

## PROPOSED ETLMO VALUES FOR BSC YEAR 2021/22

### Imbalance Settlement Group

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Purpose of paper **For Decision**

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Summary **We have calculated the Estimated Transmission Losses Adjustment (ETLMO) values for the period 1 April 2021 to 31 March 2022, and are presenting them to ISG for approval.**

### 1. Introduction

- 1.1 In accordance with Section V 2.6.3 of the Balancing and Settlement Code (BSC), we have calculated Estimated Transmission Losses Adjustment (ETLMO) values for the period 1 April 2021 to 31 March 2022. 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 V 2.6.3 of the BSC. These parameters are the estimated values of the 'Delivering Transmission Losses Adjustment' (ETLMO<sub>j</sub>+), and the 'Offtaking Transmission Losses Adjustment' (ETLMO<sub>j</sub>-). Attachment A describes how the BMRA and Settlement Administration Agent (SAA) account for transmission losses in the BSC. ETLMO<sub>j</sub>+ and ETLMO<sub>j</sub>- are values which the Panel may from time to time determine.

### 2. Proposed ETLMO values for the period 1 April 2021 to 31 March 2022

- 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 T 2.3.1. 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 TLM<sub>ij</sub>, TLMO<sub>j</sub><sup>+</sup>, and TLMO<sub>j</sub><sup>-</sup> 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 2019 to 31 August 2020, which is the Reference Year for the BSC Year 2021/22.

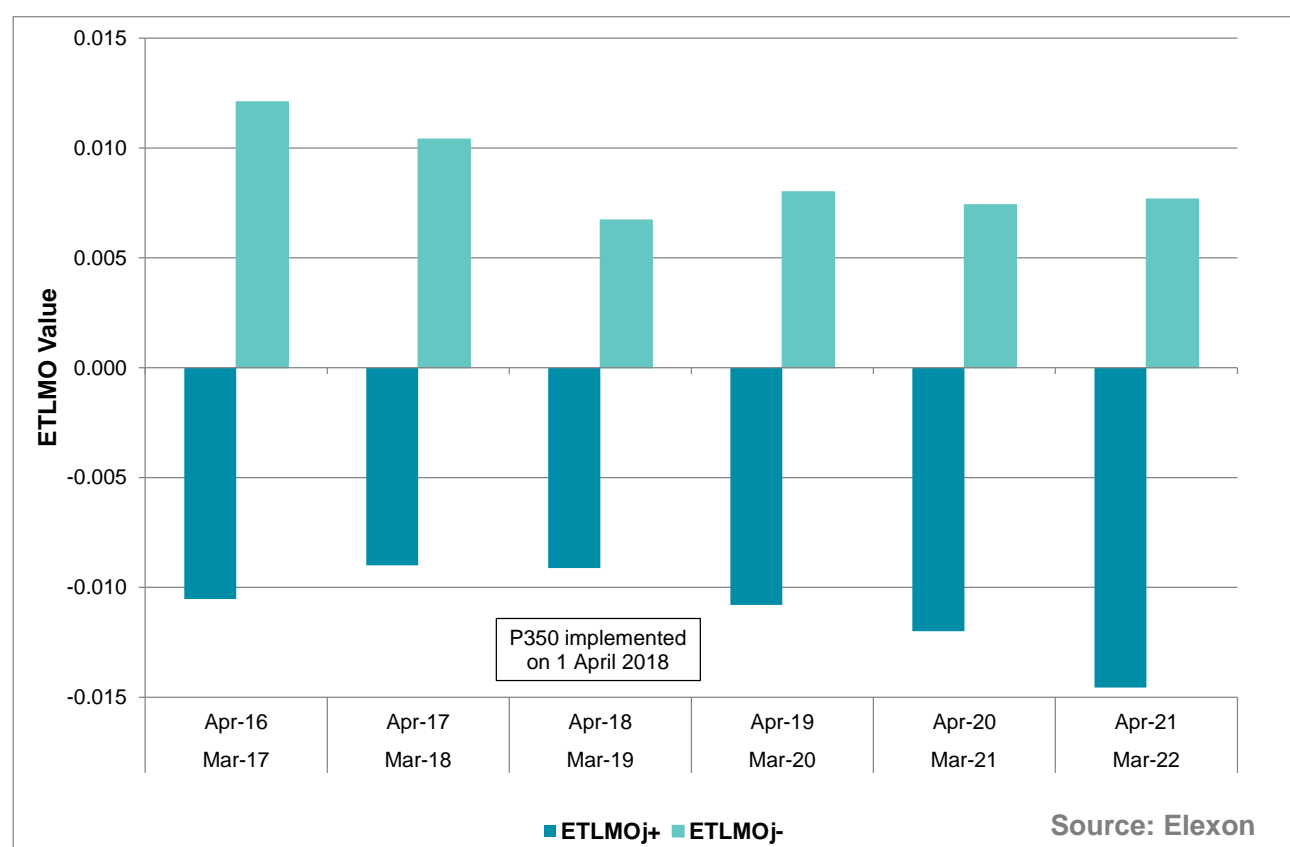
- 2.4 **Table 1** below presents the results of our analysis; the proposed seasonal ETLMO values for 1 April 2021 to 31 March 2022, and the average for the year period. The spring season is split into two periods, 1 April to 31 May 2021 (Spring A) and 1 to 31 March 2022 (Spring B), to align with the BSC Year.

**Table 1: Proposed ETLMO values for 1 April 2021 to 31 March 2022**

Season	Start Date	End Date	ETLMOj+	ETLMOj-
Spring A	01/04/2021	31/05/2021	-0.01442	0.00782
Summer	01/06/2021	31/08/2021	-0.01415	0.00977
Autumn	01/09/2021	30/11/2021	-0.01395	0.00872
Winter	01/12/2021	28/02/2022	-0.01569	0.00436
Spring B	01/03/2022	31/03/2022	-0.01442	0.00782
<b>Annual Average</b>			<b>-0.01455</b>	<b>0.00767</b>

- 2.5 **Graph 1** displays the historical approved ETLMO values, the corresponding approximated transmission loss percentage, and the average annual ETLMOs for 2021/22.

**Graph 1: Historical and proposed ETLMO values for April 2016 to March 2022**



- 1.4 For 1 April 2021 to 31 March 2022, the average Delivering ETLMO (ETLMOj+) value is higher than in previous years. The Offtaking ETLMO (ETLMOj-) remains similar to the previous year, and continues to be lower than the values seen prior to April 2018. This is due to the inclusion of non-zero TLFs in the calculation of the ETLMOs, in line with [BSC Modification P350](#) implemented on 1 April 2018.

### 3. Recommendations

3.1 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 2021/22:

Season	Start Date	End Date	ETLMOj+	ETLMOj-
Spring A	01/04/2021	31/05/2021	-0.01442	0.00782
Summer	01/06/2021	31/08/2021	-0.01415	0.00977
Autumn	01/09/2021	30/11/2021	-0.01395	0.00872
Winter	01/12/2021	28/02/2022	-0.01569	0.00436
Spring B	01/03/2022	31/03/2022	-0.01442	0.00782

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#### Attachments:

Attachment A: Treatment of Transmission Losses in the BSC

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