
UNC Demand Estimation Sub-committee Minutes
Monday 11 March 2013
31 Homer Road, Solihull B91 3LT

Attendees

Helen Cuin (Chair)	(HC)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Christian Ivaha (Alternate User Member)	(CI)	British Gas
Dave Parker (Alternate User Member)	(DP)	EDF Energy
Fiona Cottam	(FC)	Xoserve
Mark Perry	(MP)	Xoserve
Mo Rezvani (User Member)	(MR)	SSE
Paul Tuxworth (Transporter Member)	(PT)	National Grid NTS
Robert Allen*	(RA)	ScottishPower
Sallyann Blackett (User Member)	(SB)	E.ON UK

**via teleconference*

Meeting papers are available at www.gasgovernance.co.uk/desc/110313

1. Introduction

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

2. Confirmation of membership and apologies for absence

2.1 Alternates

Christian Ivaha (British Gas) for Matt Jackson (British Gas), and Dave Parker (EDF Energy) for Louise Gates (EDF Energy).

2.2 Apologies Received

Matt Jackson (British Gas), and Louise Gates (EDF Energy).

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

3.1. Minutes

The minutes from the previous DESC meeting (11 February 2013) were approved.

3.2. Actions

DE0201: DESC members to consider if they wish to submit comments to the Met Office on the management of Weather Station closures.

Update: FC confirmed that the Met Office had sent out the latest status of weather stations to interested parties and communication channels were therefore open for the submission of comments. **Closed**

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

Update: FC had received suggestions from various parties. MR expressed concern regarding perceived monopoly positions and advised close scrutiny and comparison of costs and services. The need for consistency with EP2 was noted. As with Phase 1, Xoserve intended to follow a fair and balanced selection process, having established agreed formal requirements with DESC. It was acknowledged that trying to accommodate a greater involvement/influence in the process by parties other than

Xoserve would present a number of difficulties, not least internally for companies already in relationships with potential service providers.

FC reiterated that under UNC it was the Transporters' responsibility to procure the services required. Changing this would involve the process becoming more heavily subjected to EU procurement regulations.

Drawing on the experience of Phase 1, it was noted that not all potential parties chose to respond to the tender, and a 'reduced' choice was apparent from the outset. The criteria laid down for gap filling had been a recognised difficulty for some parties.

SB commented that the preference would be not to have to go through a protracted tender but one that would give an efficient outcome. **Carried Forward.**

DE0203: Modification 0330 - DESC members to consider their requirements for Phase 2 in advance of the requirements gathering meeting to be held on 11 March 2013.

Update: Discussed under Section 4, below. **Closed**

4. **Modification 0330 update**

4.1 Phase 2 Technical Requirements

FC provided a draft Climate Change Methodology Technical Requirements document for consideration. This was reviewed and amended following discussion and suggestions/comments from those present.

FC welcomed views from the committee on the draft document and stressed that it was very much draft and required a lot more detail.

DP observed that the draft Met Office methodology for Weather Station Substitution appeared to have missed the importance of retaining the peaks and troughs. He suggested that DESC should state its purpose and requirements as clearly as possible, so that a service provider could assess and address appropriate delivery. DP also believed that once a contract is awarded that DESC should be more involved in the process than they have been in Phase 1 of the project.

FC asked how many years of future forecast data were required. The consensus was for the 10 gas years commencing October 2015, so that the data could also be used for the subsequent Seasonal Normal Review, if appropriate SB added that DESC would want all variables to be consistent for the days being used; there was a need to keep relationships and realistic connections. DP would be expecting forward and backward extrapolation.

Development of Climate Change Methodology

The methodology was discussed; clarity on what was acceptable and should be included was important so that it could be understood by any party, i.e. how evolved, the process, the conclusion reached, but not necessarily in such great detail as to be capable of replication. A high level of approach might be provided including mention/justification of any approaches discounted.

Scope and Methodology

The points were discussed in turn and various amendments were suggested and noted.

MP questioned if the main reason was to establish a new CWV and suggested that the main objective should be clarified. FC suggested that DESC should be looking for the best views of expected weather, with correlation of variables. She suggested that outputs should be defined, but leaving flexibility as to how these should be arrived at.

SB observed that parties might want to use the data more than once.

- *List of required data items*

FC commented that the prediction system has since been enhanced, according to recent discussions with the Met Office; if all 4 optional items were to be included it would see if the model could accommodate them and produce an output.

MP confirmed that the units described in the draft document were consistent with those requested by DESC in Phase 1.

- *Outputs from the assignment*

The use of a 2012/13 gas year as a base year was suggested. The use of a calendar year was also considered however this could result in a 3 month delay.

DP suggested that a set of increments forwards and backwards from the base year was required. Increments under the EP2 data/modelling were discussed and how these were reached.

SB said that the expectation would be for the service provider to calibrate the model, and forecast far enough forward, and create a set of averages, ie a predicted hourly climatological average of optimal length.

Some participants then referred to the EP2 Work Pack 8.

A number of suggestions were made and noted.

FC referred to average weather predictions and the amount of data that would be available. It was suggested that historical data could be adjusted to reflect current conditions for future adjusted data, rather than adjustment factors.

It was suggested that data should go back to 1960 to enable 1962/63 data to be captured.

DP queried if DESC was asking for 2 data sets, i.e. actual SN temperatures going back, and actual adjusted increments, adjusted set to reflect a present day Seasonal Normal.

FC observed that the historical data would be used for '1-in-20' planning, and that values incorporating Gas Year 1962/63 would be wanted. If a series was available a party could use it how it wanted; it might comprise of:

- future predicted values for the 10 year period
- plus the average for each year
- plus values at 2012/13 Gas Year levels
- an adjustment for every data potentially that exists
- all will be based on average with minor increments.

Asked how the data might be used, SB believed it would depend on what the forecasts look like. It should give a sound basis on which to calculate the Seasonal Normal.

Concluding the discussions on the draft document, FC asked the group whether they had identified any omissions that should be addressed; there were no comments. FC agreed to revise the document to reflect today's discussions and circulate for further review/comment. FC welcomed any additional suggestions/comments to be sent to Xoserve as soon as possible.

Action 0301: Xoserve to revise draft Climate Change Methodology Technical Requirements document for further consideration.

On a related matter it was agreed that if deemed necessary, a further DESC meeting could be held to discuss the revised draft of the Weather Station Substitution Methodology on Monday 08 April 2013, prior to the DESC Technical Workgroup.

5. Project Nexus – New Allocation Algorithm Update

FC reported that some data had been received from E.ON which needed to be examined and validated. Once discussed and clarified with E.ON, Xoserve hoped to publish by 15 March.

At the next DESC Technical Workgroup meeting on Tuesday 19 March 2013, the results for each option will be reviewed with the aim of producing a report offering a clear and appropriate conclusion and recommendation.

6. Any Other Business

None raised.

7. Diary Planning

The next meetings will take place as follows:

DESC and DESC Technical Workgroup Meetings 2013

Date	Time	Venue	Meeting	Programme
Thursday 14 March 2013	-	Postponed	DESC	Ratify Weather Station Substitution Methodology
Tuesday 19 March 2013	10:30	31 Homer Road, Solihull B91 3LT	DESC TWG	Project Nexus Allocation Algorithm consideration
Monday 08 April 2013	10:30	Solihull or teleconference (to be confirmed)	DESC and/or DESC TWG	Ratify Weather Station Substitution Methodology - provisional Additional provisional meeting for Project Nexus Allocation Algorithm consideration
Wednesday 24 April 2013	09:30	Teleconference	DESC TWG	Confirm NDM modelling runs to take forward based on data aggregations and WAR band definitions
Wednesday 22 May 2013	10:30	Solihull	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	Solihull	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
DE0201	11/02/13	4.0	Members to consider if they wish to submit comments to the Met Office on the management of Weather Station closures.	DESC Members	Closed
DE0202	11/02/13	5.0	<i>Modification 0330</i> -Members to provide suggestions for potential service providers.	DESC Members	Carried Forward
DE0203	11/02/13	5.0	<i>Modification 0330</i> -Members to consider their requirements for Phase 2 in advance of the requirements gathering meeting to be held on 11 March 2013.	DESC Members	Closed
DE0301	11/03/13	4.1	Xoserve to revise draft Climate Change Methodology Technical Requirements document for further consideration.	Xoserve (FC)	Pending

Action Table: Demand Estimation Sub-committee – Technical Work Group

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
DTW1201	05/12/12	3.2	<i>Project Nexus New Allocation Algorithm</i> - Produce a draft recommendation to the DESC that could be circulated for comment/approval by email.	Xoserve (FC)	Carried forward

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
DTW1202	05/12/12	3.2	<i>Project Nexus New Allocation Algorithm</i> - Results of Option A, C and E to be presented in agreed format for remaining gas years for WM LDZ in order to compare results on 28 January 2013.	E.ON (SB), British Gas (CI), Xoserve (FC)	Carried forward
DTW0101	28/01/13	2.2	To add a new discussion item on to the forthcoming 11 February 2013 DESC meeting agenda.	Joint Office (BF)	Closed