

xserve



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# Demand Estimation Sub-Committee MOD330 Phase 1 and 2

7<sup>th</sup> November 2012



# DESC: Phase 1 Update (1 of 2)

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- Teleconference took place on 18<sup>th</sup> October to obtain DESC confirmation of scope of weather data requirements (stations and data items)
- DESC decided to keep the full list of weather stations as described in their technical requirements document BUT reduce the number of weather data items to 6 variables
  - Cloud cover was de-scoped
- UNCC requested that DESC provide an update on why costs are significantly higher than quoted in final modification report
- Xoserve have drafted a paper for UNCC meeting on 15 November

# DESC: Phase 1 Update (2 of 2)

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- Xoserve Executive approval to proceed will be discussed 6 November
- Transporter approval to sign contract also required
- In parallel to approval processes Xoserve has continued contractual discussions with selected service provider
- Xoserve will provide DESC with name of service provider and delivery timetable as soon as contracts are signed

# DESC: Phase 2

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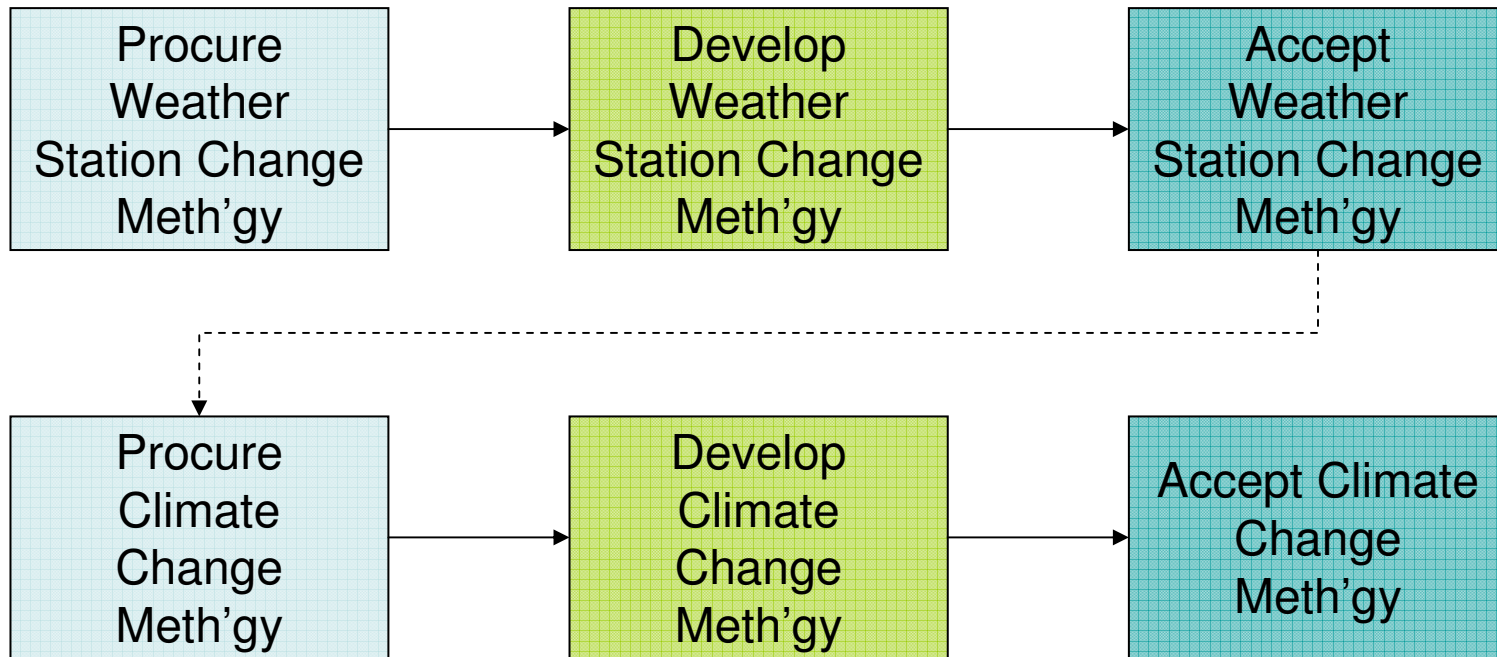
- Phase 2 of Modification 330 relates to the development of a Climate Change methodology
- Legal text states procurement for this phase cannot commence until DESC has accepted the weather station substitution methodology
- However this does not stop DESC from defining and agreeing the technical requirements which will then become the basis for the tender process
- Higher value contract may require increased governance

# DESC: Phase 2 – Lessons Learned

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- Phase 1 of Modification 330 was the first tender process Xoserve have managed in conjunction with DESC
- Estimated costs included in Modification proposal have resulted in some challenges during Phase 1 and so an understanding of the requirements already requested for Phase 2 (resulting in estimate of £200K) would be useful in providing the base for the DESC Technical requirements
- Should the DESC technical requirements evolve from the original estimate at least we have a better understanding in explaining any potential differences in tender estimates

# Mod 330 - Interdependencies



Legal text specifies 2<sup>nd</sup> procurement to start after acceptance of first methodology

Xoserve

DESC

Weather Expert

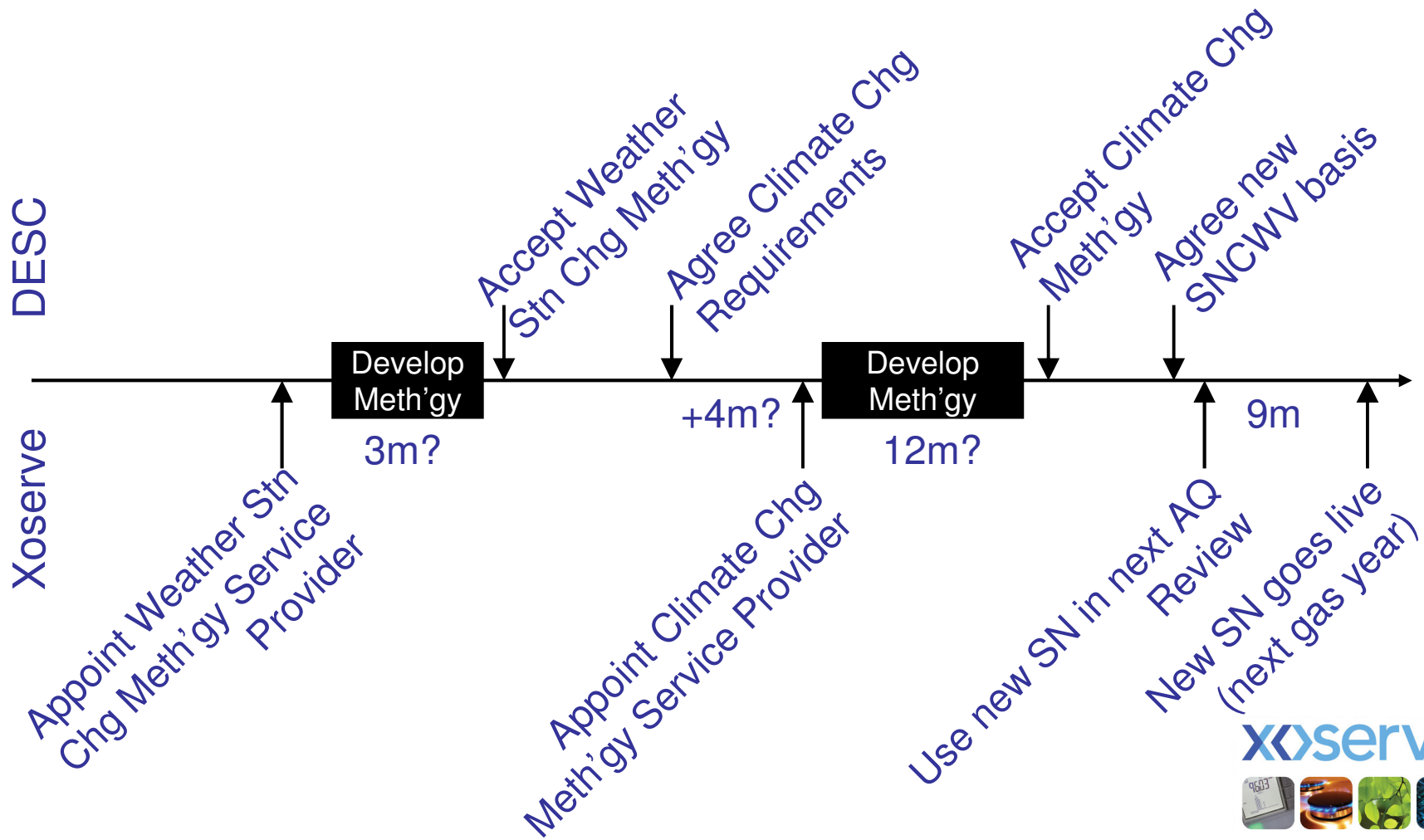


# Mod 330 – Likely Timescales

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- Inputs to each procurement
  - Agreed specification of outputs (DESC)
  - Shortlist of suggested service providers (DESC)
- Time to agree a contract with a selected party – 4-5 months for each methodology
  - Worst case – assumes no obvious choice from tenders – need to hold presentations to make final selection

# New Seasonal Normal Basis – possible timeline - updated





# New Seasonal Normal Basis - timeline

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- New basis must be available December of year prior to go-live to allow for use in AQ calculation
  - New basis required Dec 13 for October 14
    - This is challenging if Climate Change Methodology is a 12-month assignment
  - New basis required Dec 14 for October 15

# Phase 2 – Outline from Mod Proposal

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- Procure a methodology that would effectively adjust each year of the historical dataset of temperature and wind speed (as procured in Phase 1) to a level consistent with climate change
- Provide over eighty years of adjusted data that could be used as 'scenarios' to feed directly into the analysis used to generate the CWV and be fully consistent with the current climate
- Based on the EP2 approach to climate adjustments, update the existing climate averages used by industry participants
- Methodology would be fully documented and the resulting historical datasets made available to UNC signatories on demand
- Transporters would work with DESC and seek confirmation and approval of the scope of work specified in the relevant invitation to tender
- Completed work and proposed methodology would also be subject to approval by DESC

## Phase 2 – Next Steps

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- DESC to confirm Technical Requirements ready for commencement of procurement exercise