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## Demand Estimation Sub Committee

NDM Algorithms Update - Gas Year 2023/24

4 October 23

# Objective

- Review summary of activities carried out since DESC's final approval (at its last meeting in July), associated with the new NDM Algorithms for Gas Year 2023/24
- Reflect on the impacts of NDM Demand Estimation to Unidentified Gas levels for Gas Year 2023/24

# NDM Algorithms Update 2023/24

## July

- Industry advised DESC had voted to formally approve Gas Demand Profiles
- Ofgem informed that DESC had concluded this year's process
- Xoserve.com updated with ALPs, DAFs and PLFs (i.e. available in the public domain)

## August

- UK Link system updated in readiness for AQ, SOQ and Read Estimation calculations
- Gemini system updated in readiness for NDM Nomination and Allocation calculations
- EUC Definitions (incl. unique 5-digit no.) provided to Customers on 24<sup>th</sup> August 2023

## September

- News article shared with customers summarising this year's process, including a reminder of new Unidentified Gas (UIG) Weighting Factors

## October

- New Gas Demand Profiles Go-Live (first use 30th September for D-1 Nominations run)

# Reminder: Where to find Demand Estimation Data

Folder Structure on Secure Website, links to secured area and access request form can be found by following this [link](#)

## 18. NDM Profiling and Capacity Algorithms

### 2023-24 Gas Year

#### 1 Modelling Approach

#### 2 Demand Estimation Sample Data

#### 3 Demand Estimation Parameters

##### a End User Categories and Derived Factors

##### b Demand Model Supporting Files

#### 4 NDM Algorithms Booklet

- Folders highlighted in green will contain the final NDM proposals for Gas Year 2023/24
- The NDM Algorithms Booklet (summary of the end-to-end modelling process) is available in folder 4

# Look Ahead

- Last year we raised the issue of significant over allocation of NDM demand, primarily due to the failure of AQs to keep up with falling consumption
- Whilst the fall in average AQ has levelled in recent months, there are still c. 1.7m supply points without an AQ update since before 1<sup>st</sup> October 2022, so there is a good chance these will also have lower AQs when reads are received
- This indicates that an **over estimation of NDM demand** at Allocation (D+5) is **likely to continue** into the new Gas Year. This will in turn contribute towards **negative UIG continuing** but probably not to the same extent as seen in the last Gas Year
- For more information please see the Demand Estimation news article on the Xoserve website [here](#)