UNC Demand Estimation Sub-committee Technical Workgroup Minutes

10:30 Wednesday 27 November 2013

Consort House, 6 Homer Road, Solihull B91 3QQ

Attendees

Helen Cuin (Chair)	(HC)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Christian Ivaha	(CI)	British Gas
Fiona Cottam	(FC)	Xoserve
James Hanks	(JH)	EDF Energy
Joe Lloyd	(JL)	Xoserve
Mandeep Pangli	(MPa)	Xoserve
Mark Perry	(MP)	Xoserve
Mo Rezvani	(MR)	SSE
Sallyann Blackett	(SB)	E.ON UK

Copies of papers are available at: www.gasgovernance.co.uk/DESC/271113

1. Introduction

The meeting was declared quorate.

1.1. Apologies for absence

S Marland (National Grid NTS), C Thomson (Scotia Gas Networks), C Warner (National Grid Distribution), R Pomroy (Wales & West Utilities).

1.2. Note of Alternates

FC (Xoserve) for S Marland (National Grid NTS), C Thomson (Scotia Gas Networks), C Warner (National Grid Distribution), and R Pomroy (Wales & West Utilities).

2. Status Review

2.1. Minutes

Minutes from previous Technical Workgroup (26 June 2013) were approved.

2.2. Actions

No outstanding actions.

3. Draft Spring Approach to Modelling 2014

3.1. Weather history

JL provided an update on the revised weather history, which was provided as part of the Weather Station Substitution Methodology, explaining that the Met Office have not been able to provide a complete data set, as reliable estimates could not be ascertained in some cases. This currently prevents Xoserve from calculating CWV values until the gaps have been filled. MR believed the MET Office should have provided a complete data set, however Xoserve explained that the methodology agreed by DESC does take into account this situation. Xoserve confirmed that work would need to be undertaken to fill the gaps. JL highlighted some of the challenges and invited feedback from the Workgroup on how the gaps could be filled.

It was recognised if the industry wanted to use historical data the gaps would need to be filled to enable longer-term analysis.

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The Workgroup considered how the gaps could be filled, how many years and points of data needed to be filled, and how long the exercise may take. The Workgroup discussed deriving new CWVs, based on a calculation from existing CWVs.

Some concern was expressed about the time constraints and whether the new historical weather data can be used. The preference from the Workgroup was to use the new historical data if the data set could be complete.

MR enquired if there was an alternative set of data that could be utilised to fill the gaps for example where weather stations weren't in operation.

The Workgroup considered calculating parameters using existing data from 1960 and the likely differences in calculations with the option to calculate CWVs and the variables.

It was agreed the Workgroup would need to decide if the existing CWV parameters can be used or not and establish an interpretation method to fill the gaps.

FC explained that the Transporters would want to ensure prices have been set right to avoid under or over charging. It was understood that the Transporters would need to provide notice of charges by the end of January 2014 for 01 April 2014 onwards, and therefore the impacts would need to be known well before then.

MR was keen to move to the new data set for the 2014 Spring Modelling Approach as soon as possible.

The Workgroup acknowledged further discussions will need to take place and agreed to undertake the following actions:

Action 1101: Xoserve to review old and new temperature/wind data and provide a view on the impact to CWV.

Action 1102: Xoserve to provide a workplan with timelines to include an investigation, and a view on how long it would take to fill the gaps in historical weather data.

Action 1103: Shippers to look at the data gaps and consider a gap filling interpretation methodology.

3.2.   Model smoothing approach

MP provided a presentation on the background and the factors to be considered for model smoothing. The presentation included the model smoothing volatility analysis/results and predictability analysis. MP agreed to publish the data for Shippers to consider and obtain the Workgroup's view on using the current approach or not.

Action 1104: Shippers to consider the volatility results and provide a view whether to continue with the current approach or not.

There was a general consensus for the Workgroup to continue with the current smoothing approach.

MR asked about reviewing core systems and the flexibility to change. The Workgroup briefly considered future change and how Xoserve are managing the Project Nexus Modifications, system testing, use of parameters etc.

3.3.   LDZ aggregations

JL provided a presentation outlining the use of alternative LDZ combinations. The proposal was to programme Xoserve's system to be able to use alternative combinations, this involved fully testing and looking at any other combinations in readiness.

CI enquired about the durability of the groupings. FC explained the desire to build an ability within the system to cope with the likely combinations required.

JH asked about the possibility of having sample data earlier next year, to determine what aggregations were required. MP replied that data is required up to 31 March for modelling purposes, so this step cannot be brought forward. However the results of the autumn validation are now available and they can be reviewed for any obvious additional aggregations.

A number of different aggregations were considered: SC/NO, SO/SE, NW/WN, NE/NW/WN, EM/WM, EM/WM/WS, NT/SE/SO/EA. Xoserve agreed to look at other possible aggregations that they believe are likely to be plausible for further consideration.

MR was concerned about the system inflexibility in general and the need to programme the system and how this could cause further inflexibility. Xoserve explained that there are areas within the system that Xoserve are trying to address system flexibility and are working towards improved systems.

3.4. Holiday codes

JL provided a presentation on the DESC holiday codes for Christmas 2014, and the existing holiday code rules. JL clarified the holiday codes are used to factor in the different demands on holidays, for example a drop in demand from LSP sites. Codes are used firstly to identify which historic days should be analysed as holidays, to develop demand reduction factors, and secondly to identify the future days to which holiday reductions should be applied in the coming year's models.

The Workgroup agreed to continue with the holiday codes.

3.5. EUC boundary definitions

MPa provided a presentation outlining the review of EUC definitions, current EUC boundaries and considerations and a distribution sample to illustrate that there was no bias in the NDM sample. MPa confirmed Xoserve have looked at which data is not dependent on current EUCs.

CI asked for Band 1 to be included within the analysis.

The Workgroup considered the WARs across the EUC bands and the impact of the smaller samples and population of sites.

The Workgroup also considered the number of WAR bands and correlation on the scatter diagrams. It was recognised there were some similarities. CI asked about availability of the raw data. JL confirmed some raw data had been provided to Shippers within a spreadsheet.

Xoserve concluded there was no strong evidence of better break points from the data with possible scope to rationalise Bands 5 to 8. The option of using a simpler solution by aggregating the models was considered.

SB enquired if the shape of the profiles could be examined, she suggested taking samples and looking at the average and range of each of the days to see if there was the same level of peakiness and if the shapes looked the same.

Action 1105: Xoserve to look at the shape of demand profiles across different EUCs in the sample data

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4.   Any Other Business

4.1.   Climate Change Methodology (CCM) outputs in the derivation of Seasonal Normal CWV

Xoserve updated the Workgroup on the discussions of a sub-set of the group, and presented a proposed strawman option for the use of CCM outputs in SNCWV.

Corrected history will be delivered by the Met Office as part of the contract, which is expected June/July 2014 to enable the calculations to be undertaken.

It was agreed further discussions would take place within DESC and any proposal would need to be outlined to the Transporters.

5.   Diary Planning

Meetings will take place as follows:

DESC and DESC Technical Workgroup Meetings 2014

Time / Date	Venue	Meeting	Programme
10:30 Wednesday 15 January 2014	Solihull	**DESC TWG**	Spring Approach 2014 • Weather History Data • Model Smoothing approach • EUC boundary definitions
10:30 Wednesday 12 February 2014	Energy Networks Association (ENA), 6th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF	**DESC**	• Evaluation of Algorithm Performance: Strands 2 and 3 – RV and NDM Sample data • TWG recommendation for Spring 2014 Approach
10:30 Monday 28 April 2014	Teleconference	**DESC TWG**	Confirm modeling runs
10:30 Wednesday 21 May 2014	Solihull – venue tbc	**DESC TWG**	Review modeling results and approve commencement of model smoothing stage
10:30 Wednesday 25 June 2014	Teleconference	**DESC TWG**	Review responses to draft NDM proposals and agree key messages for DESC
10:30 Wednesday 09 July 2014	Solihull – venue tbc	**DESC**	Review and approval of 2014/15 NDM Algorithms
10:30 Wednesday 30 July 2014	Teleconference	**DESC**	Review representations (if any) and consider response
10:30 Wednesday 12 November 2014	Energy Networks Association (ENA), 6th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF	**DESC**	Evaluation of Algorithm Performance: Strand 1 – SF and WCF

Action Table: Demand Estimation Sub-committee

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
			None outstanding		

Action Table: Demand Estimation Sub-committee – Technical Workgroup

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
DTW1101	27/11/13	3.1	Xoserve to review old and new temperature/wind data and provide a view on the impact to CWV.	Xoserve (FC/JL)	**Pending**
DTW1102	27/11/13	3.1	Xoserve to provide a workplan with timelines to include an investigation, and a view on how it would take to fill the gaps in historical weather data.	Xoserve (FC/JL)	**Pending**
DTW1103	27/11/13	3.1	Shippers to look at the data gaps and consider a gap filling interpretation methodology.	Shippers	**Pending**
DTW1104	27/11/13	3.2	Shippers to consider the volatility results and provide a view whether to continue with the current approach or not.	Xoserve (FC/MP)	**Pending**
DTW1105	27/11/13	3.5	Xoserve to look at the shape of demand profiles across different EUCs in the sample data.	Xoserve (FC/MPa)	**Pending**