

# ISG251/03 – LINE LOSS FACTOR AUDIT FINAL REPORT

## Imbalance Settlement Group (ISG)

Date of meeting	<b>01 March 2022</b>	Paper number	<b>251/03</b>
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Classification	<b>Public</b>	Document version	<b>V1.0</b>

**Summary** This paper reports the results of Elexon's annual audit of Line Loss Factor (LLF) values for the 2022/23 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 Licensed Distribution System Operators (LDSOs). Elexon will invite the Supplier Volume Allocation Group (SVG) to approve the Supplier Volume Allocation (SVA) LLF values on 1 March 2022.

## 1 Background

- 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 2022.
- 1.2 Elexon performed the annual review of the LLF methodologies submitted by each LDSO in August 2021 ([ISG245/09](#)). All methodologies were found to be compliant although some minor amendments were required.

## 2. Audit process changes for 2022/2023

- 2.1 There have been no changes to the LLF Audit process between audit years, except that all audits were performed remotely this year due to COVID-19.

## 3. Host LDSO audit results for 2022/2023

- 3.1 All remote audits were completed and the final audit reports were issued by 10 December 2021. All Host LDSOs achieved a final result of compliant.
- 3.2 Following the methodology audit, Elexon 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 the ISG to approve the CVA LLF values for use in Settlement for the 2022/2023 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 Three out of six Host LDSOs had to resubmit their documentation to resolve non-compliances.
- 3.6 Four out of six Host LDSOs had to revise their documents to correct issues, such as invalid MSID as a result of a new aggregation rule, invalid LLFCs, end dated LLFCs, incorrect LLF values assigned to a certain voltage level for a specific STOD Period etc., incorrect LLF calculation date, file format issue or incorrect voltage information.
- 3.7 Elexon identified that the LLF values for one of the Host LDSOs LLFCs have not been re-calculated due to an electrical fault on the site. As per BSCP128 section 3.3, default values (the last approved LLFs) shall be applied.

The BSC Panel approved the recommendation for the LLF values from 2016 to be applied for these two LLFCs until such time LLFs can be re-calculated (i.e. 2023).

#### **4. Embedded LDSO audit results for 2022/2023**

- 4.1 Fourteen Embedded LDSOs, plus two embedded networks owned by one of the Host LDSOs, were subject to the Embedded LDSO audit. All Embedded LDSOs chose to mirror LLF Classes (LLFCs) of Host LDSOs; the LDSO-owned embedded Party chose a combination of `Mirroring LLFCs and Self LLF Calculation`.
- 4.2 Thirteen out of the 15 Embedded LDSOs were initially found non-compliant. All of the non-compliances were resolved.
- 4.3 Elexon will conduct a lessons learnt session to go through this year's remote LLF audit performance, which will focus on any LLF audit issues that need to be addressed.

#### **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 2022 to 31 March 2023; and
  - c) **NOTE** that we will seek the SVG's approval of the SVA LLFs at its meeting on 1 March 2022.

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#### **Attachments**

Attachment A – LDSO LLF Audit Report Aggregated Summary

Attachment B – (CONFIDENTIAL) LDSO LLF Audit Report Aggregated Summary

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#### **For more information, please contact:**

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