UNC Demand Estimation Sub-Committee Technical Workgroup Minutes

Monday 10 July 2017

Xoserve Limited, Lansdowne Gate, 65 New Road, Solihull, B91 3DL

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Andy Smith	(AS)	British Gas (Representative)
Anupa Purewal	(APu)	E.ON (Representative)
Dean Pearson	(DP)	Northern Gas Networks (Alternate)
Fiona Cottam	(FC)	Xoserve
Hilary Chapman	(HCh)	Scotia Gas Networks (Representative)
Ian Tanner*	(IT)	RWE npower (Alternate)
Jason Blackmore	(JB)	British Gas
Joseph Lloyd	(JL)	Xoserve
Mandeep Pangli	(MPa)	Xoserve
Phil Clough	(PC)	National Grid NTS (Representative)
Robert Wigginton	(RW)	Wales and West Utilities (Representative)
Sallyann Blackett	(SB)	E.ON UK
Tony Davey	(TD)	SSE (Representative)

Representatives not present

Chris Warner	(CW)	Cadent (Representative)
Fiona Speak	(FS)	RWE npower (Representative)
Joanna Ferguson	(JF)	Northern Gas Networks (Representative)

* via teleconference

Copies of papers are available at: http://www.gasgovernance.co.uk/DESC/100717

1. **Introduction and Status Review**

   1.1. **Apologies for absence**

   None pre-advised.

   1.2. **Note of Alternates**

   Ian Tanner (RWE npower) for Fiona Speak, Shipper

   Dean Pearson (Northern Gas Networks) for Joanna Ferguson, Transporter

   1.3. **Approval of Minutes (17 May TWG)**

   The minutes of the previous meetings were considered approved.

2. **Review TWG responses to draft 2017/18 NDM Algorithms**

MPa provided the DESC Technical Workgroup Review of draft 2017/18 NDM Algorithms presentation.

MPa summarised today's meeting would; Recap on the Timetable, provide a Summary of 2017 Modelling and Smoothed Model Outcomes and provide a Summary of TWG responses to proposed Algorithms and Xoserve clarifications.

The objectives of this meeting were to review the comments/responses and seek the TWG's support for the proposals prior to DESC review and discussion.

MPa provided a summary of the modelling:

- Data aggregations & WAR Band limits agreed at 26th April TWG meeting

- Single year modelling approved at 17th May TWG meeting

- Model smoothing process followed in second half of May along with production of draft Derived Factors (the smoothed model outcomes were summarised on pages 6 and 7).

Small NDM: Smoothed Model Outcomes

MPa provided a comparison of the Smoothed Model outcomes for the Small NDM, representing approximately 89% of the current NDM AQ.

Large NDM: Smoothed Model Outcomes

MPa provided a comparison of the Smoothed Model outcomes for the Large NDM, representing approximately 11% of the current NDM AQ.

TWG Responses / Comments on Proposals

MPa confirmed that an email was issued on 02 June requesting feedback by no later than 23 June in order to prepare for today's meeting. MPa confirmed that EON, British Gas and SSE provided comments on the proposals and these had all been responded to.

MPa provide a background to the modelling, she confirmed that:

- Profiles (ALPs, DAFs and LFs) are based on the parameters from the smoothed model.

- Smoothed model exhibits 'average characteristics' from 3 individual years.

- Each smoothed model includes 2 individual years which are the same as the previous year's smoothed model with the oldest year being replaced with the sample data from the new year.

- The results for each individual model are dependent on the make-up of the sample and their behaviour in that specific year alongside the weather conditions experienced.

- The underlying reasons why the sample behaves in certain ways each year is not possible to explain

- The CWV intercepts (-C1/C2) provide a guide to how the weather sensitivity of the sample behaviours change (or not). Noting: the higher the CWV intercept = less weather sensitive.

- The C1 and C2 parameters are provided in the Demand Model Supporting Files area

    - Smoothed model C1 and C2 can be viewed in EUCPAR17S.txt or EUC PAR17L.txt

       o   Individual Years C1 and C2 can be viewed in MDLPARyy_17S.txt or MDLPARyy_17L.txt

MPa provided a number of slides (pages 11-19) providing details of the enquiries received by E.ON, British Gas and SSE and a response/explanation for the Workgroup.

<u>Holiday Codes</u>

The DESC TWG discussed the holiday reductions and how a stepped drop can occur.

MPa explained the behaviours of the sample which had a very small amount of weather sensitivity. This provided an indication of consistent weather over 3 years and for EUC WAR Band 1, users are not reacting to weather.

MPa provided a summary of the holiday rules and what they are. Page 19 provided the holiday codes applied and to illustrate what factors go into holiday code 5.

MPa clarified that this year is the first-year holiday codes have been applied to EUC 01B. It was explained that the main objective of this decision was to improve the Summer fit, but the modelling rules cover all holiday days, including Christmas Day and New Year.

JB asked how the holiday factors are calculated. JL explained that fitted demand is plotted against actual demand. For the period when the value is below 1, a reduction in the profile would be apparent.

The Workgroup considered the effects of the holiday codes expanding over 4 days when a weekend leads into a Monday/Tuesday Bank Holiday.

3.   Recommendation to DESC

Following consideration of the comments and responses the DESC TWG agreed to recommend this year's NDM Algorithm proposals to DESC.

4.   Next Steps

FC confirmed that the recommendation will be considered by DESC immediately after this meeting.

5.   Any Other Business

JL highlighted that the timetable had been changed this year and asked for feedback on how this had worked in practise for the representatives.

APu welcomed the additional time to consider the analysis this year. The Workgroup concurred that this year's timing had worked really well, allowing sufficient time for consideration and responses.

6.   Diary Planning

Further details of planned meetings are available at: http://www.gasgovernance.co.uk/Diary

DESC and DESC Technical Workgroup Meetings 2017

Time/Date	Venue	Meeting	Programme
10:00, Wednesday 26 July 2017	Xoserve Limited, Lansdowne Gate, 65 New Road, Solihull, B91 3DL	**DESC**	- Review industry representations - Seasonal Normal Review - Current Weather Station review - Agree Ad hoc work plan - Communication of Key Messages
10:00, Wednesday	Solihull *(venue*	**DESC**	Ad hoc analysis progress and NDM

15 November 2017	*to be confirmed)*		sample update • Communication of Key Messages
10:00, Monday 11 December 2017	Solihull *(venue to be confirmed)*	**DESC**	• Evaluation of Algorithm Performance for GY 16/17 • Communication of Key Messages