**III.12.8. Load Modeling Assumptions**.

The ISO shall forecast load for the New England Control Area and for each Load Zone within the New England Control Area. The load forecasts shall be based on appropriate models and data inputs. Each year, the load forecasts and underlying methodologies, inputs and assumptions shall be reviewed with Governance Participants, the state utility regulatory agencies in New England and, as appropriate, other state agencies. If the load forecast shows a consistent bias over time, either high or low, the ISO shall propose adjustments to the load modeling methodology to the Governance Participants, the state utility regulatory agencies in New England and, as appropriate, other state agencies to eliminate the bias.

To ensure that Demand Response Resources, On-Peak Demand Resources, and Seasonal Peak Demand Resources are not reflected as reductions in the load forecast, the ISO shall reflect them in historical loadsas specified below.

(a) The ISO shall add back into historical loads the metered MW demand reduction of Demand Response Resourcesdispatched by the ISO.

(b) [Reserved.]

(c) [Reserved.]

(d) The ISO shall add back into historical loads summer and winter MW values to account for On-Peak Demand Resources and Seasonal Peak Demand Resources as follows:

The ISO shall develop a trend line between (i) the point when summer MW values for On-Peak Demand Resources and Seasonal Peak Demand Resources are assumed to be zero (June 1, 2006) and (ii) the point when summer MW values for On-Peak Demand Resources and Seasonal Peak Demand Resources are reflected by the Capacity Supply Obligations that those resources acquired in the most recent Forward Capacity Auction for June 1 of the associated Capacity Commitment Period. To determine the summer MW values to be added back into historical loads, the ISO shall apply the resulting trend to the summer months (April through November) in all the historical years covered by the trend line.

The ISO shall develop a trend line between (i) the point when winter MW values for On-Peak Demand Resources and Seasonal Peak Demand Resources are assumed to be zero (December 1, 2006) and (ii) the point when winter MW values for On-Peak Demand Resources and Seasonal Peak Demand Resources are reflected by the Capacity Supply Obligations that those resources acquired in the most recent Forward Capacity Auction for December 1 of the associated Capacity Commitment Period. To determine the winter MW values to be added back into historical loads, the ISO shall apply the resulting trend to the winter months (December through March) in all the historical years covered by the trend line.

The ISO shall make adjustments to forecasted loads to account for any differences between the most recently available MW values reflective of the Capacity Supply Obligations that On-Peak Demand Resources and Seasonal Peak Demand Resources acquired in each of the annual reconfiguration auctions and the MW values reflective of the Capacity Supply Obligations that those resources acquired in the corresponding Forward Capacity Auctions.