

#### **Demand Estimation Sub Committee**

3.0 Seasonal Normal Review 2025

05<sup>th</sup> October 2022

# **Objective**

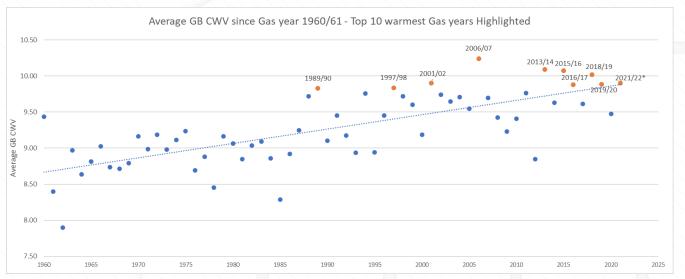
- Present the proposed timeline and next steps in obtaining a new Climate Change Methodology (CCM)
- To gain DESCs approval to proceed with the acquisition of a new CCM for use in the review of the Seasonal Normal Composite Weather Variable basis.

#### **Background**

- DESC are responsible for a number of obligations in Section H of UNC, amongst them are the requirements to:
  - Review the Composite Weather Variable (CWV) (H 1.4.3) and
  - Review the Seasonal Normal equivalent referred to as the SNCWV (H 1.5.3)
- Reviews of the CWV formula and Seasonal Normal basis are normally only carried out by DESC every 5 years due to the time taken to perform the review and the need for stability. This would mean the next Seasonal Normal basis is scheduled to take effect from 1st October 2025
- DESC have the option of using a 'Climate Change Methodology' (CCM) to adjust historical weather data when deriving the Seasonal Normal basis – (H 1.4.6)
- In 2012, following a tender process, DESC procured a Climate Change Methodology (CCM) document and associated datasets from the Met Office.
- The latest DESC review derived a new CWV formula and new basis for the Seasonal Normal, which both came into effect from the 1st October 2020
- Adjustments were performed on historic Temperature data to remove the effects of climate change, while still preserving year on year variability for the seasonal normal calculation

### **Weather Analysis**

 Following analysis presented to <u>DESC on 19th July</u>, 2022 has continued to be one of the warmest years on record, with England experiencing the <u>joint hottest summer</u> on record.

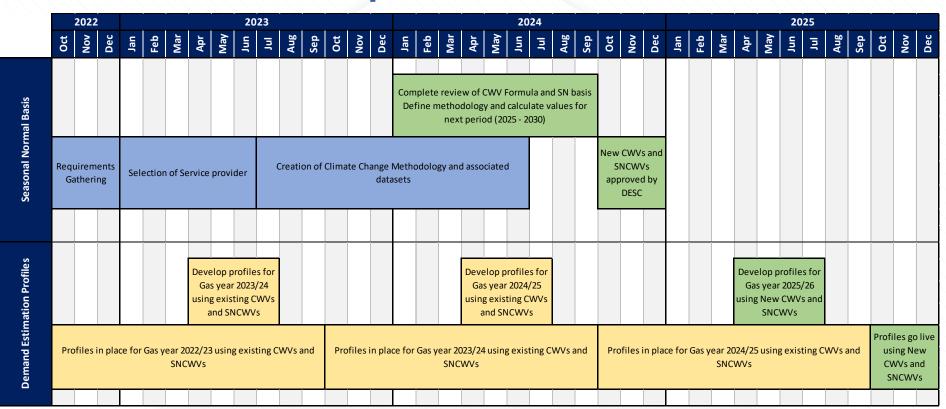


Eight of ten
 warmest Gas
 Years in CWV
 history have been
 experienced since
 2000/01, with six
 of those years
 occurring since
 Gas Year 2013/14

Analysis presented here and in July suggests a revised CCM is required. DESC views?

<sup>\*</sup> Gas Year 2021/22 Excludes data from Sept'22 at time of creation, set to increase average GB CWV once September is added

#### **Proposed Timeline**



New CCM
Current CWV / SNCWV Basis
New CWV / SNCWV basis

## **Next Steps**

- 05<sup>th</sup> October Pending DESC approval to proceed with purchase of new CCM the following will be enacted
- 28<sup>th</sup> October A Change Proposal will be drafted by Correla/ Xoserve
- 09<sup>th</sup> November Change proposal presented by Xoserve to seek approval by Change Management Committee (ChMC)
- Q4 2022 Once change has been approved at ChMC, DESC will be consulted for requirements gathering phase, including confirmation of Technical Workgroup experts
- Q1/2 2023 Xoserve begin procurement process by inviting potential vendors to express interest in producing a CCM