Change Proposal – BSCP40/02	CP No: CP1492
	Version No: 1.0
	(mandatory by BSCCo)

Title (mandatory by originator)

Causes and treatment of large Line Loss Factors

Description of Problem/Issue (mandatory by originator)

Line Loss Factors (LLFs) are values which are calculated and applied to Metered Volumes, scaling the Metered Volumes to account for distribution losses.

On 3 January 2017 the Supplier Volume Allocation Group (SVG) (see SVG191 Headline Report) discussed two instances of high[1] Supplier Volume Allocation (SVA) Line Loss Factor (LLF) values submitted for Balancing and Settlement Code (BSC) Year 2017/18. The SVG noted that the values were calculated correctly in accordance with Balancing and Settlement Procedures (BSCP) 128 'Production, Submission, Audit and Approval of Line Loss Factors' and were therefore compliant. However, these values exceed the limit in ELEXON's internal loading and validation system and could, potentially, materially impact the customer financially. The SVG also noted that the values were below the Data Transfer Catalogue (DTC)'s permitted maximum. However, SVG Members expressed concern over whether these values were representative of the losses on the network caused by the site. The SVG noted that BSCP128 only allows defaulting of LLF values where they are found to be non-compliant when audited. They added that none of the Principles in Section 3.1 of BSCP128 determine if and when an LLF value should be considered too large for approval. The SVG therefore agreed that the calculated values should be used for Settlement purposes in Settlement Year 2017/18. The SVG also requested that ELEXON initiate a review of BSCP128, via an Issue Group, to investigate the causes of large LLF values and different options for handling these under the BSC.

As a result, ELEXON raised Issue 65 'Causes and treatment of large Line Loss Factors' on 19 January 2017 to investigate the causes and different options for handling large LLF values. The Issue Group agreed that changes to BSCP128 are required to define alternative LLF calculation steps for sites with low consumption in a given Seasonal time of Day (SToD) period which would otherwise result in high LLF. The Issue Final Report was tabled at the BSC Panel meeting on 8 June 2017 and it was agreed to raise a change to make the necessary changes to BSCP128 and associated Appendixes.

Proposed Solution (mandatory by originator)

The proposed solution is to amend BSCP128 (and associated Appendices – see Configurable Items section below) to introduce a 17th Principle specifically addressing scenarios whereby low energy consumption/generation volumes for a SToD period result in an LLF value that may not be reflective of the actual losses at the site. This 17th Principle would allow Licenced Distribution System Operators (LDSOs) to deploy alternative calculations specific to such

---

[1] 'High', for these purposes, refers to any LLF value greater than 2.0

instances that would not result in high LLF values.

Justification for Change (mandatory by originator)

High value LLFs are an exception however, they can occur on Generation/Demand sites where energy usage/export can be low for a given SToD, but the reactive power is high. Whilst these sites are relatively rare, they are becoming more and more common with the growth of embedded generation facilities. If consumption/generation patterns in a given SToD period changes at a site with a high LLF value, there could be severe cost implications for the Customer. Similarly, there could be distortive impacts on calculation of Group Correction Factor (GCF) for Grid Supply Point (GSP) groups, which would have follow on effects to wider industry participants. It is understood that some LDSOs are applying their own workarounds to avoid relatively high values. The introduction of the 17th Principle would ensure consistency (and therefore fairness) of LLF calculations across all LDSOs.

To which section of the Code does the CP relate, and does the CP facilitate the current provisions of the Code? (mandatory by originator)

BSC Section K – 'Classification and Registration of Metering Systems and BM Units'

Estimated Implementation Costs (mandatory by BSCCo)

£240 (1 working day) for ELEXON to implement the necessary document changes.

Configurable Items Affected by Proposed Solution(s) (mandatory by originator)

BSCP128 – 'Production, Submission, Audit and Approval of Line Loss Factors'

BSCP128 Appendix 1 – 'Methodology Self Assessment Document (MSAD) for Host LDSOs and Embedded LDSOs that do not Mirror'

BSCP128 Appendix 3 – 'Calculation Self Assessment Document (CSAD) for Host LDSOs and Embedded LDSOs that do not Mirror'

BSCP128 Appendix 10 – 'Calculation Self-Assessment Document (CSAD) for mid-year LLF submissions'

Impact on Core Industry Documents or System Operator-Transmission Owner Code (mandatory by originator)

Nil

Related Changes and/or Projects (mandatory by BSCCo)

CP1489 - Amendments to BSCP128 to align with BSCP68 timescales for LLF submissions for BM Units transferring from SMRS to CMRS and vice versa.

Requested Implementation Date (mandatory by originator)

22 February 2018 (as part of the February 2018 BSC Systems Release)

Reason: Due to a variety of industry changes November 2017 release seems not achievable. A February 2018 Implementation Date would allow LDSOs to apply the new Methodology Principle and amend their calculation methodologies for LLFs to be applied for Settlement year commencing on 1 April 2019. The Final CP Report will have been published ahead of the Implementation Date. This would also tie in with the plan to implement CP1489 (see above) at the same time.

Version History (mandatory by BSCCo)

Version 1.0 of CP1490 was raised on 21 June 2017.

Originator's Details:

BCA Name: Paulina Stelmach

Organisation: ELEXON

Email Address: paulina.stelmach@elexon.co.uk

Telephone Number: 020 7380 4372

Date: 21/06/2017

Attachments: **N**