Demand Estimation Sub Committee

2020/21 NDM Algorithms
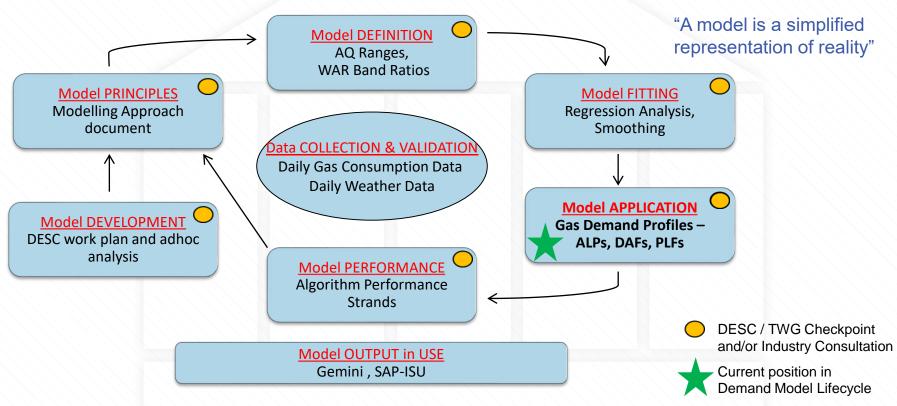
2.1 Review Industry Representations

22nd July 2020

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1: Background - EUCs and Demand Model Lifecycle

The purpose of the EUC Demand Model is to represent the behaviour and reactions of the EUC Population

"A model is a simplified representation of reality"

Model DEFINITION
AQ Ranges,
WAR Band Ratios

Model PRINCIPLES
Modelling Approach document

Model FITTING
Regression Analysis,
Smoothing

Data COLLECTION & VALIDATION
Daily Gas Consumption Data
Daily Weather Data

Model DEVELOPMENT
DESC work plan and adhoc analysis

Model APPLICATION
Gas Demand Profiles – ALPs, DAFs, PLFs

Model PERFORMANCE
Algorithm Performance Strands

Model OUTPUT in USE
Gemini , SAP-ISU

DESC / TWG Checkpoint and/or Industry Consultation

Current position in Demand Model Lifecycle

1: Background - Timetable of Key Checkpoints for 2020

High Level View of Demand Estimation Timetable 2020 - Key Checkpoints												
PHASE	**JAN'20**	**FEB'20**	**MAR'20**	**APR'20**	**MAY'20**	**JUN'20**	**JUL'20**	**AUG'20**	**SEP'20**	**OCT'20**	**NOV'20**	**DEC'20**
1. MODEL PRINCIPLES	░░	░░										
Modelling Approach 2020 Approved (DESC)		10th Feb										
2. Data COLLECTION & VALIDATION		░░	░░	░░								
Daily Gas Consumption Data validated (CDSP)				15th Apr								
3. MODEL DEFINITION				░░								
Agree Data Aggregations / WAR Band Limits (TWG)				27th Apr								
4. MODEL FITTING				░░	░░							
Gas Demand EUC Modelling review (TWG)					22nd May							
5. MODEL APPLICATION					░░	░░	░░					
Publication of Draft Gas Demand Profiles (CDSP)						12th Jun						
Gas Demand Profiles Approved for wider industry (TWG/DESC)							6th Jul					
Final Approval of Gas Demand Profiles (DESC)							22nd Jul					
6. MODEL OUTPUT IN USE							░░	░░				
SAP-ISU and Gemini updated (CDSP)								15th Aug				
7. MODEL DEVELOPMENT							░░	░░	░░	░░	░░	░░
Adhoc Work-plan approved (DESC)							22nd Jul			5th Oct		
8. MODEL PERFORMANCE										░░	░░	░░
Strands 1 to 3 reviewed (DESC)												7th Dec

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2: Objectives of Meeting

- The final objective of the "Model Application" phase is for TWG, DESC and the industry to review the Derived Factors – ALPs, DAFs and PLFs in order to approve final versions to be used in Gemini and SAP-ISU for the new Gas Year

- Objective of today's meeting is:

    - For DESC to review any industry representations raised on the proposals for Gas Year 2020/21

    - To gain DESC support to formally approve and finalise this years proposals

    - To confirm remaining activities relating to proposals for Gas Year 2020/21

3: Industry Responses

- Following DESC on 6th July, a note was issued to the industry advising that the draft proposals for Gas Year 2020/21 were available for review and comment – with the deadline for comments by 16th July

- We can confirm there has been <u>no additional comments</u> received outside of DESC and TWG on this year's draft proposals and this now concludes the wider industry consultation window
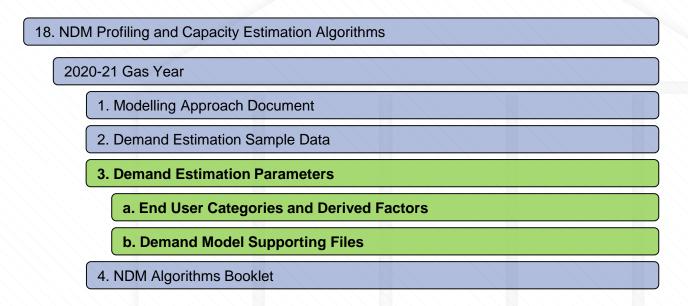
4: Conclusions

- Are DESC members happy to approve the draft Gas Demand Profiles for Gas Year 2020/21? (Vote required)

- Xoserve would like to acknowledge the effective collaboration between DESC/TWG and Xoserve which has ensured we have kept on track with the planned milestones, quite an achievement when you consider this year's challenges….

  - Working from home
  - Virtual DESC/TWG meetings
  - COVID-19 impacts on latest modelling analysis period
  - Implemented and utilised a brand new EUC demand modelling system
  - Used new CWV formula/definitions and Seasonal Normal basis
  - Supported testing and implementation of CWV formula change in UK Link (XRN4772)

5: Next Steps

- w/c 20th July
    - Assuming DESC have provided final approval, Xoserve will (on behalf of DESC) inform the wider industry and Ofgem that the profiles are now formally approved
    - The NDM Algorithms Booklet (summary of the end to end modelling process) will be published

- w/c 3rd August
    - Xoserve (as the CDSP) will publish the final proposals to the industry and submit interface files to key systems (no later than 15th August)

Reminder: Where to find Demand Estimation Data

- Folder structure on secure website:

18. NDM Profiling and Capacity Estimation Algorithms

2020-21 Gas Year

1. Modelling Approach Document

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 green will contain the final NDM proposals for Gas Year 2020/21