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# Consultation on methodology for P350 Load Periods and Sample Settlement Periods

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Target Audience **BSC Parties**

Purpose of paper **For consultation**

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Deadline for responses **21 July 2023, 12:00**

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## 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). New values are set each year, and views are sought from the Transmission Company and BSC Parties on continuing to use the same method as for previous years.**

**Consultation responses will be considered and presented to the Imbalance Settlement Group (ISG), which will determine if the proposed methodology needs to change for the BSC Year 2024-25.**

**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 by 12:00 on Friday 21 July 2023.**

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## 1. Introduction

- 1.1 Transmission Loss Factors (TLFs) are set by Elexon for each TLF Zone and BSC Season<sup>1</sup>. The TLF Zones are aligned with the existing Grid Supply Point (GSP) Groups so transmission losses can be allocated on a geographical basis, as part of modification P350 (implemented on 1 April 2018).
- 1.2 The Balancing and Settlement Code (BSC) requires the Transmission Loss Factor Agent (TLFA) to calculate seasonal Zonal TLF values for each BSC Year (1 April to 31 March) 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 T2, paragraph 7 requires the BSC Panel to identify representative Sample Settlement Periods (SSPs) rather than using data for every Settlement Period in the Reference Year.
- 1.3 In order to do this, the BSC Panel must (after consultation with the NETSO and other Parties) divide the Reference Year into a number of different Load Periods (LPs), each “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 a number of SSPs from each LP.
- 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 into BSC Seasons. Each year, on or before 31 August, Elexon will notify the Transmission Loss Factor Agent (TLFA), the NETSO and Central Data Collection Agent (CDCA) of the LPs and SSPs for the Reference Year, and publish them on the BSC website.

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<sup>1</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.

## 2. Proposed Methodology

- 2.1 Elexon proposes that ISG use the same methodology as previous years. The methodology instructs Elexon to:
  - 2.1.1 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 circa 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).
  - 2.1.2 Split each of these blocks into six time bands, corresponding to the six four-hour blocks within the EFA Day. Each time band, within each block of days, is a LP, so there will be circa 624 LPs within the Reference Year.
  - 2.1.3 SSPs are then randomly selected from each LP, with one SP taken from EFA Block 1, one from EFA Block 2, but two SPs from each of the remaining four EFA Blocks<sup>2</sup>. This means the total number of SSPs in the Reference Year will be circa 1040.
- 2.2 The sample (1,040 Settlement Periods from 17,520) will be large enough to be statistically representative, and increasing it further would require a change to the TLFA contract.

## 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. This will then be presented to the ISG to request approval of both the methodology and actual LPs and SSPs to be used for BSC Year 2024-25.
- 3.2 Upon approval, Elexon will publish the actual LPs and SSPs on the website on or before 31 August 2023.
- 3.3 You are invited to respond to this consultation via this web for, and please return responses by 12:00 on Friday 21 July 2023.

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### For more information, please contact:

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<sup>2</sup> The variability in demand is less in EFA Band 1 – 2 compared to the values in Bands from 3 to 6.