

ISG227/05 - LINE LOSS FACTOR AUDIT FINAL REPORT

MEETING NAME	Imbalance Settlement Group
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Date of meeting	03 March 2020
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Owner/author	Sedef Kiris
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Purpose of paper	Decision
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Classification	Public
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Summary	This paper reports the results of ELEXON's annual audit of Line Loss Factor (LLF) values for the 2020/21 BSC Year performed in accordance with BSCP128. We invite the Imbalance Settlement Group (ISG) to approve the Central Volume Allocation (CVA) LLF values for all of the Licensed Distribution System Operators (LDSOs). ELEXON will present the SVA LLF values to the Supplier Volume Allocation Group (SVG) for approval on 3 March 2020.
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1. Introduction

- 1.1 [BSCP128 'Production, Submission, Audit and Approval of Line Loss Factors'](#) details a set of principles by which Licensed Distribution System Operators (LDSOs) must calculate their Line Loss Factors (LLFs). This requires ELEXON to conduct an annual audit on the calculation of the LLFs created using the approved methodology ahead of the implementation of new annual LLF values on 1 April 2020.
- 1.2 ELEXON performed the annual review of the LLF methodologies submitted by each LDSO in August 2019 (ISG220). All methodologies were found to be compliant although some minor amendments to the wording has been done.

2. Audit process changes for 2020/2021

- 2.1 There have been no changes to the LLF Audit process between audit years.

3. Host LDSO audit results for 2020/2021

- 3.1 For the 2020/2021 audit year, ELEXON performed site visit audits for all Host LDSOs. All were completed and the final audit reports were issued by 10 December 2019. All Host LDSOs achieved a final result of compliant.
- 3.2 Following the methodology audit, ELEXON has audited the Supplier Volume Allocation (SVA) and Central Volume Allocation (CVA) LLF values in accordance with BSCP128. There are no outstanding non-compliances. We invite ISG to approve the CVA LLF values for use in Settlement for the 2020/2021 BSC Year.
- 3.3 Attachment A summarises the total number of non-compliances for all LDSOs found during the audit process.
- 3.4 All Host LDSOs met all BSCP128 deadlines.
- 3.5 One out of six Host LDSOs had to resubmit their documentation to resolve the outstanding non-compliances.
- 3.6 Four out of six Host LDSOs had to revise their documents to rectify typographical errors as well as incorrect entries.

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4. Embedded LDSO audit results for 2020/2021

- 4.1 Twelve Embedded LDSOs were subject to the audit plus an embedded network owned by one of the Host LDSOs. All Embedded LDSOs chose to Mirror LLF Classes (LLFCs) of Host LDSOs; the LDSO-owned embedded Party chose a combination of Mirroring and Calculation.
- 4.2 Nine out of 15 Embedded LDSOs were initially found non-compliant and one was a late submission. Six out of Nine Embedded LDSO submitted the revised documents multiple times in order to rectify the issues. All of the non-compliances were resolved.
- 4.3 ELEXON will conduct a Lessons Learnt Session within April.

5. Recommendations

- 5.1 We invite you to:
 - a) **NOTE** that all CVA non-compliances have been resolved;
 - b) **APPROVE** the CVA LLFs for use in Settlement from 1 April 2020 – 31 March 2021; and
 - c) **NOTE** that we will seek the SVG's approval of the SVA LLFs at its meeting on 3 March 2020.

Attachments

Attachment A – LDSO LLF Audit Report Aggregated Summary

Attachment B - LDSO LLF Audit Report Aggregated Summary (Confidential)

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