

The use of Line Loss Factor Class (LLFC) in preference to the Load Diversity Indicator (LDI)

There are different solutions required to cater for the Non-half hourly (NHH) market and the half-hourly (HH) market.

NHH Market

A two-step approach is required.

The first step is to create new LLFCs and associate them to the same existing Meter Timeswitch Code (MTC)/Standard Settlement Configuration (SSC)/Profile Class (PC) combinations within Market Domain Data (MDD) and which also meet the requirements of BSCP128 along with the associated Loss Adjustment Factors. This would create two valid LLFCs which are associated with the same MTC/SSC/PC combination. The existing LLFC catering for the majority of the network and in place now and the second specific for Load Managed Areas (LMA)s. The distributor would need to go through the MDD Process to introduce them and link them to the MTC/SSC/PC combinations. Once raised the distributor would need to introduce a validation process to ensure that the appropriate LLFC is associated with the MTC/SSC/PC combination i.e. by having some form of flag to recognised that the MPAN is in a LMA.

Once the new LLFCs and associated combinations are in MDD, the distributor needs to change the LLFC for each MPAN in a LMA and update the Metering Point Registration System (MPRS). MPRS then notifies the supplier of a change to the LLFC. This will also make MPANs in LMAs more visible to the supplier and also avoid the need for a LMA flag in the system and other systems such as the [Electricity Central Online Enquiry Service](#) and, in the future, the Central Switching Service which the amended LLFC updates. The supplier does not need to change anything at this stage.

A second step is required to cater for the removal of dynamic and semi dynamic Radio Teleswitches within a LMA. This is because they have flexible time pattern regimes. Once this type of meter is removed the SSC needs to be changed to one which has a set time period. This creates the same problem that the change proposal identified i.e. the SSC chosen by the supplier could result in network reinforcement. Diversity is required by replacing the proposed LDI process. The only difference is that you have a number of LLFCs (in place of the LDI) that are associated with multiple SSCs for the same supplier DUoS tariff. This would necessitate further work within MDD to create the valid combinations. In addition the distributor needs to ensure that they apply the appropriate LLFC to an MPAN within the LMA which then updates MPRS and the registered supplier. This is the trigger for the supplier to amend the switching times for that MPAN to that of the SSC associated with the LLFC.

This approach means that the distributor retains control of the required switching times but still caters for customer tariff choice. The supplier is informed via existing processes as to what the correct combination is for the MPAN and can ensure that this is then updated to the smart meter rather than having to refer to a spreadsheet to see if the customer is in a LMA and if so what SSC to use.

There is an argument that this solution is using existing industry processes and as such there is no need for this change proposal to mandate it. It can be done today. The counter argument is that by adding the LLFC and associated SSC combinations with the current notification of LMAs this makes it more visible to suppliers..

HH Market

Currently if a customer is Elective HH then they are provided with a pseudo SSC and Red, Amber, Green time bands , which allows their data to be aggregated for the purpose of continued NHH Supercustomer DUoS billing to the HH aggregated tariff via the existing D0030 data flow.

A potential solution is to introduce different LLFCs linked to a MTC in MDD. The distributor would need to create a new pseudo SSC and Red, Amber, Green time bands for each LMA. The need for one SSC per LMA is because it may be necessary to have different time bands due to differing load impact and the time that it occurs on the network . This allows the distributor to set up the appropriate cost signals via the charges to be applied to the red, amber green periods as is the current practice in the HH market. The Supply Volume Allocation Agent needs to be provided with the pseudo SSCs by the distributor for incorporation within their system to automate the aggregation process.

This introduces cost signals and new distribution tariffs to manage LMAs. There are concerns that this may introduce discriminatory tariffs against customers who are in LMAs. The counter argument is that without this type of arrangement the customer may lose their supply. Other concerns are that the red, amber and green time bands may need to be amended more frequently than a year and as such so would the current 15 months notice period (schedule16, paragraph 41 and 41A) so that if there is a greater risk with the security of supply within the LMA these can be amended in a more realistic timeframe. Other concerns are whether there is a need to introduce time of year tariffs since the impact may only be in the winter months (usually defined as from the 1 November through to the end of February but may differ by distribution region). Also there is a concern that the higher costs would be smeared across the customer base and passed through to the customers rather than shifting the switching times.

In addition, Working Group members are aware of an Ofgem led Significant Code Review (Electricity Network Access and Forward-Looking Charging Review) and whether the introduction of new tariffs could result in an overlap with it. Consideration may need to be given to whether there is a need to split up the solution via two change proposals (one for HH and one for NHH) especially when you consider the HH solution would mean that the delivery of the change would have to be in April 2021 due to the introduction of new tariffs, which may be stifled by the SCR and the need for additional working group expertise to ensure that full consideration is given to the new tariffs and their potential impact. The NHH solution could be progressed at an earlier date or indeed straight away without a change as suggested above.