun 26-May	Mon 27-May	Tue 28-May	Wed 29-May	Thu 30-May	Fri 31-May
0:00	12,483	13,371	12,870	13,935	13,866	13,861	14,085
1:00	12,065	12,730	12,047	13,061	13,136	13,165	13,189
2:00	11,688	12,285	11,688	12,655	12,693	12,735	12,710
3:00	11,274	11,849	11,277	12,212	12,251	12,291	12,241
4:00	11,082	11,588	11,146	11,953	11,975	11,994	11,946
5:00	10,945	11,369	11,000	11,801	11,820	11,824	11,769
6:00	11,153	11,282	11,187	11,892	11,929	11,924	11,847
7:00	10,955	10,891	11,162	11,767	11,782	11,769	11,645
8:00	10,846	10,691	12,059	12,392	12,384	12,393	12,191
9:00	12,135	11,011	13,997	14,160	14,147	14,158	13,929
10:00	13,058	11,688	14,963	15,177	15,199	15,201	14,957
11:00	13,677	12,249	15,754	15,834	15,838	15,890	15,634
12:00	13,777	12,371	15,745	15,792	15,801	15,830	15,599
13:00	13,548	12,187	15,424	15,385	15,385	15,414	14,984
14:00	13,917	12,399	16,010	16,033	16,050	16,055	15,320
15:00	14,057	12,563	16,354	16,418	16,422	16,434	16,001
16:00	14,061	12,564	16,425	16,431	16,429	16,462	16,056
17:00	13,692	12,241	15,957	15,991	15,997	16,039	15,654
18:00	13,086	12,210	14,560	14,693	14,699	14,718	14,485
19:00	13,012	12,189	14,236	14,392	14,404	14,402	14,139
20:00	14,280	13,512	15,403	15,439	15,461	15,478	15,235
21:00	14,157	13,614	15,352	15,371	15,386	15,394	15,132
22:00	13,992	13,498	14,927	14,955	14,956	14,959	14,706
23:00	13,789	13,255	14,486	14,576	14,524	14,551	14,299
MD	14,280	13,614	16,425	16,431	16,429	16,462	16,056
ENERGY	306.73	293.53	333.95	342.32	342.54	342.94	337.75

WEEK **23/13**

DAY HRS/DATE	Sat 1-Jun	Sun 2-Jun	Mon 3-Jun	Tue 4-Jun	Wed 5-Jun	Thu 6-Jun	Fri 7-Jun
0:00	13,913	13,079	12,760	13,937	13,879	13,861	14,094
1:00	13,144	12,548	11,937	13,055	13,124	13,216	13,169
2:00	12,595	12,060	11,583	12,643	12,700	12,739	12,722
3:00	12,285	11,641	11,188	12,220	12,263	12,274	12,242
4:00	11,807	11,232	11,064	11,936	11,994	11,983	11,950
5:00	11,626	11,111	10,893	11,801	11,829	11,820	11,777
6:00	11,593	11,141	11,008	11,889	11,931	11,923	11,864
7:00	10,851	10,684	11,064	11,762	11,784	11,783	11,651
8:00	9,792	10,044	11,898	12,361	12,390	12,383	12,190
9:00	10,161	10,348	14,007	14,138	14,134	13,817	13,920
10:00	10,808	11,115	14,956	15,188	15,192	14,840	14,964
11:00	11,482	11,809	15,738	15,826	15,831	15,395	15,624
12:00	11,626	11,970	15,750	15,785	15,804	15,479	15,602
13:00	11,510	11,811	15,435	15,367	15,380	15,066	14,975
14:00	11,657	11,983	16,007	16,032	16,043	15,663	15,330
15:00	11,687	12,158	16,340	16,396	16,413	16,231	16,001
16:00	11,742	12,261	16,428	16,437	16,421	16,250	16,052
17:00	11,484	12,047	15,965	15,985	15,990	15,687	15,663
18:00	11,617	12,089	14,558	14,685	14,710	14,528	14,480
19:00	11,732	12,362	14,224	14,397	14,395	14,384	14,132
20:00	12,823	13,303	15,422	15,428	15,479	15,474	15,241
21:00	12,892	13,410	15,356	15,386	15,384	15,396	15,121
22:00	12,822	13,305	14,910	14,946	14,965	14,971	14,718
23:00	12,672	13,189	14,490	14,555	14,522	14,539	14,491
MD	13,913	13,410	16,428	16,437	16,421	16,250	16,052
ENERGY	284.32	286.70	332.98	342.18	342.56	339.70	337.97

#### Week Ahead Weather Forecast Summary

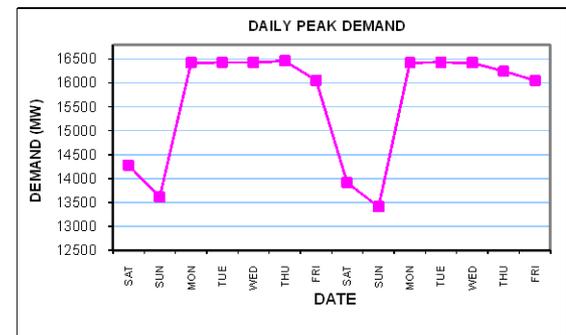
TOWN	MORN.	AFT.	NIGHT	MIN	MAX
Kuala Lumpur	F	TS	F	26	34
Georgetown	F	F/R	F	25	33
Johor Bahru	F	TS	F	24	33

#### Remarks/ Holidays

1-Jun-13 Bday Agong  
6-Jun-13 Isra' Mikraj

Forecast prepared with information available as at 1600 hrs on **21-May-13**

Prepared by	Moaz Halim Jalal	Senior Engineer (LF)	21-May-13
Checked by	Mohd Fuzl Jumaedin	Dep. Chief Engineer (LF)	21-May-13
Approved by	Charm Jil Singh	Sen.Gen. Manager (SB)	21-May-13
	Name	Initial Designation	Date

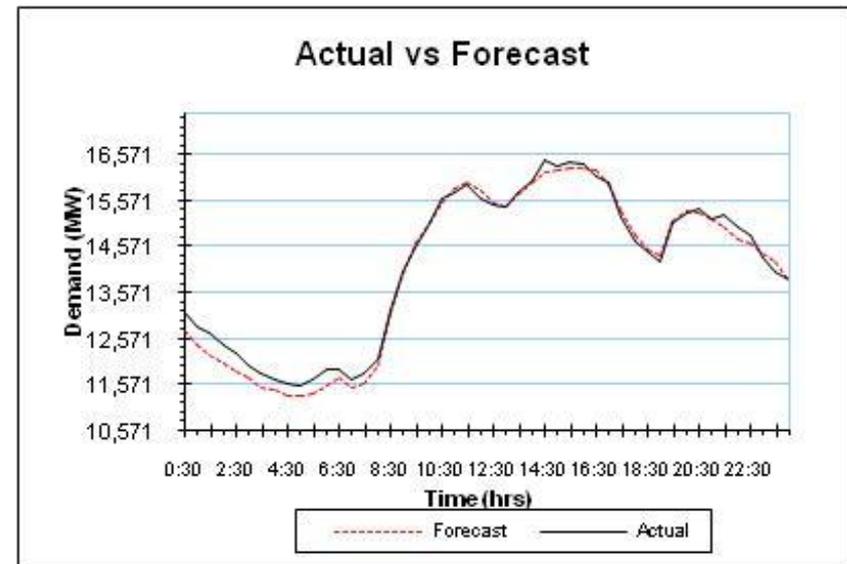
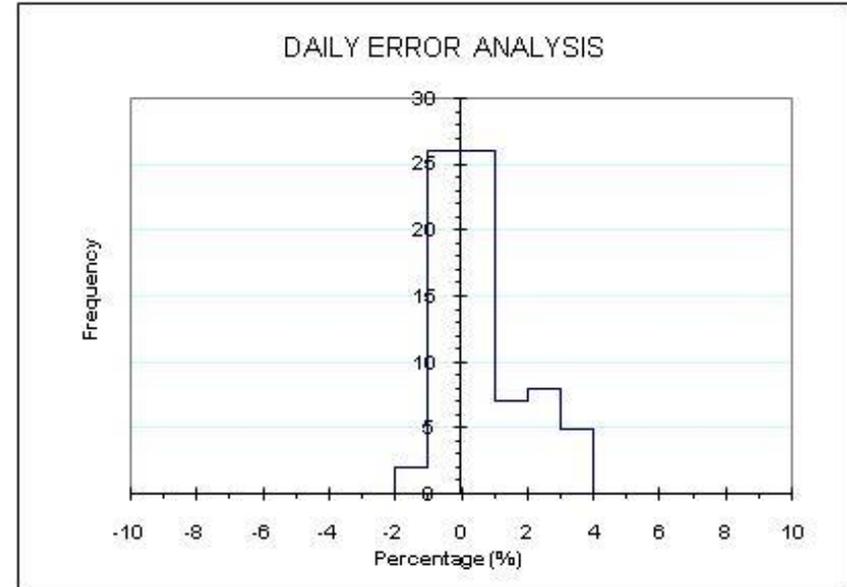


# Accuracy and Performance (Daily)

## Sample of Day-Ahead Daily Error Analysis (21 May 2013)

- Annual KPI MAPE < 2.6%
- Normal MAPE for weekdays (including 0800hrs revision) normally < 2.0%
- >95% falls between  $\pm 3\%$

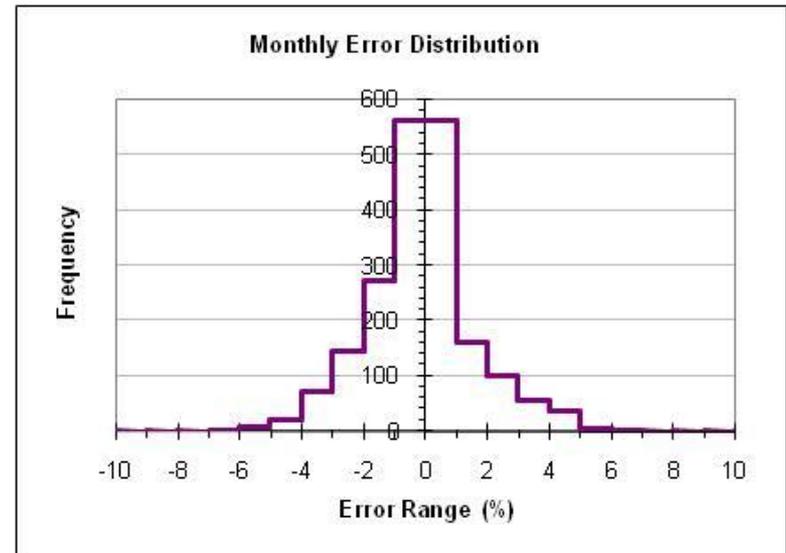
ERROR	(%)
MAPE	1.23%
ENERGY	-0.48%
MD	1.03%
LF	-1.53%
AV ERROR	0.84%
RMSE (MW)	205
RMSE <sub>6p</sub> (MW)	128



# Accuracy and Performance (Monthly)

## Sample of Day-Ahead Monthly Error Analysis (April 2013)

- Normal MAPE for weekdays (including 0800hrs revision) normally <1.5%; 1.59% MAPE for Apr '13
- >80% falls between  $\pm 3\%$
- Larger error experienced during national and state holidays due to additional uncertainty added to demand characteristics



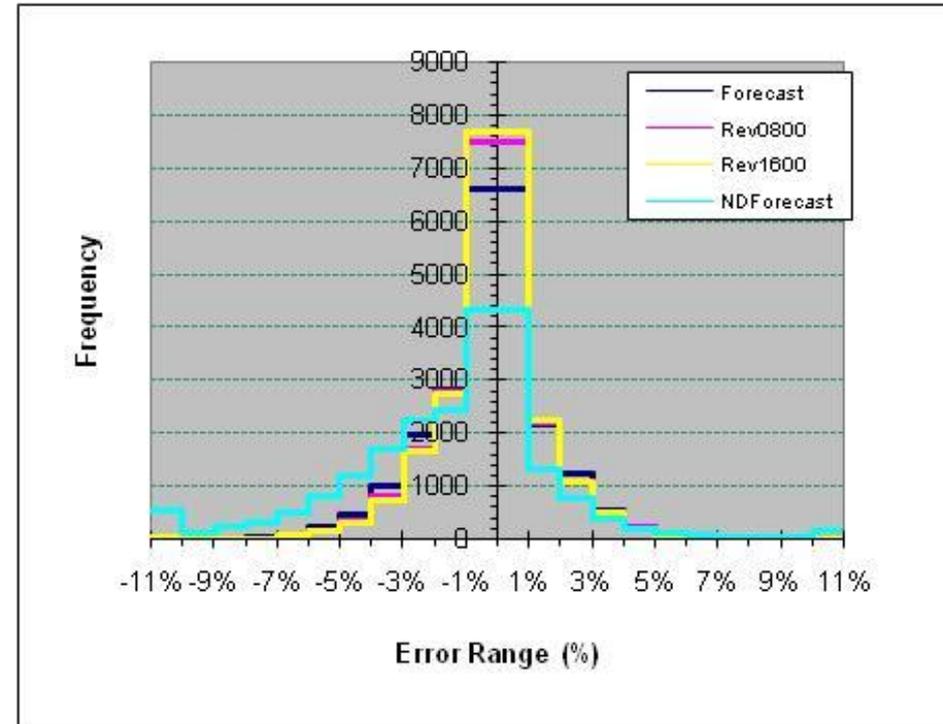
Category	Frequency
$x \leq -5\%$	10
$-5\% < x \leq -3\%$	93
$-3\% < x \leq -2\%$	146
$-2\% < x \leq -1\%$	272
$-1\% < x \leq 1\%$	561
$1\% < x \leq 2\%$	161
$2\% < x \leq 3\%$	99
$3\% < x \leq 5\%$	90
$x \geq 5\%$	8

# Accuracy and Performance (Yearly)

## Sample of Day-Ahead Yearly Error Analysis (FY2012)

- Comparison between four sets of forecasts produced in FY12

	Forecast	Rev0800	Rev1600	NDForecast
$x < -10\%$	22	21	21	534
$-10\% \leq x < -5\%$	343	256	243	1965
$-5\% \leq x < -3\%$	1466	1163	1052	2906
$-3\% \leq x < -2\%$	1968	1717	1649	2257
$-2\% \leq x < -1\%$	2821	2768	2763	2450
$-1\% \leq x \leq 1\%$	6631	7518	7688	4341
$1\% < x \leq 2\%$	2155	2202	2246	1335
$2\% < x \leq 3\%$	1221	1095	1101	780
$3\% < x \leq 5\%$	792	733	710	573
$5\% < x \leq 10\%$	144	90	90	268
$x > 10\%$	5	5	5	159
<b>Total</b>	<b>17568</b>	<b>17568</b>	<b>17568</b>	<b>17568</b>



Error Summary	DA	R0800	R1600	NDF
MAPE	1.71%	1.55%	1.51%	3.16%
Energy	1.82%	1.65%	1.61%	3.19%
Daily MD	-0.40%	-0.31%	-0.27%	-1.86%



# THANK YOU



**The Malaysian Grid Code Awareness Programme Funded by  
Akaun Amanah Industri Bekalan Elektrik (AAIBE)**