



**DSC Contract Management Committee
October 2020**

Action Update 0901

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- Xoserve (FC/ASz) to provide a view on the possible use of Machine Learning for the NDM Algorithm and the next steps of engagement
- Part 1 – Possible use of Machine Learning for the NDM Algorithm – please see previous presentation (March 2020 meeting):
 - <https://www.gasgovernance.co.uk/sites/default/files/ggf/2020-03/2.4%20UIG%20TaskForce%20%28supporting%20Information%20Machine%20Learning%20Options%20Overview%20%28paper%202%20of%202%29.pdf>
- And paper tabled for September 2020 meeting (gave rise to this action):
 - <https://www.gasgovernance.co.uk/sites/default/files/ggf/2020-09/4.1%20UIG%20Task%20Force%20DE%20Machine%20Learning%20Options%20v1.1.pdf>

Part 2 – Next Steps – NDM Algorithm Consultation

- Following approach gained support at Demand Estimation Sub-Committee on October 5th:
 - CDSP to initiate an ‘early consultation’ to assist DESC in understanding the wider industry views on the future of the NDM Algorithm/NDM Sector
 - This approach should help confirm the scope and therefore avoid wasted effort
 - CDSP will develop a set of questions to tease out:
 - Importance of the Annual Load Profiles & Daily Adjustment Factors
 - Appetite for scale of change – any “red lines”
 - Future of the NDM Sector – size and timelines
 - Linked to the paper presented to September Contract Mgmt Committee
 - CDSP to host virtual ‘Launch event’ scheduled at the time of publication of questions
 - All industry sectors provided with 3-4 weeks to provide responses to questions
 - Analysis of responses and conclusions to be published and reviewed at Distribution Workgroup and DESC with an aim to complete this by the end of the year
 - Industry responses are likely to lead to a UNC Review Group to evaluate options and develop an implementation plan – also determine need for any UNC Modifications
 - This Review Group would complement the “Review of the NDM Algorithm” which is a DESC obligation every three years