
Revision of MHHS Implementation Monthly Charge

BSC Panel

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Purpose of paper **For Decision**

Classification **Public**

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Summary **This paper looks to revise rate for the MHHS Implementation Monthly Charge Specified Charge. The paper recommends the charge be levied at a rate of £0.07570 per SVA MSID per month from January 2024**

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 2023).
- 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, payable by each Supplier for each SVA Metering System for which a Supplier is Registrant on the first day of that month, was introduced into Section D of the BSC to recover the MHHS Implementation Management Costs. An initial rate of £0.05145 per SVA MSID per month was set by Panel.
- The 2023/24 rate was initially calculated on the basis of the annual MHHS budget (2023: ~£19.9m). The budget has been increased by £2.2m and therefore a new rate will need to be applied for the remainder of the financial year January 2024 - March 2024.

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 HH and NHH, across all Measurement Classes. Analysis suggests that the revised rate should be set at £0.07570 per SVA MSID per month applied from January 2024.
- 2.2 This new rate, will be calculated using the same methodology on the remaining amount recoverable for the remaining months of the financial year.

****Remaining Amount /3/Number of Metering Systems****

Revised Budget	Amount Collected Apr - Dec 23	Remaining Amount	Monthly Recovery	Number of Metering Systems	Specified Charge Calculation
£ 22,045,898.00	£ 14,701,190.03	£ 7,344,707.97	£ 2,448,235.99	32,339,196	£ 0.07570

- 2.3 As communicated to Panel at the November 2023 meeting, it was established that the initial 2023/24 budget is not sufficient to meet the MHHS Programme needs. A new budget amount has been set, and we believe that the best course of action is for the revised rate to be applied from January 2024, allowing us to use actual data for a significant portion of the year, meaning the charges to Suppliers in the next billing run (January 2024) will be more accurate. The alternative was to keep the rate at its current amount, with the funding deficit recovered from Suppliers through the Final Reconciliation process in August/September 2024.

3. Recommendations

- 1.1 We invite you to:
- a) **APPROVE** the new MHHS Implementation Monthly Charge Specified Charge of £0.07570 /SVA MSID per month.
 - b) **APPROVE** the rate be applied from January 2024

For more information, please contact:

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