

DAWG Meeting #14

Date: Tuesday 25 June 2019

Time: 10:00 – 12:30pm

Venue: Gas Industry Co



Minutes

Present

- Peter Osborne, Nova Energy
- Jim Raybould, Vector
- Pam Caird, GIC
- Paul Cruse, GIC
- Dave Weaver, Concept
- Greg Redshaw, Genesis Energy (by VC)
- Andrew Walker, GIC
- Grace Clapperton-Rees, GIC
- Mao Reyes, First Gas
- Shane Haswell, First Gas

1	Changes to GIC D+1 model to improve allocation accuracy
	<p>Dave talked through analysis that led to proposed refinements to the D+1 model. Main driver of changes is a shift to gate- rather than pool-level model. Noted that although GTAC uses zones as basis for DNC, it is sensible to stick to a gate-level model since gates can be removed from zones at any time if they become congested. Allocation results can still be presented at zone level if required.</p> <p>Going from a pool to gate focus significantly improves the accuracy of the model (if the accuracy measure is average gate error). Other options explored to make minor improvements:</p> <ul style="list-style-type: none">• splitting AG4 & AG6 now that we have several years of clean AG-level consumption data• tweaking approach to seasonality by from discrete to continuous variable• consideration of whether initial allocation data is included/excluded <p>Plan is to implement model changes prior to 1 October (most likely in August) due to the potential accuracy improvements (even under current VTC arrangements)</p>
2	Changes to D+1 for GTAC/TACOS: Reports
	<p>GIC noted the changes required to the First Gas D+1 reports so that TACOS can:</p> <ul style="list-style-type: none">• import the allocation results post 1 October 2019• separately reconcile mass market and TOU data where required (for Specified Shipper algorithm volumes)• separately reconcile ICPs on supplementary agreements from those on TSAs <p>GIC queried whether shippers would like a similarly-formatted DP1GATE report and also whether associated changes (removing pools and aggregating by gate or zone) should be made to the DP1SUMM, DP1DETA and EOM reports.</p> <p>GIC also queried whether shippers would prefer results split out by retailer code (as per current reports) or just shipper code (as per First Gas report).</p>

3	Changes to D+1 for GTAC/TACOS: Timing
	<p>The group discussed the changes to D+1 timing resulting from new GTAC timing. Specifically, that validated gate data and gas composition will be available by 12pm, two hours earlier than the current deadline.</p> <p>Vector is working to get metering information by 10am – then it just needs gas composition to finalise customer metering data for D+1. Based on the 12pm GTAC deadline, the Vector file received at 12.30pm would contain complete validated data. GIC would then be able provide D+1 allocations to Frist Gas and shippers by 1pm.</p> <p>There was some discussion around the timing and quality of the morning D+1 run. Even with an earlier afternoon allocation at 1pm there was strong support for keeping the morning run as an early warning for any errors</p> <p>It was noted that the current timing of 11am was agreed because validated data is often available by this time; pushing it earlier may reduce the accuracy of the allocations. Some members of the group nevertheless favoured an earlier-is-better approach because production/generation decisions have to be made early in the morning.</p> <p>The group observed a graphical analysis of the differences between the current morning and afternoon runs. Differences are minimal and are only significant where data is completely missing for a gate (since this appears as a zero)</p>
4	Changes to D+1 for GTAC/TACOS: Agreements
	<p>It was noted that this is a work-in-progress. Shippers were working on a gap analysis, comparing what they need under MPOC/VTC with what they will need under GTAC. The GTAC references allocations provided by GIC as well as those provided under the Reconciliation Rules so it is understood that special allocations will not be required in order to use D+1 results.</p>
5	Threshold for new retailers
	<p>Noted that there are three new small retailers in 2019 and the prospect of more small retailers entering the market. All of the new retailers contract with an existing shipper for wholesale gas/transmission services.</p> <p>The D+1 model hasn't accounted for these volumes to date as they are too small to accurately model but GIC/Concept is investigating adapting the retailer models based on previous experience with Pulse/Switch Utilities.</p> <p>Noted that even though the small volumes had been ignored for D+1, they are picked up at the interim allocation.</p>
6	Longer term plan for D+1
	<p><u>Telemetry threshold/mandatory daily reads</u></p> <p>GIC presented analysis of volumes of TOU metering with/without telemetry and the difference that a 20TJ/pa threshold would make.</p> <p>A member of the group queried whether the D+1 pilot agreement with shippers includes a requirement to provide daily telemetry data for ICPs that have it? GIC wasn't aware if this was the case. Updated analysis indicated there are about 45 ICPs that are allocation group 1 on the registry but that don't have daily data supplied for the D+1 runs.</p> <p>There was discussion of how the installation of more telemetry might proceed. Getting and installing equipment were identified as constraints. There is also a difference with the newer technology, which "pushes" readings, whereas the older telemetry "pulled" data. One difference is that with a "pull", the meter can be retried if no data was received the first time. With "push", the next try is the next day, so can take a few days to realise that a meter needs servicing.</p> <p>Members suggested it could take 3-5 years to put telemetry on all 260-odd AG2 customers. But for the approximately 50 or so ICPs that use more than 20TJ/year, it could probably be done in a year (though those 50 are spread across different retailers)</p>

	<p>Suggestion that GIC should send individual retailers the ICPs of customers that would be affected by any move to require telemetry.</p> <p><u>Future of D+1</u></p> <p>GIC noted that the continuation of D+1 isn't a foregone conclusion so industry needs to be clear about what future steps are required. Have to follow full proper regulatory process (evaluate practicable options/statement of proposal/CBA etc). It would be problematic if GIC pushed forward with a mandated rollout of telemetry on TOU meters before there was a clear consensus that D+1 is supported for the long term.</p> <p>The group's feeling was that shippers would still want D+1 under GTAC, even though First Gas could provide scaled DNC, which might be sufficient. The view at the meeting was that D+1 is vital to know your position and to inform nominations. Also, it was suggested that the scaled DNC functionality might be a phase 2 item for TACOS.</p> <p>In terms of timing, it was noted that industry would want to have experience of a winter with GTAC as well as interim allocations (as a minimum) before considering formalising D+1 into the Reconciliation Rules. Probably looking at 2021 for formal start on that basis.</p>
7	Industry temperature dataset
	<p>Vector AMS has contacted NIWA re ground temperature dataset for North Island gas gates. Suggestion that the dataset could be made available to all retailers for use in energy conversion. Establishment of a common temperature dataset is a recommendation that has come out of audits under the Reconciliation Rules.</p> <p>GIC presented analysis of available NIWA data compared with current retailer approaches and alternative options for temperature datasets (gas gate temperature/TOU temperature feeds). GIC will consult further on the proposed approach.</p>