Demand Estimation Sub Committee

NDM Algorithms Update - Gas Year 2023/24
4 October 23

Objective

- Summarise activities since last DESC meeting in July

- Look forward to the year ahead

NDM Algorithms Update 2023/24

July

- Industry advised DESC had voted to formally approve Gas Demand Profiles

- Ofgem informed that DESC had concluded this year's process

- Xoserve.com updated with ALPs, DAFs and PLFs (i.e. available in the public domain)

August

- UK Link system updated in readiness for AQ, SOQ and Read Estimation calculations

- Gemini system updated in readiness for NDM Nomination and Allocation calculations

- EUC Definitions (incl. unique 5-digit no.) provided to Customers on 24th August 2023
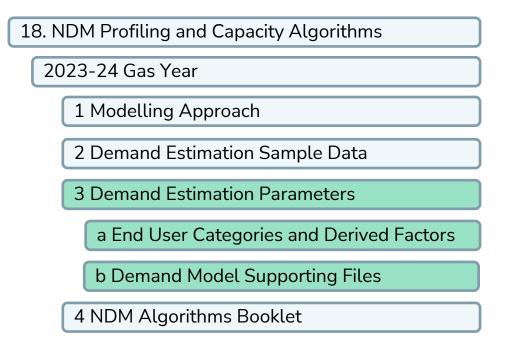
September

- News article shared with customers summarising this year's process, including a reminder of new Unidentified Gas (UIG) Weighting Factors

October

- New Gas Demand Profiles Go-Live (first use 30th September for D-1 Nominations run)

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 <u>link</u>

18. NDM Profiling and Capacity Algorithms

2023-24 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 2023/24

- The NDM Algorithms Booklet (summary of the end-to-end modelling process) is available in folder 4

Look Ahead

- Last year we raised the issue of significant over allocation of NDM demand, primarily due to the failure of AQs to keep up with falling consumption

- Whilst the fall in average AQ has levelled in recent months, there are still c. 1.7m supply points without an AQ update since before 1st October 2022, so there is a good chance these will also have lower AQs when reads are received

- This indicates that an **over estimation of NDM demand** at Allocation (D+5) is **likely to continue** into the new Gas Year. This will in turn contribute towards **negative UIG continuing** but probably not to the same extent as seen in the last Gas Year

- For more information please see the Demand Estimation news article on the Xoserve website here