Policy 5 Section 3.8 Proposed Language

Another step in assuring a quality result is to determine whether the standard error is acceptable. The MARS model is run for a set number of iterations at increments of 250. Ideally, the standard error value remains less than 0.025 throughout the entire IRM Study. However, to provide a quality result, the ICS has determined that the desired standard error value for the mean Loss of Load Expectation (LOLE) at the 95% confidence level shall be less than or equal to 0.025 at the final iteration at three critical points; a) the beginning of the IRM Study; b) at the conclusion of the Preliminary Base Case prior to the Tan 45 process; and c) at the conclusion of the Final Base Case prior to the Tan 45 process. If the standard error is not met at these critical points, the number of iterations is increased by 250 iterations until the condition is met. The MARS model is then returned to criteria as necessary and the results reported to ICS as part of the parametric analysis of the respective Base Cases. The Tan 45 process then proceeds as planned for either the Preliminary or Final Base Case.

By default, the standard error at the beginning of the IRM study is met as the study begins with the Final Base Case from the prior year IRM study. However, if the number of iterations has become excessive with a corresponding standard error well below the 0.025 standard error value, it may be appropriate to decrease the number of iterations. In general, the more iterations used by MARS, the better the convergence and the better the confidence in the result. Unless the MARS runtime is seriously impacted, there is no technical reason to reduce the number of iterations necessary to achieve the standard error value.

Policy 5 Section 3.8 Current Language

Another step in assuring a quality result is to determine whether the standard error is acceptable. To this end, the MARS model is run for 1,000 iterations. If at the 1,000th iteration the desired standard error of 0.025 of the mean LOLE for calculating the 95% confidence level is not achieved, then increase the number of iterations in increments of 250 until the desired standard error is met or exceeded. If the 0.025 mark is met, the number of iterations for all MARS runs in the current year study is maintained. If the number of iterations has changed from the previous year, the ICS will be notified.