

# UNC 0693R:

Review Proposal: Treatment of kWh error arising from statutory volume-energy conversion



Proposer: Mark, Bellman, ScottishPower

Panel Date: 20 June 2019

# Why change?



- All sites under 732,000 AQ should have a single industry standard conversion factor specified in the Gas (Calculation of Thermal Energy) Regulations (also referred to as a Correction Factor)
- The standard factor of 1.02264 accounts for an assumed average temperature, pressure and altitude
- Warmer gas will have a greater metered volume than cooler gas, and gas at higher altitude will have a greater metered volume than gas at a low altitude
- The Xoserve UIG Task Force has identified that the standard CF can cause positive UIG in colder weather and reduce UIG in warmer weather
- Has impacts on NDM Allocation, Meter Point reconciliation and AQs

# Options



- The Xoserve UIG Task Force suggested a number of options to address the inaccuracies caused by the standard CF
- Need to consider whether they address impacts on
  - NDM Allocation
  - Meter Point Reconciliation
  - AQs
  - Alignment of Shipper and end consumer billing
- Material presented at UNC UIG Workgroup in Jan and Feb 2019 – no consensus on way forward

# Solution



- Proposal suggests a UNC Review Group
- Scope/objectives:
  - Consider in detail the perceived impacts of the use of a standard conversion factor on the four areas highlighted
  - Identify possible options for treatment of the error
  - Weigh up the relative benefits and disadvantages of those solutions
- The review could use the work done by both the AUGGE and the UIG Task Force as a start point, but should not be constrained by the options already identified
- Allows time for relevant parties to focus on the topic and develop concrete resolutions

# Recommended Steps



- The Proposer recommends that this proposal should be:
  - Referred to a Workgroup for review
- Topics for Discussion
  - Understanding the objective
  - Understanding Thermal Energy Regulations
  - Assessment of options to achieve objective
  - Development of Solution (including business rules if appropriate)
  - Assessment of potential impacts of the Request
  - Assessment of implementation costs of any solution identified during the Request
  - Assessment of legal text.