Summary of Key Messages from DESC on 7ᵗʰ December 2020

Outcomes

2.0 NDM Algorithm Performance for Gas Year 2019/20

- Results presented to DESC indicated that average UIG during Gas Year 2019/20 would have been reduced by c.20-30% if the models used in Gas Year 2020/21 and new weather basis (i.e. revised CWV formula which now includes Solar Radiation term) had been used in NDM Allocation. This supports DESC's decision to revise the CWV formula, which has been proven to explain more of the gas demand behaviours. Results are available to view here.

- Analysis of the Gas Demand Profiles (ALPs, DAFs) for Gas Year 2019/20 using daily consumption data from a sample of the NDM population has unsurprisingly been impacted by COVID-19, specifically the I&C market. Results are available to view here.

  CDSP reported a number of data issues with the sampling data provided by Shippers and as a result have published a supporting document to help customers perform checks on the data prior to submission.

3.0 COVID-19 Winter Impacts – Gas Year 2020/21

- CDSP presented some initial results (upto mid-November '20) for the Domestic market which suggests within their sample there hasn't been a marked increase in demand, however this will continue to be monitored. Results available here.

4.0 Modelling Approach 2021 – Gas Year 2021/22

- DESC commenced discussions on the approach to Demand Modelling in 2021 which will be producing Demand Profiles for Gas Year 2020/21. Once again, the impacts of COVID-19 will play a part as the analysis period for modelling will cover extended periods of national lockdowns and local restrictions. Final approval for how the modelling will be performed will be required at the February meeting next year.

5.0 Review of NDM Algorithm – Consultation Update

- The results of the consultation on the NDM Algorithm were shared and are available for review here. The responses received has helped provide clarity on the industry's 'red lines' going forward when it comes to any potential future changes.