

## **Approval of Funds for Continued Data Purchase from Moody's Analytics In Support of IEPR**

**Contact:** Kate Sullivan, 654-4876

**Time Needed:** 5 minutes

**Action Requested of Committee:** In support of the Commission's economic analysis for the Integrated Energy Policy Report (IEPR), we request a renewal of the annual subscription to Moody's Analytics databases for \$19,504.

**Business Meeting Date:** October 19, 2011

**Background:** Economic data is a major requirement for analysis to produce the IEPR. The California Energy Commission has relied on Moody's Analytics databases for eight years. Moody's combination of detail, approach, and quality is unmatched by other vendors. The subscription increase in price from \$19,106 (2011 subscription) to \$19,504 (2012 subscription) is due to last year we modified the agreement to add a user, and we were not charged for his access to Dismal Scientist.

**Justification for Action Requested:** This subscription is necessary since Moody's Analytics is the only company with the detailed economic, demographic, employment, and output data forecasted "bottom-up" (rather than "top-down"). The Commission's energy demand forecasts are prepared at regional levels based on county-specific economic and demographic projections. Moody's approach lends itself to a more accurate forecast than the competitors' approaches where national data is parsed to subcategories.

**Pros and Cons:** Moody's Analytics is the only major company that provides economic data in the detail necessary to run detailed demand forecasts. Using a competitor would force us to modify our models and could impeded progress on the IEPR.

**What Happens Next:** With E&NG Committee approval, this purchase will be presented at the October 19 business meeting.