Code Change and Development Group (CCDG) consultation on MHH Settlement - transcript

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | **17 December 2020** |  | Classification | **Public** |

Hello, I’m Justin Andrews, Head of Design Authority at Elexon. I’m here to talk about a consultation that Elexon is publishing in mid-December on the detailed design of Market-wide Half Hourly Settlement, or Half Hourly Settlement for short.

I head up a team of specialists in Elexon who are leading on this design work with an industry expert called the Code Change and Development Group, or CCDG.This work is part of Ofgem’s Significant Code Reform on Settlement Reform.

Half Hourly Settlement will be a faster, more accurate Settlement process for all market participants. It is also a key fundamental enabler for a smarter energy system and upcoming innovation.

Ofgem is set to make a final decision in Spring 2021 on how, and when to implement Half Hourly Settlement.

Let’s talk about the Target Operating Model (TOM) first. Ofgem provisionally approved this in October 2019. The Target Operating Model sets out the set of services and settlement arrangements designed to deliver Half Hourly Settlement.

Through the CCDG, we have been developing the detail of this TOM design and identified the required industry code changes.

The most important things we are looking for feedback are:

1. The essential data items and processes required to deliver the Half Hourly Settlement Target Operating Model;
2. an evaluation of the CCDG’s detailed design against Ofgem’s Design and Development Principles; and
3. the identified changes to the relevant industry codes, including BSC, Smart Energy Code, Distribution Connection and Use of System Agreement and the Retail Energy Code.

There will be new data items such as market segments and load shapes. There are also existing ones that will no longer be required such as measurement classes. New processes have been defined in detail for settling smart meters with Half Hourly meter data and for the registration of new services, e.g. for appointment of data services.

The consultation has an assessment of the detailed TOM design against Ofgem’s Design Principles.

These include:

* settlement timetable, data retrieval, and processing
* the treatment of export from microgeneration.

The switch over to Half Hourly Settlement would have a big impact on the BSC, which we manage, as well as other electricity codes, such as the Smart Energy Code, Distribution and Connection.

Use Agreement and Retail Energy Code.

The key changes needed are:

1. TOM requirements for the BSC, this covers both central settlement and all market participants;
2. New SEC User role to access the data from the smart Meter
3. DCUSA changes for Unmetered Supplies when there isn’t a meter
4. Registration changes to the Retail Energy Code

We will issue next year a further consultation with the actual detailed changes to the industry codes.

This is your chance to have your say on these detailed design changes. We will publish the December consultation on our website - [www.elexon.co.uk](http://www.elexon.co.uk). If you receive our weekly bulletin, Newscast, you will see the link there.

But before I go there are other things I want to mention about Half Hourly Settlement

We are also leading another industry group, called the Architecture Working Group (AWG). It is developing the reference architecture, which will set the framework for subsequent IT system design. The AWG consultation will be out in April 2021.

At the same time, in early 2021 we will be developing the detailed transitional requirement to Half Hourly Settlement and the approach to how we will run off the old Settlement processes. This will be followed by a further consultation in May.

We really look forward to hearing from you, thank you.