

## Summary of Key Messages from DESC on 9<sup>th</sup> December 2019

### Outcomes

#### 2.0 Seasonal Normal Review 2020

- Earlier this year DESC agreed i) changes to the Composite Weather Variable (CWV) formula (which were shown to improve the accuracy of the relationship to demand) and ii) how the Climate Change Methodology (CCM) output procured from the Met Office in 2013 should be used in the derivation of the Seasonal Normal Composite Weather Variable (SNCWV).

These 2 decisions allowed for a revised set of SNCWVs to be calculated.

DESC reviewed the proposed set of SNCWVs at its meeting on 9<sup>th</sup> December 2019 and unanimously approved them ahead of their use from 1<sup>st</sup> October 2020. This concludes the DESC decision making for the Seasonal Normal Review process which has been performed during the whole of 2019.

DESC material [here](#) includes the next steps which need to be performed during 2020 ahead of the new Gas Year starting.

#### 3.0 Evaluation of Algorithm Performance for Gas Year 2018/19

- 3 Strands of analysis were reviewed by DESC for the recently completed Gas Year.

One of the key conclusions from the Strand 3 analysis was the confirmation that the application of Uplift Factors in 2018/19 to the DESC approved consumption profiles (ALPs and DAFs) had made the estimation of gas demand at allocation worse. This was expected given the levels of UiG were generally negative during 2018/19 meaning that the estimation of NDM supply points was generally too high prior to supply point reconciliation.

This conclusion was expected by DESC and supports the decision made earlier this summer to remove the ALP Uplift from the 2019/20 profiles.

In addition to the above, the Strand 3 analysis also provided some further evidence / justification for DESC's decision to introduce the new EUCs for Bands 1 and 2 (0 to 293 MWh pa), although acknowledged the full benefit of these profiles is only realised if the accuracy of data items such as the Market Sector Code (MSC) is maintained.

#### 4.0 NDM Sample Update

- Feedback on the quality of data received by Xoserve since the implementation of UNC Modification 0654S in March this year was provided to DESC. There are a number of issues with the data the Demand Estimation team is receiving which is not helping in building robust demand models or reviewing the performance of demand models. Xoserve shall be providing feedback individually to customers in the new year to help improve future submissions.