



## **Uniform Network Code Committee**

Update on Seasonal Normal Review for October 2020

17<sup>th</sup> October 2019

# Background – Section H UNC

- Section H of UNC contains all of the activities which relate to Demand Estimation and Forecasting processes
- UNCC ask a Sub-Committee known as “Demand Estimation Sub Committee” (DESC) to carry out the functions referred to in Section H
- Included in these functions is the requirement to:
  - 1) review the Composite Weather Variable (CWV) (H 1.4.3) and
  - 2) review the Seasonal Normal equivalent referred to as the SNCWV (H 1.5.3)
- The CWV and SNCWV are key building blocks in the production of demand models, profiles (ALPs/DAFs), peak load factors and the NDM allocation formula

# CWV and SNCWV Review

- The last review of the CWV formula and Seasonal Normal basis was completed by DESC in 2014. The revised values took effect from 1st October 2015 and remain in place today
- For stability across the many industry processes impacted, DESC review the CWV and SNCWV, as a minimum, every 5 years. The current basis 'expires' on 30th September 2020
- DESC will commence the modelling work (ALPs/DAFs) for Gas Year 2020/21 in Q1 of 2020 and so the work to review the CWV and SNCWV needs to be concluded at the end of 2019
- Note: The CWV formula review needs to conclude first before the SNCWV values can be calculated

# DESC 2019 Work Plan Overview - Milestones

- DESC's workplan for 2019 has been working towards the following milestones:
- **MILESTONE:** DESC to decide whether to revise existing **CWV** formula (1<sup>st</sup> April) ✓
- **MILESTONE:** DESC define proposed **CWV** formula for next period i.e. GY 2020/21 onwards (8<sup>th</sup> July) ✓
- **MILESTONE:** DESC confirm parameters for use in proposed **CWV** formula for Gas Year 2020/21 (7<sup>th</sup> October) ✓
- **MILESTONE:** DESC decide review existing **SNCWV** (8<sup>th</sup> July) ✓
- **MILESTONE:** DESC confirm revised **SNCWV** values (9<sup>th</sup> December)

# Updates to UNCC

- Reminder of DESC's UNC Section H obligations:
  - “1.4.3 The Committee will, at appropriate frequencies determined by it, **review** and where appropriate **revise** (with effect from the start of a Gas Year) the **formula** by which the **Composite Weather Variable** for an LDZ will be determined.”
  - “1.5.3 The Committee will, at appropriate frequencies determined by it, **after consultation with the Uniform Network Code Committee**, **review** and where appropriate **revise** (with effect from the start of a Gas Year) the **seasonal normal value** (for each Day in a year) of the **Composite Weather Variable** for an LDZ.”
- The work for 1.4.3 has been completed and focus will now turn to 1.5.3
- Today's update is to inform UNCC that DESC expect to conclude the SNCWV discussions and analysis at its meeting on 9<sup>th</sup> December and to seek guidance on the level of information UNCC would like to see
- Are you satisfied with an update at your meeting in December (19<sup>th</sup>) which summarises the outcomes ?

# Seasonal Normal Review - Timeline

## High Level Timeline of CWV / SNCWV Review

2019												2020												
JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
Complete review of CWV Formula and Seasonal Normal Basis, Define methodology and calculate values for next period (2020-2025)																								
										New CWVs and SNCWVs approved by DESC														
Develop Profiles for GY 2019/20 using existing CWVs and SNCWVs				Profiles in place for Gas Year 2019/20, using existing CWVs and SNCWVs																				
										Preparation for Modelling for GY 2020/21														
										Develop Profiles for GY 2020/21 using new CWVs and SNCWVs														
SYSTEM CHANGE - CWV Formula and Receipt of Additional Weather Data Items										Profiles go LIVE using new CWVs and SNCWVs														

**KEY**

Prep. for New CWVs and SNCWVs

Current CWVs and SNCWVs

# Further Information

- Overview of the Seasonal Normal Review process is available on DESC's homepage [here](#)
- Revised CWV Formula and optimised parameters presented at DESC can be found [here](#)
- Review of the existing SNCWV presented at DESC can be found [here](#)
- Any questions on the Seasonal Normal Review 2020 process can be directed to the Demand Estimation team at Xoserve

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