ISG207/01 - MODIFICATION P350: METHODOLOGY FOR LOAD PERIODS AND SAMPLE SETTLEMENT PERIODS

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Purpose of paper	Decision
Classification	Public
Summary	This paper summarises any consultation responses provided by the Transmission Company and/or BSC Parties on the proposed methodology for setting Load Periods (LPs) and Sample Settlement Periods (SSPs). These are used in the derivation of Zonal Transmission Loss Factors, as required by the Balancing and Settlement Code (BSC). It also presents the actual values resulting from the methodology, and seeks your approval to proceed with the same methodology, and hence the derived values.

1. Introduction

1.1 Modification P350 'Introduction of a seasonal Zonal Transmission Losses scheme' introduced a Transmission Loss Factor (TLF) for each TLF Zone and BSC Season[1]. The TLF Zones are aligned with the existing Grid Supply Point (GSP) Groups, so transmission losses can be allocated on a geographical basis. P350 went live on 1 April 2018.

1.2 The BSC requires the Transmission Loss Factor Agent (TLFA) to calculate seasonal Zonal TLF values for each BSC Year[1] in advance, using historical data from a Reference Year, running from 1 September to 31 August in the preceding BSC Year. BSC Section T, Annex T-2, paragraph 7 requires the BSC Panel to identify representative Sample Settlement Periods (SSPs), rather than using data for every Settlement Period in the Reference Year.

1.3 In order to do this, the BSC Panel must (after consultation with the Transmission Company and other Parties) divide the Reference Year into a number of different Load Periods (LPs), each "*representing (in the opinion of the Panel) typically different levels of load on the AC Transmission System, defined by time of day, day of week, season and such other factors as the Panel considers relevant*". The Panel must also specify a number of SSPs from each LP.

1.4 At its July 2017 meeting (268/08 - P350 Methodology for Load Period and Sample Settlement Periods), the BSC Panel reviewed the comments received from industry during the Consultation, before approving the methodology for determining LPs and SSPs. It was also agreed to delegate responsibility for defining LPs and SSPs' methodology to the Imbalance Settlement Group (ISG).

[1] BSC Year covers period 1 April to 31 March.

1.5 These LPs and SSPs, when used to derive TLFs, will result in a representative annual average TLF for each Zone. Note the Reference Year will be divided in to BSC Seasons[2].

2. Proposed methodology

2.1 At its meeting in June 2018, the ISG (206/05 – Modification P350: methodology for Load Periods and Sample Settlement Periods) agreed to consult with the Transmission Company and BSC Parties on the existing LP and SSP methodology.

2.2 This methodology instructs ELEXON to:

2.2.1 Divide the BSC Year into Electricity Forward Agreement (EFA) Days (23.00 – 23.00), and group the EFA Days within each week into blocks of consecutive Working and Non-Working Days. This divides the BSC Year into c.104 blocks of consecutive EFA Days, with each week having a block of five Working Days and a block of two non-Working Days (except where there are Bank Holidays).

2.2.2 Split each of these blocks into six time bands, corresponding to the 6 four-hour blocks within the EFA Day. Each time band, within each block of days, is a LP, so there will be c.624 LPs within the Reference Year.

2.2.3 Randomly select SSPs from each LP. Randomly select one Settlement Period from EFA Block 1, one from EFA Block 2, but two Settlement Periods from each of the remaining EFA Blocks[3]. This means the total number of SSPs in the Reference Year will be c.1040.

2.2.4 The sample (1,040 SSPs from a total of 17,520 Settlement Periods) will be large enough to be statistically representative. Increasing it further would require a change to the TLFA contract.

2.3 It is this proposed methodology for determining LPs and SSPs that the Transmission Company and BSC parties were asked to provide their views on through the consultation.

3. Consultation Responses

3.1 ELEXON has received no responses and as such, the proposed methodology will remain unchanged.

4. Next Steps

4.1 If the ISG approves the methodology and the actual LPs and SSPs (please refer to Attachment A), ELEXON will notify the TLFA, the Transmission Company and Central Data Collection Agent (CDCA) of the LPs and SSPs for the Reference Year, and publish them on the BSC Website on or before the 31st August 2018.

5. Recommendations

5.1 We invite you to:

a) **NOTE** ELEXON received no consultation responses.

b) **NOTE** the actual LPs and SSPs shown in Attachment A.

c) **APPROVE** the proposed methodology and actual LPs and SSPs to be used in the derivation of TLFs for the BSC Year 2019/20.

[2] BSC Seasons are defined as: BSC Spring is 1 March to 31 May inclusive; BSC Summer is 1 June to 31 August inclusive; BSC Autumn is 1 September to 30 November inclusive; and BSC Winter is 1st December to 28th (or 29th, as the case may be) February inclusive

[3] Demand variability is lower in EFA Band 1 and 2, compared to the variability in EFA Band 3, 4, 5 and 6.

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Attachments

Attachment A – Actual LPs and SSPs calculated for period 1 April 2019 to 31 March 2020.

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