

Western Power Distribution's 2023/24 Generic LLF Calculation for _B

BSC Panel

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Purpose of paper **Decision**

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Summary **Elxon seeks the Panel's approval to adjust Western Power Distribution's 2023/24 Generic LLF Calculation for East Midlands (_B), to take into account that coronavirus lockdowns and restrictions impacted the Settlement data that is obligated for the calculation.**

1. Background

- 1.1 BSC Procedure 128 (BSCP128) defines the procedure by which Line Loss Factor (LLF) values submitted by Licensed Distribution System Operators (LDSOs) are audited by BSCCo, presented to the Panel for approval and provided to the Central Data Collection Agent (CDCA) or the Supplier Volume Allocation Agent (SVAA) for use in Settlement. The Audit taking place August 2022 to March 2023 is for LLFs that will go live in April 2023.
- 1.2 Host LDSOs and Embedded LDSOs that do not Mirror calculate LLFs in accordance with their approved LLF Methodology. All LLF methodologies are required to comply with the LLF Methodology Principles in BSCP128.
- 1.3 According to these Principles, LDSOs are required to utilise Settlement data from a Settlement Run at R3 or greater and from a complete 12-month period, for calculating Generic LLFs. The 12-month period is required to be the BSC Year three years prior to the BSC Year for which the LLFs are being calculated. For the LLFs that will go live in April 2023, this will be Settlement data from 1 April 2020 to 31 March 2021. This was a period of UK government coronavirus lockdowns and restrictions.

2. Current Situation

- 2.1 Western Power Distribution (WPD) have been working on its calculation of Generic LLFs for its South West (_L) and East Midlands (_B) areas. Generic LLF values are the adjustment factor applied to the readings from a (group of) metering system(s) to adjust for losses on the distribution network and calculate the associated amount of energy at the GSP.
- 2.2 As per BSCP128, WPD used 2020/21 Settlement data from a Settlement Run at R3 or greater. For South West this produces accurate values, however for East Midlands this is producing results that are a long way out from its previous submission. WPD advised that this is because the data from 2020/21 has been heavily affected by the coronavirus lockdown and it has affected East Midlands more than South West because it is more industrialised.
- 2.3 WPD are of the opinion that using Settlement data from 2021/22 in its Generic LLF calculation would be more representative of typical usage and would be more likely to reflect the actual losses in 2023/24 in which the LLF values will be used. Not all days from 1 April 2021 to 31 March 2022 will have reached a Settlement Run at R3 or greater by the September 2022 submission deadline. WPD are therefore seeking Panel approval to use 2021/22 Settlement data from the latest available Settlement Runs. If approved, this method would be used for the calculation of all Generic LLFs for East Midlands only.

2.4 BSCP128 Principle 10 allows this adjustment;

'10. Adjustments to calculation or application of LLFs, to take into account historic market wide issues noted in the BSC Auditor's latest Report, can only be made if agreed to be appropriate by the Panel.'

2.5 Elexon are not aware of other Distributors experiencing similar issues with the 2020/21 data.

3. Recommendations

3.1 We invite the Panel to:

- a) **DETERMINE** if WPD can use 2021/22 Settlement data from the latest available Settlement Runs in its 2023/24 Generic LLF calculation for East Midlands.

Attachments

Attachment A – WPD's 2023/24 Generic LLF Calculation Comparison (Confidential)

For more information, please contact:

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