

	Comment	Suggested Solution
1	<p>Verification: Actual measurements should take place on an ongoing basis to quantify exactly how much is lost across the system. With the current situation, generators could be losing or gaining significant volumes of money. With the new market structure and the potential introduction of Locational Marginal Pricing (LMP), accurate Transmission Loss Factors (TLFs) with some form of verification will be crucial for the correct operation of the system.</p>	<p>ESBNG agrees with this point. The need for verification of actual loss volumes is accepted. This will require the installation of bulk supply point metering at all interface points between the transmission and distribution networks. ESBNG has been advocating this for some time and is pleased that this project is currently underway. It should be noted that TLFs will not form part of the proposed LMP market.</p>
2	<p>PSS\e software &amp; 'Swing bus': The percentage loss of load over a transmission line is dependent on the load carried on the line, with a greater loss occurring at higher load levels. Therefore, the TLF for a given generator varies with output. Some attempt should be made to quantify the difference in the TLF experienced at very low output, and the TLF experienced at 100% of generator output.</p>	<p>The volume of losses is significantly impacted by the dispatch level of the generator. This is modelled in the current approach by using average dispatches and varying dispatch levels by season. See paper Section 3.2.1 and Appendix A.3 for details of the seasons and day and night time periods used for TLFs which vary from the lowest load case (summer night ) to the highest load cases (winter day).</p>
3	<p>Volatility: The TLF as experienced by generators are highly volatile. For example, if a new generator of significant size, locates at a certain point on the transmission system, the TLF for that location will drop significantly. In such cases a within year alteration should be made to all TLFs affected.</p>	<p>We agree with the point, but would note that changing loss factors within a year increases volatility. The calculation of Loss Factors does take account of any new connections that are expected at the time of production of the loss factors. It is unlikely that any connections of a significant size will not be known in this time frame. However, ESBNG has a policy for addressing the treatment of unanticipated connections and will publish that policy to address the concerns raised.</p>