

ISG225/01 - PROPOSED ETLMO VALUES FOR 2020/21 BSC YEAR

MEETING NAME	ISG 225
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Paper number	225/01
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Owner/author	David Thomas
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Purpose of paper	Decision
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Classification	Public
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Summary	We have calculated the Estimated Transmission Losses Adjustment (ETLMO) values for the period 1 April 2020 to 31 March 2021, and are presenting them to ISG for approval.
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1. Introduction

- 1.1 In accordance with Section V2.6.3 of the Balancing and Settlement Code (BSC), we have calculated Estimated Transmission Losses Adjustment (ETLMO) values for the period 1 April 2020 to 31 March 2021. The Balancing Mechanism Reporting Agent (BMRA) uses ETLMO values to calculate indicative charges and payments for Balancing Mechanism (BM) actions, and the Energy Imbalance Price, in near to real-time.
- 1.2 The level of transmission losses allocated to each BM Unit in a Settlement Period affects payments for BM actions and the calculation of the Energy Imbalance Price. The actual allocation of such losses for Settlement is determined using metered data; however this is not collected until after the Balancing Mechanism Reporting Service (BMRS) data is published. Therefore we need to estimate the level of transmission loss adjustments for the purposes of BMRS reporting.
- 1.3 The parameters used for BMRS reporting are set out in Section V2.6.3 of the BSC. These parameters are the estimated values of the 'Delivering Transmission Losses Adjustment' (ETLMOj+), and the 'Offtaking Transmission Losses Adjustment' (ETLMOj-). Attachment A describes how the BMRA and Settlement Administration Agent (SAA) account for transmission losses in the BSC. ETLMOj+ and ETLMOj- are values which the Panel may from time to time determine.

2. Proposed ETLMO values for the period 1 April 2020 to 31 March 2021

- 2.1 To calculate the proposed ETLMO values, we have used an average of the indicative Transmission Losses Adjustment values (TLMOs). These indicative values have been calculated for each day of a season by the Transmission Loss Factor Agent (TLFA).
- 2.2 The TLFA has been created as part of Approved BSC Modification P350 'Introduction of a seasonal Zonal Transmission Losses scheme', which was implemented on 1 April 2018. The Modification results in non-zero Zonal Transmission Loss Factors (TLFs) being used in Transmission Loss Multiplier (TLM) equation defined in BSC Section T2.3.1. We have provided an explanation of these calculations in Attachment A.
- 2.3 The output files used in our proposed ETLMOs are the seasonal TLFA-I014s 'Indicative values of TLMij, TLMO+j and TLMO-j calculated using "non-0" TLFs' received from the TFLA. The average is based upon the latest Settlement Data across the season in the period 1 September 2018 to 31 August 2019, which is the Reference Year for the BSC Year 2020/21.
- 2.4 Approximate Transmission Losses have been removed from this year's paper as the calculation is not possible using only the TLMOs. This is a result of the implementation of [P350: Introduction of a seasonal Zonal Transmission Losses scheme](#) on 1 April 2018.

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2.5 **Table 1** below presents the results of our analysis; the proposed seasonal ETLMO values for 1 April 2020 to 31 March 2021, and the average for the year period. The Spring season is split into two periods, 1 April to 31 May 2020 (Spring A) and 1 to 31 March 2021 (Spring B), to align with the BSC Year.

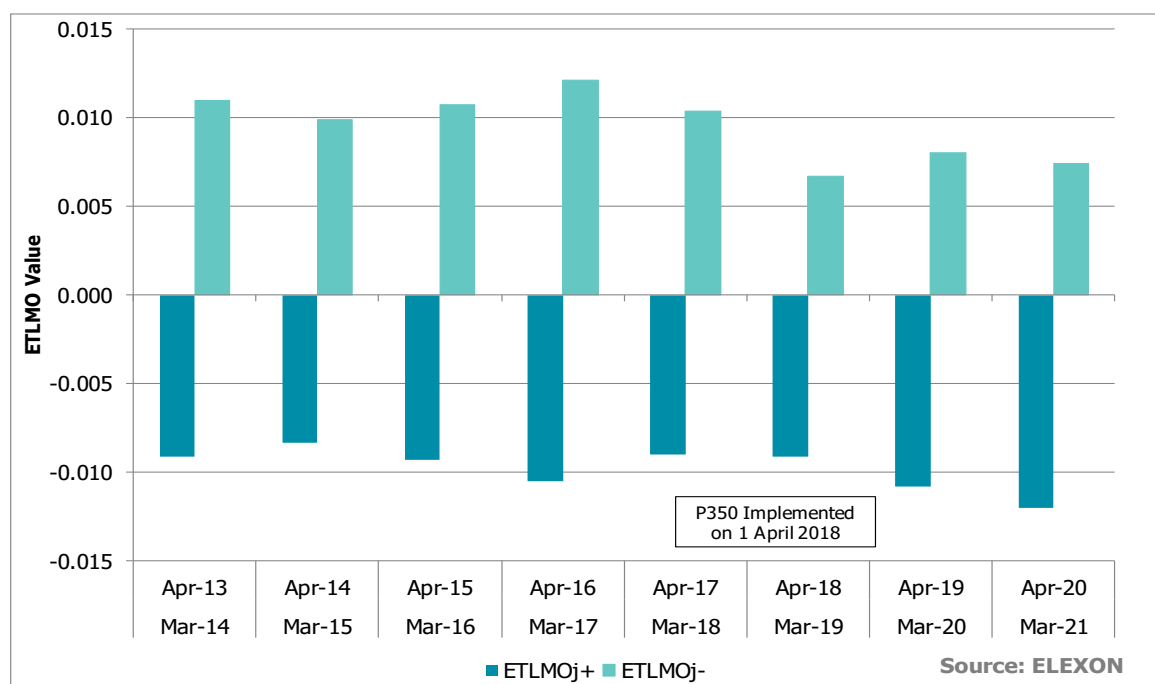
Table 1: Proposed ETLMO values for 1 April 2020 to 31 March 2021

Season	Start Date	End Date	ETLMOj+	ETLMOj-
Spring A	01/04/2020	31/05/2020	-0.01166	0.00674
Summer	01/06/2020	31/08/2020	-0.01340	0.00999
Autumn	01/09/2020	30/11/2020	-0.01173	0.00672
Winter	01/12/2020	28/02/2021	-0.01120	0.00621
Spring B	01/03/2021	31/03/2021	-0.01166	0.00674
Annual Average			-0.01200	0.00741

3. Analysis

3.1 Graph 1 displays the historical approved ETLMO values, the corresponding approximated transmission loss percentage, and the average annual ETLMOs for 2020/21.

Graph 1: Historical ETLMO and Approximated Transmission Losses values.



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- 3.2 For 1 April 2020 to 31 March 2021, the average Delivering ETLMO (ETLMOj+) value is higher than in previous years, whilst the Offtaking ETLMO (ETLMOj-) remains lower when compared to the historical trend prior to April 2018. This is due to the inclusion of non-zero TLFs in the calculation of the ETLMOs for 2020/21, in line with BSC Modification P350 implemented on 1 April 2018.

4. Recommendations

- 4.1 We invite you to:

- a) **APPROVE** the Delivering and Offtaking ETLMO values, with the effective from and to dates stated below, for use in the BSC Year 2020/21:

Season	Start Date	End Date	ETLMOj+	ETLMOj-
Spring A	01/04/2020	31/05/2020	-0.01166	0.00674
Summer	01/06/2020	31/08/2020	-0.01340	0.00999
Autumn	01/09/2020	30/11/2020	-0.01173	0.00672
Winter	01/12/2020	28/02/2021	-0.01120	0.00621
Spring B	01/03/2021	31/03/2021	-0.01166	0.00674

Attachments

Attachment A: Treatment of Transmission Losses in the BSC

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