

UNC Demand Estimation Sub-Committee Minutes
Wednesday 26 July 2017
via Teleconference

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Rebecca Hailes (Secretary)	(RHa)	Joint Office
Charlotte Bantleman	(CB)	Total Gas & Power
Jason Blackmore	(JB)	British Gas (member)
Fiona Cottam	(FC)	Xoserve, Alternate for Joanna Ferguson
Hilary Chapman	(HC)	SGN (member)
John Welch	(JW)	Npower - Alternate for Fiona Speak
Joseph Lloyd	(JL)	Xoserve
Mandeep Pangli	(MP)	Xoserve
Andy Smith	(AS)	British Gas
Shiv Singh	(SS)	Cadent - Alternate for Chris Warner
Rob Wigginton	(RW)	WWU (member)
Tony Davey	(TD)	SSE (member)
Sallyann Blackett	(SB)	E.ON (member)

Copies of papers are available at: <http://www.gasgovernance.co.uk/DESC/260717>

1. Introduction and Status Review**1.1. Apologies for absence**

Chris Warner (Cadent)

Dean Pearson (Northern Gas Networks)

Fiona Speak (RWE npower)

Joanna Ferguson (Northern Gas Networks)

Martin Attwood (Xoserve)

1.2. Note of Alternates

John Welch (RWE npower) for Fiona Speak, Shipper

Fiona Cottam (Xoserve) for Joanna Ferguson, Transporter

Shiv Singh for Chris Warner, Transporter.

1.3. Review of Minutes (10 July 2017)

The minutes of the previous meeting were approved.

1.4. Review of Actions Outstanding

DESC 0701: Xoserve to provide an update on the NDM data sample size and how much Shipper data is being obtained at the November meeting, with a view to considering a Cross Code Modification if deemed necessary.

Update: SS asked where the criteria setting out sample sizes could be found in UNC, what were the obligations? FC advised the criteria can be found in Section H. Carried Forward to November. **Carried Forward**

DESC0702: Xoserve to confirm what validations are undertaken for Nominations entered

into Gemini.

Update: FC confirmed that there are validations in operation which have as their consequence a warning flashing up to the control room. Some erroneous nominations were input in July which caused a message to flash up that they were clearly wrong and could have had significant impacts on allocations. The control room took action with the relevant shipper to get them corrected. **Closed**

2. 2017/18 NDM Algorithms - Response to Industry representations

DESC Members were asked to approve the Non-Daily Metered (NDM) Demand Estimation proposals for this year following confirmation that no representations were received from the industry. DESC members unanimously approved the proposals.

Following this approval, Xoserve will inform industry participants, publish the proposals and update key systems with the derived factors for 2017/18.

Slide 6 of the presentation highlighted where Demand Estimation data can be found on the Xoserve SharePoint secure website under folder 18, specific gas year folder. The final NDM proposals which have been reviewed are to be found under folder 3, specifically a and b.

3. Seasonal Normal Review

MP explained that the Seasonal Normal review process has two strands:

1. Reviewing the Composite Weather Variable (CWV) formula; and
2. Reviewing the Seasonal Normal values of CWV.

If DESC determined that a new Climate Change Model were to be used as an input to the Seasonal Normal values, this would need approval from the DSC Change Management Committee.

In terms of the Seasonal Normal Value of the Composite Weather Variable (SNCWV), there is no fixed interval for reviewing this in Code, but it is traditionally done every 5-6 years (see TPD section H). Slides 4 and 5 reviewed the steps for a review of SNCWV and how it should be done. Slide 6 gave some background on the Climate Change Model (CCM) and its introduction through Modification 0330 during 2012. There is no UNC obligation for Xoserve to update the CCM – it was a one-off obligation on the Gas Transporters under Modification 0330. Slide 7 and 8 give details of the CWV Optimisation process. The datasets cover the period to December 2025, so could be re-used for the next Seasonal Normal review, if they are felt to still be appropriate.

The previous CCM project required approximately 21 months of work before implementation, including the tendering process. Slide 10 shows the key processes and their timescales. Analysis and a decision on the suitability of current CCM needs to be made by the next DESC/TWG meeting in November 2017. FC asked if anyone had been tracking updates in this area. JB offered to do some analysis to get a view. The Met Office developed the Climate Change Methodology and datasets, and adjusted temperature values were the deliverables, not CWV; FC offered to ask informally if any other analysis has been done or if new studies were available. SB suggested that the ranges are analysed to see if they are in-line with what has been seen and if these could be relied on in the future. FC confirmed that Xoserve has 4-5 years' worth of history and suggested that if it looks to be performing well, then another 5 years of the dataset supplied previously by the Met Office could be utilised. SB confirmed that if it looks viable, the group could then decide what period looks sensible. JL confirmed that there might need to be a restating to reflect a

new base year; FC confirmed that the dataset includes actual projected actual temperatures.

FC advised that as the previous CCM review was a one off exercise, a follow up study would need to be approved through the DSC Change process. BF advised that a DESC meeting prior to November would be required to ensure the DSC Change process was managed in sufficient time to allow the project to commence.

Xoserve will do the background analysis over the coming months and aim to be in a position for the group to make a decision later in the year as to whether to go to tender. Since approval is required from the DSC Change Committee, the decisions must be taken ahead of November 2017. Xoserve will organise an ad-hoc DESC t-con to discuss. All parties agreed.

New Action: Xoserve (FC) to update DESC members on results of analysis of suitability of current CCM and arrange an ad-hoc t-con if needed.

4. **Current Weather Station Review**

JL took the group through a list of the current Weather Stations organised by LDZ and asked for input from the group as to whether anyone had any intelligence on any issues that might form useful background. A Land Networks Report of weather station issues from the Met Office was briefly shown on screen and discussed. The group said that there was nothing felt to be new intelligence and nothing to suggest that any sites are any riskier. The group agreed to review this topic again in July 2018.

5. **Agree Ad hoc Work Plan 2017/18**

JL updated the group confirming that each summer DESC are asked to consider / review the work plan for the upcoming Autumn / Winter period. Both standard and any ad-hoc work items were examined. Two slides detailing work plans were shown; the group confirmed it was happy for a review for smoothing next year to be carried out. Post Nexus there was a request to look at Algorithm Performance with a view to developing a process to measure how the new algorithm is working. Following UK Link replacement, Xoserve is doing lots of work and analysis on UIG positions. For SN review 2020, the timetable means work needs to start now. SB asked if there was a timeline to review the actual algorithm; FC said there was no specific deadline, though it is on Xoserve's radar, work will potentially start with a look at Algorithm Performance

JL confirmed Xoserve has been keeping a log of requests; the last review was 26 July 2016 to plan and schedule items for autumn/winter 2016 (these work items are detailed in the appendix of the presentation shown)

SB felt that it was too soon for TWG 25/6/14 to be undertaken. JL confirmed item XOS 26/07/17 was recently added.

JL confirmed that Xoserve was seeking views on the plan contained in slide 10. SB was keen to look at WAR bands. JB asked and FC confirmed that Algorithm Performance would be examined, using rolling AQ where appropriate. JB confirmed that focus on UIG is useful as was a focus on feedback into the algorithm. TD suggested that the work to do with UIG probably had a higher priority, but weather correction of WAR bands was still worth looking at.

The group confirmed that they were happy for Xoserve to go ahead with its 4 recommendations on slide 10.

6. Communication of Key Messages and to which fora

FC confirmed the full title of this section should cover discussion and agreement of communication of which messages and to which fora. The group agreed that the algorithms are now approved and finalised and this message can go into the JO newsletter to be published next week.

7. Any Other Business

7.1. Weather data getting across to MIPI

FC reported some small issues with weather data getting across to MIPI (National Grid's Data Item Explorer system). There were some issues in June with incorrect actuals; they have been corrected. Over the last few days there have been small problems with forecast measurements not getting through to MIPI at the right times.

Forecast CWV values are calculated approximately four times before the day and four times within the day. They are calculated in UK Link, sent to Gemini and are now used in calculating Nominations; they are also sent across to MIPI. If data doesn't get to MIPI at the right time, MIPI wouldn't quite match. It is not simple to introduce replacement data in MIPI, the group needed to discuss whether this was needed. The discrepancy would be a value showing on MIPI which was from 4 hours earlier instead of the current one; MIPI isn't reflecting what Gemini has actually used. The group agreed that there was no need to correct anything in MIPI relating to forecast CWVs.

8. Diary Planning

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

DESC and DESC Technical Workgroup Meetings 2017

An interim t-con relating to Seasonal normal maybe required, this will be communicated if needed.

Time/Date	Venue	Meeting	Programme
10:00, Tuesday 21 November 2017	Solihull (<i>venue to be confirmed</i>)	DESC	<ul style="list-style-type: none">• Ad hoc analysis progress and NDM sample update• Communication of Key Messages
10:00, Monday 11 December 2017	Solihull (<i>venue to be confirmed</i>)	DESC	<ul style="list-style-type: none">• Evaluation of Algorithm Performance for GY 16/17• Communication of Key Messages

DESC Action Table (as at 26 July 2017)					
Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
DESC0701	10/07/17	1.4	Xoserve to provide an update on the NDM data sample size and how much Shipper data is being obtained at the November meeting, with a view to considering a Cross Code Modification if deemed necessary. Update: The criteria can be found in Section H.	Xoserve (FC)	Carried Forward
DESC0702	10/07/17	5.1	Xoserve to confirm what validations are undertaken for Nominations entered into Gemini.	Xoserve (FC)	Closed
DESC0703	26/07/17	3.0	Xoserve (FC) to update DESC members on results of analysis of suitability of current CCM and arrange an ad-hoc t-con if needed.	Xoserve (FC)	Pending