

## Demand Estimation Sub Committee Minutes

Monday 11 May 2009

31 Homer Road, Solihull B91 3LT

### Attendees

Bob Fletcher (Chair)	BF	Joint Office
Helen Cuin (Secretary)	HC	Joint Office
Dean Johnson	DJ	xoserve
Dina Mihsein	DM	National Grid Distribution
Fiona Cottam (Transporter Agent)	FC	xoserve
Gavin Stather	GS	Scottish Power
Jamie Richards	JR	Centrica
Jonathan Aitken (Member)	JA	RWE npower
Louise Gates	LG	EDF Energy
Louise Hellyer	LH	Total
Mark Linke	ML	Centrica
Mark Perry (Transporter Agent)	MP	xoserve
Matt Jackson	MJ	British Gas
Matt Pollard (Member)	MPo	EDF Energy
Sally Lewis (Member)	SL	RWE npower
Sallyann Blackett (Member)	SB	E.ON Energy
Sarah Maddams (Member)	SM	E.ON Energy
Stefan Leedham	SLe	EDF Energy
Steve Marland	SM	National Grid Distribution
Steve Thompson	ST	National Grid

### Apologies

Mo Rezvani (Member)	MR	Scottish and Southern Energy
Steve Taylor (Member)	ST	Centrica
Lorraine McGregor (Member)	LM	Scottish Power

## 1. Introduction

### 1.1. Confirmation of membership and apologies for absence

Attendee introductions were provided and the meeting was declared quorate.

## 2. Review of minutes and action from previous meeting

### 2.1. Review of Minutes

The minutes of the previous meeting on 31 March 2009 were approved.

### 2.2. Review of Actions

**Action DE1059:** xoserve to discuss the use of EP2 data with the Transporters, and request their attendance at the next meeting on 11 May 2009.

**Action Update:** See item 3.1. **Complete**

**Action DE1060:** xoserve to confirm methodology used relating to V2s.

**Action Update:** MP provided a presentation in response to this action. The presentation provided a background to the action and details on the methodology used for deriving warm weather parameters. MP explained that the CWV methodology is still fit for purpose. **Complete**

### 3. Update on review of Seasonal Normal basis for 2010

#### 3.1. Update on discussions with Transporters

MP provided a presentation entitled "Seasonal Normal Basis – Update on Transporter Discussions". MP explained that all the Transporters met in April to discuss the Shipper views expressed at the March DESC meeting and representations received after the meeting.

The presentation summarised the comments/questions raised by Transporters during the April meeting. MP confirmed that no Shipper responses opposed the use of EP2 and no member present at the 31 March or 11 May meeting opposed the use of EP2. FC highlighted the need to inform the wider Shipper community, particularly for those Shippers that are not able to support DESC meetings.

JR raised a concern about the spikiness in the ALPs and wished to understand it more.

SB acknowledged access to the raw data is possible. SM asked about the validation of forecasts and if these are ever checked. Peer reviews and the validation of forecasts were discussed. JA explained that back runs of the forecasting tool have been undertaken for historic years to assess accuracy of forecasts and that these have produced good results.

JA highlighted that there are stringent reviews of the process for EP2 by experts not associated with the project and by the publication of the methodology in scientific journals.

MP highlighted that the EP2 data may require a refresh before 2015, FC commented that EDF had suggested at the previous meeting that models and forecasts ought to be reviewed every 3 years. JA believed that 5-7 year reviews should be sufficient however a trigger such as a significant global occurrence e.g. a volcanic eruption, may require a review sooner than 5 years. SB believed 5 years is a reasonable time frame and suggested that caution needs to be given reviewing models and including significant changes on major climate changes. FC also explained that at least 18 months would be needed to implement a revised seasonal normal basis, due to the AQ calculations lead times.

Weather Station changes were also discussed. SB explained that re-mapping and support from the Met Office would be required to refresh data, adding the risk of unexpected weather station changes are now much more reduced. It was acknowledged that the Met Office is aware of the impacts to differing industries on weather station changes.

MP explained that the current version of the UNC does not fully accommodate EP2, due to the requirement to use actual data no more than 6 years old. FC confirmed that the Transporters believe it prudent to change the UNC via a Modification rather than seek consent to change UNC from Ofgem.

The legal text was discussed and that a review of Seasonal Normal would still need to be conducted at least every 5 years. SB suggested replacing Section

H1.5.2 a) and b) with new text. BF suggested that the Modification proposal included suggested legal text to ensure the intent of the proposal is clear for the consultation process.

A discussion took place on how the DESC members could provide confirmation that the modification is supported. BF suggested that DESC members could provide comments to the proposer as soon as a draft modification is raised.

SB suggested that the DESC agree on what need to be amended and minute this for reference for the Distribution Workstream to be reassured of the support from DESC.

The intent of UNC0218V was discussed and it was believed that there is no change in the intent of UNC0218V however, the legal text needs to be changed to reflect the proposal.

The DESC members agreed the principle that a modification is required.

SLe advised EDF are to raise a modification proposal and suggested that after the 2010 SN review is concluded, a further review and potentially a subsequent proposal could be raised to review SN processes.

BF explained to the UNC Modification process and the different routes that could be taken to progress the modification.

It was suggested that a draft proposal is produced and discussed at the 28 May Distribution Workstream. SLe agreed to provide a draft modification proposal prior to the meeting to allow the DESC members to consider and provide any feedback before the 28 May meeting. BF explained that DESC members or DESC member representatives are welcome to join the Distribution Workstream. However it was agreed that the draft proposal would be published on the Joint Office Website under the 28 May Distribution Workstream meeting for DESC members to provide comments direct to SLe. The aim is to finalise the proposal at the Distribution Workstream to enable consultation in early June. SLe acknowledged that a request for an additional Panel meeting may be required.

### **3.2. Review of daily profile of EP2 data**

MP provided a presentation entitled "Consideration of Daily Profile of EP2 Data". He explained that the EP2 data presented is based on 36 years actual data with no smoothing applied. The presentation included a graph illustration of the Daily Profile within the West Midlands LDZ and two further illustrations for the use of the EP2 data in Algorithms.

SB clarified that the EP2 uses 15 years history and 15 years forecast. FC confirmed that the historic trends are used for the forecasting element.

MP explained the use of EP2 in the EUC bands and how this impacts Annual Load Profiles (ALPs).

xoserve invited feedback on the daily profile of EP2 data and whether DESC members wish for smoothing.

SB provided an illustration of Scaling Factors and WCF impacts. SB explained that compensations are made, the difference in WCF and SF levels around particularly spiky periods suggests the current smooth ALP is not managing

climate variation. The current SF variation may be partly due to ALP smoothing suggesting EP2 will not necessarily be worse and could be better.

A discussion took place on the spiky data and that it is not necessarily wrong. JA asked what the intention of 7 day smoothing. FC explained that xoserve tried to see how it looked when comparing EP2 data which is not smoothed against 7 days smoothing, this was simply done to test the appetite on whether minor levels of smoothing could be undertaken. JA explained that the industry are used to smoothing however he would question any period of smoothing, he stated a preference to see unsmoothed data. There was a general consensus for unsmoothed data.

All attendees (including non members) supported the process of using EP2.

### 3.3. Next Steps

**Action DE1061:** SLe to raise a modification to clarify the use and inclusion of EP2 date within the UNC.

**Action DE1062:** DESC members to review the EP2 modification and provide feedback.

**Action DE1063:** xoserve to hold a session with Transporters to update them on the DESC response received at the meeting. DESC to be provided with an update from the Transporters on the 05 June 2009.

## 4. AOB

FC highlighted that she will be moving onto Project Nexus and her replacement will be Dean Johnson.

## 5. Dairy Planning

Dates for 2009 meetings are set out below, together with the topics expected to be covered.

Date	Work Items	Venue
05 June 2009	<ul style="list-style-type: none"> <li>• Technical Forum (DETF) – consultation on proposed revision of EUC definitions and demand models;</li> <li>• DESC meeting to follow DETF</li> </ul>	10:00am Energy Networks Association (ENA), 6 <sup>th</sup> Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
24 July 2009 (if required)	<ul style="list-style-type: none"> <li>• Response to representations</li> </ul>	10:00am 31 Homer Road, Solihull B91 3LT
10 November 2009	<ul style="list-style-type: none"> <li>• Re-evaluation of NDM</li> </ul>	10:00am Energy Networks

	<p>Sampling Sizes</p> <ul style="list-style-type: none"> <li>• Re-evaluation of EUC definitions and Demand Model Performance: SF and WCF</li> <li>• Re-evaluation of Model smoothing methodology</li> <li>• Seasonal Normal update</li> </ul>	<p>Association (ENA), 6<sup>th</sup> Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF</p>
<p><b>22 December 2009 (if required)</b></p>	<ul style="list-style-type: none"> <li>• CWV Review: Present revised CWVs for all LDZs</li> </ul>	<p>10:00am 31 Homer Road, Solihull, B91 3LT</p>

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**Action Log: UNC Demand Estimation Sub Committee**

<b>Action Ref*</b>	<b>Meeting Date(s)</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner**</b>	<b>Status Update</b>
<b>DE1059</b>	31/03/09	4.1	xoserve to discuss the use of EP2 data with the Transporters, and request their attendance at the next meeting on 11 May 2009.	xoserve (FC)	<b>Completed</b>
<b>DE1060</b>	31/03/09	4.2	xoserve to confirm methodology used relating to V2s.	xoserve (FC/MP)	<b>Completed</b>
<b>DE1061</b>	11/05/09	3.1	Raise a modification to clarify the use and inclusion of EP2 date within the UNC.	EDF Energy (SLe)	<b>Pending</b>
<b>DE1062</b>	11/05/09	3.1	DESC members to review the EP2 modification and provide feedback.	All members	<b>Pending</b>
<b>DE1063</b>	11/05/09	3.1	xoserve to hold a session with Transporters to update them on the DESC response received at the meeting. DESC to be provided with an update from the Transporters on the 05 June 2009.	xoserve (DJ/FC/MP)	<b>Pending</b>

\* TF – Technical Forum (denotes action generated at the annual Technical Forum)

\*\* Key to initials of action owner: ALL – all attendees, FC: Fiona Cottam, MP: Mark Perry, DJ: Dean Johnson, SLe: Stefan Leedham.