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**Instrument and design history:** The Form EIA 861 was implemented in January 1985 for collection of data as of year end 1984. The Federal Energy Administration Act of 1974 (Public Law 93 275) defines the legislative authority to collect these data.

**Data processing and data system editing:** The Form EIA 861 is made available to the respondents in January of each year to collect data as of the end of the preceding calendar year. The data are edited when entered into the interactive on line system. Internal edit checks are performed to verify that current data total across and between schedules, and are comparable to data reported the previous year. Edit checks are also performed to compare data reported on the Form EIA 861 and similar data reported on the Form EIA 826. Respondents are telephoned to obtain clarification of reported data and to obtain missing data.

Data for the Form EIA 861 are collected at the owner level from all electric utilities including energy service providers in the United States, its territories, and Puerto Rico. Form EIA 861 data in this report are for the United States only.

Average price of electricity to ultimate consumers represents the cost per unit of electricity sold and is calculated by dividing electric revenue from ultimate consumers by the corresponding sales of electricity. The average price of electricity to ultimate consumers is calculated for all consumers and for each end-use sector.

The electric revenue used to calculate the average price of electricity to ultimate consumers is the operating revenue reported by the electric power industry participant. Operating revenue includes energy charges, demand charges, consumer service charges, environmental surcharges, fuel adjustments, and other miscellaneous charges. Electric power industry participant operating revenues also include State and Federal income taxes and other taxes paid by the utility.

The average price of electricity to ultimate consumers reported in this publication by sector represents a weighted average of consumer revenue and sales, and does not equal the per kWh rate charged by the electric power industry participant to the individual consumers. Electric utilities typically employ a number of rate schedules within a single sector. These alternative rate schedules reflect the varying consumption levels and patterns of consumers and their associated impact on the costs to the electric power industry participant for providing electrical service.

**Sensitive data:** Data collected on the Form EIA-861 are not considered to be sensitive.

## Form EIA-923

Form EIA-923, "Power Plant Operations Report," is a monthly collection of data on receipts and cost of fossil fuels, fuel stocks, generation, consumption of fuel for generation, and environmental data (e.g. emission controls and cooling systems). Data are collected from a monthly sample of approximately 1,900 plants, which includes a census of nuclear and pumped-storage hydroelectric plants. In addition approximately 4,050 plants, representing all other generators 1 MW or greater, are collected annually. In addition to electric power generating plants, respondents include fuel storage terminals without

generating capacity that receive shipments of fossil fuels for eventual use in electric power generation. The monthly data are due by the last day of the month following the reporting period.

Receipts of fossil fuels, fuel cost and quality information, and fuel stocks at the end of the reporting period are all reported at the plant level. Plants that burn organic fuels and have a steam turbine capacity of at least 10 megawatts report consumption at the boiler level and generation at the generator level. For all other plants, consumption is reported at the prime-mover level. For these plants, generation is reported either at the prime-mover level or, for noncombustible sources (e.g. wind, nuclear), at the prime-mover and energy source level. The source and disposition of electricity is reported annually for nonutilities at the plant level as is revenue from sales for resale. Environmental data are collected annually from facilities that have a steam turbine capacity of at least 10 megawatts.

### **Instrument and design history:**

#### *Receipts and cost and quality of fossil fuels*

On July 7, 1972, the Federal Power Commission (FPC) issued Order Number 453 enacting the New Code of Federal Regulations, Section 141.61, legally creating the FPC Form 423. Originally, the form was used to collect data only on fossil steam plants, but was amended in 1974 to include data on internal-combustion and combustion-turbine units. The FERC Form 423 replaced the FPC Form 423 in January 1983. The FERC Form 423 eliminated peaking units, for which data were previously collected on the FPC Form 423. In addition, the generator nameplate capacity threshold was changed from 25 megawatts to 50 megawatts. This reduction in coverage eliminated approximately 50 utilities and 250 plants. All historical FPC Form 423 data in this publication were revised to reflect the new generator-nameplate- capacity threshold of 50 or more megawatts reported on the FERC Form 423. In January 1991, the collection of data on the FERC Form 423 was extended to include combined cycle units. Historical data have not been revised to include these units. Starting with the January 1993 data, the FERC began to collect the data directly from the respondents.

The Form EIA-423 was originally implemented in January 2002 to collect monthly cost and quality data for fossil fuel receipts from owners or operators of nonutility electricity generating plants. Due to the restructuring of the electric power industry, many plants which had historically submitted this information for utility plants on the FERC Form 423 (see above) were being transferred to the nonutility sector. As a result, a large percentage of fossil fuel receipts were no longer being reported. The Form EIA-423 was implemented to fill this void and to capture the data associated with existing non-regulated power producers. Its design closely followed that of the FERC Form 423.

Both the Form EIA-423 and FERC Form 423 were superseded by Schedule 2 of the Form EIA-923 in January of 2008. At the time, the Form EIA-923 maintained the 50-megawatt threshold for these data. In January 2013, the threshold was changed to 200 megawatts for plants primarily fueled by natural gas, petroleum coke, distillate fuel oil, and residual fuel oil. The requirement to report self-produced and minor fuels, i.e., blast furnace gas, other manufactured gases, kerosene, jet fuel, propane, and waste oils was eliminated. The threshold for coal plants remained at 50 megawatts.

Not all data are collected monthly on the Form EIA-923. Beginning with 2008 data, a sample of the respondents report monthly, with the remainder reporting annually. Until January 2013, monthly fuel receipts values for the annual surveys were imputed via regression. Prior to 2008, Schedule 2 annual data were not collected or imputed.

### *Generation, consumption, and stocks*

The Bureau of Census and the U.S. Geological Survey collected, compiled, and published data on the electric power industry prior to 1936. After 1936, the Federal Power Commission (FPC) assumed all data collection and publication responsibilities for the electric power industry and implemented the Form FPC-4. The Federal Power Act, Section 311 and 312, and FPC Order 141 defined the legislative authority to collect power production data. The Form EIA-759 replaced the Form FPC-4 in January 1982.

In 1996, the Form EIA-900 was initiated to collect sales for resale data from unregulated entities<sup>14</sup>. In 1998, the form was modified to collect sales for resale, gross generation, and sales to end user data. In 1999, the form was modified to collect net generation, consumption, and ending stock data<sup>15</sup>. In 2000, the form was modified to include the production of useful thermal output data.

In January 2001, Form EIA-906 superseded Forms EIA-759 and EIA-900. In January 2004, Form EIA-920 superseded Form EIA-906 for those plants defined as combined heat and power plants; all other plants that generate electricity continue to report on Form EIA-906. The Federal Energy Administration Act of 1974 (Public Law 93-275) defines the legislative authority to collect these data.

Forms EIA-906 and EIA-920 were superseded by survey Form EIA-923 beginning in January 2008 with the collection of annual 2007 data and monthly 2008 data.

**Data processing and data system editing:** Respondents are encouraged to enter data directly into a computerized database via the Internet Data Collection (IDC) system. A variety of automated quality control mechanisms are run during this process, such as range checks and comparisons with historical data. These edit checks are performed as the data are provided, and many problems that are encountered are resolved during the reporting process. Those plants that are unable to use the electronic reporting medium provide the data in hard copy, typically via fax. These data are manually entered into the computerized database. The data are subjected to the same edits as those that are electronically submitted.

If the reported data appear to be in error and the data issue cannot be resolved by follow up contact with the respondent, or if a facility is a nonrespondent, a regression methodology is used to impute for the facility. Beginning in January 2013, imputation is not performed for fuel receipts data reported on Schedule 2.

**Imputation:** For select survey data elements collected monthly, regression prediction, or imputation, is done for missing data, including non-sampled units and any non-respondents. For data collected annually, imputation is performed for non-respondents. For gross generation and total fuel

consumption, multiple regression is used for imputation (see discussion, above). Only approximately 0.02 percent of the national total generation for 2010 is imputed, although this will vary by State and energy source.

When gross generation is reported and net generation is not available, net generation is estimated by using a fixed ratio to gross generation by prime-mover type and installed environmental equipment. These ratios are:

Net Generation = (Factor) x Gross Generation
<u>Prime Movers:</u>
Combined Cycle Steam - 0.97
Combined Cycle Single Shaft - 0.97
Combined Cycle Combustion Turbine - 0.97
Compressed Air - 0.97
Fuel Cell - 0.99
Gas Turbine - 0.98
Hydroelectric Turbine - 0.99
Hydroelectric Pumped Storage - 0.99
Internal Combustion Engine - 0.98
Other - 0.97
Photovoltaic - 0.99
Steam Turbine - 0.97
Wind Turbine - 0.99
<u>Environmental Equipment:</u>
Flue Gas Desulfurization - 0.97
Flue Gas Particulate 0.99
All Others - 0.97

For stocks, a linear combination of the prior month's ending stocks value and the current month's consumption and receipts values are used.

**Receipts of fossil fuels:** Receipts data, including cost and quality of fuels, are collected at the plant level from selected electric generating plants and fossil-fuel storage terminals in the United States. These plants include independent power producers, electric utilities, and commercial and industrial combined heat and power producers. All plants with a total fossil-fueled nameplate capacity of 50 megawatts or more (excluding storage terminals, which do not produce electricity) were required to report receipts of fossil fuels. In January 2013, the threshold was changed to 200 megawatts for plants primarily fueled by natural gas, petroleum coke, distillate fuel oil, and residual fuel oil. The requirement to report self-produced and minor fuels, i.e., blast furnace gas, other manufactured gases, kerosene, jet fuel, propane, and waste oils was eliminated. The threshold for coal plants remained at 50 megawatts. The data on cost and quality of fuel shipments are used to produce aggregates and weighted averages for each fuel type at the state, Census division, and U.S. levels.

For coal, units for receipts are in tons and units for average heat contents (A) are in million Btu per ton. For petroleum, units for receipts are in barrels and units for average heat contents (A) are in million Btu per barrel.

For gas, units for receipts are in thousand cubic feet (Mcf) and units for average heat contents (A) are in million Btu per thousand cubic foot.

**Power production, fuel stocks, and fuel consumption data:** The Bureau of Census and the U.S. Geological Survey collected, compiled, and published data on the electric power industry prior to 1936. After 1936, the Federal Power Commission (FPC) assumed all data collection and publication responsibilities for the electric power industry and implemented the Form FPC-4. The Federal Power Act, Section 311 and 312, and FPC Order 141 defined the legislative authority to collect power production data. The Form EIA-759 replaced the Form FPC-4 in January 1982.

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In January 2001, Form EIA-906 superseded Forms EIA-759 and EIA-900. In January 2004, Form EIA-920 superseded Form EIA-906 for those plants defined as combined heat and power plants; all other plants that generate electricity continue to report on Form EIA-906. The Federal Energy Administration Act of 1974 (Public Law 93 275) defines the legislative authority to collect these data.

In January 2004, Form EIA-920 superseded Form EIA-906 for those plants defined as combined heat and power plants; all other plants that generate electricity continue to report on Form EIA-906.

In January 2008, Form EIA-923 superseded both the Forms EIA-906 and EIA-920 for the collection of these data.

**Methodology to estimate biogenic and non-biogenic municipal solid waste<sup>2</sup>:** Municipal solid waste (MSW) consumption for generation of electric power is split into its biogenic and non-biogenic components beginning with 2001 data by the following methodology:

The tonnage of MSW consumed is reported on the Form EIA-923. The composition of MSW and categorization of the components were obtained from the Environmental Protection Agency publication, *Municipal Solid Waste in the United States: 2005 Facts and Figures*. The Btu contents of the components of MSW were obtained from various sources.

The potential quantities of combustible MSW discards (which include all MSW material available for combustion with energy recovery, discards to landfill, and other disposal) were multiplied by their respective Btu contents. The EPA-based categories of MSW were then classified into renewable and non-renewable groupings. From this, EIA calculated how much of the energy potentially consumed from MSW was attributed to biogenic components and how much to non-biogenic components (see Tables 1 and 2, below).<sup>3</sup>

These values are used to allocate net generation published in the Electric Power Monthly generation tables. The tons of biogenic and non-biogenic components were estimated with the assumption that glass and metals were removed prior to combustion. The average Btu/ton for the biogenic and non-



biogenic components is estimated by dividing the total Btu consumption by the total tons. Published net generation attributed to biogenic MSW and non-biogenic MSW is classified under Other Renewables and Other, respectively.

**Table 1. Btu consumption for biogenic and non-biogenic municipal solid waste (percent)**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Biogenic	57	56	55	55	56	57	55	54	51	50
Non-biogenic	43	44	45	45	44	43	46	46	49	50

**Table 2. Tonnage consumption for biogenic and non-biogenic municipal solid waste (percent)**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Biogenic	77	77	76	76	75	67	65	65	64	64
Non-biogenic	23	23	24	24	25	34	35	35	36	36

**Useful thermal output:** With the implementation of the Form EIA-923, “Power Plant Operations Report,” in 2008, combined heat and power (CHP) plants are required to report total fuel consumed and electric power generation. Beginning with the January 2008 data, EIA will estimate the allocation of the total fuel consumed at CHP plants between electric power generation and useful thermal output.

First, an efficiency factor is determined for each plant and prime mover type. Based on data for electric power generation and useful thermal output collected in 2003 (on Form EIA-906, “Power Plant Report”) efficiency was calculated for each prime mover type at a plant. The efficiency factor is the total output in Btu, including electric power and useful thermal output (UTO), divided by the total input in Btu. Electric power is converted to Btu at 3,412 Btu per kilowatt-hour.

Second, to calculate the amount of fuel for electric power, the gross generation in Btu is multiplied by the efficiency factor. The fuel for UTO is the difference between the total fuel reported and the fuel for electric power generation. UTO is calculated by multiplying the fuel for UTO by the efficiency factor.

In addition, if the total fuel reported is less than the estimated fuel for electric power generation, then the fuel for electric power generation is equal to the total fuel consumed, and the UTO will be zero.

**Conversion of petroleum coke to liquid petroleum:** The quantity conversion is 5 barrels (of 42 U.S. gallons each) per short ton (2,000 pounds).

**Conversion of propane gas to liquid petroleum:** The quantity conversion is 1.53 Mcf (thousand cubic feet) per barrel (or 42 U.S. gallons each).

**Conversion of synthesis gas from coal to coal:** The quantity conversion is 98 Mcf (thousand cubic feet) per short ton (2,000 pounds).

**Conversion of synthesis gas from petroleum coke to petroleum coke:** The quantity conversion is 107.42 Mcf (thousand cubic feet) per short ton (2,000 pounds).

### **Issues within historical data series:**

#### *Receipts and cost and quality of fossil fuels*

Values for receipts of natural gas for 2001 forward do not include blast furnace gas or other gas.

Historical data collected on FERC Form 423 and published by EIA have been reviewed for consistency between volumes and prices and for their consistency over time. However, these data were collected by FERC for regulatory rather than statistical and publication purposes. EIA did not attempt to resolve any late filing issues in the FERC Form 423 data. In 2003, EIA introduced a procedure to estimate for late or non-responding entities due to report on the FERC Form 423. Due to the introduction of this procedure, 2003 and later data cannot be directly compared to previous years' data. In January 2013, this estimation procedure was dropped.

Prior to 2008, regulated plants reported receipts data on the FERC Form 423. These plants, along with unregulated plants, now report receipts data on Schedule 2 of Form EIA-923. Because FERC issued waivers to the FERC Form 423 filing requirements to some plants who met certain criteria, and because not all types of generators were required to report (only steam turbines and combined-cycle units reported), a significant number of plants either did not submit fossil fuel receipts data or submitted only a portion of their fossil fuel receipts. Since Form EIA-923 does not have exemptions based on generator type or reporting waivers, receipts data from 2008 and later cannot be directly compared to previous years' data for the regulated sector. Furthermore, there may be a notable increase in fuel receipts beginning with January 2008 data.

Starting with the revised data for 2008, tables for total receipts begin to reflect estimation for all plants with capacity over 1 megawatt, to be consistent with other electric power data. Previous receipts data published have been a legacy of their original collection as information for a regulatory agency, not as a survey to provide more meaningful estimates of totals for statistical purposes. Totals appeared to become smaller as more electric production came from unregulated plants, until the Form EIA-423 was created to help fill that gap. As a further improvement, estimation of all receipts for the universe normally depicted in the EPM (i.e., 1 megawatt and above), with associated relative standard errors, provides a more complete assessment of the market.

#### *Generation and consumption*

Beginning in 2008, a new method of allocating fuel consumption between electric power generation and useful thermal output (UTO) was implemented. This new methodology evenly distributes a combined heat and power (CHP) plant's losses between the two output products (electric power and UTO). In the historical data, UTO was consistently assumed to be 80 percent efficient and all other losses at the plant were allocated to electric power. This change causes the fuel for electric power to be decreased while the fuel for UTO is increased as both are given the same efficiency. This results in the appearance of an increase in efficiency of production of electric power between periods.

**Sensitive data:** Most of the data collected on the Form EIA-923 are not considered business sensitive. However, the cost of fuel delivered to nonutilities, commodity cost of fossil fuels, and reported fuel stocks at the end of the reporting period are considered business sensitive and must adhere to EIA's "Policy on the Disclosure of Individually Identifiable Energy Information in the Possession of the EIA" (45Federal Register 59812 (1980)).

## Average Capacity Factors

This section describes the methodology for calculating capacity factors by fuel and technology type for operating electric power plants. Capacity factor is a measure (expressed as a percent) of how often an electric generator operates over a specific period of time, using a ratio of the actual output to the maximum possible output over that time period.

The capacity factor calculation only includes operating electric generators in the Electric Power Sector (sectors 1, 2 and 3) using the net generation reported on the Form EIA-923 and the net summer capacity reported on the Form EIA-860. The capacity factor for a particular fuel/technology type is given by:

$$CapacityFactor = \left( \frac{\sum_{x,m} Generation_{x,m}}{\sum_{x,m} Capacity_{x,m} * AvailableTime_{x,m}} \right)$$

Where x represents generators of that fuel/technology combination and m represents the period of time (month or year). Generation and capacity are specific to a generator, and the generator is categorized by its primary fuel type as reported on the EIA-860. All generation from that generator is included, regardless of other fuels consumed. Available time is also specific to the generator in order to account for differing online and retirement dates. Therefore, these published capacity factors will differ from a simple calculation using annual generation and capacity totals from the appropriate tables in this publication.

## NERC classification

The Florida Reliability Coordinating Council (FRCC) separated itself from the Southeastern Electric Reliability Council (SERC) in the mid-1990s. In 1998, several utilities realigned from Southwest Power Pool (SPP) to SERC. Name changes altered both the Mid-Continent Area Power Pool (MAPP) to the Midwest Reliability Organization (MRO) and the Western Systems Coordinating Council (WSCC) to the Western Energy Coordinating Council (WECC). The MRO membership boundaries have altered over time, but WECC membership boundaries have not. The utilities in the associated regional entity identified as the Alaska System Coordination Council (ASCC) dropped their formal participation in NERC. Both the States of Alaska and Hawaii are not contiguous with the other continental States and have no electrical interconnections. At the close of calendar year 2005, the following reliability regional councils were dissolved: East Central Area Reliability Coordinating Agreement (ECAR), Mid-Atlantic Area Council (MAAC), and Mid-America Interconnected Network (MAIN).

On January 1, 2006, the ReliabilityFirst Corporation (RFC) came into existence as a new regional reliability council. Individual utility membership in the former ECAR, MAAC, and MAIN councils mostly shifted to RFC. However, adjustments in membership as utilities joined or left various reliability councils impacted MRO, SERC, and SPP. The Texas Regional Entity (TRE) was formed from a delegation of authority from NERC to handle the regional responsibilities of the Electric Reliability Council of Texas (ERCOT). The revised delegation agreements covering all the regions were approved by the Federal Energy Regulatory Commission on March 21, 2008. Reliability Councils that are unchanged include: Florida Reliability Coordinating Council (FRCC), Northeast Power Coordinating Council (NPCC), and the Western Energy Coordinating Council (WECC)

The new NERC Regional Council names are as follows:

- Florida Reliability Coordinating Council (FRCC),
- Midwest Reliability Organization (MRO),
- Northeast Power Coordinating Council (NPCC),
- ReliabilityFirst Corporation (RFC),
- Southeastern Electric Reliability Council (SERC),
- Southwest Power Pool (SPP),
- Texas Regional Entity (TRE), and
- Western Energy Coordinating Council (WECC).

## Business classification

Nonutility power producers consist of corporations, persons, agencies, authorities, or other legal entities that own or operate facilities for electric generation but are not electric utilities. This includes qualifying cogenerators, small power producer, and independent power producers. Furthermore, nonutility power producers do not have a designated franchised service area. In addition to entities whose primary business is the production and sale of electric power, entities with other primary business classifications can and do sell electric power. These can consist of manufacturing, agricultural, forestry, transportation, finance, service and administrative industries, based on the Office of Management and Budget's Standard Industrial Classification (SIC) Manual. In 1997, the SIC Manual name was changed to North American Industry Classification System (NAICS). The following is a list of the main classifications and the category of primary business activity within each classification.

### Agriculture, Forestry, and Fishing

- 111 Agriculture production-crops
- 112 Agriculture production, livestock and animal specialties
- 113 Forestry
- 114 Fishing, hunting, and trapping
- 115 Agricultural services

### Mining

- 211 Oil and gas extraction
- 2121 Coal mining
- 2122 Metal mining

2123 Mining and quarrying of nonmetallic minerals except fuels

### **Construction**

23

### **Manufacturing**

311 Food and kindred products  
3122 Tobacco products  
314 Textile and mill products  
315 Apparel and other finished products made from fabrics and similar materials  
316 Leather and leather products  
321 Lumber and wood products, except furniture  
322 Paper and allied products (other than 322122 or 32213)  
322122 Paper mills, except building paper  
32213 Paperboard mills  
323 Printing and publishing  
324 Petroleum refining and related industries (other than 32411)  
32411 Petroleum refining  
325 Chemicals and allied products (other than 325188, 325211, 32512, or 325311)  
32512 Industrial organic chemicals  
325188 Industrial Inorganic Chemicals  
325211 Plastics materials and resins  
325311 Nitrogenous fertilizers  
326 Rubber and miscellaneous plastic products  
327 Stone, clay, glass, and concrete products (other than 32731)  
32731 Cement, hydraulic  
331 Primary metal industries (other than 331111 or 331312)  
331111 Blast furnaces and steel mills  
331312 Primary aluminum  
332 Fabricated metal products, except machinery and transportation equipment  
333 Industrial and commercial equipment and components except computer equipment  
3345 Measuring, analyzing, and controlling instruments, photographic, medical, and optical goods, watches and clocks  
335 Electronic and other electrical equipment and components except computer equipment  
336 Transportation equipment  
337 Furniture and fixtures  
339 Miscellaneous manufacturing industries

## **Transportation and Public Utilities**

- 22 Electric, gas, and sanitary services
- 2212 Natural gas transmission
- 2213 Water supply
- 22131 Irrigation systems
- 22132 Sewerage systems
- 481 Transportation by air
- 482 Railroad transportation
- 483 Water transportation
- 484 Motor freight transportation and warehousing
- 485 Local and suburban transit and interurban highway passenger transport
- 486 Pipelines, except natural gas
- 487 Transportation services
- 491 United States Postal Service
- 513 Communications
- 562212 Refuse systems

## **Wholesale Trade**

421 to 422

## **Retail Trade**

441 to 454

## **Finance, Insurance, and Real Estate**

521 to 533

## **Services**

- 512 Motion pictures
- 514 Business services
  - 514199 Miscellaneous services
- 541 Legal services
- 561 Engineering, accounting, research, management, and related services
- 611 Education services
- 622 Health services
- 624 Social services
- 712 Museums, art galleries, and botanical and zoological gardens
- 713 Amusement and recreation services
- 721 Hotels
- 811 Miscellaneous repair services
- 8111 Automotive repair, services, and parking
- 812 Personal services
- 813 Membership organizations
- 814 Private households

## Public Administration

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### Multiple Survey Programs- Small Scale PV Solar Estimation of Generation

Monthly generation from small scale PV solar resources is an estimation of the generation produced from PV solar resources and not the results of a data collection effort for generation directly, with the exception of “Third Party Owned” or (TPO) solar installations which has direct data collection. TPO data however is not comprehensive. TPOs do not operate in every state, TPO collected data is not a large portion of the estimated amount, and the data has been collected for limited period of time. The generation estimate is based on data collected for PV solar capacity.

Capacity of PV solar resources is collected directly from respondents. These data are collected on several EIA forms and from several types of respondents. Monthly data for net-metered PV solar capacity is reported on the Form EIA-826. Form EIA-826 is a cutoff sample drawn from the annual survey Form EIA-861 which collects this data from all respondents. Using data from both of these surveys we have a regression model to impute for the non-sampled monthly capacity.

The survey instruments collect solar net metering capacity from reporting utilities by state and customer class. There are four customer classes: residential, commercial, industrial and transportation. However, the estimation process included only the residential, commercial and industrial customers.<sup>1</sup> Data for these customer classes were further classified by U.S. Census Regions, to ensure adequate number of customer observations in for each estimation group.

**Estimation Model:** The total PV capacity reported by utilities in the annual EIA-861 survey is the single primary input (regressor) to the monthly estimation of PV capacity by state. The model tested for each Census Region was of the form:

$$y_{i_{2015,m}} = \beta_1 x_{i_{2013}} + w_i^{-1/2} e_i, \text{ where}$$

$x_{i_{2013}}$  is the  $i^{\text{th}}$  utility's 2013 (or the last published year) solar PV capacity

$y_{i_{2015,m}}$  is the  $i^{\text{th}}$  utility's month  $m$ , 2015 (or the current year) reported solar PV capacity

$w_i$  is the weight factor, which is the inverse of  $x_{i_{2013}}$

$\beta_1$  is effectively the growth rate of reported month  $m$  solar PV capacity

$e_i$  is the error term

The model checks for outliers and removes them from the regression equation inputs. The model calculates RSEs by sector, state, census region, and US total. Once we have imputed for all of the

monthly net-metered PV solar capacity we add to total net metered capacity, the PV solar capacity collected on the Form EIA-861 for distributed and dispersed resources that are not net metered.

We use a second model to estimate the generation using this capacity as an input. The original methodology was developed for the “Annual Energy Outlook” based on our “NEMS” modelled projections several years ago. The original method underwent a calibration project designed to develop PV production levels for the NEMS projections consistent with simulations of a National Renewable Energy Laboratory model called PVWatts, which is itself embedded in PC software under the umbrella of the NREL’s System Advisor Model (SAM).

The PVWatts simulations require, panel azimuth orientations and tilts, something that the NEMS projections do not include. Call the combinations of azimuths and tilts “orientations.” The orientation and solar insolation (specific to a location) have a direct effect on the PV production level. The calibration project selected the 100 largest population Metropolitan Statistical Areas (MSAs) and relied on weights derived from orientation data from California Solar Initiative dataset to develop typical outputs for each of the 100 MSAs. It then was expanded from an annual estimate to a monthly estimate. A further description of this model is located here. A listing of the MSAs are included in Appendix 1.

Using Form EIA-861 data for service territories, which lists the counties that each electric distribution company (EDC) provides service, and NREL solar insolation data by county a simple average of insolation values by EDC is calculated.

Using the estimation model, we produce by utility, by state and by sector an estimate of generation. All the utilities’ capacity and generation estimates are summed by state and sector and a KWh/KW rate by state and sector is calculated.

Capacity from the Form EIA-860 that is net metered is subtracted from the total capacity by state and sector as well as the capacity reported on the EIA-826 from TPOs, resulting in a new “net” capacity amount. This capacity amount is multiplied by the KWh/KW rate to produce the non-TPO generation estimate and then it is added to the TPO reported sales to ultimate customers from the EIA-826 to obtain a final estimate for generation and a blended KWh/KW rate is calculated. The estimate for generation is aggregated by US census regions and US totals. The RSEs for capacity are checked for level of error and if they pass, the summary data by state, US census region and US total are reported in the EPM.

Appendix 2 contains a flow diagram of the data inputs, data quality control checks and data analysis required to perform this estimation.

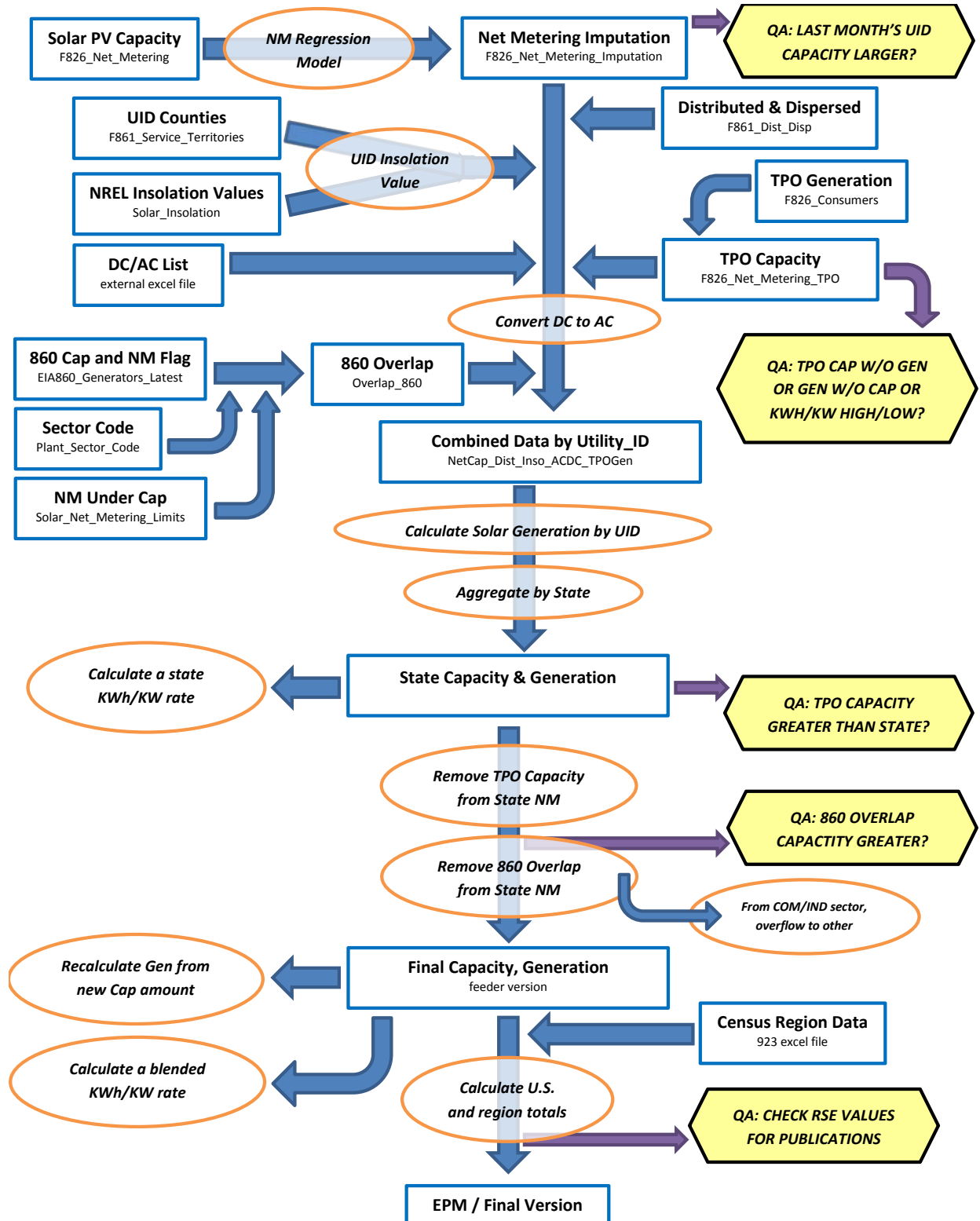








Appendix 2 – Flow diagram of data sources and analysis



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<sup>1</sup> The basic technique employed is described in the paper “Model-Based Sampling and Inference,” on the EIA website. Additional references can be found on the InterStat website (<http://interstat.statjournals.net/>). See the following sources: Knaub, J.R., Jr. (1999a), “Using Prediction-Oriented Software for Survey Estimation,” InterStat, October 1999, <http://interstat.statjournals.net/>; Knaub, J.R. Jr. (1999b), “Model-Based Sampling, Inference and Imputation,” EIA web site: <http://www.eia.gov/cneaf/electricity/forms/eiawebme.pdf>; Knaub, J.R., Jr. (2005), “Classical Ratio Estimator,” InterStat, October 2005, <http://interstat.statjournals.net/>; Knaub, J.R., Jr. (2007a), “Cutoff Sampling and Inference,” InterStat, April 2007, <http://interstat.statjournals.net/>; Knaub, J.R., Jr. (2008), “Cutoff Sampling.” Definition in Encyclopedia of Survey Research Methods, Editor: Paul J. Lavrakas, Sage, to appear; Knaub, J.R., Jr. (2000), “Using Prediction-Oriented Software for Survey Estimation - Part II: Ratios of Totals,” InterStat, June 2000, <http://interstat.statjournals.net/>; Knaub, J.R., Jr. (2001), “Using Prediction-Oriented Software for Survey Estimation - Part III: Full-Scale Study of Variance and Bias,” InterStat, June 2001, <http://interstat.statjournals.net/>.

<sup>2</sup> See the following sources: Bahillo, A. et al. Journal of Energy Resources Technology, “NOx and N2O Emissions During Fluidized Bed Combustion of Leather Wastes.” Volume 128, Issue 2, June 2006. pp. 99-103; U.S. Energy Information Administration. *Renewable Energy Annual 2004*. “Average Heat Content of Selected Biomass Fuels.” Washington, DC, 2005; Penn State Agricultural College Agricultural and Biological Engineering and Council for Solid Waste Solutions. Garth, J. and Kowal, P. Resource Recovery, Turning Waste into Energy, University Park, PA, 1993; Utah State University Recycling Center Frequently Asked Questions. Published at <http://www.usu.edu/recycle/faq.htm>. Accessed December 2006.

<sup>3</sup> Biogenic components include newsprint, paper, containers and packaging, leather, textiles, yard trimmings, food wastes, and wood. Non-biogenic components include plastics, rubber and other miscellaneous non-biogenic waste.