

UNC Demand Estimation Sub-Committee (DESC) Minutes

Wednesday 19 July 2023

Radcliffe House, Blenheim Court, Warwick Road Solihull B91 2AA and
via Microsoft Teams

Attendees

Helen Cuin (Chair)	(HC)	Joint Office
Vera Li (Secretary)	(VL)	Joint Office

Shipper Members (Voting)

Sarah Palmer	(SP)	E. On Alternate
Cosmin Popovici	(CP)	TotalEnergies Gas & Power Ltd
Katherine Uzzell	(KU)	SSE
Mark Linke	(ML)	Centrica

Transporter Members (Voting)

David Mitchell	(DM)	Scotia Gas Networks
Robert Longwe	(RL)	National Gas Transmission Alternate
Neil Stovold	(NS)	Wales & West Utilities
Paul O'Toole	(POT)	Northern Gas Networks Alternate
Ricci Glen	(RG)	Cadent Gas Alternate

Observers (Non-Voting)

Catarina Casteleiro	(CC)	Shell Energy
Jonathan Freeman	(JFr)	Representative of Xoserve
Joseph Lloyd	(JL)	Representative of Xoserve
Mark Perry	(MP)	Representative of Xoserve
Michael Maguire	(MM)	Representative of Xoserve
Penny Griffiths	(PG)	Representative of Xoserve
Simon Bissett	(SBi)	Representative of Xoserve
Timothy Campbell	(TC)	E. ON

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/190723>

1. Introduction and Status Review

Helen Cuin (HC) welcomed everyone to the meeting.

1.1. Apologies for Absence

Anupa Purewal – Shipper Member
Emma Buckton – Transporter Member
Murugan Babumohanan – Transporter Member
Sanjeev Loi – Transporter Member

1.2. Note of Alternates

Sarah Palmer for Anupa Purewal

Paul O'Toole for Emma Buckton
Robert Longwe for Murugan Babumohanan
Ricci Glen for Sanjeev Loi

1.3. Quoracy Status

The meeting was deemed to be quorate.

1.4. Approval of Minutes (05 July 2023)

The Minutes of 05 July 2023 were approved.

1.5. Approval of Late Papers

No late papers to consider.

1.6. Review of Outstanding Actions

None outstanding.

2. Review Industry Representations on 2023/24 NDM Algorithms

Penny Griffiths (PG) confirmed that the key objective, under Agenda item 2.0, will be to conclude discussions on this year's EUC Demand Modelling process.

PG advised they have issued a note to the industry seeking views and comments on this year's proposal and confirmed no comments were received at the time of the meeting.

HC asked DESC members to approve the proposal for draft Gas Demand Profiles for Gas Year 2023/24 NDM Algorithms.

Voting was taken by Exception, with no Voting Member against the proposal. The Gas Demand Profiles were therefore considered approved with unanimous support.

Shipper Representatives	Approval
Sarah Palmer	For
Cosmin Popovici	For
Katherine Uzzell	For
Mark Linke	For
Total	4
Transporter Representatives	
David Mitchell	For
Neil Stovold	For
Paul O'Toole	For
Ricci Glen	For
Robert Longwe	For
Total	5

PG advised the next steps will be to inform the wider Industry and Ofgem that DESC has approved the profiles; publish the Final Profiles to Industry and submit interface files to Key Systems. The new Profile will take effect on 01 October 2023.

PG advised the Committee Members that they could find the Demand Estimation Data by following [This link](#).

3. Weather Station Review

Michael McGuire (MM) advised this is an Annual 'health check' of current gas industry weather stations and asked members for any insight DESC need to be aware of about the status of existing weather stations.

MM provided an up-to-date list of the Gas Industry weather stations used for all weather variables based on the CWV on 01 October 2020.

MM remarked that though Precipitation does not form part of the Composite Weather Variable (CWV) calculation currently, the Demand Estimation team is receiving data in anticipation of future analysis. MM also noted there are no anticipated upcoming station closures or issues which may cause major disruptions to weather data flows.

Sarah Palmer mentioned there seems to be more stability in the weather stations' status.

4. Seasonal Normal Review 2025

Michael McGuire (MG) noted the objective of today's meeting is to confirm the scope of the Seasonal Normal CWV (SNCWV) Formula Review and look at the next steps for the Seasonal Normal Review Cycle (SNRC).

MM provided a recap of the CWV Formula and Parameters with the presentation pack published here: <https://www.gasgovernance.co.uk/DESC/190723>, the link to the CWV Formula implemented on 01 October 2020 can be found here, [01 October 2020](#).

MM further explained the steps to carry out the Seasonal Normal 2020 Optimisation (slide 11)

MM introduced the CWV Formula Review options presented to DESC on [05 July 2023](#) and explained due to the analysis required in adding a new variable, and the need for hourly data to facilitate a review of daily weighting, therefore CDSP recommended retaining the existing formula with a full range of parameter optimisation in this Seasonal Normal Cycle (SNC).

The Parameter Optimisation would look at all variables but focus on

- Large day-to-day movements in the CWV (Effective Temperature Parameters)
- Summer cut-offs and Winter up-turns (Cut-off/Up-turn Parameters)
- Geographical Differences between LDZs and reaction to weather.

DESC was asked to approve the recommended approach. MP welcomed views on the scope of the review and other potential areas to focus on such as the optimisation cycle.

SP suggested exploring other potential factors that may have a direct relationship and shift the demand levels, e.g. precipitation

MP stated he had his doubts around this weather variable given its 'localised' nature and how this would relate to demands for the overall LDZ. Also would need to consider the ability to forecast precipitation?

Mark Linke stated he had the same reservations about precipitation in terms of being hard to forecast and so is not as interested in reviewing this. Mark confirmed he would prefer the review to concentrate on the weighting of effective temperature e.g. the CWV may be applying too much weight to yesterday's temperature. Also interested in the extremes of the CWV i.e. the cold weather upturn and warm weather cut-offs which may be capping the CWV too soon as demand continues to go down.

Members suggested:

- Full range of parameters optimisation extremities day-to-day movement (existing formula)
- Exploration of the impacts of precipitation (rainfall correlation) if this were to be included.

MP asked members if they could provide any data or particular insight on when precipitation is influencing demand levels that the existing CWV is not picking up.

DESC members were happy to proceed with the proposed approach as presented. Voting was taken by Exception, with no Voting member against the approach. The approach is approved with unanimous support.

Shipper Representatives	Approval
Sarah Palmer	For
Cosmin Popovici	For
Katherine Uzzell	For
Mark Linke	For
Total	4
Transporter Representatives	
David Mitchell	For
Neil Stovold	For
Paul O'Toole	For
Ricci Glen	For
Robert Longwe	For
Total	5

MM concluded the presentation by confirming the high-level timetable and the next steps.

Next Steps



5. Agreement of ad-hoc Workplan

Penny Griffiths (PG) provided an overview of the DESC Workplan for the Autumn / Winter period (October 2023 to March 2024) ahead of next year's Modelling Process.

Following the completion of this year's EUC Demand Modelling process for Gas Year 2023/24, DESC will be invited to review/approve the workplan items for the Autumn/Winter 23/24 period. The results of which, will be shared at DESC meetings in October, December and March next year.

PG wished to note with the time limits, it will not be possible to include all items.

PG provided an overview of the Standard Workplan Items as follows: (see Slide 8)

- NDM Algorithm Performance for Gas Year 2022/23
- Modelling Approach 2024
- Managing Daily Gas Consumption Data submissions

PG also advised there are other Weather related workplan items due to be delivered during this period. These consisted of:

- The Daily Weather Data Service Provider contract as CDSP transitions from file format delivery to API platform solution
- Supporting the transition to a UK Link API
- Seasonal Normal Review 2025

PG provided an overview of the 4 Ad-hoc Workplan proposals. Please refer to the presentation slides provided. These consisted of:

- Proposal 1: Modelling Smoothing Review (Slide 10)
- Proposal 2: Review Day of Week Demand Behaviours (Slide 11)
- Proposal 3: Review AQ Ranges (Slide 12)
- Proposal 4: Review the Impact of Flexible Power Generation on UIG (Slide 13)

PG provided other items for information which will not feature in this review but are logged for future consideration (Slide 14).

PG explained that due to time limitations, only 3 proposals could be taken forward. Options are either Model Smoothing Review (Proposal 1) and 2 other of the proposed workplans or if Model Smoothing is excluded the remaining 3 proposals could be considered.

SP commented Proposal 2 is of higher priority.

Mark Linke (ML) enquired about Power Generation sites, negative pricing does have a correlation, with the ability to forecast, and the impacts of these sites in UIG.

Neil Stovold (NS) further discussed on this subject and provided a link for the information on the flexible generation forecasting project. [Flexible Generation Forecasting ENA Innovation Portal \(energynetworks.org\)](http://energynetworks.org)

MP enquired if the DNs would be able to share the 350 MPRNS for these connected sites for these to be examined and what profiles they are set against.

It was agreed to take 1,2,4 take a vote on descoping of item 3.

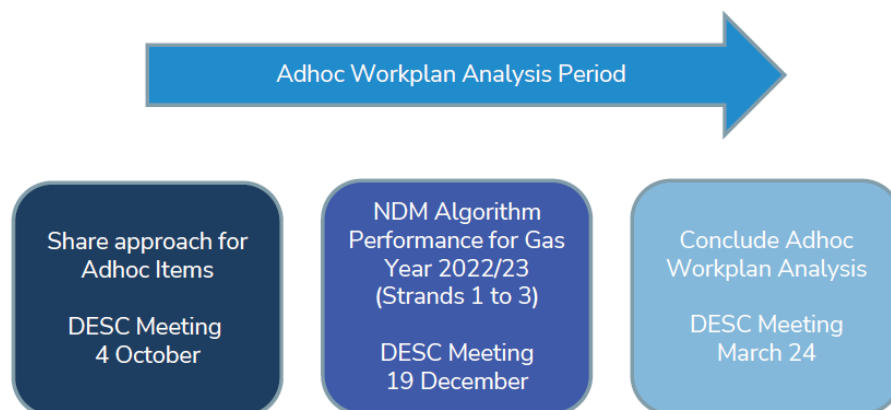
Voting was taken by Exception, with no Voting member against the chosen Workplan approach items 1,2 and 4 (excluding item 3). The approach was considered approved with unanimous support.

Shipper Representatives	Approval
Sarah Palmer	For
Cosmin Popovici	For
Katherine Uzzell	For
Mark Linke	For
Total	4
Transporter Representatives	
David Mitchell	For
Neil Stovold	For
Paul O'Toole	For
Ricci Glen	For
Robert Longwe	For
Total	5

MP asked DNs to provide the MPRNs. Few DNs agreed to provide data and MP to communicate with them directly.

PG concluded the presentation by confirming the next steps are:

Next Steps



6. DESC Survey

Following Agenda item 2.0, Mark Perry (MP) asked for feedback on the whole demand estimation process and how it has been delivered requesting DESC members complete a bi-annual survey (at <https://www.surveymonkey.co.uk/r/HZ5WRGC>), which is used as one of the CDSP's Performance Indicator measures of DESC's satisfaction in how the Demand Estimation DSC+ Service Lines are delivered by the Demand Estimation Team.

MP explained this is an ideal time to reflect on how the new profiles have been delivered by the DE team during the previous 6 months. The results of the survey are used to determine formal performance indicators so important we get a good response rate.

7. Any Other Business

7.1. Data Portal change for National Gas Transmission

Mark Perry (MP) advised National Gas has changed their data portal as from Monday 24 July, the link will be removed. Communication has been provided.

7.2. UNC User Appointment Process

HC reminded current members to ensure that their organisation's Single Point of Contact (SPoC) submits a nomination for membership using the form published at: <https://www.gasgovernance.co.uk/elections>

8. Communication of Key Messages

It was agreed Xoserve will provide the Key Message Communication from today's Meeting.

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 04 October 2023	5 pm Tuesday 26 September 2023	Radcliffe House, Warwick Road Solihull, B91 2AA & Microsoft Teams	See Agenda

10:00 Tuesday 19 December 2023	5 pm Tuesday 11 December 2023	Radcliffe House, Warwick Road Solihull, B91 2AA & Microsoft Teams	TBC
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