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Demand Estimation Sub Committee

Future of NDM Algorithm Performance

8th July 2015

Algorithm Performance: Background

- One of the responsibilities of DESC is to provide a summary of the NDM algorithm performance in the preceding year
- Xoserve performs this role as the common demand estimation service provider
- The main algorithm performance analysis is completed once a year in the Autumn, following the completion of the gas year

Algorithm Performance: Reminder

Description	Output	Where & When
Strand 1: WCF & SF Analysis: Various measures / checks of Scaling Factor and Weather Correction Factor performance at LDZ level over days of the week, seasons and months with additional commentary to provide context.	Analysis of recently completed gas year – summary document and presentation produced	• DESC – November meeting • Appendix 13 of NDM booklet (published in July)
Strand 2: Reconciliation Variance (RV) Analysis: Monitor of differences between measured consumption (based on pair of reads) and deemed consumption (given by the algorithm). Results provide some insight to profile shape at EUC level.	Analysis of recently completed gas year – summary document and presentation produced	• DESC – February meeting • Appendix 13 of NDM booklet (published in July)
Strand 3: NDM Sample Data Analysis: Performance of NDM Profiling algorithm is evaluated by comparing daily demands from sample points with estimates of their daily demands (as per the NDM algorithm). 2 Models evaluated - “As-Used” and “Best Estimate”.	Analysis of recently completed gas year – summary document and presentation produced	• DESC – February meeting • Appendix 13 of NDM booklet (published in July)

Algorithm Performance: Gas Year 2014/15?

- DESC proposed at the February 2015 meeting that the analysis for gas year 2013/14 would be the last year, given that post-Nexus the current algorithm performance method becomes redundant
- There was an action on DESC members to provide any objections to this proposal by 26th June 2015.
  - No objections received
- Since this proposal, implementation of UK Link replacement has been delayed
  - Is DESC still happy to cease the current algorithm performance?

Algorithm Performance: The Future

Current Strand	Post Nexus – Initial Assessment
WCF/SF Analysis	SF ceases to apply, WCF is simply difference between Actual and SN CWV – not an indicator of performance?
RV (reconciliation variance) Analysis	Of limited value currently due to impacts of incorrect AQs and effect of “data envelope”. Unworkable in future due to high reconciliation volumes?
NDM Sample Data Analysis	Continues to be relevant – review to assess success of algorithm
Unidentified Gas Levels	UG as a % of total LDZ at D+5 could be measured – causes not yet fully understood. Monitor subsequent levels of UG Reconciliation?

The views of DESC members are invited