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Subject: DESC response

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Good morning all,

Response to the material presented to, and the subsequent discussions during the meeting of, the DESC on the 31st March 2009. What follows reiterates much of the minuted discussions from the meeting.

We find it disappointing that the climatological research (EP2) and resultant data paid for by a group of industry members and provided to XOSERVE without charge has not been considered as the proposal in the first instance. The EP2 research was conducted by the Hadley Centre, whose scientists are recognised as the worldwide experts on climate. The work was carried out under strict scientific rigour and was well received by a peer review.

RWE npower urges DESC to adopt the baseline climatology data from the EP2 study as the basis for the Seasonal Normal CWV (SN-CWV) over the proposed 12 or 8 year historical bases. Below we list the reasons why we believe this choice is beneficial to all parties.

- It is widely acknowledged that the future climate will be different from the current and past climates. A seasonal normal view based purely on historical will never, in general, capture the future climates. By including output from state of the art climate simulations the EP2 study captures the future trends in climate changes.
- Any basis of less than 30 years will result in natural variations in weather patterns influencing the shape of the seasonal normal.
- The resulting average of the 12/8 year basis proposed would require smoothing as it would be too noisy for Demand Estimation use. The analysis required to develop an acceptable smoothing routine would be labour intensive. It is our belief that the method previously used over-smoothed the data with the result of important climatological features being removed. Conversely, insufficient smoothing would result in noise induced by natural variation being included in the seasonal normal. Developing an appropriate smoothing method that does neither of the above represents a significant body of work. As the EP2 data is based on a sufficiently long period it does not require smoothing so these problems are avoided.
- It is encouraging that the proposed 12/8 year basis concurs with the EP2 data on an annual level. We have concerns that the annual shapes are different and we believe the use of the 12/8 year basis would lead to significant misallocation of demand. As a result of this discrepancy, we believe that the agreement on an annual level could be purely coincidental.
- The use of the "break-point analysis" at an annual resolution to determine a historical basis may not be valid in this instance. From the presentation it appears that the noise in the data, or for want of a better expression, the experimental error, is greater than the signal for any particular "break-point". In addition to this, no physical justification for any particular "break-point" has been offered.
- The EP2 methods are sufficiently stable and robust and, to our knowledge, satisfy all the criteria imposed by the UNC.

In conclusion, we would welcome the direct use of the EP2 data in deriving a SN-CWV as we believe it has significant benefits over the 12/8 year basis proposed and represents the best possible view of the climate for the next review period.

Best regards,

Jonathan Aitken and Sally Lewis
(DESC members - RWE npower)

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