

UNC Demand Estimation Sub-Committee Minutes
Wednesday 07 July 2021
via Microsoft Teams

Attendees

Alan Raper (Chair)	(AR)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office

Shipper Members (Voting)

Anupa Purewal	(AP)	E.ON
Daniel Stenson	(DS)	Centrica
John Jones	(JJ)	ScottishPower
Louise Hellyer	(LH)	Total Gas & Power

Transporter Members (Voting)

Abbie Sheppard	(AS)	National Grid
David Mitchell	(DM)	SGN
Paul O'Toole	(POT)	Northern Gas Networks Alternate
Sanjeev Loi	(SL)	Cadent
Smitha Coughlan	(SC)	Wales & West Utilities

Observers (Non-Voting)

Ben Armstrong	(BA)	Yorkshire Gas & Power
Cosmin Popovici	(CP)	Totalenergies Gas & Power
Neil Crompton	(NC)	SSE
Joseph Lloyd	(JL)	Correla on behalf of Xoserve
Luke Reeves	(LR)	EDF Energy
Mark Perry	(MP)	Correla on behalf of Xoserve
Michael Maguire	(MM)	Correla on behalf of Xoserve
Penny Griffiths	(PG)	Correla on behalf of Xoserve
Sarah Palmer	(SP)	E.ON
Simon Bissett	(SB)	Correla on behalf of Xoserve

Copies of papers are available at: <https://www.gasgovernance.co.uk/desc/070721>

1. Introduction and Status Review

Alan Raper (AR) welcomed everyone to the meeting.

1.1. Apologies for Absence

None received.

1.2. Note of Alternates

Paul O'Toole, Northern Gas Networks for Emma Buckton

1.3. Quoracy Status

AR advised that the meeting was quorate.

1.4. Approval of Minutes (28 April and 24 May 2021)

Committee members approved the DESC minutes from 28 April and DESC TWG minutes from 24 May 2021.

1.5. Approval of Late Papers

There were no late papers to consider.

1.6. Review of Outstanding Actions

DESC 0201: Xoserve (SB) to provide comparison of sample composition across the I&C EUC Bands from 2020 to 2021

Update: AR confirmed this action was closed at the previous meeting. **Closed.**

DESC TWG0501: *Reference Small NDM 01BND Option 2 – Correla* (PG, MM and JL) to undertake additional modelling simulation runs with the removal of the (2) two outlier sets of data supported with a view on a revised set of optimised modelling data for comparison.

Update: Mark Perry (MP) confirmed this action was undertaken shortly after the previous meeting and a presentation had been provided to confirm the details of the Modelling Results for EUC Band 01BND. For full details please refer to the presentation on today's meeting page. **Closed.**

2. 2021/22 NDM Algorithms

2.1. Review TWG Responses and DESC Representations

Michael Maguire (MM) provided a brief background to the demand estimation process and the key dates for the draft Gas Demand Profiles for Gas Year 2021/22.

MM explained the objective of today's meeting would be to review all the representations raised and the responses to the Model and gain support from DESC for a wider industry review.

For a full detailed update, please refer to the published slides on the meeting page.

MM provided a summary of the modelling progress to date and provided summary tables for the smoothed model outcomes for small and large NDM sites.

MM explained that the majority of underlying EUC Demand Models have not changed given DESC's decision to not use the latest 12 months of gas consumption data.

MM went on to provide the Committee with the comments received from 2 parties with a detailed response (please refer to pages 13 – 20).

Topic 1: 01BND DAF Comparison

MM provided some context around the smoothed model characteristics in response to British Gas comment in relation to seeing larger than expected changes in DAFs for 01BND.

A number of examples had been provided to illustrate why there had been some changes. MM explained a rise in the CWV intercept indicates decreased weather sensitivity, hence the DAF values for 2021/22 have decreased in magnitude.

MM also explained the larger differences have been seen in the summer months as a result of moving from a Summer Reduction model to a No Summer Reduction.

Topic 2: May bank holiday ALP behaviour and UIG

In response to E.ON's comments, Penny Griffiths (PG) provided an explanation for the increase in UIG in May.

PG explained that the change in the ALP shape around the first May bank holiday is due to the application of the current Holiday Code rules. PG reported that it was unclear if the significant UIG following the May bank holiday, was related to changes in consumer behaviour due to Covid-19 and unusual weather for the time of the year, suggesting this needed further consideration.

PG noted that during the May bank holiday period there was a low-pressure system which brought extended cold and wet weather. This combined with the models including a holiday period reduction meant the models may not have reacted sufficiently.

PG suggested some focus could be put onto the holiday period with, perhaps, consideration being given to differentiating between domestic and non-domestic.

Anupa Purewal (AP) welcomed further analysis of the algorithm performance towards the end of the year.

The Committee agreed it would be a good idea to review the holiday codes.

Topic 3: Christmas Period ALP behaviour

In response to E.ON's comments PG provided an overview of the Holiday Code Rules and explained that the ALP shape during the first week of January is due to their application. PG provided a table of how the Christmas Holiday codes are used and asked DESC if they had any insight into the observed data.

AP enquired about the use of Holiday Code 5 and the observed extension for the Christmas Bank Holiday. AP also asked about the weighting of the Scottish Bank Holiday.

Mark Perry (MP) explained the generic rules and how the Scottish Bank Holiday influences the holiday code 5 period. MP explained that with the new system there is an opportunity to be more flexible with how to apply the Holiday Code Rules. Due to the New Year falling on a Saturday the holiday period runs to 07 January 2022, however it was acknowledged it is difficult to define with certainty customer behaviour.

It was recognised that the temporary high UIG may have been high due to different behaviours at Christmas coinciding with the Covid-19 lockdown. The Committee considered whether to use earlier years due to the differences in behaviours. MP believed there was some scope for considering longer term modelling approaches and recognised this may be the preference due to the changes in domestic behaviour.

Abbie Sheppard (AS) explained that National Grid have had to undertake some manual interventions within their processes when looking at LDZ demand, due to the changes in domestic behaviour and seeing a significant difference in demand, particularly when there was a heavy rainfall.

The Committee agreed to review the holiday periods and explore this in greater detail during Strand 3 of NDM Algorithm Performance due in December.

Following the review of the representations and responses PG asked the Committee if it was happy to approve the smoothed EUC demand model and profiles for wider industry review as currently published. PH confirmed that the algorithm booklet is now available on the Xoserve website.

Members unanimously approved a wider industry review and PG outlined the next steps.

PG confirmed the industry consultation would start week commencing 12 July and that the DESC meeting on 21 July would consider any further comments received with the aim of finalising the profiles for Gas Year 2021/22 at that meeting.

3. NDM Algorithm Review Update

MP explained that this standing agenda item has been retained as a means of providing regular progress updates to DESC for UNC Request 0754R 'Investigate Advanced Analytic Options to improve NDM Demand Modelling'.

MP confirmed focus over the last few months has been on supporting the process for finalising the Demand Estimation profiles. Progress on the 0754R Workgroup therefore has been limited until now and centred around the approach. He confirmed there had been no detailed analysis as of yet to consider other options. However, as the profile work is now drawing to an end more focus can be given to 0754R.

Referring to the Adhoc Workplan work normally undertaken at this time of the year MP explained that half of the team will be focused on 0754R and anticipated elements that would normally be considered within the Adhoc Workplan will feed into the 0754R Workgroup considerations.

4. Any Other Business

4.1. User Representative Appointment Process

HCu advised that five candidate Nominations had been received for the DESC Membership commencing 01 October 2021.

4.2. Customer Survey

MP wished to note that a customer survey is going to be launched, asking parties to participate.

4.3. Late Papers for 21 July 2021 Meeting

MP advised due to the timing of the wider industry consultation and the next meeting on 21 July this will result in some late papers for the meeting. The Committee had no objection to receiving late papers.

5. Communication of Key Messages

AR advised that the DESC Summary of Key Messages document to be supplied by MP post meeting, would be published on the Joint Office website at:

<https://www.gasgovernance.co.uk/desc/summarykeymessages>

6. Diary Planning

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

Time / Date	Venue	Workgroup Programme
10:00 Wednesday 21 July 2021	Microsoft Teams	DESC <ul style="list-style-type: none">• Review Industry Responses to 2021/22 NDM Algorithms• Finalise profiles for Gas Year 2021/22• Adhoc Workplan
10:00 Wednesday 06 October 2021	Microsoft Teams	DESC
10:00 Tuesday 14 December 2021	Microsoft Teams	DESC

DESC TWG Action Table (as of 07 July 2021)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Target Date	Status Update
DESC TWG 0501	24/05/21	2.2	<i>Reference Small NDM 01BND Option 2</i> – Correla (PG, MM and JL) to undertake additional modelling simulation runs with the removal of the (2) two outlier sets of data supported with a view on a revised set of optimised modelling data for comparison.	Correla (PG, MM & JL)		Closed

DESC Action Table (as of 07 July 2021)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Target Date	Status Update
DESC 0201	24/02/21	4.0	Xoserve (SB) to provide data analysis on the EUC Bands from 2020 from a movement perspective within the I&C Sector.	Xoserve (SB)		Closed