

# P350: Methodology for Load Periods and Sample Settlement Periods

## Imbalance Settlement Group (ISG)

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**Summary**      **This paper summarises the proposed methodology for setting Load Periods (LPs) and Sample Settlement Periods (SSPs). These are used in the derivation of Zonal Transmission Loss Factors, as required by the Balancing and Settlement Code (BSC).**

**It also presents the actual values resulting from the current methodology, and seeks approval from the Imbalance Settlement Group (ISG) to use these derived values.**

## 1. Introduction

- 1.1 Modification [P350 'Introduction of a seasonal Zonal Transmission Losses scheme'](#) introduced a Transmission Loss Factor (TLF) for each TLF Zone and BSC Season on 1 April 2018, with the TLF Zones aligned with the existing Grid Supply Point (GSP) Groups.
- 1.2 The BSC requires the Transmission Loss Factor Agent (TLFA) to calculate seasonal Zonal TLF values for each BSC Year<sup>i</sup> in advance, using historical data from a Reference Year running from 1 September to 31 August in the preceding BSC Year. BSC Section T, Annex T-2, paragraph 7 requires the BSC Panel to identify a representative sample, rather than using data for every Settlement Period in the Reference Year.
- 1.3 At the BSC Panel in July 2017 meeting, the approval of any future LPs and SSPs methodology decisions was delegated to the ISG. At the July 2019 meeting, the ISG agreed to only consult with industry on the LPs and SSPs methodology every two years due to receiving no responses in 2018 and 2019. Elexon did consult with industry on the LP and SSP methodology in 2021, but again we received no responses.
- 1.4 These LPs and SSPs, when used to derive TLFs, will result in a representative annual average TLF for each Zone. Note the Reference Year will be divided in to BSC Seasons<sup>ii</sup>.

## 2. Current Methodology

- 2.1 The current methodology used to calculate the LPs and SSPs instructs Elexon to:
  - Divide the BSC Year into Electricity Forward Agreement (EFA) Days (23.00 – 23.00), and group the EFA Days within each week into blocks of consecutive Working and Non-Working Days. This divides the BSC Year into c.104 blocks of consecutive EFA Days, with each week having a block of five Working Days and a block of two non-Working Days (except where there are Bank Holidays).
  - Split each of these blocks into six time bands, corresponding to the 6 four-hour blocks within the EFA Day. Each time band, within each block of days, is a LP, so there will be c.624 LPs within the Reference Year.
  - Randomly select SSPs from each LP. Randomly select one Settlement Period from EFA Block 1, one from EFA Block 2, but two Settlement Periods from each of the remaining four EFA Blocks<sup>iii</sup>. This means the total number of SSPs in the Reference Year will be c.1040.

- The sample (1,040 SSPs from a total of 17,520 Settlement Periods) will be large enough to be statistically representative. Increasing it further would require a change to the TLFA contract.

2.2 As Elexon have not consulted with industry this year, the current methodology remains unchanged.

### 3. Next Steps

3.1 If the ISG approves the methodology and the actual LPs and SSPs (please refer to Attachment A), Elexon will notify the TLFA, the Transmission Company and Central Data Collection Agent (CDCA) of the LPs and SSPs for the Reference Year, and publish them on the BSC Website or before the 31st August 2022.

### 4. Recommendations

4.1 We invite the ISG to:

- a) **NOTE** the actual LPs and SSPs shown in Attachment A
- b) **NOTE** Elexon will next consult with industry on the LP and SSP methodology in June/July 2023
- c) **APPROVE** the proposed methodology and actual LPs and SSPs to be used in the derivation of TLFs for the next BSC year

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## Attachments

Attachment A – Actual LPs and SSPs calculated for next BSC Year

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## For more information, please contact:

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<sup>i</sup> BSC Year covers period 1 April to 31 March.

<sup>ii</sup> BSC Seasons are defined as: BSC Spring is 1 March to 31 May inclusive; BSC Summer is 1 June to 31 August inclusive; BSC Autumn is 1 September to 30 November inclusive; and BSC Winter is 1st December to 28th (or 29th, as the case may be) February inclusive.

<sup>iii</sup> Demand variability is lower in EFA Band 1 and 2, compared to EFA Bands 3, 4, 5 and 6.