

Mod 280 – Review of Demand Estimation section H Processes and Responsibilities

Annual process:

Methodology development

Industry nominates a group of experts across Shipper and Transporter organisations. *(Note: Annual basis/replacement as experts leave/set group with requests for additional reps? Do we need a minimum composition?)*

These representatives develop a methodology for undertaking any profile analysis, agree sample sizes and sample composition. The methodology is to incorporate all statistical techniques to be used and any criteria for decision making through the analysis process. *(Note: Expect criteria to state what would constitute a significant result and what would be used if results were not significant).*

Any decisions that arise during the analysis to be referred back to the expert group for determination. *(Note: timescales for responses would be needed here).*

On an annual basis the expert group will review the methodology and make any necessary changes. *(Note: This is referring to the regular schedule of profiles and load factors not any non-annual processes).*

The expert group will assess who should undertake the analysis and agree access to data if necessary. *(Note: Given the review by Elexon of the electricity process there may be some merit in assessment of a single point of analysis for both gas and electricity profiles? May we require a tender process for the analysis?)*

Analysis

Analysis will be undertaken by a central team on behalf of the whole industry

During analysis the expert group should have access to analysis and the ability to discuss or query any decisions as the analysis progresses.

Any pragmatic determination of data manipulation or exclusions that has not been defined during methodology development will be referred to the expert group. *(Note: could we define a minimum number of responses that would allow speedy resolution to any issues raised?)*

All analysis should be made available to the expert group to enable replication if required. *(Note: This should enable queries to be based on solid analysis rather than raising multiple questions as now. This should allow better use of time and potentially speed up any implementation of change).*

Data

Determination of sample sizes, composition and location to be made by the expert group

The data from NDM samples is to be made available for analysis on a meter by meter basis. *(Note: This may need some data protection coverage – potentially using unique reference numbers?)*

Weather data is to be made available, historical data through a licence with the Met Office ongoing data with the current Transporter service provider.

Review of Output

Output from the analysis will be reviewed by the expert group to agree the outcome. *(Note: will need something here on pre-agreed criteria during methodology, plus timescales to ensure delivery to meet S&M requirements).*

Where issues are raised analysis may be repeated to ensure agreement of the outcomes. *(Note: Will need to mention that decisions will be based on optimising the allocation process not enhancing commercial advantage or market position of the participants).*

Sign Off Process

Following agreement from the expert group a summary of the analysis will be published to allow full consultation across the whole industry. *(Note: This could use the UKLink area as currently and would need appropriate timescales).*

Any questions raised by other industry members will be discussed by the expert group and impacts determined.

Following agreement and resolution of any issues raised the expert group will sign off the analysis and allow results to be implemented within Transporter systems. *(Note: If this is a formal sign-off we will need a process, timescales and minimum number of agreements to continue. Also need to determine what happens if we do not agree?)*

Demand Estimation Sub-Committee Membership and Voting Rights

Membership of DESC should include one member from any interested Shipper and one member from each Distribution Transporter. *(Note: What happens if this provides more Shipper reps than Transporters. Believe this is a distribution committee and therefore no Transmission rep required).*

DESC should be required to approve decisions by majority vote.

Deciding vote in the case of a tie should be by *(??? Not sure on this one)*

Where a member is unhappy with the outcome there should be a formal dispute process that would escalate the issue to expert determination *(could we use Elexon for this as they do the same for Electricity, or is there another expert? Could we identify potential experts for various areas, such as Met Office for weather issues?)*

Non-annual processes:

Including CWV review, seasonal normal review, ad-hoc analysis

CWV Definition and review

A variable should be defined that represents the effect of weather elements on demand. This should be reviewed by the expert group and analysis on composition of the variable undertaken as required.

On a regular basis that should not be longer than [5] years the expert group should review the CWV formula and recommend any changes to composition or parameters to the industry.

Both Transporters and Shippers should be able to recommend an earlier review where evidence can be provided that this is appropriate or where extreme weather is experienced.

Weather data used in the analysis should be available to the industry to enable replication of the analysis by interested parties. It should be clear who current providers are and how to obtain a licence to use the data.

Seasonal Normal CWV

The expert group should undertake analysis or be able to commission analysis from industry experts to assess climate impact on expected CWV levels. *(Note: How much do we need about who/what analysis?)*

Seasonal normal levels should be reviewed on a regular basis of no longer than [?] years or where there is evidence of significant climate change.

Where any changes are made the values should be available to Users and Transporters as soon as possible before the intended implementation. *(Note: Do we need a not later than.... clause here?)*