UNC Demand Estimation Sub-committee Technical Workgroup Minutes

Wednesday 15 October 2014

31 Homer Road, Solihull B91 3LT

Attendees

Helen Cuin (Chair)	(HCu)	Joint Office
Ian Hollington (Secretary)	(IH)	Joint Office
Changbin Li*	(CI)	EDF Energy
Christian Ivaha	(CI)	British Gas
Fiona Cottam	(FC)	Xoserve
Huw Comerford	(HCo)	Utilita
Imran Bannister	(IB)	Utilita
Indre Deksnyte	(ID)	Northern Gas Networks
James Hanks*	(JH)	EDF Energy
Joseph Lloyd	(JL)	Xoserve
Lorna Millington*	(LM)	National Grid Distribution
Mandeep Pangli	(MPa)	Xoserve
Mark Perry	(MPe)	Xoserve
Rob Nickerson	(RN)	National Grid NTS
Sallyann Blackett	(SB)	E.ON
Tim Wong	(TW)	British Gas

* via teleconference

Copies of papers are available at: http://www.gasgovernance.co.uk/DESC/151014

1. **Introduction**

    1.1. **Apologies for absence**

    C Thomson (Scotia Gas Networks) and R Pomroy (Wales & West Utilities)

    F.Cottam advised she was acting as the alternate representative for both

2. **Status Review**

    2.1. **Minutes**

    The minutes from the previous Workgroup were approved.

    2.2. **Actions**

    DTW0802: *CWV Optimisation -* Xoserve to incorporate an additional run in the trial phase for at least one LDZ using demand and weather data from 2004/05 onwards (9 year period).

    Update: See item 3 below. **Complete**

    DTW0901: All to review trial results provided by JL and provide feedback in time to allow a review of the trial at 15 October meeting

    Update: See item 3 below. **Complete**

    DTW0902: All to review trial SNCWV calculations and methodology document provided by Xoserve and provide feedback in time to review at 15 October meeting

    Update: See item 4 below. The topic is to be discussed further. **Complete**

_____

3.   CWV Optimisation trial phase sign off

JL provided a presentation on this topic, CWV Optimisation Trial Phase Update in which he reviewed the objective and background, and gave an explanation of the results provided, asking for agreement on the next steps and key dates.

JL highlighted that the values of the CWV parameters are chosen to give the best fit to demand on average across a number of years and provided an explanation of the results and the evidence from each of the four LDZs used for the trial.

The Workgroup reviewed and discussed the results for each LDZ, exploring what the graphs indicated.

JL provided a summary of the recommendations:

- The results suggested that models tended to have higher Adjusted R squared and lower RMSE values when tested against a similar period used to analyse and train the parameters.

- The optimisation had not resulted in significant changes in 1 in 20 Peak demands for 3 of the 4 LDZs (WM, NE and SC).

- The 1 in 20 Peak demand for SW shows some material differences however it was suggested that issues with the weather station used in this area had resulted in a certain amount of "gap filling" which may have had an effect on the data. It was considered that the analysis using the 12 year training method seemed to be the most consistent.

- Xoserve agreed, suggesting that using 12 years is a good balance between capturing recent experience and ensuring sufficient number of years to train parameters.

- Xoserve looked for a recommendation from TWG to take to DESC on the number of years to be used in the Production phase of the optimisation.

- Pending DESC approval the next steps were:
  - Obtaining demand and weather data for the recently completed gas year (2013/14)
  - Commencing the production phase of optimising all 13 LDZs based on the chosen number of years

The Workgroup discussed the differences and preferences of using models based on 9 Years (10 years in Production phase) and 12 Years (13 Years in Production phase). Although RN initially expressed a preference for the 9 Year model, on reflection, he became concerned with the peaks dropping away when this was used which he believed would have an adverse effect on the Transporters' demand forecasting processes.

After discussing all of the options it was agreed that a 10 year or 13 year model was most appropriate however, there was a general consensus from Transporters for a longer year model and Shippers for a shorter one. In summary FC advised that Transporter Peak Day Forecasting processes were separate and would use actual cold weather data rather than an estimate, and that the key driver is to fit aggregate NDM demand.

The Technical Workgroup Representatives couldn't reach agreement on their preference and so were unable to make a recommendation to DESC. It was agreed to refer the decision to the DESC meeting which would follow after the Technical Workgroup meeting.

4. Seasonal Normal Review approach sign off

MPe provided two presentations; the DESC Technical Workgroup Seasonal Normal Review Update and a DESC TWG Seasonal Normal Review Update ** Additional Slides ** going through the background, methodology, timeline and agreements and information that had been made / provided at previous meetings.

The Workgroup reviewed the results provided in both presentations. The Workgroup concluded that switching to a different technique appeared not to have any significant impact however; the calculations using some of the percentages seemed to produce results that were thought by some members to be inappropriate.

The Technical Workgroup Representatives came to a consensus view on the smoothing options to be applied to SNCWV that a 5-day moving average should be recommended to DESC. MPe confirmed that, pending DESC approval, an updated approach document reflecting this agreement will be provided for publication.

5. Any Other Business

5.1. DESC Technical Workgroup Seasonal Normal Review Update Q4 Objectives / Plan

MPe provided presentation (at short notice) for the DESC Technical Workgroup Seasonal Normal Review Update Q4 Objectives / Plan to assist with diary planning for the remainder of the year.

This was agreed to be discussed under Any Other Business at the DESC meeting.

6. Diary Planning

Meetings will take place as follows:

DESC and DESC Technical Workgroup Meetings 2014

Time / Date	Venue	Meeting	Programme
10:00 Monday 17 November 2014	31 Homer Road Solihull B91 3LT	**DESC and DESC TWG**	Evaluation of Algorithm Performance: Strand 1 – SF and WCF CWV Optimisation Results
10:00 Wednesday 17 December 2014	31 Homer Road Solihull B91 3LT	**DESC and DESC TWG**	

Technical Workgroup Action Table					
Action Ref	**Meeting Date(s)**	**Minute Ref**	**Action**	**Owner**	**Status Update**
DTW0802	18/08/14	3.0	*CWV Optimisation -* Xoserve to incorporate an additional run in the trial phase for at least one LDZ using demand and weather data from 2004/05 onwards (9 year period).	Xoserve (JL)	**Complete**

_____

Technical Workgroup Action Table					
Action Ref	**Meeting Date(s)**	**Minute Ref**	**Action**	**Owner**	**Status Update**
DTW0901	22/09/14	3.0	All to review trial results provided by JL and provide feedback in time to allow a review of the trial at 15 October meeting	All	**Complete**
DTW0902	22/09/14	4.0	All to review trial SNCWV calculations and methodology document provided by Xoserve and provide feedback in time to review at 15 October meeting	All	**Complete**