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PROPOSED ETLMO VALUES FOR BSC YEAR 2023/24

Imbalance Settlement Group

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Summary **We have calculated the Estimated Transmission Losses Adjustment (ETLMO) values for the period 1 April 2023 to 31 March 2024, 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 2023 to 31 March 2024. 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' (ETLMOj+), and the 'Offtaking Transmission Losses Adjustment' (ETLMOj-). Attachment A describes how the BMRA and Settlement Administration Agent (SAA) account for transmission losses in the BSC. ETLMOj+ and ETLMOj- are values which the Panel may from time to time determine.

2. Proposed ETLMO values for the period 1 April 2023 to 31 March 2024

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 TLMij, $TLMO^{+}_{j}$ and $TLMO^{-}_{j}$ 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 2021 to 31 August 2022, which is the Reference Year for the BSC Year 2023/24.

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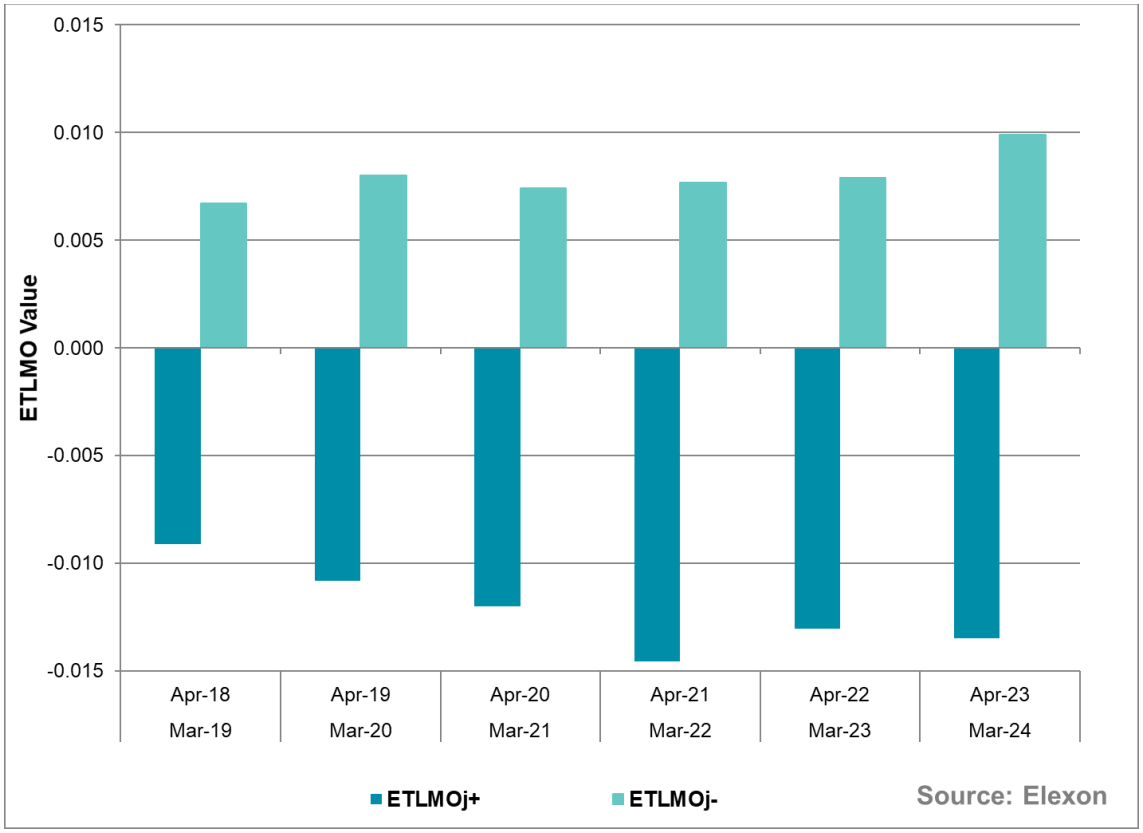
2.4 **Table 1** below presents the results of our analysis; the proposed seasonal ETLMO values for 1 April 2023 to 31 March 2024, and the average for the year period. The spring season is split into two periods, 1 April to 31 May 2023 (Spring A) and 1 to 31 March 2024 (Spring B), to align with the BSC Year.

Table 1: Proposed ETLMO values for 1 April 2023 to 31 March 2024

Season	Start Date	End Date	ETLMOj+	ETLMOj-
Spring A	01/04/2023	31/05/2023	-0.01260	0.00954
Summer	01/06/2023	31/08/2023	-0.01378	0.01200
Autumn	01/09/2023	30/11/2023	-0.01309	0.01018
Winter	01/12/2023	29/02/2024	-0.01446	0.00791
Spring B	01/03/2024	31/03/2024	-0.01260	0.00954
Annual Average			**-0.01348**	**0.00991**

2.5 **Graph 1** displays the historical approved ETLMO values, the corresponding approximated transmission loss percentage, and the average annual ETLMOs for 2023/24.

Graph 1: Historical and proposed ETLMO values for April 2018 to March 2024



1.4 For 1 April 2023 to 31 March 2024 ETLMOs, the average Delivering (ETLMOj+) values remains similar to previous years, with the Offtaking (ETLMOj-) values having risen slightly this year. Note that since BSC Modification P350 was implemented on 1 April 2018, non-zero TLFs have been included in the calculation of the ETLMOs.

1.5 Due to metering errors found in the data used to calculate the ETLMO values for Summer 2022, the ETLMOs for this season were recalculated in June 2022. The corrected ETLMO values have therefore been used in the graph above for last year's average ETLMO values.

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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 2023/24:

Season	Start Date	End Date	ETLMOj+	ETLMOj-
Spring A	01/04/2023	31/05/2023	-0.01260	0.00954
Summer	01/06/2023	31/08/2023	-0.01378	0.01200
Autumn	01/09/2023	30/11/2023	-0.01309	0.01018
Winter	01/12/2023	29/02/2024	-0.01446	0.00791
Spring B	01/03/2024	31/03/2024	-0.01260	0.00954

Attachments:

Attachment A: Treatment of Transmission Losses in the BSC

For more information, please contact:

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