
UNC Demand Estimation Sub-committee Minutes
Monday 08 April 2013
via teleconference

Attendees

Helen Cui (Chair)	(HC)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Bob Fletcher	(BF)	Joint Office
Christian Ivaha	(CI)	British Gas (Member)
Colin Thomson	(CT)	Scotia Gas Networks (Member)
Dave Parker	(DP)	EDF Energy
Fiona Cottam	(FC)	Xoserve (Member)
James Hanks	(JH)	EDF Energy
Louise Gates	(LG)	EDF Energy (Member)
Mark Perry	(MP)	Xoserve
Matt Jenks	(MJ)	RWE npower (Member)
Mo Rezvani	(MR)	SSE (Member)
Roy Malin	(RM)	National Grid Distribution (Member)
Tom Young	(TY)	E.ON UK (Member)

Meeting papers are available at www.gasgovernance.co.uk/desc/080413

1. Introduction

HC welcomed attendees to the meeting. The meeting was declared quorate.

1.1 Confirmation of membership and apologies for absence

1.1.1 Alternates

F Cottam (Xoserve) for P Tuxworth (National Grid NTS); R Malin for C Warner (National Grid Distribution); C Ivaha (British Gas) for M Jackson (British Gas); and C Thomson (Scotia Gas Networks) for J Ferguson (Northern Gas Networks) and R Pomroy (Wales & West Utilities),

1.1.2 Apologies Received

M Jackson (British Gas), J Ferguson (Northern Gas Networks), P Tuxworth (National Grid NTS), R Pomroy (Wales & West Utilities), and C Warner (National Grid Distribution).

2. Review of Minutes and Actions from the previous meeting(s)

2.1. Minutes

The minutes from the previous DESC meeting (04 March 2013) were approved.

2.2. Actions

DE0202: *Modification 0330* - DESC members to provide suggestions for potential service providers.

Update: It was agreed to leave this action open until a final decision is made regarding a Service Provider. **Carried Forward.**

DE0301: Xoserve to revise draft Climate Change Methodology Technical Requirements document for further consideration.

Update: FC confirmed the documents had been revised and published for review. For further information please refer to item 3. **Complete.**

3. Progress Climate Change Methodology Technical Requirements

Referring to the Climate Change Methodology Technical Requirements documents emailed to members on 26 March 2013, FC explained that there were no substantial amendments since the last draft. However the Transporters were unsure why data needed to be procured for Lerwick when it was not connected to the GB gas system; it was not likely to be used as a substitute weather station. Inclusion/exclusion was briefly discussed and as it was decided that it was not directly relevant to the DESC's needs it was agreed that Lerwick should be omitted from the list.

Scope

FC reiterated that it was key to establish the most appropriate scope for both Shippers' and Transporters' requirements and asked for views. TY indicated that he was fairly satisfied with the scope. Referring to the first bullet point on page 1, he asked if the statement should be more narrowly specified. FC explained the UNC requirements; if DESC only wanted to look at temperature trends then the scope should be changed to suit. MR said that wind speed is of importance and would be very useful. He would want to see any variables that could add value considered. TY agreed and said that perhaps the statement should remain as drafted. FC added that the best/most specific data that would give the best trends had not been completely and finally determined as yet. Temperature and wind speed will be used solely for several more years; was it worth adding in the other 4 optional items at this point? DP responded that the other variables could probably be useful in the future, but understood that Xoserve was going to get a price for various options and see what could be done, ie be feasible. He suggested including all the variables, and all indicated they were happy to progress on that basis.

Outputs

FC reiterated the outputs. The key was obtaining output that will be suitable for use in the CWV formula.

Management of delivery of the service

FC explained this addition to the document.

Other comments

MR suggested that a timescale should be agreed within which all must be delivered. How long would it take to get the contract in place and data delivered? DP queried if the data was needed from Stage 1 to do this; could it be started directly after?

In respect of the relationship of the Climate Change Methodology to the Weather Station Methodology currently under development, FC indicated that the Weather Station Methodology would be triggered whenever there is a change of weather station. The Methodology would be "on the shelf" until required. Regarding the accompanying industry weather dataset to be developed at the same time as the Weather Station Methodology, FC confirmed it would not be delivered in time for this year's Spring Analysis (would be in time for 2014). It would be available from May for use for any adhoc analysis and as an input to the Climate Change Methodology. It was too late now to restate Seasonal Normal CWV for 2013. It was not envisaged to change SNCWV for 2014 to use the cleaned up data set, as there was not expected to be a big impact on CWV, so realistically it will be 2015 before it will be used in SN CWV calculations. A deadline could be set for completion of Phase 2 (Climate Change Methodology), subject to negotiation; probably the latest would be Q2 2014.

FC reported that during initial informal communications with potential Service Providers she had discussed supporting a 2015 change of SN with some appropriate leeway for the industry to see the outputs. If this were not possible it could be renegotiated as appropriate to tailor the service being purchased. MR was keen to not have any delay beyond 2015 and wished for Xoserve to specify the requirement within the procurement process. He would like to see it managed so that it is completed within 9 months, ie to ensure that data is acquired in good time to support the SN review. FC assured MR that she would negotiate, with the aspiration of a planned end date to reflect the data requirements depending on the key driver for SN 2015, and that Xoserve will work very closely with the Service Provider. It might be more efficient to do everything at once, not as two phases for the essential and optional data items, ie price A and price B – depending on what these are they could be included in the one scope of work and be done as one assignment. Xoserve will establish what can be done by the required delivery dates, and report back to DESC to update with the most appropriate timescales and costs once more details are known. DP suggested proactively emphasising very strongly the essential requirements to the Service Provider, once detailed negotiations commence. FC recognised that timing was critical and assured DP that it would form a central part of the negotiations. DP stressed that temperature and wind speed must be in the first delivery and must be prioritised if there was an issue over timing.

It was agreed that quality, cost and timing of output were very important to support a 2015 delivery; all of this would be included in the tender documentation, and if this was not possible then an alternative Service Provider might be sought.

MR stated that he did not want a continually moving target, date wise, and FC assured him that Xoserve would do all it could to make sure that delivery was appropriate, but pointed out that Xoserve may have to return to DESC for further discussion following the detailed negotiations. MR then suggested Xoserve provide a timeline to DESC to clarify timescales and assurance that enough time is being allowed to agree/conclude negotiations. Other Shippers agreed this would be useful. 2015 is the key date. FC would consider this, following discussions with Xoserve's procurement team.

Action DE0401: *Climate Change Methodology Technical Requirements - Xoserve to produce a provisional timeline clarifying projected progress/conclusion of tender negotiations and data delivery dates.*

CT asked if there would be any scope to look at Peak Day as well and asked whether DESC planned to move away from the current 80+ years of data, as Phase 1 had only procured 50 or so years of data. DP believed that could be obtained from the data and explained how this could be done to give likely peaks. FC added that DESC was not involved for Network System planning and there was no intention through this Methodology to change the current process for Network Peak Day planning.

Appendix 1

Referring to the list of weather stations, MP pointed out that there were two located at Rostherne and asked if DESC could assist in identifying which one was required; and similarly for Winterbourne 2, a unique identifying number was required. DP was able to provide the information sought.

Conclusion

The Climate Change Methodology Technical Requirements were unanimously approved and the document will be finalised and republished.

Next Steps

Xoserve will commence preparation of the procurement documentation for immediate use once the first stage has completed (10 May 2013). Cleaned up industry weather datasets will be expected to be delivered towards the end of June.

4. TWG Recommendation on New Allocation Algorithm

A draft DESC Technical Workgroup Report had been published on 26 March 2013. FC explained how it had been structured and gave an overview of the content. Responding to questions, FC said that, ideally, implementation would be at the start of a gas year, and a modification would be required to initiate this.

BF pointed out that the use of the UNC Modification process Workgroup Report template might give rise to confusion when considered by industry parties. What had been produced was more the basis of a UNC modification rather than a report. The Nexus Workgroup had no governance role, and a more simple form of report was required. FC explained she saw this as an informative communication that could be used as the basis for a UNC modification if necessary by an appropriate party. It was agreed to adjust the format of the report, to avoid any confusion that may be created with using the UNC Modification process Workgroup Report format.

The DESC members unanimously approved the report and its recommendation for presentation on DESC's behalf to the Project Nexus Workgroup.

5. DESC Technical Workgroup (TWG) Membership

Representative List

MP confirmed the intention to commence the work to support the Spring Analysis to meet the requirements of the DESC Workplan. MP drew attention to the list of established DESC TWG representatives that had now been published on the Joint Office website at: www.gasgovernance.co.uk/DESC/TWGRepresentatives, to whom communications will need to be sent and from whom decisions will need to be sought. It was important that these contact names/details were up to date and MP urged those present to review and confirm that their contacts were correct. HC confirmed that the Joint Office would be issuing an email seeking notification of any changes to the list of TWG representatives.

Terms of Reference

HC reported that in preparation for the Spring Analysis the Technical Workgroup Terms of Reference (ToR) had been reviewed and a number of changes were believed to be necessary and were being proposed in an attempt to both simplify the ToR and to remove any confusion between DESC membership and Technical Workgroup representatives.

The DESC Members agreed to review the DESC Technical Workgroup ToR, with the aim of approving any appropriate changes at the next DESC meeting.

Action DE0402: Review the DESC Technical Workgroup ToR and provide comments to the Joint Office if appropriate.

6. Any Other Business

6.1 Gemini Re-platforming Project

FC emphasised the importance of becoming involved in the testing process to ensure that the Shipper's daily processes can be undertaken, and encouraged those present to influence more active participation.

MR provided some feedback on initial tests carried out by SSE and confirmed that problems were encountered; every stage had failed on the Xoserve side. Noting this for following up with the team concerned, FC thanked MR for his feedback.

7. Diary Planning

Meetings will take place as follows:

DESC and DESC Technical Workgroup Meetings 2013

Date	Time	Venue	Meeting	Programme
Wednesday 24 April 2013	09:30	Teleconference	DESC TWG	Confirm NDM modelling runs to take forward based on data aggregations and WAR band definitions
Monday 29 April 2013	09:30	Teleconference	DESC	Potential version update of MET Office methodology
Friday 10 May 2013	09:30	Teleconference	DESC	Ratify Weather Station Substitution Methodology DESC TWG ToR approval
Wednesday 22 May 2013	10:30	Consort House, 6 Homer Road, Solihull B91 3QQ	DESC TWG	Review single year modelling results and provide approval to commence model smoothing stage
Wednesday 26 June 2013	09:30	Teleconference	DESC TWG	Review all responses to draft NDM proposals and agree key messages for DESC
Wednesday 10 July 2013	10:30	Consort House, 6 Homer Road, Solihull B91 3QQ	DESC	Review and Approval of 2013/14 NDM Algorithms as recommended by TWG To discuss NDM proposals review and NDM report seeking approval to prepare publication for wider industry
Wednesday 31 July 2013	09:30	Teleconference	DESC	<i>(If required)</i> Review industry representations to 2013/14 NDM algorithms and consider response
Wednesday 13 November 2013	10:30	Energy Networks Association (ENA), Dean Bradley House, 52 Horseferry Road, London SW1P 2AF	DESC	- Evaluation of Algorithm Performance: Strand 1 - SF and WCF - Re-Evaluation of Model Smoothing methodology

Action Table: Demand Estimation Sub-committee

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
DE0202	11/02/13	5.	<i>Modification 0330</i> -Members to provide suggestions for potential service providers.	DESC Members	Carried Forward
DE0301	11/03/13	4.1	Xoserve to revise draft Climate Change Methodology Technical Requirements document for further consideration.	Xoserve (FC)	Closed
DE0401	08/04/13	3.	<i>Climate Change Methodology Technical Requirements</i> - Xoserve to produce a provisional timeline clarifying projected progress/conclusion of tender negotiations and data delivery dates.	Xoserve (FC)	Pending
DE0402	08/04/13	5.	Review the DESC Technical Workgroup ToR and provide comments to the Joint Office if appropriate.	DESC Members	Pending

Action Table: Demand Estimation Sub-committee – Technical Workgroup

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
DTW0301	19/03/13	4.2	<i>Project Nexus New Allocation Algorithm</i> - Xoserve to provide a report to the DESC summarising the recommendation of the DESC Technical Workgroup (TWG), including supporting evidence and an assessment of the potential impact on UNC.	Xoserve (FC/MP)	Closed