

UNC Workgroup 0659S Minutes
Improvements to the Composite Weather Variable
Wednesday 27 June 2018
at Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Carl Whitehouse	(CW)	First Utility
Chris Warner	(CWA)	Cadent
David Mitchell	(DM)	SGN (0654 only)
Fiona Cottam	(FC)	Xoserve
George MacGregor	(GMcG)	Utilitia
John Welch	(JW)	npower
Kirsty Dudley*	(KD)	E.ON
Louise Hellyer	(LH)	Total Gas & Power
Luke Reeves*	(LR)	EDF Energy
Mark Bellman	(MB)	Dataserve UK
Mark Jones*	(MJ)	SSE
Mark Palmer*	(MP)	Orsted
Mark Perry	(MPe)	Xoserve
Martin Attwood	(MA)	Xoserve
Megan Coventry	(MC)	SSE
Rhys Kealley	(RK)	Xoserve
Sallyann Blackett	(SB)	E.ON
Shaneeni Vekaria	(SV)	Utility Warehouse
Steven Britton*	(SBr)	Cornwall Insight

* *via teleconference*

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0659/270618>

The Workgroup Report is due to be presented at the UNC Modification Panel, 20 December 2018.

1.0 Outline of Modification

Kirsty Dudley (KD) introduced the modification and explained that, during the development of Modification 0644 – Improvement to nomination and reconciliation through the introduction of new EUC bands and improvements for the ALP and DAF, it was determined that enhancing the Composite Weather Variable (CWV) could require lengthy independent development compared to other aspects of that modification, therefore this modification has been raised to address the improvements to the CWV.

Reviewing the Solution section, KD explained that the intention is to bring additional stability to the modelling as to how the Demand Estimation process is put together. The task for today's meeting is to understand if there is anything that has been missed or anything that the Workgroup thinks they should or should not take forward.

Mark Perry (MP) asked for clarification on the scope of the modification. When comparing the Terms of Reference and the modification, it seems that the approach differs.

If the main purpose is to amend the CWV formula, then this would require just a SAP system change and hopefully lead to an improvement to the weather correction element of the NDM algorithm. A change to the Weather Correction Factor (WCF) itself would require system changes in SAP and Gemini.MP, clarifying that the need to improve the CWV should be undertaken first before assessment for WCF.

KD said that she has no preference as to which the better way is at the moment. MP added that the Terms of Reference (TOR) refers to amending the CWV leading to improvements in WCF, so that seems this modification is just for improving the CWV.

MP took the Workgroup through an onscreen presentation which covered:

- Initial thoughts based on the modification, and for those that don't attend DESC to give some basics;
- What CWV is; Why it is needed and DESC's role and the CWV;
- What CWV has in its formula;
- The current formula of the CWV;
- DESC's Review Timetable for CWV and SNCWV;
- High Level Timeline – Work to consider;

The next review and revision of the CWV formula is due to take place next year with any new arrangements taking effect from Gas Year 2020/2021.

Any conclusions this modification identifies should take into account the activities that are planned for the next DESC year.

MP confirmed that the new CWV's will be used during quarter 1 of 2020 which means by the end of 2019 Xoserve need to know what the values are going to be for 2020. The last completed review was 2014 where there was no change to the formula, but the parameters used within the formula were optimised.

Sallyann Blackett (SB) commented that cloud cover and rainfall definitely have an impact on how customers use their demand but the degree is difficult to understand at this time.

There may be a requirement to be able to select certain components depending on time of year. The algorithm currently used doesn't take in to account changing weather, there can be different behaviours for 2 days, same temperature but one sunny day and one cloudy day will induce different behaviours.

MP clarified that Xoserve do not have access to some of the data items, like cloud cover/rainfall, to be able to consider completing some of the analysis.

Some participants asked where this modification would best sit, i.e. DESC/UIG Taskforce/should it be a modification/should it be just within the remit of DESC.

FC mentioned there is the potential for this analysis to be looked at as part of the UIG Taskforce

Finalising a modification could take 4 months, Xoserve would need the funding to procure this which could take 6-9 months, there is a potential to use the change proposal route.

When discussing options for this analysis, reference was made to a previous initiative called the EP2 project, which was set up by a group of Shippers working alongside the Met Office.

For further reading, please see the minutes published here:

<https://www.gasgovernance.co.uk/dist/110509>.

New Action 0601: All attendees to provide to the Workgroup any examples of certain weather conditions where the CWV does not work quite as well in the Xoserve/Industry models.

RK asked for more information on the Centrica analysis from the DESC meeting held 23 May 2012. MP explained this was part of discussions held by DESC when finalising its view on the most appropriate NDM Algorithm to use in the post Nexus arrangements several options were put forward and British Gas option C was one of the proposals considered.

2.0 Initial Discussion

2.1. Issues and Questions from Panel

Panel have asked for the Workgroup to consider an earlier implementation where possible.

2.2. Initial Representations

None received.

2.3. Terms of Reference

The Workgroup reviewed the TOR and a live onscreen update was made which will be published here: <https://www.gasgovernance.co.uk/0659/>

3.0 Next Steps

Without access to long term data, RK suggested some time could be saved by investigating any similar published information.

4.0 Any Other Business

None.

5.0 Diary Planning

Further details of planned meetings are available at: <https://www.gasgovernance.co.uk/events-calendar/month>

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
10:00 Tuesday 31 July 2018	Radcliffe House, Blenheim Court Warwick Road Solihull B91 2AA	Detail planned agenda items.
10.00 Tuesday 28 August 2018	Radcliffe House, Blenheim Court Warwick Road Solihull B91 2AA	Detail planned agenda items.
10.00 Wednesday 03 October 2018	Radcliffe House, Blenheim Court Warwick Road Solihull B91 2AA	Detail planned agenda items.
10.00 Wednesday 31 October 2018	Radcliffe House, Blenheim Court Warwick Road Solihull B91 2AA	Detail planned agenda items.

Action Table (as at 27 June 2018)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0601	27/06/18	1.0	All attendees to provide to the Workgroup any examples of certain weather conditions where the CWV does not work quite as well in the Xoserve/Industry models.	All	Pending