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Demand Estimation Sub Committee

DESC Workplan Update
October '24 to March '25
8 October 2024

DESC Workplan Update

OVERVIEW

Demand Estimation Cycle



- An overview of the Demand Estimation process and output can be found [here](#)
- Annual modelling cycle of activities are represented in diagram opposite
- This presentation relates to the Model Review phase of the Demand Model cycle

CDSP / DESC Obligations and Timetable: October 2024 to September 2025

Milestone	UNC H Ref	2024			2025								
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
DESC Membership confirmed	1.12	✓											
NDM Sampling: Data Collection and Validation	1.6	✓						✓					
NDM Algorithm Performance for Gas Year 2023/24	1.8			✓								✓	
DESC Ad Hoc Workplan	1.7	✓		✓			✓				✓		
DESC Modelling Approach – EUCs and Demand Models	1.7			✓			✓						
Single Year EUC Demand Modelling	1.7								✓				
Model Smoothing and Draft Gas Demand Profiles	1.7									✓			
Industry Consultation	1.8									✓	✓		
Gas Demand Profiles finalised and Core systems updated	1.9											✓	
Seasonal Normal Review 2025	1.4	✓	✓	✓			✓		✓		✓		

Objectives

- To provide an update on the progress of the workplan items agreed with DESC at the July meeting and when to expect updates
- In addition to the standard workplan items (covered on the following slides), the following ad hoc workplan item was agreed at the meeting:
 - Exploratory analysis of EUC 01BNI

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STANDARD WORKPLAN ITEMS

Autumn Winter 24/25 Standard Workplan Items (1 of 2)

- NDM Algorithm Performance for Gas Year 2023/24: To be reported at December '24 DESC
 - Strand 1 – Weather Analysis
 - Strand 2 – Unidentified Gas (UIG) Analysis
 - Strand 3 – NDM Daily Demand Analysis
 - Strand 4 – Reconciliation Analysis*

*Note: Strand 4 has not been reported on before. It may be worthwhile using Reconciliation data, trends and outcomes to learn about the performance of the NDM Demand Profiles. This would require an approach which removed differences in actual and allocation that are not demand profile related e.g. out of date AQ

- Modelling Approach 2025 – Agreement on methodology for deriving Demand Profiles for Gas Year 2025/26: To be reported at December '24 and March '25 DESC
- Managing Daily Gas Consumption Data submissions – update on current status of sample data (DN's sample and eligible Shippers): To be reported at November '24 DESC

Autumn Winter 24/25 Standard Workplan Items (2 of 2)

- Seasonal Normal Review 2025: DESC is due to conclude the various strands of activities in readiness for October 2025
 - Climate Change Methodology (CCM): To be reported at October '24 DESC
 - Finalisation of CCM output (report and data)
 - Composite Weather Variable (CWV) Review: To be reported at October '24 DESC
 - Complete CWV Optimisation for all LDZs
 - Seasonal Normal Composite Weather Variable (SNCWV) Review: To be reported at November and December '24 DESC
 - Calculate SNCWV using CCM output and optimised CWV formula parameters
 - Timetable for updates to historical demand models/profiles: To be reported at March '25 DESC
- Supporting upgrades in the UK Link Weather API, used to poll weather data for Demand Estimation processes - expected in Q4 of 2024: To be reported at December '24 DESC

NDM Sample Update

- The latest deadline for eligible Shippers* submitting daily gas consumption data for a sample of their portfolio, to support the NDM Algorithm Performance Strand 3 process, is close of play Monday 7 October
 - * eligible Shippers as per UNC Modification 0654S and explained further [here](#)
- Following reporting at Performance Assurance Committee (PAC) and follow ups by the PAFA, eligible Shippers have been engaged to encourage submissions. In addition, following recent interactions with the CDSP's Demand Estimation team and submissions received to date we are expecting a healthy number of supply points to be available for Strand 3 Analysis
- A new NDM sample Service Provider for Cadent, Northern Gas Networks and Wales & West Utilities was implemented in April 2023, and the number of 'contributing' sites in the DNs sample has increased
 - We now have a full 12 months of data from these sites to use in our Demand Estimation processes

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AD HOC WORKPLAN

Autumn Winter 24/25 Ad Hoc Workplan

The following item was agreed at the July DESC for this year's Ad Hoc Workplan:

- Objective – Due to inconsistent Algorithm performance, perform a deep dive into EUC 01BNI to better understand nature of meters and drivers of inconsistency:
To be reported at March '25 DESC
- Areas to investigate:
 - Accuracy of the Market Sector Codes and Payment types
 - Comparison of profiles by LDZ and similar bands and characteristics
 - Comparison of modelling Sample Data and Algorithm Performance Sample Data – are both samples representative of the population?

Autumn Winter 24/25 Ad Hoc Workplan

- By looking at the address information we can:
 - See if a company name has been provided e.g. are they business addresses or residential
 - Look at the Market Sector Codes of other meters in the same postcode to see if they are primarily business or residential areas
 - See if we are picking up unrepresentative volumes of a particular industry e.g. when we were getting a high volume of schools in the sample it skewed the profile
- By looking at Meter History for individual meters we can:
 - See how they have changed over time, e.g. are they changing Market Sector Code and Payment Type often?
- By looking at the individual 3 years that have gone into the modelling, we can:
 - See if behaviour in this EUC has changed over time, and if this is a driver for the inconsistent performance
 - See if the Modelling Sample data and Algorithm performance sample data are an accurate representation of the population