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# UNC Demand Estimation Sub-committee Minutes

Thursday 18 October 2012

via teleconference

## Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Dave Parker	(DP)	EDF Energy
Fiona Cottam	(FC)	Xoserve
Gareth Lloyd (Transporter Alternate)	(GL)	National Grid NTS
Joanna Ferguson (Transporter Member)	(JF)	Northern Gas Networks
Jon Follows	(JFo)	Xoserve
Joseph Lloyd	(JL)	Xoserve
Louise Gates (User Member )	(LG)	EDF Energy
Louise Hellyer	(LH)	Total Gas & Power
Mark Perry	(MP)	Xoserve
Mo Rezvani (User Member)	(MR)	SSE
Rob Cameron-Higgs (Transporter Alternate)	(RCH)	Wales & West Utilities
Roy Malin (Transporter Alternate)	(RM)	National Grid Distribution
Sallyann Blackett (User Member)	(SB)	E.ON UK

Meeting papers are available at [www.gasgovernance.co.uk/desc/181012](http://www.gasgovernance.co.uk/desc/181012)

## 1. Confirmation of membership and apologies for absence

BF welcomed all participants and the meeting was declared quorate.

### 1.1 Apologies for absence

Apologies were received from R Pomroy (Wales & West Utilities); C Thomson (Scotia Gas Networks).

### 1.2 Alternates

R Cameron-Higgs (Wales & West Utilities) for R Pomroy and C Thomson; Gareth Lloyd (National Grid NTS) for Paul Tuxworth.

## 2. Weather Station Substitution Methodology – scope of data set

As had been indicated at the previous DESC Technical Workgroup, it had been necessary to convene a DESC meeting at short notice to confirm the scope of the data set.

FC explained that a preferred supplier for the Weather Station Substitution Methodology had now been selected, however there remained a discrepancy in costs against the figure quoted in the original Modification Proposal. This was partly due to the increased scope of the assignment, in terms of weather stations and data items.

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Xoserve presented a number of possible cost scenarios, for a final decision on the scope required. A decision is required to finally let the contract.

Confirming that a preferred supplier had now been selected, FC recapped on the background to the tender and explained that all bidder costs appeared to be significantly higher to that estimated during the progress of Modification 0330. It was recognised that the Technical Requirements included more data items and more weather stations than were currently in use. Bidders had been asked to cost various scenarios to help assess impact of additional data. (Reduced data requirements would also reduce methodology costs.)

A cost matrix was displayed indicating the approximate total contract costs depending on the number of weather stations (minimum 10 or as many as 26) and the number of data items required per weather station (minimum 2 or as many as 7).

Given that under Modification 0330 the User Pays apportionment was declared and accepted as 50% Transporters and 50% Users, views were now being sought on whether the initial requirements should remain, or be reconsidered to reduce costs.

A discussion ensued. It was noted that decreasing the number of data items would also result in a small saving on the cost of the methodology. It was observed that the business requirements should carry more weight than the price in choosing a provider. MR evinced surprise at the apparent current costs as compared with his estimate at the time of raising the modification. It was recognised that as the dataset was to be licensed for a wider audience this perhaps had led to a premium in the pricing which would reflect that there would be a very reduced market and the lack of further retail opportunities for any service provider.

Data item requirements were considered and it was pointed out that 'cloud cover' and 'solar radiation' gave very similar signals. Actual data in support of 'solar radiation' was very sparse and it would be mainly 'backfill' that was being purchased.

The community cost split was reiterated.

BF reported that questions of governance and implementation had been raised at today's UNCC meeting relating to the magnitude of the increase in costs as compared to those originally envisaged by Modification 0330. DESC would be required to present its recommendations to the November UNCC meeting. Shippers indicated they would not be happy with any delay to the tender process. GL believed that the concerns had been expressed at UNCC by the National Grid NTS representative, who had concerns about the effects of any choice made in this phase would then have on the costs arising from phase 2 of the implementation. Following discussions at DESC GL was satisfied that decisions relating to data items and weather stations in Phase 1 were not then 'fixed' for the later discussions by DESC when defining Phase 2 requirements and he was happy to follow this up and provide reassurance. JF added that the Transporters do not wish to delay the process but would seek formal confirmation of this.

**Action 1001: JF to seek formal confirmation from the Transporters that they were happy for the tender process to proceed without delay.**

It was then agreed that 'cloud cover' could be removed from the data item requirements, reducing the number from 7 to 6. Weather Stations were discussed and it was agreed that 26 would be required.

Although they might have preferred less weather stations and data items, JF and GL indicated that they were happy to go with the majority view.

**Members therefore unanimously recommended that the requirements be amended to 26 Weather Stations and 6 Data Items.**

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### Next Steps

The contracts and timetables will be reviewed. FC confirmed that it was now looking as if the outputs would not be available until the new year.

Xoserve will provide an update on progress at the next DESC meeting (07 November 2012), and will discuss at that meeting what should be provided to the UNCC. Discussions on phase 2 will also commence.

Xoserve thanked those participating for their contributions and involvement.

### 3. Any Other Business

None.

### 4. Diary Planning

#### 4.1 DESC Meetings

The next DESC meeting has been arranged for 10:30 on Wednesday 07 November 2012, at Energy Networks Association (ENA), Dean Bradley House, 52 Horseferry Road, London SW1P 2AF.

#### 4.2 DESC Technical Workgroup Meetings

DESC Technical Workgroup (TWG) meetings are held on a monthly basis, and arrangements have been made accordingly (see Table below).

In order to allow sufficient time for the analysis on the 3 options to be progressed, it was agreed at the last TWG meeting to defer the meeting previously arranged for Friday 02 November 2012.

The next DESC TWG meeting will take place on Monday 20 November 2012, 10:30 – 15:00 at 31 Homer Road, Solihull B91 3LT; teleconference arrangements can be made on request.

### DESC and DESC Technical Workgroup (TWG) Meetings 2012

Date	Time	Venue	Meeting	Programme
07 November 2012	10:30	Energy Networks Association (ENA), Dean Bradley House, 52 Horseferry Road, London SW1P 2AF	DESC	Strand 1 Algorithm Performance – WCF & SF Analysis
20 November 2012	10:30	31 Homer Road, Solihull B91 3LT	DESC TWG	Options A, C and E – analysis to be presented
05 December 2012	10:30	31 Homer Road, Solihull B91 3LT	DESC TWG	TBC

**Action Log: Demand Estimation Sub-committee**

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
DE0404	04/04/12	7.0	<i>Minimising Losses of Xoserve AMR Equipment</i> – DESC members to establish appropriate contacts and provide a view on the procurement of non-Transporter data for samples as permitted under Modification 0258A.	DESC	Carried forward
DE0404A	11/07/12	2.2	<i>Minimising Losses of Xoserve AMR Equipment</i> – Transporters to confirm how any data gathered by Shippers should be provided and any minimum requirements (samples, details, formats, etc).	Transporters	Carried forward
DE1001	18/10/12	2.0	JF to seek formal confirmation from the Transporters that they were happy for the tender process to proceed without delay.	Northern Gas Networks (JF)	Pending

**Action Log: Demand Estimation Sub-committee – Technical Work Group**

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
DTW0801	15/08/12	3.0	Complete analysis for options A, C and E by <del>the end of September</del> . 09 November 2012.	CI, MR, SB and Xoserve	Carried forward - Presentations to be made on 20/11/12
DTW0802	15/08/12	4.2	<i>TWG Work Planning</i> – Algorithm Performance Analysis: TWG to consider the various strands of Algorithm Performance and the frequency of analysis and provide comments on what should be done going forward.	ALL	Closed

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Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
<b>DTW0803</b>	15/08/12	4.2	<i>Ref No 2: Review of appropriateness of current EUC definitions for Small and Large NDMs – Consider different approaches and submit suggestions/ preferences to Xoserve by 31 August 2012.</i>	ALL	Carried forward to 20/11/12