

New Generic SECALF Values

Imbalance Settlement Group

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Purpose of paper **Decision**

Classification **Public**

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Summary **This paper proposes changes to generic Supplier Export Credit Assessment Load Factor (SECALF) values for use from the Autumn 2022 BSC Season onwards.**

1. Background

- 1.1 Supplier Export Credit Assessment Load Factors (SECALF) values are load factors which Elexon uses in the Credit Cover Percentage calculations to estimate energy volumes for Supplier Meter Registration Service (SMRS) registered Primary Balancing Mechanism (BM) Units that include sites that export electricity. For a Primary BM Unit to qualify for a SECALF value as opposed to a CALF value it has to be a Supplier type Primary BM Unit, non-Credit Qualifying, have a Generation Capacity (GC) of greater than zero and Demand Capacity (DC) of zero.
- 1.2 SECALF values are calculated for each BM Unit using historic Metered Data, however when there is insufficient historical BM Unit Metered Volume data to calculate a specific SECALF, Elexon uses a generic SECALF value.
- 1.3 The Imbalance Settlement Group (ISG) agreed the calculation method of generic SECALF values on 26 May 2015 (paper reference [ISG169/01](#)) and agreed changes to this method on 5 May 2020 (paper reference [ISG229/01](#)). The ISG approved a method for reviewing and updating the accuracy of generic SECALF values on 23 February 2016 (paper reference [ISG178/01](#)). This process requires Elexon to review the generic SECALF values every year in May with the intention that any amendments apply from the beginning of the next Autumn BSC Season. The calculation of generic SECALFs involves taking an average of all non-zero SECALFs across all SECALF-qualifying BM Units for each BSC Season over the previous year. The method then rounds generic SECALF values to two decimal places. Elexon then compare these to the current published values and where (for a given BSC Season) there are absolute differences of ≥ 0.02 , propose to the ISG that it replaces the published value(s) with the recalculated one(s).
- 1.4 The method for calculating and reviewing generic SECALF values is set out in the [CALF Guidance document](#).
- 1.5 The current generic SECALF values are as follows:

BSC Season	Generic SECALF
Autumn 2021	0.2700
Winter 2021	0.2700
Spring 2022	0.2300
Summer 2022	0.2400

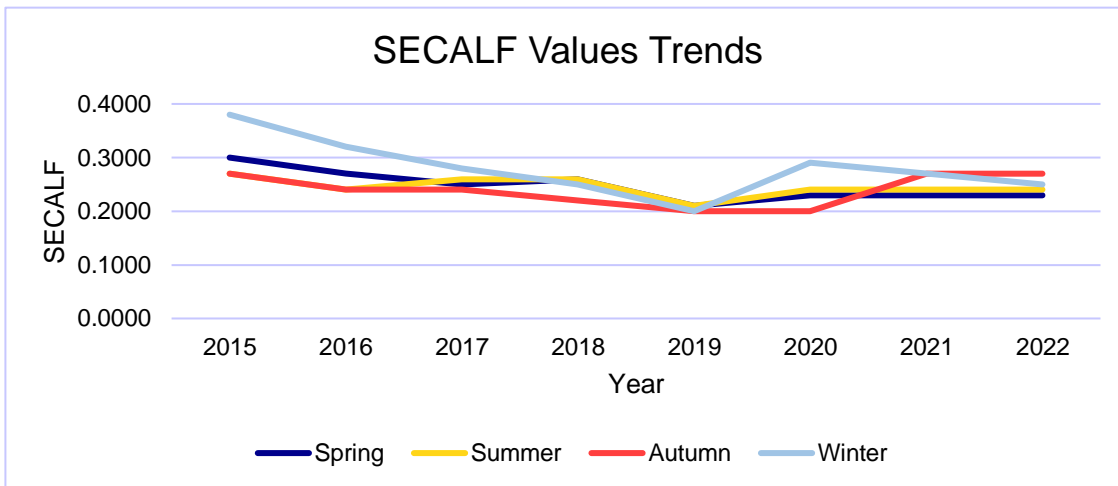
2. Proposed new generic SECALF values

2.1 Elexon has recalculated the generic SECALF values and identified differences ≥ 0.02 for the Winter BSC Season. Elexon therefore proposes that the following set of generic SECALF values below be used, effective from the Autumn 2021 BSC Season:

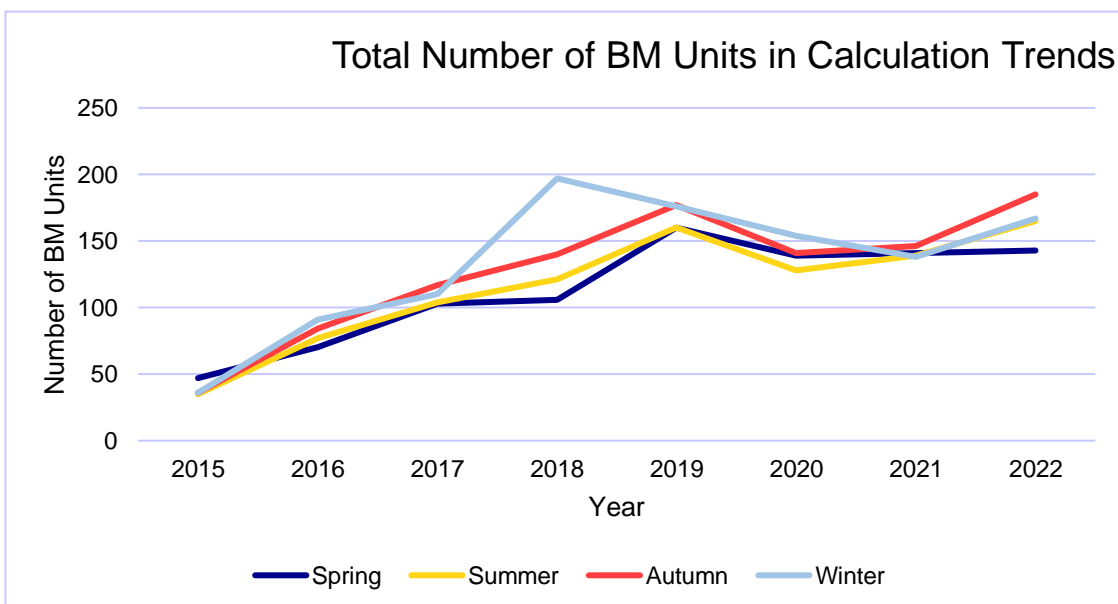
Season	Published	Recalculated	Absolute Delta	Update?	Proposed
Spring	0.2300	0.2300	0.0000	No	0.2300
Summer	0.2400	0.2300	0.0100	No	0.2400
Autumn	0.2700	0.2700	0.0000	No	0.2700
Winter	0.2700	0.2500	0.0200	Yes	0.2500

3. Trends

3.1 The following Graph shows how SECALF values have changed since they were first introduced. Note that the change in the calculation methodology in 2020 has led to the increase in SECALF values in 2020, 2021 and 2022.



3.2 The next graph shows the total number of BM Units that have been used to calculate the SECALF figures. The figure has increased over time. Note that the dip in 2020 was due to the change in the calculation methodology which excluded zero SECALFs from the calculation for the first time.



4. Changes to the CALF Guidance

- 4.1 In order to implement the new set of generic SECALF values, Elexon will update Table 2 in section 5.29 of the CALF Guidance Document. SECALF values are published three months ahead of each BSC Season. The values for the Spring and Summer 2021 BSC Season were agreed by the ISG in May 2021 so the CALF guidance will contain values for both Spring and Summer 2022 and Spring and Summer 2023.
- 4.2 Attachment A details the redlined changes to the CALF Guidance Document.

5. Recommendations

- 5.1 We invite you to:
- a) **NOTE** that Elexon has completed the annual generic SECALF process;
 - b) **APPROVE** the proposed new set of generic SECALF values, for use in the Autumn and Winter 2022 and Spring and Summer 2023 BSC Seasons; and
 - c) **APPROVE** the red-lined changes to the CALF Guidance Document.

Attachments

Attachment A – ISG253_06A_Attachment_A_CALF_Guidance_Document_v29.1 red-lined changes

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