Demand Estimation Sub Committee

2.0 2022/23 NDM Algorithms Review Industry Representations

19th July 2022

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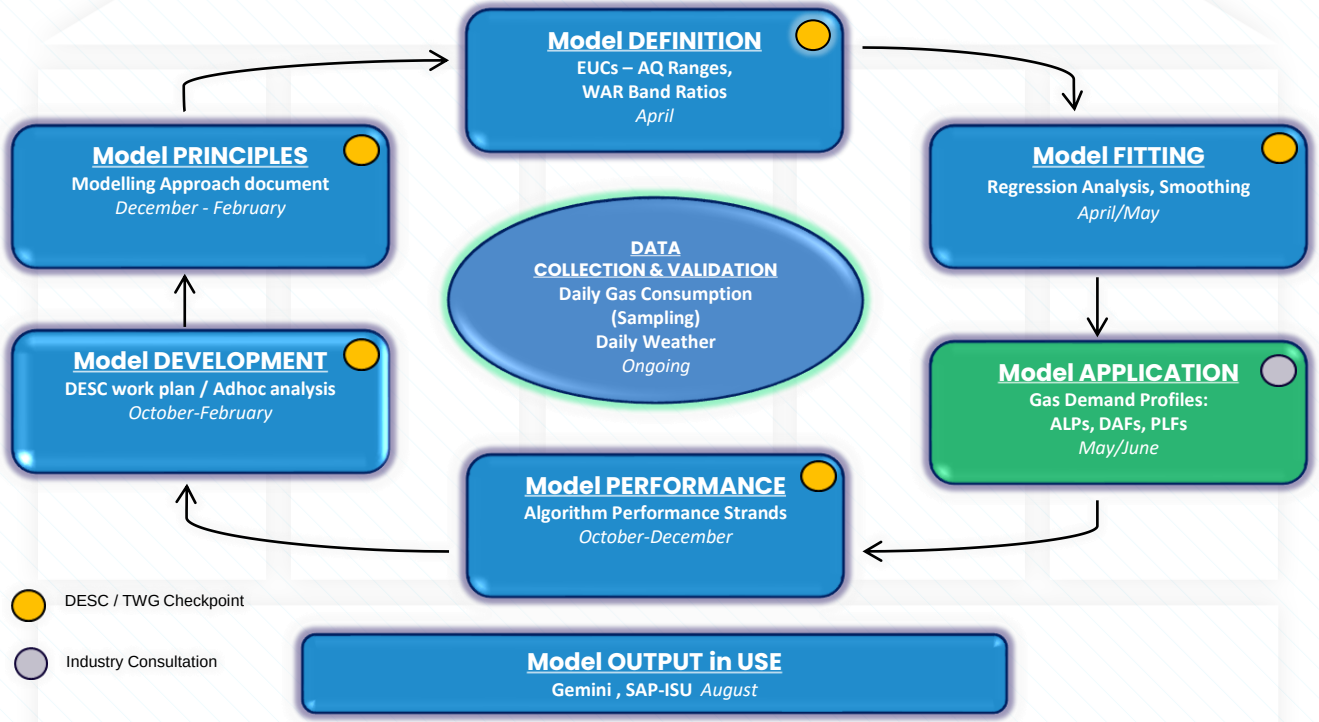
Background, Timetable and Objective of Meeting

Demand Estimation: Background

- An overview of the Demand Estimation process and output can be found here
- This presentation relates to the “Model Application” phase of the Demand Model cycle



Demand Estimation Timetable - 2022

High Level View of Demand Estimation Timetable 2022 - Key Checkpoints

PHASE	MILESTONE	CHECKPOINT	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1. MODEL PRINCIPLES	Modelling Approach 2022 Approved	DESC Meeting			02-Mar									
2. DATA COLLECTION & VALIDATION	Daily Gas Consumption Data validated	Internal				14-Apr								
3. MODEL DEFINITION	Agree Data Aggregations / WAR Band Limits	TWG Meeting				27-Apr								
4. MODEL FITTING	Gas Demand EUC Modelling review	TWG Meeting					24-May							
5. MODEL APPLICATION	Publication of Draft Gas Demand Profiles	Website						10-Jun						
	Gas Demand Profiles Approved for wider industry	DESC Meeting							07-Jul					
	Final Approval of Gas Demand Profiles	DESC Meeting							19-Jul					
6. MODEL OUTPUT IN USE	SAP-ISU and Gemini updated	Internal								14-Aug				
7. MODEL DEVELOPMENT	Adhoc Work-plan approved	DESC Meeting							19-Jul			05-Oct		
8. MODEL PERFORMANCE	NDM Algorithm Performance - Strands 1 to 3 Review	DESC Meeting												13-Dec

Objectives of Meeting

- The final objective of the “Model Application” phase is for TWG, DESC and the industry to review the Derived Factors – ALPs, DAFs and PLFs in order to approve final versions to be used in Gemini and SAP-ISU for the new Gas Year

- Objective of today’s meeting is to:

  - For DESC members to review any representations raised on the proposals for Gas Year 2022/23

  - To gain DESC support to formally approve and finalise this year’s proposals

  - To confirm remaining activities relating to proposals for Gas Year 2022/23

Industry Responses and Conclusions

Industry Responses

- Following DESC on the 7th July 2022, a note was issued to the industry advising that the draft proposals for Gas Year 2022/23 were available for review and comment – with the deadline for comments being 15th July 2022

- We can confirm that there have been **no additional comments** received outside of DESC and TWG on this year's draft proposals and this now concludes the wider industry consultation window

- Are DESC members happy to approve the draft Gas Demand Profiles for Gas Year 2022/23? (Vote Required)

Next Steps

Next Steps

After this meeting, the Demand Estimation Team on behalf of Xoserve and DESC will:

- Assuming DESC have provided final approval, inform the wider industry and Ofgem that the profiles are now formally approved
- Publish the final proposals to the industry and submit interface files to key systems (no later than 9th August)
- Update the Demand Estimation page on Xoserve.com so the final version of the EUC definitions, ALPs, DAFs and PLFs for the new Gas Year are available to the industry in the public domain

Reminder: Where to find Demand Estimation Data

Folder Structure on Secure Website, links to secured area and access request form can be found by following this link

- 18. NDM Profiling and Capacity Algorithms
  - 2022-23 Gas Year
    - 1 Modelling Approach
    - 2 Demand Estimation Sample Data
    - 3 Demand Estimation Parameters
      - a End User Categories and Derived Factors
      - b Demand Model Supporting Files
    - 4 NDM Algorithms Booklet

- Folders highlighted in green will contain the final NDM proposals for Gas Year 2022/23
- The NDM Algorithms Booklet (summary of the end-to-end modelling process) will be available in folder 4 once published

NDM Algorithms Booklet Sharing

- In 2019 DESC approved the publication of the key Demand Estimation modelling output (i.e. ALPs, DAFs and PLFs) in the public domain
- In order to support the industry understanding the process for deriving this output further, Demand Estimation would like to propose making a version of the NDM Algorithm Booklet publicly available
- The following slides shows a list of sections and the Demand Estimation Team's views on if it can be made public
- We welcome DESC's views on this approach

NDM Algorithms Booklet Sharing

Document	Section Title	Allow Public?
S0.	Introduction	Yes - No sensitive content
S1.	Validation of Data	Yes
S2.	Data Aggregations	Yes
S2. Appendix	Meter Counts and Aggregations	Yes
S3.	Gas Demand EUC Modelling Structure	No
S4.	Demand Model Smoothing	No
S4. Appendix	List of Models with Summer Reductions and CWV Cut-offs for all Models	No
S5.	Gas Demand EUC Modelling Results	Yes
S6.	CWV Intercepts of Demand Models	Yes
S6. Appendix	CWV intercepts for all Smoothed models and their single year models	No
S7.	Averaged Parameters of Demand Models	No
S7. Appendix	Calculated constant, slope and weekend factors for all models	No
S8.	NDM Supply Meter Point Demand Formula	Yes
S9.	Calculation of Annual Load Profiles and Daily Adjustment Factors	Yes
S10.	Calculation and Comparison of EUC Peak Load Factors	Yes
S10. Appendix	List of Load Factor variations year on year for all models	Yes
S11.	Composite Weather Variables	Yes
S12.	Evaluation of Algorithm Performance	Yes