

<p align="center"><b>Change Proposal – BSCP40/02</b></p>	<p>CP No: 1370</p> <p>Version No: v1.0 (mandatory by BSCCo)</p>
<p><b>Title</b> <i>Revised rules for default LLF values</i></p>	
<p><b>Description of Problem/Issue</b> <i>(mandatory by originator)</i></p> <p>Historically, Panel Committees such as the Imbalance Settlement Group (ISG) and Supplier Volume Allocation Group (SVG) have lacked the ability to validate the accuracy of the Line Loss Factors (LLFs) put before them for decision, even though these LLFs potentially had a significant impact on Settlement.</p> <p>As a result, a number of measures were taken to address this issue. Approved Modification P216<sup>1</sup> sought to provide additional transparency and consistency with specific regards to the calculation and application of the LLFs used in Settlement.</p> <p>As part of the P216 implementation, BSC Procedure (BSCP) 128<sup>2</sup> was created to set out the required procedure for applying LLFs.</p> <p>Where default LLF values are required, BSCP128 states:</p> <p><i>“The default LLFs are applied on an equivalent day for day basis, for example, the previously approved LLFs for 1st January will be the default LLFs for the next 1st January. Where default LLFs have to be applied to 29th February, the previously approved LLFs for 28th February will be used;</i></p> <p><i>On the occasions where winter/summer or summer/winter clock changes are involved:</i></p> <p><i>(i) If the day on which default LLFs are to be applied is a clock change day, the set of LLFs approved for the corresponding clock change day in previous year shall be used; or</i></p> <p><i>(ii) If, when attempting to apply a default value, the corresponding day in the previous year is found to be a clock change day, the LLFs approved for the day immediately after that clock change day shall be used;”</i></p> <p>However, it has since been determined that applying this default rule could result in non-Working Day (i.e. Sunday, which consumption patterns vary greatly from a Working Day) LLFs being applied on Working Days and vice versa.</p> <p>This would result in a situation where distribution losses are allocated less accurately, which would therefore be detrimental to Settlement.</p>	

<sup>1</sup> ‘Audit of LLF Production’.

<sup>2</sup> ‘Production, Submission, Audit and Approval of LLFs’.

**Proposed Solution** *(mandatory by originator)*

This CP proposes to update the paragraph from BSCP128 Section 3.3 ‘Use of Default Values’ to state that the default LLFs will be applied on an equivalent Seasonal Time of Day (SToD) basis, e.g. the previously approved LLFs for a ‘Winter Weekday’ will be the default LLFs for a Winter Weekday in the next year.

For example:

1	Winter Peak	1600-1900	Monday – Friday during the months of November, December, January and February
2	Winter Weekday	0730-1600 & 1900-2000	Monday – Friday during the months of November, December, January and February
3	Night	0030-0730	Every night of the year
4	Other		Anytime out with Periods 1, 2 and 3

**Justification for Change** *(mandatory by originator)*

This change would allow default LLFs to apply to the correct day types, and would ensure that relevant default LLFs are applied if LLFs have not been approved. This would therefore reduce risk to, and improve the accuracy of, Settlement – thereby better facilitating the achievement of Applicable BSC Objective (d).<sup>3</sup>

**To which section of the Code does the CP relate, and does the CP facilitate the current provisions of the Code?** *(mandatory by originator)*

The CP supports the obligations in BSC Section K1.7.

**Estimated Implementation Costs** *(mandatory by BSCCo)*

Two ELEXON man days of effort, to implement the redlined changes to BSCP128 and update related guidance notes and local working instructions.

**Configurable Items Affected by Proposed Solution(s)** *(mandatory by originator)*

BSCP128 Section 3.3.

**Impact on Core Industry Documents or System Operator-Transmission Owner Code** *(mandatory by originator)*

No impact.

**Related Changes and/or Projects** *(mandatory by BSCCo)*

CP1372 also relates to the annual LLF audit, although the two CPs are not dependant on each other.

<sup>3</sup> ‘Promoting efficiency in the implementation and administration of the balancing and settlement arrangements’.

**Requested Implementation Date** (*mandatory by originator*)

The annual LLF process described in BSCP128 begins on 1 August. In order to ensure the benefits of this CP are realised in the next annual LLF audit, the CP needs to be implemented in the June 2012 Release.

**Version History** (*mandatory by BSCCo*)

We raised v1.0 of this CP on 27 January 2012.

**Originator's Details:**

**BCA Name** Michael Edwards

**Organisation** ELEXON

**Email Address** [michael.edwards@elexon.co.uk](mailto:michael.edwards@elexon.co.uk)

**Telephone Number** 020 7380 4146

**Date** 27/01/12

Attachments: Yes

Draft redlined changes to BSCP128