

Introduction of new MHHS Implementation Monthly Charge

BSC Panel

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Classification	Public	Document version	V1.0
Summary	This paper looks to set a rate for the newly introduced MHHS Implementation Monthly Charge Specified Charge. Elexon recommends the charge be levied at an initial rate of £0.03847 per SVA MSID per month.		

1. Introduction

- 1.1 Section D of the Balancing and Settlement Code (BSC) '[BSC Cost Recovery and Participation Charges](#)' sets out the basis on which costs are allocated between BSC Parties. This includes BSC Specified Charges as set out in Annex D-3. The Code stipulates that these charges are to be determined by the Panel, but in the event that these charges are not revised, then the rates prevailing in one BSC Year shall continue to apply in the following year. Any changes to the amount or rates require notification to all BSC Parties no later than the start of the BSC Year (1 April 2021).
- 1.2 As a result of Modification [P413 'Market-wide Half Hourly Settlement Programme Manager'](#) a new Specified Charge, the MHHS Implementation Management Monthly Charge, has been introduced into Section D of the BSC to recover the Market-wide Half Hourly Settlement (MHHS) Implementation Management Costs. This will be payable by each Supplier for each Supplier Volume Allocation (SVA) Metering System for which a Supplier is Registrant on the first day of that month.
- 1.3 This new charge will be calculated using the same methodology as the SVA Metering System Monthly Charge, which is used to recover the Annual SVA (Consumption) Costs which is shown in the table below:

Expected Annual Budget /12 /Number of Metering Systems

MHHS Implementation Management Monthly Charge	21-22 Budget
Number of Metering Systems	31,525,844
Expected Annual MHHS Budget	14,553,035
Monthly Budget	1,212,753
Specified Charge Calculation	0.03847

- 1.4 To ensure the MHHS Implementation Management Costs are completely and wholly recovered from Suppliers, at the Final Reconciliation process, we will;
- recalculate the charge rate for the MHHS Implementation Management Monthly Charge set for the previous BSC Year but, for the purposes of such recalculation, shall use the actual MHHS Programme Costs incurred by BSCCo during that BSC Year; and
 - report to the Panel, the revised charge rate for the MHHS Implementation Management Monthly Charge together with the outcome of the reconciliation calculated under paragraph a).

2. Proposals

- 2.1 In accordance with P413, the annual Programme costs will be recovered through the application of a flat charge levied per SVA MSID per month. This will be applied equally to all SVA Metering Systems, both Half Hourly (HH) and Non Half Hourly (NHH), across all Measurement Classes. Analysis suggests that the initial rate should be set at £0.03847 per SVA MSID per month.

3. Recommendations

- 3.1 We invite you to:
- a) **APPROVE** the new MHHS Implementation Monthly Charge Specified Charge of £0.03847/SVA MSID per month.

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