

## CP Progression Paper

### CP1578 'Amendments to BSCP128 to enable Embedded LDSOs to calculate and submit Site Specific LLFs as required'

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#### About This Document

You can find the definitions of the terms and acronyms used in this document in the [BSC Glossary](#)<sup>1</sup>.

This document provides information on a new Change Proposal (CP) and outlines our proposed progression timetable for this change, including when it will be issued for CP Consultation in the next suitable Change Proposal Circular (CPC) batch.

We are presenting this paper to the ISG and SVG on 2 May 2023 to capture any comments or questions from Committee Members on this CP before we issue it for consultation.

There are three parts to this document:

- This is the main document. It provides a summary of the solution, impacts, anticipated costs, and proposed implementation approach, as well as our proposed progression approach for this CP.
- Attachment A contains the CP proposal form.
- Attachment B contains the proposed redlined changes to deliver the CP solution.



#### Committee

Imbalance Settlement Group (ISG) and Supplier Volume Allocation Group (SVG)



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ISG265/04, SVG267/03

CP1578

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<sup>1</sup> <https://www.elexon.co.uk/glossary/?show=all>

## 1. Summary



### Not sure where to start?

We suggest reading the following sections:

- Have 5 minutes?  
Read section 1
- Have 15 minutes?  
Read sections 1, 4, 5 and 6
- Have 30 minutes?  
Read all sections
- Have longer?  
Read all sections and the annexes and attachments

### Why change?

Line Loss Factors, which are used to account for losses on the Distribution Networks, are calculated and submitted to the BSC Company (BSCCo) by Licensed Distribution System Operators (LDSOs). Embedded LDSOs usually Mirror the Line Loss Factors (LLFs) of the Host LDSO, however, in certain circumstances they are required to calculate Site Specific LLFs. Several issues have been identified with the current process for calculating Site Specific LLFs that could prevent Embedded LDSOs from successfully completing their submissions.

### Solution

This CP proposes updates to [BSCP128 'Production, Submission, Audit and Approval of Line Loss Factors'](#)<sup>2</sup> to remove issues that may stop Embedded LDSOs from submitting Site Specific LLFs. These updates will add deadlines and obligations to define the process for submitting Site Specific LLFs, including establishing deadlines and requirements for the Embedded and Host LDSOs.

### Impacts and costs

This CP is expected to have a positive impact on Embedded LDSOs, as it will remove issues that could have prevented them from calculating and submitting Site Specific LLFs. The CP will also affect Host LDSOs as it will introduce obligations on them to calculate boundary LLFs that were previously not required. There will be no central system impacts but the CP will require updates to BSCP128. The implementation costs for the CP will be less than £1,000.

### Implementation

This CP is recommended for implementation on 2 November 2023 as part of the standard November 2023 BSC Release. This is to ensure the change is implemented and the benefits realised for Embedded LDSOs at the earliest opportunity.

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<sup>2</sup> <https://bscdocs.elexon.co.uk/bsc-procedures/bscp128-production-submission-audit-approval-of-line-loss-factors>

## 2. Why Change?

### What is the issue?

Usually, an Embedded LDSO would Mirror the LLFs of the Host LDSO. However, there are specific circumstances where Site Specific LLFs are required. BSCP128 includes [LLF Methodology Principles](#)<sup>3</sup>, with which all LLF methodologies are required to comply. LLF Methodology Principle 1 requires LDSOs to calculate Site Specific LLFs for

- Sites that are connected at Extra High Voltage (EHV); or
- Where the customer has requested a Site Specific LLF and the LDSO agrees.

Several issues have been identified which could prevent Embedded LDSOs from successfully calculating and submitting Site Specific LLFs. These issues are summarised below.

### EHV sites connected to Host LDSO network

To calculate Site Specific LLFs for an EHV site connected to a Host LDSO network, Embedded LDSOs require Host LDSO LLFs at the boundary between a Host LDSO and Embedded LDSO within the same GSP Group. In BSCP128, there is currently no requirement for Host LDSOs to calculate LLFs at this boundary, and Host LDSOs do not have metered data or technical data of the embedded network to enable this calculation. There is also no requirement for Embedded LDSOs to provide metered data to the Host LDSO to enable this calculation.

### Submission deadline

The BSCP128 annual LLF submission deadline is the same for Host LDSOs and Embedded LDSOs submitting Site Specific LLFs. If the Host LDSO boundary LLFs are not ready until the submission deadline, it is then too late for the Embedded LDSO to obtain the boundary LLFs and provide a Site Specific LLF submission. The Host LDSO may also refuse to provide the required LLFs, as there is no obligation to do so.

### Post-audit recalculation

The LLF audit can result in LLF values being recalculated. Host LDSOs providing unapproved LLFs for the Embedded LDSO LLF calculation may result in both sets of LLFs requiring recalculation due to an audit issue. There is currently no clarification in BSCP128 to account for this scenario.

## Background

[BSCP128 'Production, Submission, Audit and Approval of Line Loss Factors'](#) details how LLFs are calculated, submitted, reviewed, audited, and approved. LLFs are used to scale energy consumed or generated to account for losses on the GB Distribution Networks. They are submitted by LDSOs, including Host LDSOs, who operate a distribution network that is directly connected to the Transmission System in their own Distribution Licence area, and Embedded LDSOs, who operate an independent distribution network connected to a Host LDSO's distribution network.

The calculation, submission, and audit of LLFs is an annual process, with the timelines detailed in BSCP128. LDSOs must submit proposed LLF calculation methodologies to BSCCo by 1 August. Calculated LLFs must then be submitted by 30 September in

<sup>3</sup> <https://bscdocs.elexon.co.uk/bsc-procedures/bscp128-production-submission-audit-approval-of-line-loss-factors#3-3.1>

accordance with an approved methodology. These deadlines currently apply to both Host LDSOs and Embedded LDSOs.

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## Related changes

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[CP1547 'Clarification on the Site Specific Line Loss Factor Calculation Process for Embedded Licensed Distribution System Operators'](#)<sup>4</sup> is a BSC Change Proposal (CP) that was implemented in November 2021. The CP intended to provide clarity for Embedded LDSOs calculating Site Specific LLFs, following confusion around the process and timelines for Embedded LDSOs.

CP1547 made updates to BSCP128 to provide a transparent view of the timeline and deliverable requirements for Embedded LDSOs. This included clarification of the following:

- For new sites energised mid-year there will be no previously approved Site Specific LLFs, and so the approved Generic Line Loss Factor Class Group LLFs for the equivalent voltage level should be applied;
- Embedded LDSOs wishing to calculate Site Specific LLFs require Settlement data from a 12-month period, and so LLF values can only be submitted after this data is available;
- The standard submission deadlines for all LDSOs will apply to Embedded LDSOs that choose to calculate Site Specific LLFs, meaning they must submit a methodology for approval by 1 August and calculated LLF values by 30 September;
- If the Embedded LDSO cannot meet these deadlines for any reason, including 12-month data not yet being available, they will need to continue to Mirror the Host LDSOs Generic LLFs for the year.

This CP will build upon the changes made by CP1547 to further clarify and improve the processes around Site Specific LLFs for Embedded LDSOs.

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<sup>4</sup> <https://www.elexon.co.uk/change-proposal/cp1547/>

### 3. Solution

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#### Proposed solution

This CP proposes the following updates to the process for submitting Site Specific LLFs in BSCP128:

- Add deadline for Embedded LDSOs to request boundary LLFs from Host LDSOs, for the upcoming BSC Year.
- Add obligation for Host LDSOs to provide any requested boundary LLFs to the Embedded LDSOs by 1 October. For example, where there is an embedded EHV site, the Host LDSO calculates and provides an LLF at the boundary.
- Add requirement for the Embedded LDSO to ensure that the Host LDSO has enough metering (historical 365x48 Half Hourly demand profile) and technical information to enable that calculation.
- Amend the submission deadline for Embedded LDSOs that do not Mirror to 31 October, to give them at least 20 Working Days (WD) to obtain the boundary LLFs, run the calculations and provide a submission to Elexon. It should also give sufficient time for Elexon to audit the LLFs and resolve any audit issues before the end of the year.
- Add requirement for Host LDSOs to provide Elexon with the network boundary LLFs by 30 September.
- Add caveat that recalculation may be required if the Host LDSO LLFs used in the calculation need to be recalculated as a result of a non-compliance identified during the audit

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#### Proposer's rationale

This Change is needed to enable Embedded LDSOs to calculate and submit Site Specific LLFs in accordance with BSCP128. Currently there are issues that may prevent Embedded LDSOs from completing these calculations and therefore keep them from complying with the LLF Methodology Principles.

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#### Proposed redlining

The CP proposes to update BSCP128. The redlining to support this change can be found in Attachment B.

## 4. Impacts and Costs

### BSC Party & Party Agent impacts and costs

This CP is expected to have a positive impact on Embedded LDSOs by addressing potential issues that have prevented them from submitting Site Specific LLFs. This may result in an increase in Embedded LDSOs calculating Site Specific LLFs, rather than Mirroring the LLFs of the Host LDSO. There will also be an impact to Host LDSOs, as the CP will introduce an obligation for Host LDSOs to provide any requested boundary LLFs to the Embedded LDSOs by 1 October. The impact of this should be minor, due to the expected numbers of Embedded LDSOs that will be calculating Site Specific LLFs.

BSC Party & Party Agent Impacts	
BSC Party/Party Agent	Impact
Embedded LDSO	Ability to submit Site Specific LLFs
Host LDSO	Obligation to provide boundary LLFs to Embedded LDSOs, where required and requested

### Central impacts and costs

#### Central impacts

The solution in this CP only affects BSC documentation, specifically BSCP128. No BSC Central Systems or Agents will be impacted.

Central Impacts	
Document Impacts	System Impacts
<ul style="list-style-type: none"><li>BSCP128 'Clarification on the Site Specific Line Loss Factor Calculation Process for Embedded Licensed Distribution System Operators'</li></ul>	<ul style="list-style-type: none"><li>None</li></ul>

#### Impact on BSC Settlement Risks

Impact on BSC Settlement Risks
Elxon anticipate that this CP will have a positive impact on <a href="#">Settlement Risk 015: Reference Data incorrect</a> <sup>5</sup> . It will improve the Risk factor "LDSO not creating or providing compliant LLF annually and mid-year"

#### Central costs

The central implementation costs for this CP will be less than £1,000 to implement the relevant document changes.

<sup>5</sup> <https://www.elxon.co.uk/reference/performance-assurance/performance-assurance-processes/015-sva-risk-reference-data-incorrect/>

## 5. Implementation Approach

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### Recommended Implementation Date

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This CP is recommended for implementation on 2 November 2023 as part of the standard November 2023 BSC Release. This is to ensure the change is implemented and the benefits realised for Embedded LDSOs at the earliest opportunity. This would also ensure that the proposed changes are public prior to the 2023 LLF submission deadline.

## 6. Proposed Progression

### Progression timetable

The table below outlines the proposed progression plan for this CP:

Progression Timetable	
Event	Date
CP Progression Paper presented to ISG for information	2 May 2023
CP Progression Paper presented to SVG for information	2 May 2023
CP Consultation	9 May 2023 – 6 June 2023
CP Assessment Report presented to ISG for decision	4 July 2023
CP Assessment Report presented to SVG for decision	4 July 2023
Proposed Implementation Date	2 November 2023 (Standard Nov 23 Release)

### CP Consultation questions

We intend to ask the standard CP Consultation questions for this CP. We do not believe any additional questions need to be asked for this CP.

Standard CP Consultation Questions
Do you agree with the proposed solution?
Do you agree that the draft redlining delivers the proposed solution?
Will this CP impact your organisation?
Will your organisation incur any costs in implementing this CP?
Do you agree with the proposed implementation approach for this CP?

## 7. Recommendations

We invite you to:

- **NOTE** the proposed progression timetable for the CP; and
- **PROVIDE** any comments or additional questions for inclusion in the CP Consultation.
- **NOTE** that this CP will be presented to:
  - the ISG on 2 May 2023; and
  - the SVG on 2 May 2023.