

DEMAND ESTIMATION SUB COMMITTEE

Minutes

Monday 23 January 2006

Solihull

Attendees

Dennis Rachwal	(Chair)	(DR)	Joint Office
Lorna Dupont	(Secretary)	(LD)	Joint Office
Sallyann Blackett		(SAB)	xoserve
Dean Johnson		(DJ)	xoserve
Jonathan Aitken	(alternate)	(JA)	RWE npower
Peter Osbaldstone	(member)	(PO)	National Grid NTS
Steve Taylor	(member)	(ST)	BGT
Simon Hadlington		(SH)	BGT
Hannah McKinney	(member)	(HM)	EDF Energy
Sandra Spence		(SS)	Scottish Power
Michael Potter	(member)	(MP)	E.ON UK plc
Tim Davis		(TD)	Joint Office

1. Status Review

Apologies were received from Mo Rezvani (SSE), Julie Round (RWE npower), and Neil Lawrence (BGT).

1.1 The minutes from 12 December 2005 were accepted.

1.2 Outstanding actions were reviewed (see separate Action Log for updates).

2. Presentation of Whitwell Data

A presentation was given by xoserve in response to Action DE1008 (xoserve to provide end-to-end data relating to Whitwell (a past error) to the Committee at the next meeting, for illustrative purposes) illustrating the effect on Scaling Factor (SF) and Weather Correction Factor (WCF) over the period where there was known to be a metering error.

The Whitwell error, identified by National Grid Operations and Trading, was a compound of two errors – the reversal of an orifice plate, and incorrect parameters in a flow computer and these resulted in essentially ‘undermetering’ into the LDZ. The error was identifiable through monitoring of the SF and the WCF in combination, not separately. Both these items should therefore be monitored together in order to recognise the manifestation of metering errors. However, inaccurate forecast demand (modelling imbalance) may also contribute to anomalies in SF and WCF, so a comprehensive investigation is needed for each case. ST enquired about the effect on SF and WCF at the start of the known period of error at Whitwell.

Action DE1012: xoserve to expand period of data shown on Whitwell slide, and add commentary. (**Action closed** post meeting – the presentation distributed with these minutes includes a more comprehensive slide.)

3. Agreement on approach to Spring 2006 analysis including Model Smoothing

A paper on the proposed approach was issued at the previous DESC meeting (12 December 2005), setting out the proposed methodology for analysis. xoserve emphasised that no changes were being made; data from the last 12 months would be used to create the new set of models in aggregate with the previous two years' models for smoothing, and a 13 month period would also be used to capture the Easter impact. It was stated that this was historically consistent and that the same practice would be used for summer cut offs and weekend factors, all as used in previous years.

In summary, the proposed approach to the Spring 2006 analysis was to use the same basis as 2005 with continuation of the current approach to model smoothing over three years (as agreed September 2005), and 2005 base models to be re-run using the new agreed CWV for Wales South. The Committee agreed this approach.

Further, it was agreed that, commencing September 2007, biennial assessment of model smoothing, would be adopted.

4. NDM Sample Reporting

Within the presentation made to the meeting by xoserve DJ addressed **Actions DE1000, DE1001, and DE1002.**

4.1 Target and Actual Data Recorders (0 – 73.2MWh)

It was noted that the January 2006 figures were not validated but were substantially higher than the validated December 2004 number of samples. After validation no significant differences were expected.

4.2 Population Data Recorders by band compared to market (0 – 73.2MWh)

The tabulation showed a slight deficit within the lower bands (worse case –5.4%), and a slight excess in the higher bands (worse case +4.5%). DJ pointed out this was a small number of data recorders - as a rough guide 1% corresponds to 2 data recorders.

SAB stated that an installation programme was in progress to address the imbalance within the deficit areas.

xoserve presented a similar tabulation of the picture in 2004 to illustrate the change that may have arisen from the AQ review and change in SNT.

Of particular concern to xoserve was the removal and disposal of data recorders. There were 200 terminations of data recorder equipment in 2005. Many of these instances occurred at the time of meter replacement and shippers did not always inform xoserve about data recorders when undertaking meter replacement. The unnecessary disposal of the data recorders was resulting in sample reduction, when in fact in the majority of cases the data recorders could be reattached and the data history could be kept intact. xoserve would raise this issue at the SPA Shipper Operations Forum.

xoserve was not looking to change the total number of data recorders, which was currently at its highest level, giving a robust model for the small supply point market. In xoserve's view doubling the sample size would not necessarily increase the level of accuracy and there was no dissent from this view.

Action DE 1013: xoserve to issue a background note to the DESC summarising the concern and impact arising from the removal and disposal of/failure to reattach data recorders.

Action DE1014: DESC attendees to use the note to influence their organisations to address the concern relating to the unnecessary disposal of data recorders when replacing meters.

4.3 Targets and Actual Data Loggers (>73.2MWh)

The total current sample size was given as 12505 (Dec 2005) and showed a small general deficit. MP observed that the AQ review might have moved some datalogger Supply Points from higher to lower bands. xoserve stated the count should be more reflective because the sample criteria had been refined, eg up to 500 supply points had been removed because they were deemed to be capped/removed, of incorrect status, or were dead (no live data passing through). However xoserve thought that further investigation into the true status of approximately 300 supply points would result in their eventual reinstatement. The recent reduction in sample size was also due to the increase in terminations of dataloggers.

In xoserve's analysis and comparison of the populations the validated counts for Autumn 2005 were comparable with Autumn 2004 and Spring 2005. A reduction of 262 dataloggers had occurred across all bands, and the count in bands 6,7 and 8 were similar to previous years and continued to reflect a high percentage of the actual population. The Committee accepted the argument that it was satisfactory for the installation programme not to boost sample size further in these bands.

4.4 Band 1 Consumption Comparison - Domestic and Commercial data recorders

The trend was as expected for Domestic and Commercial, with similar profiles evident. Differences in the level of consumption would be identified by the AQ. Within the sample were 200 Commercial supply points and 3,900 Domestic supply points. xoserve confirmed that data recorder readers logged the classification of Supply Points.

In xoserve's view there was no benefit to changing current practice for Band 1 and the Committee was in agreement.

5. **Met Office triggered Changes of Weather Stations**

National Grid NTS led a discussion on the risks (actual and potential) associated with the closure of Meteorological Office Weather Stations. PO directed the meeting to the report circulated with the minutes on 19-Dec-05 and the Met Office website where a list of alternative sites could be found. PO observed he was aware of some additional sites not displayed on the web.

Information was received from the Met Office on a regular basis. It was apparent that Wales South retained some risk (press speculation that St Athan may also close) and that in due course an alternative to both Cardiff and St Athan may be needed. SS enquired whether or not Ofgem might have a role in respect of this issue and DR confirmed that the Ofgem representative had acknowledged the issue at the DESC meeting of 14-Nov-05. It was understood that there were various government reviews taking place, which may in turn influence decisions to close or leave sites operational.

SH stated that Centrica had highlighted its concerns to the Met Office regarding the dependency resting on these sites, which were outside of the energy industry's control. The inability to accurately estimate demand was seen to be a significant issue, especially for the smaller independent parties within the industry. SH indicated

that, similar to Network consideration, some discussion was taking place relating to the possible use of either shared land or land within the energy industry's control for weather stations.

In the short term (the next two years), it was noted the issue was under control in that the change to St Athan for Wales South was in hand, and alternatives were available in the event of London weather station closure.

Further discussion highlighted that increased closure of Weather Stations could lead to degradation of data for demand modelling and also have wider industry impact such as daily balancing costs. The impacts arising from demand estimation were considered to be second order compared to daily balancing. It was agreed that the latter was outside the remit of DESC and the Transmission Operations Forum was more appropriate for considering these impacts.

6. AOB - Change of DESC member

DR advised that Barnarda Finnissy (EDF Energy) had stepped down from membership of the DESC, and Hannah McKinney (EDF Energy) was put forward as her replacement. Hannah's name had been submitted to the UNC Committee and had been accepted.

7. Diary Planning and 2006/7 Workplan

xoserve outlined a Proposed Work Plan for 2006/7 incorporating requirements of the UNC.

The DESC agreed that a minimum of 5 meetings would be held starting in June 2006, and that the current practice of alternating the venue between London and Solihull would continue.

Programme:

05 June 2006	Elexon, 350 Euston Road, London
24 July 2006	Solihull Area, venue tbc
06 Nov 2006	Elexon, 350 Euston Road, London
Dec/Jan 2006/7	Solihull Area, venue tbc
June 2007	London, venue tbc