

ISG206/05 - MODIFICATION P350: METHODOLOGY FOR LOAD PERIODS AND SAMPLE SETTLEMENT PERIODS

MEETING NAME ISG 206

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Owner/author Riccardo Lampini

Purpose of paper Decision

Classification Public

Summary This paper summarises the proposed methodology for setting Load Periods (LPs) and Sample Settlement Periods (SSPs) to be used in the derivation of Zonal Transmission Loss Factors, as required by the Balancing and Settlement Code (BSC). It seeks your agreement to consult the Transmission Company and BSC Parties on the use of the proposed method.

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 Season¹. 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 Year¹ 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 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 LPs. Each LP should "*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.
- 1.5 At the same meeting, the BSC Panel also agreed to delegate responsibility for defining LPs and SSPs' methodology to the Imbalance Settlement Group (ISG).
- 1.6 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.
- 1.7 Each year, on or before 31 August, ELEXON will notify the Transmission Loss Factor Agent (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.

¹ BSC Year covers period 1 April to 31 March. 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

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2. Proposed methodology

- 2.1 ELEXON proposes that ISG use the same methodology as last year.
- 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 with five Working Days and a block with 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 Load Period, so there will be c.624 Load Periods within the Reference Year.
 - 2.2.3 Randomly select Sample Settlement Periods from each Load Period. Randomly select one Settlement Period within EFA Block 1, one within EFA Block 2, but two Settlement Periods from each of the remaining EFA Blocks². This means the total number of SSPs in the Reference Year will be c.1040.
 - 2.2.4 The sample (1,040 Sample Settlement Periods 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.

3. Next steps

- 3.1 If the ISG approves, ELEXON will circulate the proposed methodology to industry for consultation.
- 3.2 Parties will then have until 3 July 2018 to respond (consultation proforma in Attachment A). Once ELEXON has received all responses, they will be considered on their merits and the methodology updated if required. A second paper will then be presented to the ISG in July to request approval of both the methodology and proposed LPs and SSPs. We will include all consultation responses, and our actions in respect to them.

4. Recommendations

- 4.1 We invite you to:
 - a) **NOTE** the proposed methodology for defining LPs and SSPs;
 - b) **AGREE** the circulation of this proposed methodology for consultation; and
 - c) **NOTE** the proposed methodology, consultation responses, and actual LPs and SSPs will be presented to the ISG for approval at the July meeting.

Attachments

Attachment A – P350: Methodology for Load Period and Sample Settlement Period Consultation proforma

For more information, please contact:

Riccardo Lampini, Market Analyst

Riccardo.Lampini@elexon.co.uk

020 7380 4172

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