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Demand Estimation Sub Committee

AQ Movement Summary

8 October 2024

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Background

- It is a responsibility of DESC to set EUC definitions as set out in UNC Section H:

1.7 Development of Demand Models and End User Categories

1.7.1 For each Gas Year, the Committee will, in accordance with paragraphs 1.8 and 1.9, develop or revise for each LDZ:

(a) definitions of a number of End User Categories for the LDZ;

(b) a Demand Model for each such End User Category.

- It was raised at DESC in 2023 that the number of Meter Supply Points in higher EUC bands has been reducing, as has the average AQ
- Whilst there is little appetite to amend the EUC boundaries, DESC members (at July 2024 meeting) requested a summary of how the AQs and Meter Supply Point counts have changed over time

Objective

- Provide analysis of historic AQ movement across EUCs, with focus on higher Bands
- This analysis focusses on annual snapshots of Meter Point counts and AQ data for the period April 2018 to April 2024

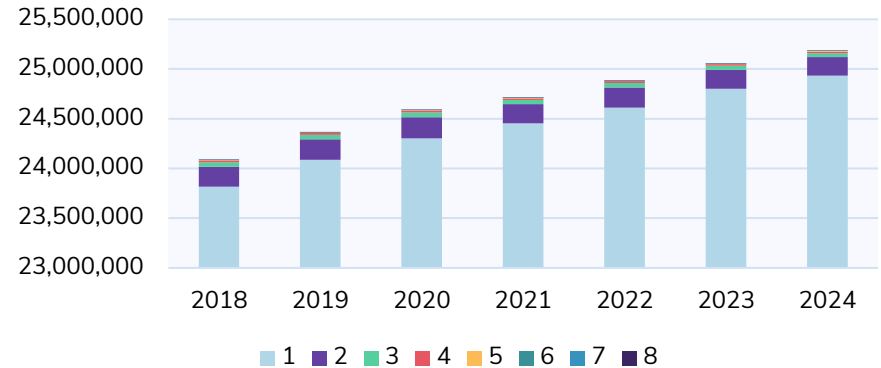
Point to Note:

- UNC Workgroup 0879R is reviewing the current Supply Meter Point Classes (Class 1, 2, 3 and 4)
 - The outcome of this workgroup may raise modifications that could change the NDM / DM mix

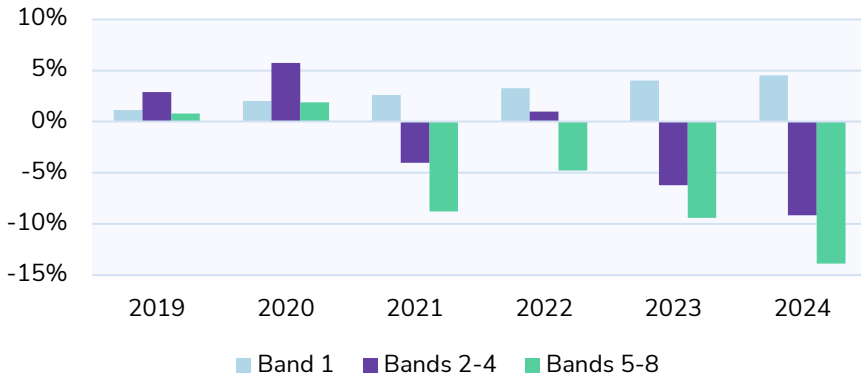
Analysis – Meter Points

- The total Meter Point count has increased year-on-year
- This is largely driven by an increase in the Domestic Band 1 EUC

Meter Points by Consumption Band



Change in Meter Points compared to 2018

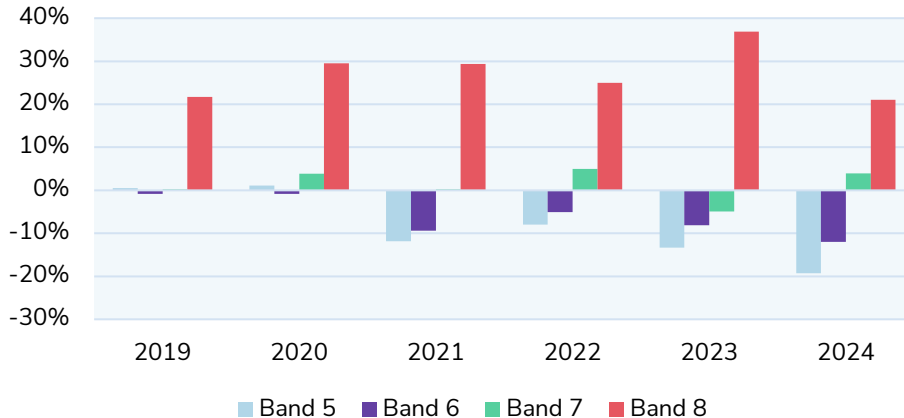


- Band 1 Meter Point count has increased year-on-year
- Bands 2 -4 counts are more varied and the Meter Point count in 2024 is 9% lower than in 2018
- Bands 5-8 are also more varied however counts are lower than 2018 for the past 4 years

Analysis – Meter Points Bands 5-8

- Band 5 Meter Point count has fallen for the past 4 years in a row and is now 19% lower than in 2018
- Band 6 has seen similar, albeit smaller movements, 2024 count is 12% lower than 2018
- Band 7 is largely unchanged over the period, with 2024, 4% higher than 2018
- Band 8 has the largest change in Meter Point count, rising in 2019 and remaining over 20% higher than 2018 since

Change in Meter Point count compared to 2018



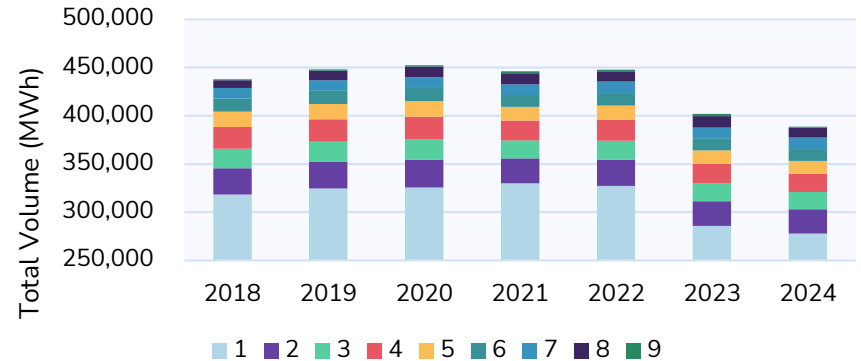
Meter Point Count for all Years

EUC	2018	2019	2020	2021	2022	2023	2024
5	4,712	4,735	4,764	4,148	4,380	4,129	3,915
6	1,525	1,512	1,513	1,383	1,455	1,407	1,356
7	539	540	560	540	566	511	559
8	203	247	276	284	274	304	267

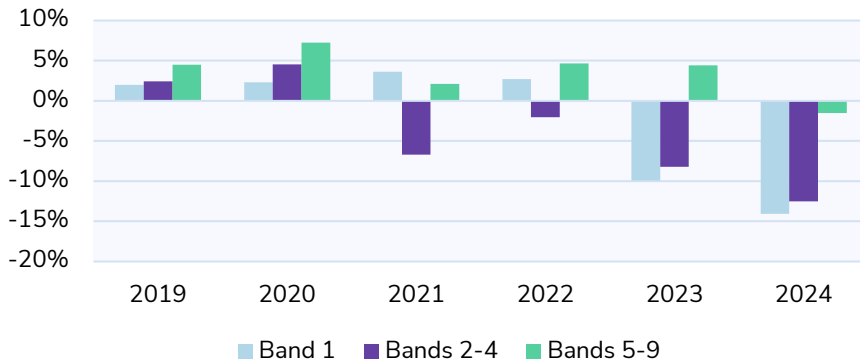
Analysis – Total AQ

- The Total AQ changed very little between 2018 and 2022
- 2023 saw a significant fall in AQ due to energy conservation, as a result of increased energy prices

Total AQ by Consumption Band



Change in Total AQ Compared to 2018

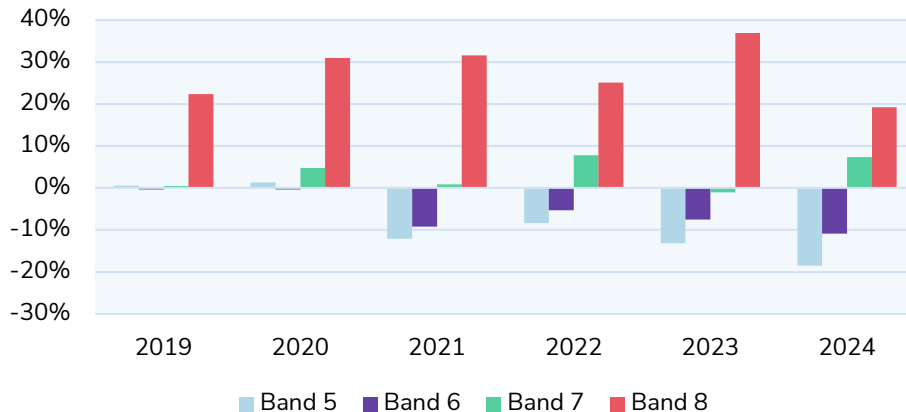


- The Total AQ was most reduced for Small NDM EUCs (Bands 1-4)
- This was over 10% lower compared to 2018 despite a 5% increase in the Meter Point count

Analysis – Total AQ Bands 5-8

- The Total AQ movements are similar to the Meter Point count movements
- Band 5 was 19% lower than April 2018 in April 2024
- Band 6 was 11% lower than 2018 in 2024
- Band 7 was 7% higher (Meter Point count was 4% higher so average has increased)
- Band 8 was 19% higher in 2024 compared to 2018

Change in Total AQ Compared to 2018



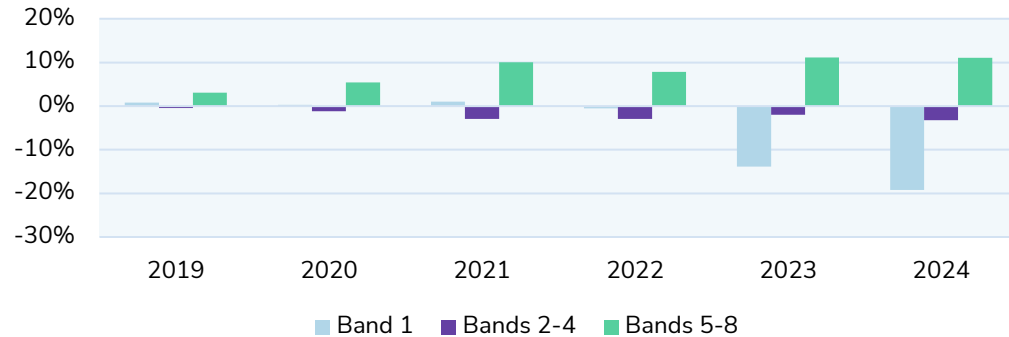
Total AQ (MWh) for all Years

EUC	2018	2019	2020	2021	2022	2023	2024
5	15,978	16,061	16,191	14,015	14,809	14,024	13,381
6	13,691	13,639	13,644	12,440	13,030	12,714	12,309
7	10,895	10,949	11,415	10,993	11,754	10,774	11,683
8	7,997	9,786	11,025	11,476	10,875	12,014	10,304

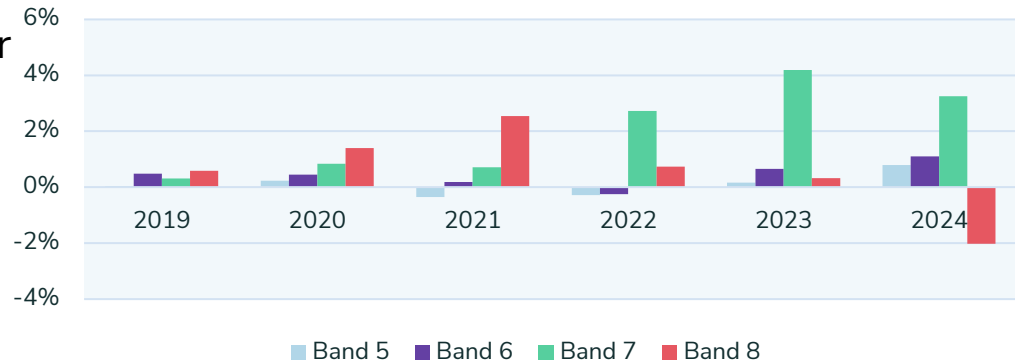
Analysis – Average AQ

- The average AQ for Band 1 was steady between 2018 and 2022
- There was a significant fall in average AQ in 2023 and a smaller reduction in 2024, ending around 19% lower than 2018
- Bands 2-4 average AQ fell a little in 2019 and 2022 but have held steady since then around 3% lower than 2018
- Bands 5-8 movements are much smaller than the other Bands:
 - Bands 5 and 6 average AQ is 1% higher for 2024 compared to 2018
 - Band 7 is 3% higher and Band 8 is 2% lower for 2024 compared to 2018

Change in Average AQ Compared to 2018



Change in Average AQ Compared to 2018
(Bands 5-8)



Conclusion

- Bands 5-8 Meter Point count is 14% lower now than in 2018, average AQs have remained similar
- Band 1 Meter Point count has grown over the same period; however, this band had the biggest decrease in average AQ in 2023 due to the increased cost of energy
- We produce 338 unique models, 143 (42%) of which are for Bands 5 to 8
- The population in the higher EUC Bands are more likely to have their own site-specific consumption profile (e.g. Flexible Power Generation) and therefore harder to provide suitable models
- This is compounded by the low Meter Point counts in the population and even lower sample counts we receive