



Uniform Network Code Committee

Update on Seasonal Normal Review for October 2020

19th December 2019

Background – Section H UNC

- Section H of UNC contains all of the activities which relate to Demand Estimation and Forecasting processes. UNCC ask a Sub-Committee known as “Demand Estimation Sub Committee” (DESC) to carry out the functions referred to in this Section
- Included in these functions is the requirement to:
 - 1) review the Composite Weather Variable (CWV) (H 1.4.3) and
 - 2) review the Seasonal Normal equivalent referred to as the SNCWV (H 1.5.3)
- The last review of the CWV formula and Seasonal Normal basis was completed by DESC in 2014. The revised values took effect from 1st October 2015 and remain in place today
- For stability across the many industry processes impacted, DESC review the CWV and SNCWV, as a minimum, every 5 years. The current basis ‘expires’ on 30th September 2020

Background – CWV and SNCWV

- Why do these values matter and why review them ?
- The CWV and SNCWV are the key building blocks used in producing Demand Models and Consumption Profiles - Annual Load Profiles (ALPs), Daily Adjustment Factors (DAFs) and Peak Load Factors (PLFs) which are subsequently used in....
 - the calculation of daily Class 3 and 4 NDM Nominations and Allocation
 - the calculation of a Class 3 and 4 Supply Meter Point's Annual Quantity (AQ)
 - the calculation of a Class 3 and 4 Supply Meter Point's Peak Offtake Quantity (SOQ)
- It is therefore important that the CWV and SNCWV are reviewed to ensure they remain reflective of the latest consumption behaviours and levels

CWV and SNCWV - 2019 Review

- Following a number of planned milestones during 2019 DESC have now concluded their review, as a result we now have:
 - A revised CWV formula (including a new ‘Solar Term’) and
 - A new set of SNCWV values (including an updated view of Climate Change adjusted temperatures)
- The criteria used for assessing the revised CWV formula was about improving the relationship to NDM demand which in turn should improve the accuracy of demand modelling (which is DESC’s remit). In turn, this will help to drive more accurate allocation which, all things being equal, will mean reduced reconciliation levels
- The criteria for the revised SNCWV was about ensuring that the values derived reflect a sensible ‘benchmark’ for Seasonal Normal weather (hence use of Met Office provided Climate Change modelled output)

Industry Information / Impacts

- The new CWV formula and SNCWV values agreed at DESC will not take effect until 1st October 2020, however we are aware the industry will want to understand the likely impacts to AQ and SOQ levels as a result of these changes asap
- Upcoming Milestones in 2020:
 - Q1 of 2020 we shall be re-stating existing demand models using the new weather values in order to provide a first view of the likely impacts to AQs and SOQs
 - Q2 of 2020 we shall be producing a proposed set of ALPs, DAFs and PLFs for the new Gas Year 2020/21
 - Q3 of 2020 we shall be calculating a revised set of Weather Adjusted Annual Load Profiles (WAALPS) and Seasonal Normal Ratios in preparation for the first AQ calculations effective for 1st October 2020
- Data available to UNC parties on the secure area of Xoserve's website:
 - Restated historic CWVs (using the new formula) and new SNCWV values effective 1st October '20
 - Location - Folder 18. NDM Profiling and Capacity Estimation Algorithms / 2020-21 Gas Year / 5. Seasonal Normal 2020

Seasonal Normal Review – Timeline of Work

High Level Timeline of CWV / SNCWV Review

2019												2020														
JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC			
Complete review of CWV Formula and Seasonal Normal Basis, Define methodology and calculate values for next period (2020-2025)																										
										New CWVs and SNCWVs approved by DESC																
			Develop Profiles for GY 2019/20 using existing CWVs and SNCWVs								Profiles in place for Gas Year 2019/20, using existing CWVs and SNCWVs															
												Preparation for Modelling for GY 2020/21														
														Develop Profiles for GY 2020/21 using new CWVs and SNCWVs												
			SYSTEM CHANGE - CWV Formula and Receipt of Additional Weather Data Items																							
																					Profiles go LIVE using new CWVs and SNCWVs					

KEY

Prep. for New CWVs and SNCWVs - To be done

Current CWVs and SNCWVs

Prep. for New CWVs and SNCWVs - Completed

Further Information

- Overview of the Seasonal Normal Review process is available on DESC's homepage [here](#)
- Revised CWV Formula and optimised parameters presented at DESC can be found [here](#)
- Review of the existing SNCWV presented at DESC can be found [here](#)
- Revised SNCWV values and supporting analysis presented at DESC can be found here - [Part 1](#) and [Part 2](#)
- Any questions on the Seasonal Normal Review 2020 process can be directed to the Demand Estimation team at Xoserve

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