

# CP Progression – CP1370

<b>Meeting Name</b>	Supplier Volume Allocation Group
<b>Meeting Date</b>	6 June 2012
<b>Purpose of paper</b>	For Decision
<b>Summary</b>	This report provides details of the background, solution, impacts and industry views of CP1370 'Revised rules for default LLF values'. The ISG & SVG is requested to consider the report and to reach a decision on whether to approve the CP.

## 1. Why Change?

### 1.1 Background

- 1.1.1 Historically, Panel Committees such as the Imbalance Settlement Group (ISG) and Supplier Volume Allocation Group (SVG) have lacked the ability to validate the accuracy of the Line Loss Factors (LLFs) put before them for decision, even though these LLFs potentially had a significant impact on Settlement.
- 1.1.2 As a result, a number of measures were taken to address this issue. Approved Modification P216 sought to provide additional transparency and consistency with specific regards to the calculation and application of the LLFs used in Settlement.
- 1.1.3 As part of the P216 implementation, BSC Procedure (BSCP) 128 was created to set out the required procedure for applying LLFs.

### 1.2 What is the issue?

- 1.2.1 Where default LLF values are required, BSCP128 states:

"The default LLFs are applied on an equivalent day for day basis, for example, the previously approved LLFs for 1st January will be the default LLFs for the next 1st January. Where default LLFs have to be applied to 29th February, the previously approved LLFs for 28th February will be used;

- 1.2.2 On the occasions where winter/summer or summer/winter clock changes are involved:

(i) If the day on which default LLFs are to be applied is a clock change day, the set of LLFs approved for the corresponding clock change day in previous year shall be used; or

(ii) If, when attempting to apply a default value, the corresponding day in the previous year is found to be a clock change day, the LLFs approved for the day immediately after that clock change day shall be used;"

- 1.2.3 However, it has since been determined that applying this default rule could result in non-Working Day (i.e. Sunday, which consumption patterns vary greatly from a Working Day) LLFs being applied on Working Days and vice versa.
- 1.2.4 This would result in a situation where distribution losses are allocated less accurately, which would therefore be detrimental to Settlement.

## 2. Solution

- 2.1 This CP proposes to update the paragraph from BSCP128 Section 3.3 'Use of Default Values' to state that the default LLFs will be applied on an equivalent Seasonal Time of Day (SToD) basis, e.g. the previously approved LLFs for a 'Winter Weekday' will be the default LLFs for a Winter Weekday in the next year.

## 3. Industry Views

- 3.1 CP1370 was issued for participant Impact Assessment via CPC00710. We received 3 responses which were all in favour of the CP being implemented.
- 3.2 The breakdown of responses is shown in the following table and the full collated participant responses to CP1370 are available on the ELEXON website.

Respondent Role	Respondent Support		
	Yes	No	Neutral
LDSOs	2	-	-
Distributor	1	-	-
<b>Total</b>	<b>3</b>	-	-

- 3.3 No respondents were against the changes proposed in CP1370. One respondent stated that the impact would be low, and whilst they will need to review/change some of their processes there will not need to be changes made to our IT systems. The other two respondents stated no impact.

### 3.4 Comments on the Proposed Redlining

- 3.4.1 No comments were received on the proposed redlined changes.

## 4. Intended Benefits

- 4.1.1 The change should increase accuracy in Settlement data.

## 5. Impacts and Costs

5.1 The following table summarises the ELEXON effort required to implement CP1370. The implementation of these would have minimal impact on Market Participants.

Market Participant	Cost/Impact	Implementation time needed
<b>ELEXON (Implementation)</b>	1 man days, equating to £240	June 2012 Release is suitable
<b>All Market Participants</b>	Minimal Impact	June 2012 Release is suitable

## 6. Implementation Approach

6.1 CP1370 would be implemented on **28 June 2012** as part of the June 2012 BSC Systems Release. This change has been recommended by the Panel to be part of the next available BSC Systems Release date.

## 7. Recommendations

7.1 We invite the ISG to:

- a) **AGREE** the proposed amendments to BSCP128; and
- b) **APPROVE** CP1370 for implementation on 01 June 2012, as part of the June 2012 Release.

### Attachments:

Attachment A – BSCP128 redlining

Attachment B – Consultation Responses

### For more information, please contact:

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