

Issue 34 - Distribution Losses

ScottishPower Energy Networks closely monitors the level of and any apparent fluctuations in Losses from its networks. The prime instrument of this monitoring is the analysis of the deemed consumption within its Services Areas, which ScottishPower Energy Networks is advised of via the D0030 data flow from the Supplier Volume Allocation Agent (SVAA).

Over recent years, ScottishPower Energy Networks has grown progressively concerned about the apparent and increasingly wide fluctuations in these Losses (from 7.2% in May to 2.8% in November 2007 for SP Distribution), which it cannot itself account for. In particular, throughout the past year, the Losses have, during some periods, apparently fallen below the known minimum technical loss levels i.e. that volume which, owing to physical phenomena, is bound to be lost through the distribution of electricity. Perhaps more disturbingly, the near mirroring of these apparent fluctuations has been observed in both the ScottishPower and Manweb Distributor Services Areas of _N and _D.

It is the considered view of ScottishPower Energy Networks that these widely varying values cannot reflect the true level of Losses. It has already undertaken its own investigation into the matter, but without full access to data from across the market, it cannot be certain as to the cause(s) of a phenomenon that produces such monthly volatility. However, its preliminary analysis does tend to suggest that the issue might have its origins in inaccuracies in the source data that informs the Profiling performed by the SVAA.

ScottishPower Energy Networks, therefore, asks that the BSC Panel direct a Standing Modification Group to consider this issue and, perhaps, initiate a review of the source data and any algorithms used in determining these profiles.

Losses are the largest component of the "carbon footprint" of Licensed Distribution System Operators (LDSO). Where inaccurate data is used to estimate the volume of energy lost from an LDSO's network it will distort measures of the LDSO's "carbon footprint" and therefore potentially undermine its efforts to reduce green house gas emissions. Losses also form a critical aspect of the regulation of LDSOs and, where inaccurate data is used in determining the volume of energy lost from an LDSO's network, it will have a direct impact on the revenues that the LDSO is allowed to recover through the DUoS price control.

Also, without clear visibility of the true extent of Losses, the LDSO is prevented from determining appropriate Line Loss Factors, which may then distort Group Correction.