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# DESC Action DE1203

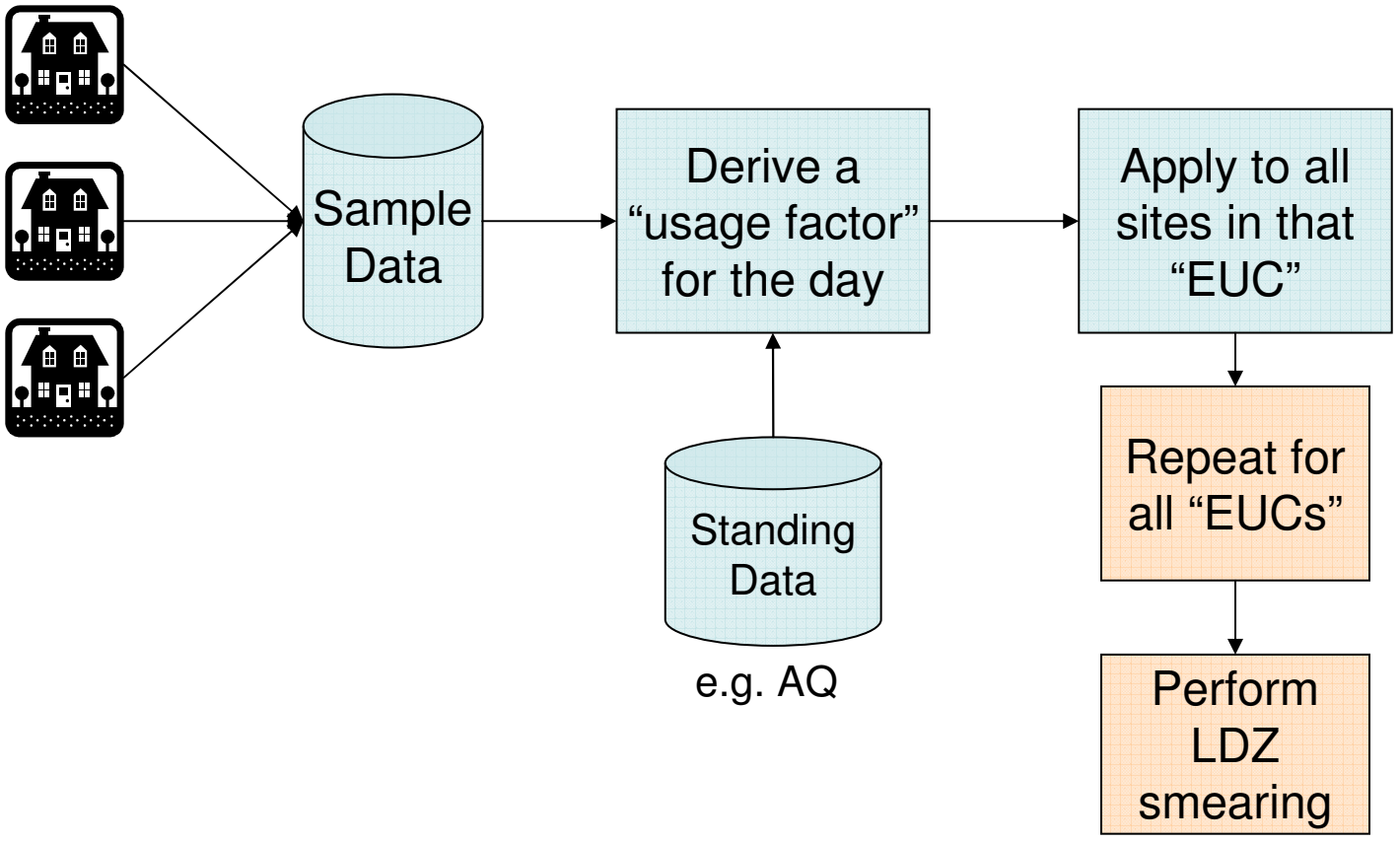
1st February 2012

# DESC Action DE1203: 1 of 9

- DESC Action: "Project Nexus – New allocation algorithm: Provide Strawmen for each Option put forward and devise and publish a Strawmen Template to which interested parties may add specific comment"

# E.On Option A – Dynamic Daily Sampling

*After the Gas Day*




xoserve

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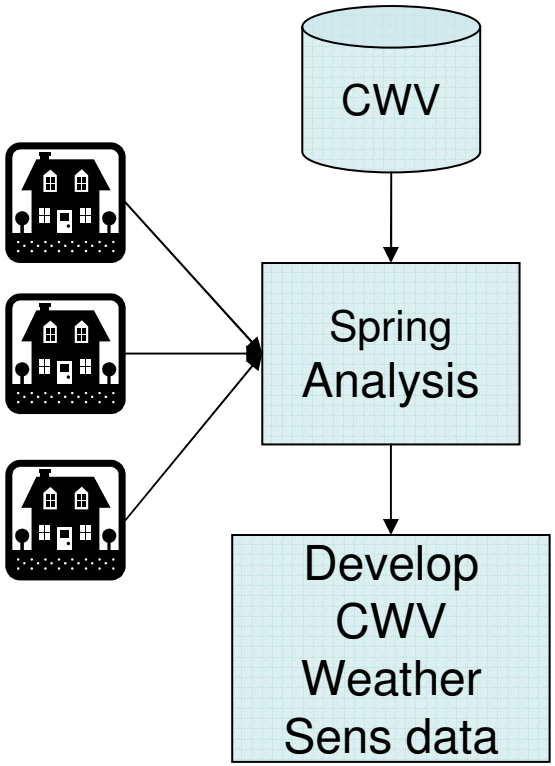
# E.On Option A – Dynamic Daily Sampling

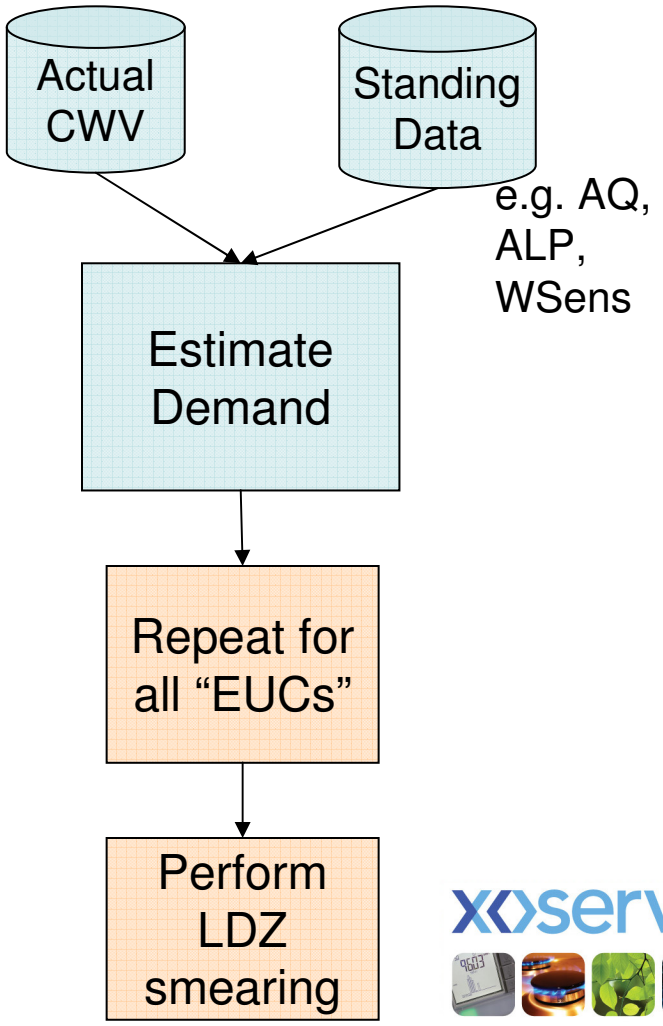
- PROS
  - Based on actual data and actual weather experience
  - Could use historical data for WAALPs
  - Can track success via Allocation Scaling Factor and Reconciliation levels
    - but other aspects of performance are harder to isolate?
- CONS
  - No closely aligned approach for day ahead Nominations
  - Smart metered sites may behave differently to dumb
  - Reliant on timely data from smart meters
  - No time for data validation?
  - No EUC modelling from which to calculate Load Factors

# E.On Option B – Xoserve Proposal

*Before the Gas Day*




*After the Gas Day*

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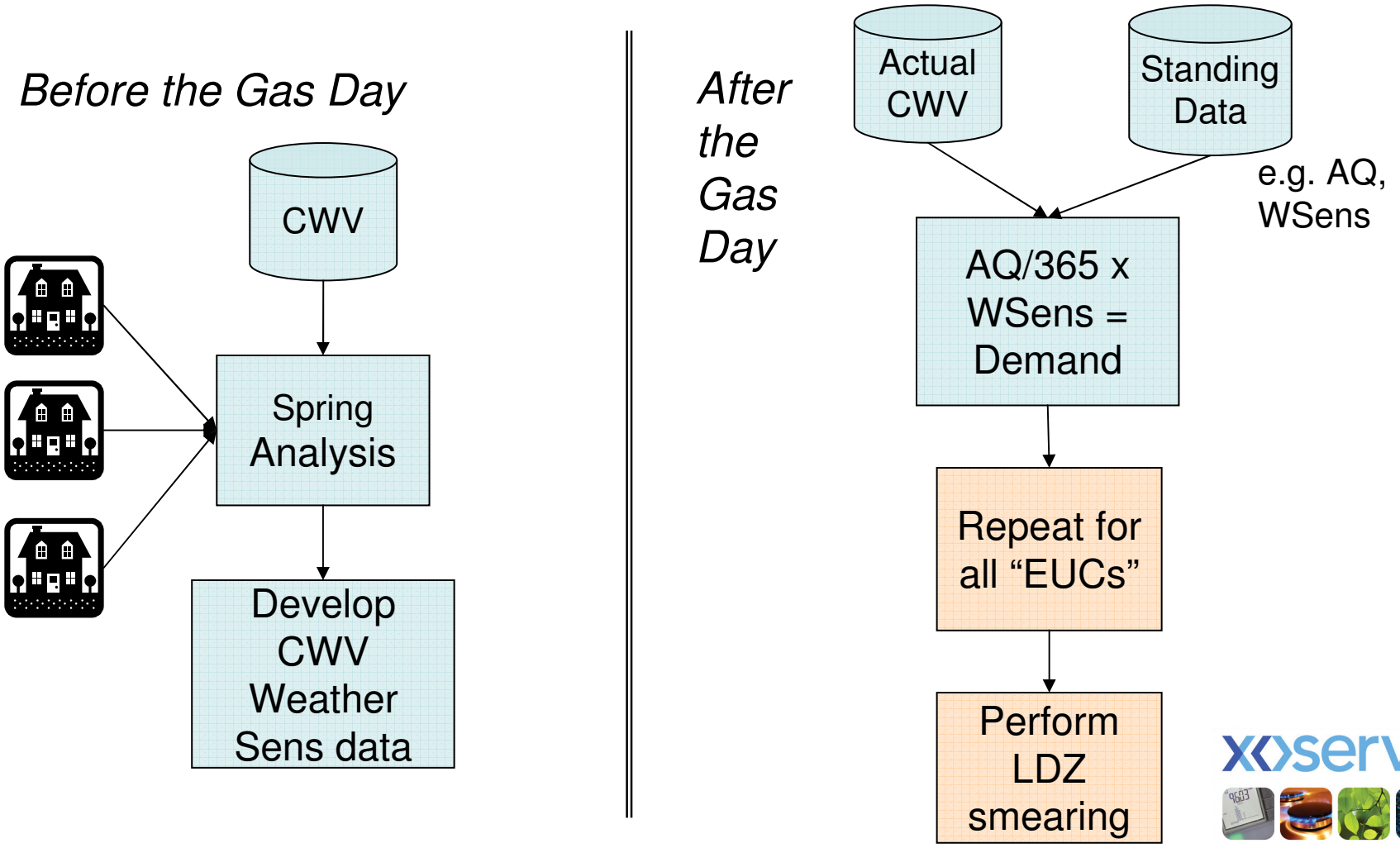
# E.On Option B – Xoserve Proposal

- PROS
  - Can also be used for day-ahead Noms (using forecast weather and LDZ Demand)
  - No reliance on daily sample data
  - Could have separate profiles for Smart and dumb
  - Can use actual outcomes for WAALPs
  - Can track success via Allocation Scaling Factor and Reconciliation levels
  - Weather correction is based on measurable weather variables
  - Model smoothing would give stable Load Factors
- CONS
  - Peak of work for Spring Analysis
  - Assumes all demand changes are day/time of year or weather related

# E.On Option C – No ALP

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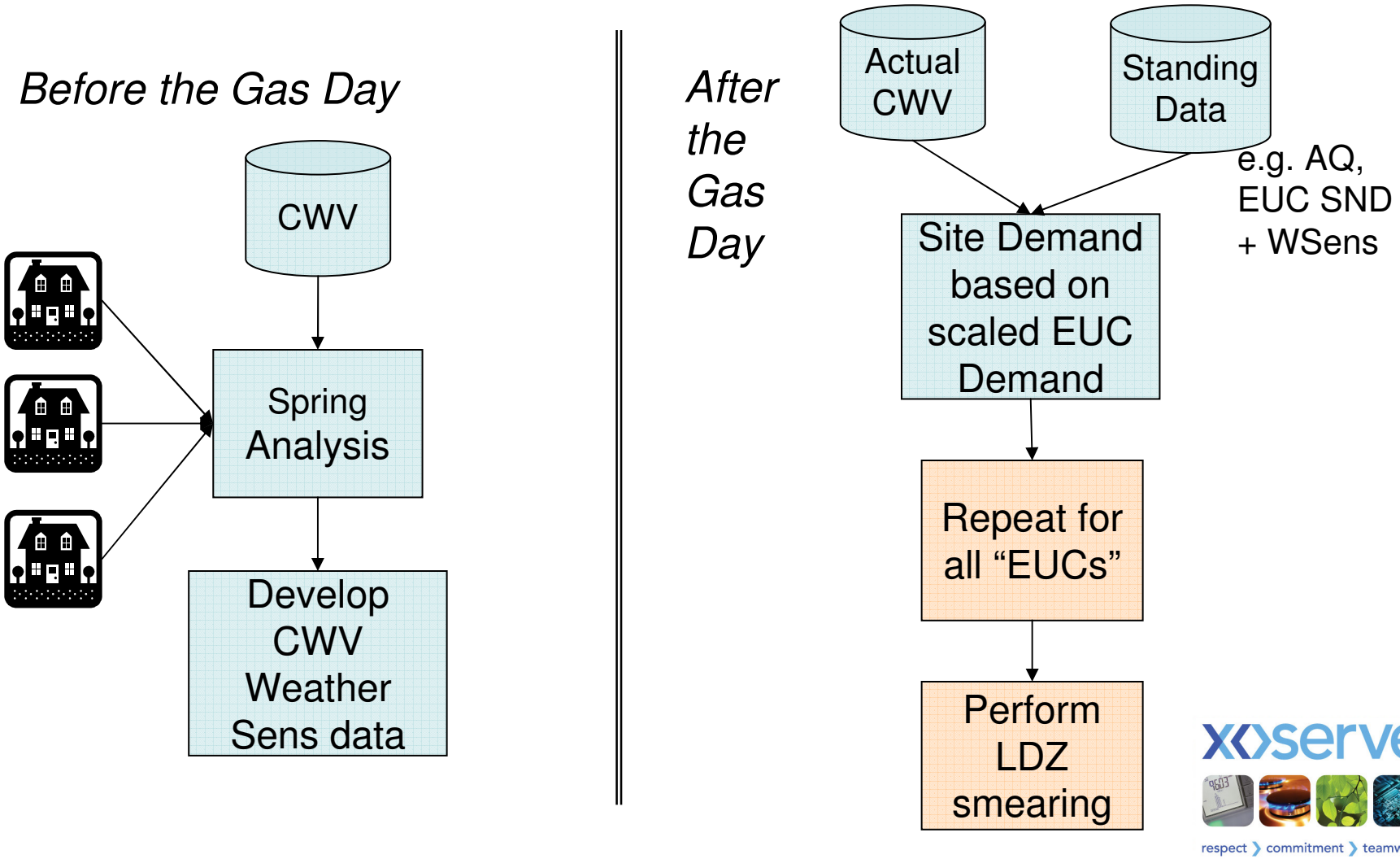
# E.On Option C – No ALP

- PROS
  - Can also be used for day-ahead Noms
  - WSens in effect replaces the ALP
  - No reliance on daily demand data
  - Could have separate profiles for Smart and dumb
  - Can use actual outcomes for WAALPs
  - Can track success via Allocation Scaling Factor and Reconciliation levels
  - Weather correction is based on measurable weather variables
  - Model smoothing would give stable Load Factors

- CONS
  - Less visibility of the Annual Profile?
  - Assumes all demand changes are day/time of year or weather related

# National Grid Option – EUC Model Based

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# National Grid Option – EUC Model Based

- PROS
  - Can also be used for day-ahead Noms
  - WSens in effect replaces the ALP
  - No reliance on daily demand data
  - Could have separate profiles for Smart and dumb
  - Can use actual outcomes for WAALPs
  - Can track success via Allocation Scaling Factor and Reconciliation levels
  - Weather correction is based on measurable weather variables
  - Model smoothing would give stable Load Factors
- CONS
  - Less visibility of the Annual Profile?
  - Assumes all demand changes are day/time of year or weather related