
UNC Demand Estimation Sub-committee
Technical Workgroup Minutes
Wednesday 05 December 2012
31 Homer Road, Solihull B91 3LT

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Christian Ivaha	(CI)	British Gas
Fiona Cottam (Transporter Member - Alternate)	(FC)	Xoserve
Mark Perry	(MP)	Xoserve
Mandeep Pangli	(MP1)	Xoserve
Mo Rezvani (User Member)	(MR)	SSE
Roy Malin (Transporter Member - Alternate)	(RM)	National Grid Distribution
Sallyann Blackett (User Member)	(SB)	E.ON UK
Zoe Ireland	(ZI)	British Gas

**via teleconference*

Meeting papers are available at www.gasgovernance.co.uk/desc/051212

1. Confirmation of membership and apologies for absence

The meeting was declared quorate.

1.1 Apologies for absence

Apologies were received from M Jenks (RWE Npower), Matthew Jackson (British Gas), C Warner (National Grid Distribution), R Pomroy (Wales & West Utilities), P Tuxworth (National Grid NTS) and C Thomson (Scotia Gas Networks).

1.2 Alternates

R Malin for C Warner (National Grid Distribution); Xoserve (F Cottam) for C Thomson (Scotia Gas Networks) and P Tuxworth (National Grid NTS).

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

2.1. Minutes

The minutes from the Technical Workgroup (20 November 2012) were approved.

2.2. Actions

DTW1101: Revise analyses for Options A and C and present to next meeting (05 December 2012), and advise Xoserve where reasonable samples of

Smart Meter data are held so that appropriate specific LDZs can be focused on.

Update: Presentations were made; see 3 below. SB believed she had enough Smart data for E01B WM (she had not yet completed the other EUCs). AMR information was more difficult to obtain. **Closed**

3. Project Nexus – New Allocation Algorithm

3.1 Updates on Options A, C and E

3.1.1 Option A (E.ON UK)

SB presented revised analysis for Option A. Smart data was compared to the NDM sample (for LDZ WM 2009/10). The graph results were briefly discussed.

The 16% percentage error was not unexpected. SB pointed out that it was not an entirely fair comparison because of the use of trial data (under the trial customers were incentivised to demonstrate a reduction in demand). Asked if that might be a similar position for 2011/12 data, SB conjectured that there may again be tendency to push consumption down but this 'deliberate' factor/effect may lessen as Smart concept/equipment gets rolled out without any accompanying incentives (financial) to customers to proactively reduce consumption.

SB observed that shapewise it looked sensible, her concern being that it was not a fair like-for-like comparison.

3.1.2 Option C (British Gas)

CI presented graphs for EUCs1-4, and explained the revised Out-of-Sample results (2009/10 gas year).

A discussion took place centring on the use of AQ data, corrections and normalisation. To aid understanding, the Regression Model (presented and discussed at the previous meeting) was displayed and re-examined together with the Winter and Summer Modelling for EUC1 (factors to be applied). It was observed that in the Regression Model the 'K' should sit inside the first set of brackets and was to be construed as 'zero'. MR was concerned that December had been excluded and suggested it would be better to exclude a summer month (less weather sensitive) and also the use of an 'intercept' term.

The results were discussed.

EUC1 – It was observed the right trends were there but there was under-predicting of demand.

EUC2 – This was not picking up the Day of the Week sufficiently.

EUC3 and EUC4 were reviewed.

RM commented that perhaps there was another variable that was not being taken into account and this may be dragging demand down.

CI observed that he perhaps should have normalised the data first, rather than using AQ for scaling, due to the change in the seasonal normal basis.

CI concluded that the Out-of-Sample data was fit for October 2009 to March 2010 only, as a significant level shift (i.e., 30%+) had been observed, and conjectured that this could be because of Regression coefficients needing to be re-estimated.

The Out-of-sample accuracy results appeared poor and this could be because of a number of different factors, eg

- the number of meters changing year on year
- a lack of normalisation by AQ prior to modelling
- significant behavioural change not captured by analysis
- AQ re-base issue.

For 2010/11 CI will try normalising by AQ first, and will include December and remove August.

3.1.3 Option E (Xoserve)

MP confirmed that the 2010/11 and 2011/12 analyses were being worked on; the results for this Option E should be ready soon. The appropriate year data will now be shared with E.ON and British Gas to enable Option A and C analyses to progress.

3.2 Plan to complete the Analysis – update for PN UNC Workgroup

Nominations and allocations were briefly discussed and, in response to questions from MR, FC and SB reiterated the position reached at Project Nexus Workgroup.

To enable the progression of provision of legal text in respect of a modification (one of many) that had been raised to move forward as part of Project Nexus, BF reminded the group that a recommendation was required to be made to the DESC, which must then formulate a response to C Warner (National Grid Distribution) who was arranging for the provision of the text.

The group expressed the view that the UNC did not require to formally include an algorithm itself, because any such algorithm was likely to change every year, particularly if Option C were to be adopted. It would not be sensible to force the raising of a UNC modification every year to make a simple change to the algorithm. However the UNC text may need to offer clear direction to an associated document within which the algorithm might reside, and also make sufficient provision for appropriate governance arrangements to any such document to effect any formal changes to the algorithm.

FC undertook to produce a draft recommendation to the DESC that could be circulated for comment/approval by email by both DESC TWG parties and subsequently by DESC Members.

Action DTW1201: Produce a draft recommendation to the DESC that could be circulated for comment/approval by email.

It was clear from the discussions and comments that analysis was still continuing and that a sound decision on a preference for a particular Option was unlikely much before February. It was therefore anticipated that the next stage of the analyses for the three Options would be presented at the meeting on 28 January 2013, with a view to making a formal comparison and decision on the most appropriate Option to adopt.

Action DTW1202: 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.

4. Any Other Business

None raised.

5. Diary Planning

Please see Table below for planned meeting dates and provisional programme for 2013.

5.1 DESC Meetings

The next DESC meeting will take place at 10:30 on 11 February 2013, at the Energy Networks Association (ENA), Dean Bradley House, 52 Horseferry Road, London SW1P 2AF.

5.2 DESC Technical Workgroup Meetings

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

The next DESC Technical Workgroup meeting will take place at 10:30 on Monday 28 January 2013, at 31 Homer Road, Solihull B91 3LT; teleconference arrangements for this meeting can be made on request.

DESC and DESC Technical Workgroup Meetings 2013

Date	Time	Venue	Meeting	Programme
Monday 14 January 2013	10:30	<i>Cancelled</i>	DESC TWG	-
Monday 28 January 2013	10:30	31 Homer Road, Solihull B91 3LT (<i>previously a Teleconference</i>)	DESC TWG	Options A, C and E: Review and evaluation of further analysis.
Monday 11 February 2013	10:30	Energy Networks Association (ENA), Dean Bradley House, 52 Horseferry Road, London SW1P 2AF	DESC	<ul style="list-style-type: none">- Evaluation of Algorithm Performance: Strands 2 & 3 - RV & NDM Sample data- TWG recommendation for Spring 2013 Approach.
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	31 Homer Road, Solihull B91 3LT	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	31 Homer Road, Solihull B91 3LT	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	(If required) 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 & WCF - Re-Evaluation of Model Smoothing methodology.

Action Log: Demand Estimation Sub-committee

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
DE1101	07/11/12	7.2	Members to consider the Phase 2 requirements and provide their views to Xoserve.	All	Pending
DE1102	07/11/12	8.0	Provide a deadline date for including the new algorithm within legal text for Modification 0432.	National Grid Distribution (CW)	Pending
DE1103	07/11/12	8.0	Seek legal advice as to whether it is possible to publish the new algorithm in a document referenced by UNC.	National Grid Distribution (CW)	Pending
DE1104	07/11/12	8.0	DESC to request that the DESC TWG provide a recommendation for the new algorithm as soon as possible.	DESC (BF)	Pending

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

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
DTW1101	20/11/12	3.2	Revise analyses for Options A and C and present to next meeting (05 December 2012), and advise Xoserve where reasonable samples of Smart Meter data are held so that appropriate specific LDZs can be focused on.	British Gas (CI) and E.ON (SB)	Closed

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
DTW1201	05/12/12	3.2	Produce a draft recommendation to the DESC that could be circulated for comment/approval by email.	Xoserve (FC)	As soon as possible
DTW1202	05/12/12	3.2	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)	To be presented on 28/01/13