

UNC Demand Estimation Sub-Committee (DESC) Minutes
Thursday 19 July 2022
via Microsoft Teams

Attendees

Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office

Shipper Members (Voting)

Anupa Purewal	(AP)	E.ON
Dan Stenson	(DS)	Centrica
John Jones	(JJ)	ScottishPower
Katherine Uzzell	(KU)	SSE
Cosmin Popovici	(CP)	Total Energies (Alternate)

Transporter Members (Voting)

Murugan Babumohanan	(SG)	National Grid
Paul O'Toole	(POT)	Northern Gas Networks (Alternate)
Rosie Cox	(SL)	Cadent (Alternate)

Observers (Non-Voting)

Darrin Prescott	(DP)	Correla on behalf of Xoserve
Mark Perry	(MP)	Correla on behalf of Xoserve
Michael Maguire	(MM)	Correla on behalf of Xoserve
Penny Griffiths	(PG)	Correla on behalf of Xoserve
Simon Bissett	(SB)	Correla on behalf of Xoserve

DESC meetings will be quorate where there are at least four Voting Members or their alternates, of which at least two shall be Users and two Transporters are in attendance.

Please note these minutes do not replicate/include detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of papers are available at: <https://www.gasgovernance.co.uk/desc/190722>

1. Introduction and Status Review

Rebecca Hailes (RH) welcomed everyone to the meeting.

1.1. Apologies for Absence

David Mitchell, Transporter Member
Emma Buckton, Transporter Member
Louise Hellyer, Shipper Member

1.2. Note of Alternates

Cosmin Popovici, on behalf of Louise Hellyer, Shipper Member (Total Energies)
Paul O'Toole, on behalf of Emma Buckton (Northern Gas Networks)
Rosie Cox, on behalf of Sanjeev Loi (Cadent)

1.3. Quoracy Status

RH advised that the meeting was quorate.

1.4. Approval of Minutes (07 July 2022)

The minutes of the previous meeting were approved.

1.5. Approval of Late Papers

There were no late papers to consider.

1.6. Review of Outstanding Actions

DESC0701: *Reference the Annual Process for establishing whether a Technical Workgroup is required* – Correla (MP) and Joint Office (RH) to consider how best to approach managing requirements going forward (inc. integration within a 12-month workplan).

Update: RH confirmed that the details are to be finalised and that consideration will be given to:

- Establishing DESC Technical Workgroup (TWG) meetings when needed
- Writing out to industry for DESC TWG membership nominations each year (aligned with the yearly DESC nomination process)

Carried Forward.

MP also wished to note that the approved Terms of Reference for DESC and the DESC TWG will need to be published, following an update and removal of a redundant UNC reference at the last meeting.

New Action 0702: Joint Office (RH) to ensure the DESC and DESC TWG Terms of Reference are published.

1.7. User Representative Appointment Process

HCu provided a brief verbal update confirming that, of the 5 available Shipper positions on DESC, 4 positions had been filled, with 1 position vacant. Further nominations had been requested however this did not secure an additional member.

RH noted that an update will be provided to the Uniform Network Code Committee to advise of all committee vacancies and to consider any further actions to fill vacant posts.

2. 2022/23 NDM Algorithms – Review DESC Representations

Penny Griffiths (PG) provided an overview of the ‘2022/23 NDM Algorithms Review DESC Representation’ providing the background, timetable, and conclusions. PG confirmed the wider industry consultation has concluded with no additional comments received.

The Committee were asked to vote on whether to approve the proposals following completion of a wider industry consultation period.

The Committee **unanimously** approved the 2022/23 NDM Algorithms as follows.

Voting Outcome:	
Shipper Representatives	For/Against
Anupa Purewal	For
Dan Stenson	For
John Jones	For
Katherine Uzzell	For
Cosmin Popovici	For
Transporter Representatives	For/Against
Murugan Babumohan	For
Paul O’Toole	For
Rosie Cox	For

PG advised of the next steps and where to find the demand estimation data. For full details please refer to the [presentation published](#).

PG asked the committee for views on making the NDM Algorithms Booklet available publicly. Noting that some sections have sensitive content, PG provided a table listing the sections proposed to be shared. PG assured the committee that any data deemed sensitive would not be shared and would continue to be provided on the Xoserve secured area, such as the underlying demand models. DESC members considered the proposal, there were no initial objections.

New Action 0703: DESC Members to advise Xoserve of any objection on publishing the NDM Algorithms Booklet (without sensitive content), via email by 31 August 2022, to allow publication for the new Gas Year.

3. Weather Station Review

Michael Maguire (MM) provided an overview of the Gas Industry weather stations and reminded the committee that precipitation data does not currently form part of the Composite Weather Variable (CWV), however data is being received in anticipation of future analysis. For full details please refer to the [presentation published](#).

Murugan Babumohanam (MB) referring to the B2B5 medium term forecast data (week ahead forecasts), which are used for short term planning, as he wished to observe that the data can be volatile and if this would impact any of the profiles.

MP confirmed that the NDM Nomination process utilises day ahead data and was unaware of any concerns with volatility.

The Committee reviewed the current list of Gas Industry weather stations, the locations and use in different LDZs. It was agreed to consider any risks/issues at the October DESC.

4. Seasonal Normal Review

MM provided the background as to why a review is required and an overview of the current approach for Composite Weather Variable (CWV) (TPD Section H 1.4.3) and Seasonal Normal equivalent referred to as the SNCWV (TPD Section H 1.5.3). For full details please refer to the [presentation published](#).

MM explained the need to have a Climate Change Methodology to adjust historical observations and ensure variability over the years is taken into account. MM provided information on the current approach for SNCWV and the continued trend of increasing temperatures.

MM reported that the next steps will be to confirm any changes to the Composite Weather Variable formula and/or any new Seasonal Normal basis to take effect from 1st October 2025. MM noted that DESC would need to conclude the review and confirm the new formula and values by the end of 2024.

MM confirmed that the planning and activity timetable needs to be reviewed and agreed by DESC towards the end of this year, due to the timescales involved in:

- i) the potential procurement exercise for a new/refreshed Climate Change Methodology (CCM)
- ii) CWV formula review and optimisation
- iii) calculation of new seasonal normal basis and
- iv) any system change implications.

MM asked the committee what additional analysis / information DESC would like to see ahead of making a decision on the next steps, particularly around the procurement of a CCM.

For more information: Overview slides prepared for last Seasonal Normal Review (2020) are available on [DESC's homepage](#).

MM advised that the Committee will be asked to consider what may be needed, particularly with regards to a Climate Change Methodology, for the next Seasonal Normal Review due to take effect in 2025, at the October DESC meeting.

The committee briefly considered the cost associated with procuring data and options available. It was understood that the funding for data will be likely to be spread across all users as the data is of benefit to all parties and would be progressed through an Xoserve Change Request requiring industry approval.

The Committee agreed that the review should consider the costs, timelines and approach.

5. Agreement of Ad-Hoc Workplan

MM provided an overview of the [Ad-Hoc Workplan](#), including an overview of the DESC annual work for core modelling work and demand profiles. For full details of the standard work plan items and proposed adhoc work plan items please refer to the presentation published.

The Committee considered the proposed list of workplan items for the upcoming autumn/winter period. Progress on the agreed programme of work will be reported to DESC at its meetings in October, December and March.

The full schedule of work will be finalised at the next meeting in October.

DESC approved the proposed set of Workplan items set out in slides 6-9.

Dan Stenson (DS) enquired about the ability to identify users that do not use gas as a means for heating (i.e. cooking only) for the proposed EUC definitions and the Domestic Band. It was suggested that work on EUC definitions should be put on hold whilst ascertaining if better (bigger) data sets are available from Shippers. The committee requested that Corella share what data sets they are interested in and to help establish if there could be a formalised way of sharing Shipper data. *Note, this was considered as part of Request 0754R - Investigate Advanced Analytic Options to improve NDM Demand Modelling.*

New Action 0704: Corella (MM) to consider providing DESC Members with a list of data sets which would assist reviewing EUC definitions.

6. DESC Survey

The Committee were asked to complete a shorty survey to capture their views on the performance of the Demand Estimation team in meeting DESC's UNC obligations via survey link <https://www.surveymonkey.co.uk/r/MRGGPXJ>. MP confirmed absent members and alternates would be contacted and provided with the link.

7. Any Other Business

None to consider.

8. Communication of Key Messages

The DESC Summary of Key Messages document will be provided as a post meeting update and will be published at: <https://www.gasgovernance.co.uk/desc/summarykeymessages>

9. Diary Planning

Further details of planned meetings are available at: <https://www.gasgovernance.co.uk/events-calendar/month>

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
10:00 Wednesday 05 October 2022	5pm Tuesday 27 September 2022	Microsoft Teams	DESC agenda items TBC
10:00 Tuesday 13 December 2022	5pm Tuesday 03 December 2022	Microsoft Teams	DESC agenda items TBC

DESC Action Table (as at 19 July 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Target Date	Status Update
0701	07/07/22	3.	<i>Reference the Annual Process for establishing whether a Technical Workgroup is required – Correlá (MP) and Joint Office (RH) to consider how best to approach managing requirements going forward (inc. integration within a 12 month workplan).</i>	Correlá (MP) & Joint Office (RH)	05/10/22	Carried Forward
0702	18/07/22	1.6	DESC Members to advise Xoserve of any objection on publishing the NDM Algorithms Booklet via email by 31 August 2022 (removing sensitive content), to allow publication for the new gas year.	Joint Office (RH)	31/08/22	Pending
0703	18/07/22	2.0	DESC Members to advise Xoserve of any objection on publishing the NDM Algorithms Booklet via email by 31 August 2022 (removing sensitive content), to allow publication for the new gas year.	DESC Members	31/08/22	Pending
0704	18/07/22	5.0	Corella (MP/MM) to consider providing DESC Members with a list of data sets which would assist reviewing EUC definitions.	Corella (MP/MM)	05/10/22	Pending