

xserve



respect > commitment > teamwork

DESC Action DE1201

1st February 2012



DESC Action DE1201: 1 of 3

- DESC Action: “Project Nexus – New allocation algorithm: Provide draft Principles and Success Criteria for review and assessment prior to next meeting”

DESC Action DE1201 - Principles

- The following represents a draft set of principles, as discussed at the last DESC meeting, which should be applied by DESC when considering options for a new allocation algorithm
- Final methodology selected should....
 - be transparent to all Users and Transporters
 - be future-proof – i.e. calculation is as robust during roll-out as it is in a fully smart world
 - be evidence-based using statistical measures agreed by DESC
 - still require the need for a ‘Scaling Factor’ of some description to ensure all parties contribute to ‘unaccounted for’ gas
 - aim to ensure all sectors are treated equally and not unfairly disadvantaged
 - ensure outcomes from Nominations and Allocations process are consistent or more consistent with each other
 - be efficient in terms of costs and benefits realised

DESC Action DE1201 – Success Criteria

- The following represents a set of draft success criteria to be referred to by DESC when finalising views on a new allocation algorithm
 - Allocation process results in greater accuracy in apportionment of energy across sectors thus reducing levels of reconciliation compared to current regime
 - Day ahead gas Nominations more accurate for NDM sector
 - Supported by [all or majority ??] of Users and Transporters within the industry