

MODIFICATION P350: METHODOLOGY FOR LOAD PERIODS AND SAMPLE SETTLEMENT PERIODS - CONSULTATION

Target Audience Transmission Company and BSC Parties

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Deadline for Responses **17:00 Tuesday 3 July 2018**

Summary This paper details the proposed methodology for setting Load Periods and Sample Settlement Periods used in the derivation of Zonal Transmission Loss Factors (TLFs), as required by the Balancing and Settlement Code (BSC). Views are sort by the Transmission Company and BSC Parties on the proposed method.

Consultation responses will be presented to the Imbalance Settlement Group (ISG) at the July 2018 meeting, who will determine if the proposed methodology needs to change.

BSC Parties are invited to respond to this consultation using the pro-forma available on the [Consultations page](#) of the ELEXON website. Please return responses to market.operations@elexon.co.uk by 17:00 on Tuesday 3 July 2018.

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 Season¹. The TLF Zones are aligned with the existing Grid Supply Point (GSP) Groups, so transmission losses can be allocated on a geographical basis. P350 went live on 1 April 2018.
- 1.2 The BSC requires the Transmission Loss Factor Agent (TLFA) to calculate seasonal Zonal TLF values for each BSC Year¹ in advance, using historical data from a Reference Year (RY), running from 1 September to 31 August in the preceding BSC Year. Note the BSC RY is divided into BSC Seasons. BSC Section T, Annex T-2, paragraph 7 requires the BSC Panel to identify representative SSPs rather than using data for every Settlement Period (SP) in the RY.
- 1.3 In order to do this, the BSC Panel must (after consultation with the Transmission Company and other Parties) divide the RY into a number of different LPs. Each LP should "*representing (in the opinion of the Panel) typically different levels of load on the AC Transmission System, defined by time of day, day of week, season and such other factors as the Panel considers relevant*". The Panel must also specify the number of SSPs from each LP.
- 1.4 At its July 2017 meeting ([268/08 - P350 Methodology for Load Period and Sample Settlement Periods](#)), the BSC Panel reviewed the comments received from industry during the Consultation, before approving the methodology for determining LPs and SSPs.
- 1.5 At the same meeting, the BSC Panel also agreed to delegate responsibility for defining LPs and SSPs methodology to the ISG.

¹ BSC Year covers period 1 April to 31 March. 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

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- 1.6 These LPs and SSPs, when used to derive TLFs, will result in a representative annual average TLF for each Zone.
- 1.7 Each year, on or before 31 August, ELEXON will notify the Transmission Loss Factor Agent (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.

2. Proposed Methodology

- 2.1 At its meeting in June 2018, the ISG ([206/05 – Modification P350: methodology for Load Periods and Sample Settlement Periods](#)) agreed to consult with the Transmission Company and BSC Parties on the existing LP and SSP methodology.
- 2.2 This methodology instructs ELEXON to:
 - 2.2.1 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 with five Working Days and a block with two non-Working Days (except where there are Bank Holidays).
 - 2.2.2 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 Load Period, so there will be c.624 Load Periods within the RY.
 - 2.2.3 Randomly select Sample Settlement Periods from each Load Period. Randomly select one Settlement Period within EFA Block 1, one within EFA Block 2, but two Settlement Periods from each of the remaining EFA Blocks². This means the total number of SSPs in the Reference Year will be c.1040.
 - 2.2.4 The sample (1,040 Sample Settlement Periods 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.
- 2.3 It is this proposed methodology for determining LPs and SSPs that parties are asked to give their views on through the consultation.

3. Next steps

- 3.1 Following the end of the consultation period, ELEXON will consider all responses on their merits and, if required, update the methodology accordingly. A second paper will then be presented to the ISG in July to request approval of both the methodology and actual LPs and SSPs. We will include all consultation responses, and our actions in respect to them.
- 3.2 Upon approval, ELEXON will publish the actual LPs and SSPs on the website on or before 31 August 2018.
- 3.3 You are invited to respond to this consultation using the consultation pro-forma. Please return responses to market.operations@elexon.co.uk by 17:00 on Tuesday 3 July 2018.

For more information, please contact:

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² Demand variability is lower in EFA Band 1 and 2, compared to the variability in EFA Band 3, 4, 5 and 6.