

DEMAND ESTIMATION SUB COMMITTEE

Minutes

Monday 14th November 2005

51 Homer Road, Solihull

Attendees

Tim Davis		(TD) Joint Office
Dennis Rachwal		(DR) Joint Office
Craig Shaw		(CS) BGT
Dean Johnson		(DJ) xoserve
Jacqueline Clark		(JC) Scottish Power
Jonathan Aitken		(JA) RWE npower
Julie Round	(member)	(JR) RWE npower
Mo Rezvani	(member)	(MR) SSE
Peter Osbaldstone	(member)	(PO) National Grid NTS
Phil Brown	(alternate)	(PB) National Grid UKD
Sallyann Blackett		(SAB) xoserve
Steve Taylor	(member)	(ST) BGT
Thomas Bradbury		(TB) Ofgem

1. Status Review

The minutes from 19th September 2005 were accepted.

2. Changes of Weather Stations

a. Wales South LDZ

Further to brief discussion by the Sub-Committee on 25-Jul-05, xoserve (SAB) confirmed that Cardiff weather station will cease operating early in 2006 and it was proposed to use transformed data from St Athan weather station (located about 18 miles to the west). The Met Office had agreed to provide transformed data to assist continuity in this gas year 2005/6. A new Composite Weather Variable could be derived and used for Gas Year 2006/7.

xoserve (SAB) presented analysis comparing 7 years of weather history for St Athan with Cardiff data. Graphs and associated algorithms showed close correlation for daily temperature. For daily wind speeds there was more scatter. In discussion it was accepted that the wind speed had a much smaller impact on gas demand and therefore did not create significant concern.

Similarly National Grid NTS (PO) referred to the note circulated 8-Nov-05 showing correlation of hourly temperatures and wind speeds and again no concerns were raised about the use of these for within-day balancing purposes.

The Committee thus agreed the proposals for managing the impact of this change of weather station.

b. London weather station

xoserve reported it had received advance notice (12-18 months) of potential closure of the central London weather station. This was presently used for North Thames, South Eastern and Eastern LDZs. Existing weather stations at Northolt and Heathrow Airport were candidate replacements if the need arises.

c. General discussion on Met Office triggered weather station changes

PO confirmed that National Grid had responded to the recent Met Office consultation to highlight the needs of gas and electricity demand estimation processes.

CS enquired what provisions Transporters have for managing the risk of Met Office triggered weather station changes, expressing concern about the impact if no nearby weather station were available.

Some attendees understood there has been some information published about the intent behind closures / proposed closures which may include aiming for greater stability.

SAB reported that one transporter had considered establishing their own weather stations as a possible strategy.

TB indicated that Ofgem might explore energy industry impacts with the Met Office or other appropriate parties.

Action National Grid NTS (PO) to report on the nature of contractual control between National Grid and the Met Office to assist evaluation of this risk arising from closure of weather stations.

Action xoserve (SAB) to assist risk evaluation by reporting on the published programme of potential Met Office closures and whether there was a trend in the churn of weather stations.

3. Annual end of gas year performance evaluation (WCF / SF strand)

Further to the paper circulated 8-Nov-05, xoserve (SAB) presented sample data and a synopsis of the evaluation of WCF and SF strands of Algorithm performance. Differences between WCF – EWCF were small as was SF variation. The analysis was consistent with aggregate NDM load being slightly too high across the gas year in some LDZs. There was a known effect of Supply Points assigned to wrong LDZs, which particularly impacted Wales North LDZ, and shippers have been working in partnership with xoserve to improve this.

In response to a query SAB stated that the average SF in the tables presented was not flow weighted and accepted it might be helpful to present flow weighted average in future. There was also a case for excluding Wales North from the average whilst there was a known Supply Point issue.

SAB argued there were no major issues and proposed no major changes to analysis for 2006/7. This was agreed by the Committee.

4. Demand attribution replication for gas year 2004/5

xoserve (SAB) presented extension of the March analysis of 2004/5 through to the end of the gas year (i.e. September 2005). The analysis aimed to seek out changes arising from adoption of new season normal weather. AQs were adjusted to the new basis by using factors computed from smoothed EUC models. The data showed, as would be expected, some perturbation for the unusual weather period in July – e.g. tornado in Birmingham.

MR observed there appeared to be small, systematic underestimation for summer and SAB responded that the analysis showed some improvement from the past and argued that further improvement might be expected for future years as a result of changes already made.

In terms of model performance for weekend effects, there was discussion as to whether model development was keeping pace with changes in consumer behaviour and debate as to whether the whole history of NDM data (i.e. since 1996) was relevant or perhaps just the last 5 years. SAB agreed to consider these points for future analysis.

MR expressed some concern about the transparency of the models, but others had a contrary view. No attendee expressed concern about the accuracy.

MR felt there might be alternative modelling approaches worth considering out with those in the present UNC.

Action SSE (MR) to present concepts for alternative demand estimation modelling including potential advantages to January DESC meeting.

5. Schedule of Planned Future meetings

12 December 2005	Elexon, 350 Euston Road, London
23 January 2006	venue tbc
5 June 2006	Elexon, 350 Euston Road, London
24 July 2006	venue tbc