

Report for Network Code Committee

August 2006

Demand Estimation Sub-Committee

Meetings Held

25 July 2006, 51 Homer Road, Solihull

Planned

6 November 2006, Elexon, London

16 January 2007 at Solihull

4 June 2007 at Elexon, London (following on from Technical Forum)

Matters for Network Code Committee's Attention

Terms of reference have been developed and are submitted for the Committee's approval.

Matters discussed

1. Proposals for NDM Profiling and Capacity Estimation Algorithms for 2006/07

The one representation received (from BGT) on the Initial Proposals was discussed. The representation expressed concern that the SND volumes may be significantly understated, and if so a material volume of energy could be misallocated in the market, pushing proportionately more energy into Small Supply Points than Large Supply Points. The Transporters responded that an effect on allocations could arise, but would be smaller than BGT had estimated. The Transporters also provided additional material to justify the SND forecast, however an alternative view of SND forecast for some LDZs could be considered. DESC agreed with concerns about the fallback of reverting to 2005/06 Demand Models.

A further (5-day) consultation was conducted on two options – no amendment to Initial Proposals, or amendment with revised view of SND forecasts. Transporters subsequently sent unamended Proposals to Ofgem on 4 August.

2. London weather station change

The Committee was advised that the Met Office is closing its central London Weather Centre this year and the Transporters presented correlations to transform Heathrow weather data. The Committee accepted the proposal to use Heathrow transformed data for 2006/07 CWVs for EA, NT and SE LDZs and to plan to develop Heathrow CWVs for 2007/08.

3. May 2006 Short Term Scaling Factors

In response to a request, the Transporters presented data on high scaling factors observed for 28-31st May and agreed a follow up action to monitor a potential issue with modelling summer base load.

4. Large NDM supply points

In response to a request, the Transporters presented data showing the percentage of NDM throughput allocated to EUC Bands 7 and 8, including how this drops in the winter period. DESC noted that Development Work Group 0088 "Extension of DM service to enable Consumer Demand Side Management" had potential impacts on its future work.