

CP1420 'Allowance of mid-year LLF resubmissions due to material consumption or generation changes'

ELEXON



Any questions?

Contact:
Oliver Xing



oliver.xing@elexon.co.uk



020 7380 4276

Contents

1	Why Change?	2
2	Solution	3
3	Impact and Costs	4
4	Implementation Approach	5
5	Initial Committee Views	5
	Appendix 1: Glossary & References	6

About This Document

The purpose of this Change Proposal (CP) 1420 Consultation is to invite BSC Parties, Party Agents and other interested parties to provide their views on the impacts and the merits of CP1420. The Imbalance Settlement Group (ISG) and Supplier Volume Allocation Group (SVG) will consider the consultation responses before making a decision on whether or not to approve CP1420.

There are four parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, and proposed implementation approach. It also summarises the ISG and SVG's initial views on the proposed changes.
- Attachment A contains the CP1420 Proposal Form.
- Attachment B contains the proposed redlined changes to deliver the CP1420 solution.
- Attachment C contains the specific questions on which we seek your views. Please use this form to provide your response to these questions, and to record any further views or comments you wish to be considered.

CP1420
CP Consultation

6 October 2014

Version 1.0

Page 1 of 6

© ELEXON Limited 2014

1 Why Change?

Background

[BSC Procedure \(BSCP\) 128 'Production, Submission, Audit and Approval of Line Loss Factors'](#) details a set of principles by which Licensed Distribution System Operators (LDSOs) must calculate their Line Loss Factors (LLFs). This requires an audit to take place each year, ahead of the implementation of new annual LLF values on 1 April.

The LLF methodology principles in Section 3 of BSCP128 include the following relevant statements with regards to making a change to approved LLF values post the annual LLF audit and approval process (referred to as a mid-year resubmission):

- "Changes can only be made to approved Site Specific LLFs mid-year if there has been a **material change** affecting the site and the revised LLFs have been approved by the Panel. Annual updates will have an effective from date of 1 April. Where default LLFs have been applied due to an audit failure, these may be updated to the approved LLFs on a prospective basis as determined from time to time by the Panel".
- "All Site Specific LLFs shall be recalculated when there has been a **relevant change** to the site or network, and at least every 5 years".
- "No retrospective changes shall be made to approved Site Specific or Generic LLFs other than to correct **material manifest errors**".

What is the issue?

A particular site has been highlighted that was allocated an LLF of over 1.800 for the current BSC Year. This is not reflective of the losses the site is experiencing. This issue has arisen because the consumption data used to calculate the LLF was from when the site had a massively reduced consumption, and this reduced consumption was used in the line loss calculation. The method that was used to calculate this abnormally high value was within the guidance and rules of BSCP128 but is having an adverse effect on Settlement for this specific site, and will have for others like it.

However, the current provisions in BSCP128 only allow a mid-year resubmission to be made where the change is due to a material manifest error, material change or relevant change. This scenario does not meet any of these criteria and so a revised LLF cannot be put in place through a mid-year resubmission.

Proposed solution

In light of improving Settlement accuracy, the Proposer believes that, in an event of material change in a site's consumption or generation resulting in an abnormal LLF being calculated, BSCP128 should allow such LLF to be reviewed mid-year using the most recent consumption or generation data. This would provide a value that would be more reflective of the site's future consumption or generation patterns.

[CP1420 'Allowance of mid-year LLF resubmissions due to material consumption or generation changes'](#) proposes to change the wording in BSCP128 around material change to allow mid-year resubmissions for LLFs that have:

- exceeded the tolerance level between 0.750 and 1.250 and changed as part of the annual audit by more than $\pm 20\%$ from the previously approved value; and
- been calculated based on, as determined by the BSC Panel, consumption or generation data that is not a true reflection of future consumption or generation for the site in the applicable BSC Year.

Such mid-year LLF changes would need to be approved by the Panel. The Panel may delegate this responsibility to the ISG and SVG as it has for all other aspects of BSCP128.

CP Consultation Question

Do you agree with the CP1420 proposed solution?

Please provide your rationale.

We invite you to give your views using the response form in Attachment C

Proposed redlining

The proposed changes to BSCP128 to deliver CP1420 can be found in Attachment B.

CP Consultation Question

Do you agree that the draft redlining delivers the CP1420 proposed solution?

If 'No', please provide your rationale.

We invite you to give your views using the response form in Attachment C

3 Impacts and Costs

Central impacts and costs

CP1420 will require updates to BSCP128 to implement the proposed solution. No system changes will be required for this CP.

Central Impacts	
Document Impacts	System Impacts
<ul style="list-style-type: none">BSCP128	<i>None</i>

The central implementation costs for CP1420 will be approximately £240 (1 man day) for ELEXON to implement the relevant document changes. There are no BSC Agent costs or impacts.

BSC Party and Party Agent impacts

CP1420 is not expected to impact BSC Parties or Party Agents as this is a revision to BSCP128.

CP Consultation Questions
Will CP1420 impact your organisation? <i>If 'Yes', please provide a description of the impact(s) on your organisation and any activities which you will need to undertake between the approval of CP1420 and the CP1420 Implementation Date (including any necessary changes to your systems, documents and processes). Where applicable, please state which of the roles that you operate as will be impacted and any differences in the impacts between each role.</i>
Will your organisation incur any costs in implementing CP1420? <i>If 'Yes', please provide details of these costs, how they arise and whether they are one-off or on-going costs.</i>
We invite you to give your views using the response form in Attachment C

4 Implementation Approach

Recommended Implementation Date

CP1420 is proposed for implementation on **26 February 2015** as part of the February 2015 BSC Systems Release.

The impacted Supplier has requested this change be made as soon as possible. The February 2015 Release is the earliest Release that this CP could be implemented in.

CP Consultation Question

Do you agree with the proposed implementation approach for CP1420?

Please provide your rationale.

We invite you to give your views using the response form in Attachment C

5 Initial Committee Views

ISG's initial views

The ISG considered CP1420 at its meeting on 23 September 2014 ([ISG161/04](#)).

It was the general view of the ISG that it supported mid-year revision to LLF values that have dramatically changed from previous years and are outside the tolerance levels.

SVG's initial views

The SVG considered CP1420 at its meeting on 30 September 2014 ([SVG164/06](#)).

The SVG cautioned about opening the floodgate for mid-year LLF resubmissions as it was the intension of [P216 'Audit of LLF Production'](#) to prevent mid-year LLF changes.

An SVG member agreed that a 20% change in line losses seems to be a reasonable threshold for mid-year LLF resubmission.

Another SVG member was concerned about the timeframe between when an LLF issue would be first noticed and when a revised LLF gets approved and used in Settlement. They noted that LLFs are reviewed annually, and queried how much time a mid-year revised LLF would be effective for before it gets annually reviewed again.

Appendix 1: Glossary & References

Acronyms

Acronyms used in this document are listed in the table below.

Glossary of Defined Terms	
Acronym	Definition
BSCP	Balancing and Settlement Code Procedure (<i>document</i>)
CP	Change Proposal
CPC	Change Proposal Circular
LDSO	Licensed Distribution Network Operator
LLF	Line Loss Factor
ISG	Imbalance Settlement Group (<i>Panel Committee</i>)
SVG	Supplier Volume Allocation Group (<i>Panel Committee</i>)

External links

A summary of all hyperlinks used in this document are listed in the table below.

All external documents and URL links listed are correct as of the date of this document.

External Links		
Page(s)	Description	URL
2	BSCPs page on the ELEXON website (BSCP128)	http://www.elexon.co.uk/bsc-related-documents/related-documents/bscps/
3	CP1420 page on the ELEXON website	http://www.elexon.co.uk/change-proposal/cp1420/
5	ISG161 page on the ELEXON website	http://www.elexon.co.uk/meeting/isg-161/
5	SVG164 page on the ELEXON website	http://www.elexon.co.uk/meeting/svg-164/
5	P216 page on the ELEXON website	http://www.elexon.co.uk/mod-proposal/p216-audit-of-llf-production/