

SVG211/03 – LLF METHODOLOGY AUDIT REPORT

MEETING NAME SVG 211

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Owner/author Sarah Ross

Purpose of paper Decision

Classification Public

Summary We reviewed the Line Loss Factor (LLF) Methodology Statements submitted by Licensed Distribution System Owners (LDSOs), in accordance with BSCP128. All methodologies were changed to accommodate the new 'Principle 17'. Subject to approval by the Imbalance Settlement Group (ISG) and Supplier Volume Allocation Group (SVG), ELEXON will publish the LLF methodologies submitted by the LDSOs on the ELEXON Portal.

1. Methodology review

- 1.1 In accordance with BSC Section K1.7.7, we performed the annual review of the Line Loss Factor (LLF) methodology statements submitted by each Licensed Distribution System Operator (LDSO). The methodology review follows the procedure set out in [BSC Procedure \(BSCP\) 128 'Production, Submission, Audit and Approval of Line Loss Factors'](#).
- 1.2 Each year, LDSOs must submit a Methodology Self-Assessment Document (MSAD). This includes a methodology statement which sets out how the LDSO intends to calculate LLFs for the following BSC Year (April to March). We audit these methodology statements to ensure that they are compliant with the 17 principles set out in BSCP128.
- 1.3 In accordance with BSCP128 2.2, where LDSOs operate an embedded network within a distribution area there is an alternative review process. These Embedded LDSOs have to state the areas in which they will operate. They do not need a methodology if they Mirror the Host LDSO's LLFs for the relevant area.

2. Changes to methodology statements

- 2.1 This year's methodologies will apply to LLFs calculated for the 2019/20 BSC Year.
- 2.2 We have received and completed reviews of all methodologies and MSADs and are satisfied that they are compliant with BSC Section K1.7.7 (a) and (b).
- 2.3 LDSOs have amended their existing approved methodology statements from 2018/19 to accommodate the new Principle 17 'Where the usage profile for a given site contains insufficiently large consumption or generation volumes to enable calculation of realistic Site Specific LLFs then a default calculation, or default replacement process shall be undertaken.'¹
- 2.4 All of the Embedded LDSOs will mirror the Host LDSO methodologies.
- 2.5 The table below summarises the changes to the methodology statements and where the methodology has changed from last year:

¹ Principle 17 was introduced by [Change Proposal \(CP\) 1492 'Causes and treatment of large Line Loss Factors'](#) in February 2018.

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LDSO	GSP Group(s)	Changes from previous year
Northern Powergrid	_P, _M	Change to accommodate 'Principle 17'
Electricity North West	_G	Change to accommodate 'Principle 17' and housekeeping changes
Scottish Power	_D, _N	Change to accommodate 'Principle 17'
UK Power Networks	_A, _C, _J	Change to accommodate 'Principle 17'
Western Power Distribution	_B, _E, _K, _L	Change to accommodate 'Principle 17'
Scottish and Southern Energy	_H, _P	Change to accommodate 'Principle 17'

Embedded LDSO	GSP Group(s)	Mirroring Host LDSO?
Electricity Network Company	All	Yes
Energetics Electricity	All	Yes
ESP Electricity	All	Yes
Fulcrum Electricity Assets	All	Yes
Harlaxton Energy Networks	All	Yes
Independent Power Networks	All	Yes
Leep Electricity Networks	_C, _D, _G, _H, _J, _M	Yes
UK Power Distribution	All	Yes
Utility Distribution Networks	All	Yes
Southern Electric Power Distribution	_A, _B, _C, _D, _E, _F, _G, _J, _K, _L, _M	Yes
Scottish Hydro Electric Power Distribution	_N	Yes

3. Next steps

- 3.1 The methodologies require approval from both the ISG and SVG. The ISG approved them at its meeting on 21 August 2018. Once approved, we will publish the methodologies on the ELEXON Portal. All draft methodology statements are available to Committee members on request.
- 3.2 The next milestone for the LLF audit is 30 September 2018, by which time all Host LDSOs must submit their LLF values for the 2019/20 BSC Year, followed by the LLF calculation audit starting in October 2018. We will perform Host LDSOs audits' on site, except for Scottish Power (SPOW) who will have a remote audit.
- 3.3 Once the calculation audit is complete for both Host and Embedded LDSOs, we will ask the ISG (February 2019) and the SVG (March 2019) to approve the final LLF values which will go live on 1 April 2019.

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4. Recommendations

4.1 We invite you to:

- a) **APPROVE** the six Host LDSOs' methodologies, noting the changes made to all six from last year;
- b) **NOTE** all Embedded LDSOs' intention to Mirror the Host LDSOs' LLFs; and
- c) **NOTE** that the ISG approved the Host LDSO methodologies at its 21 August 2018 meeting.

For more information, please contact:

Sarah Ross, Settlement Operations Team Leader

Sarah.Ross@elexon.co.uk

020 7380 4322