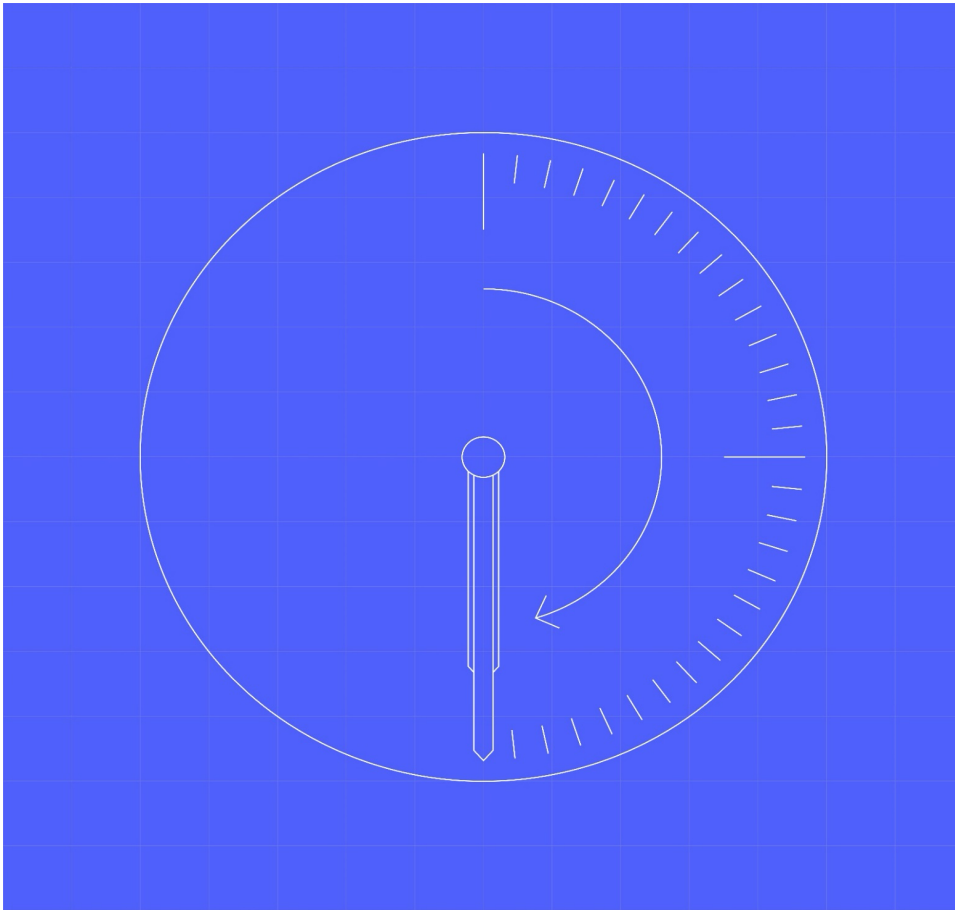


## Requirements for the Transition to the new MHHS Settlement Timetable – MHHS Programme

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Document owner

**MHHS Programme**

Status:

**CR055 Update**

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Document number

**MHHS-DEL1590**

Date

**11 February 2025**

Version

**2.2**

Classification

**Public**

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### 1.1 Change Record

Date	Author	Version	Change Detail
10/8/2023	Kevin Spencer	0.1	Initial Draft
16/08/2023	Andrew Margan	0.2	Initial Draft
16/08/2023	Kevin Spencer	0.3	Initial Draft
21/08/2023	Kevin Spencer	0.4	Initial Draft
26/08/2023	Kevin Spencer	1.0	For MTDSG
13/09/2023	Kevin Spencer	1.1	Following MTDSG
27/09/2023	Kevin Spencer	1.2	Following MTDSG
27/10/2023	Kevin Spencer	1.3	Following Consultation
08/11/2023	Kevin Spencer	2.0	Version number uplifted following DAG Approval
07/02/2025	Kevin Spencer	2.1	Uplift following CR055
11/02/2025	Kevin Spencer	2.2	Following Internal Review

### 1.2 Reviewers

Reviewer	Role
Andrew Margan	Transition Design Workstream Lead
Jason Brogden	LDP SME Assurance Lead
Chris Welby	SRO SME Assurance Lead

### 1.3 References

Document/Link	Publisher	Published	Additional Information
MHHS-DEL-1590-Master_Settlement_Timetable_Examplev2.0			
MHHS-DEL-1593- <a href="#">Replacement_RF_Settlement_Timetable_RF_Illustration055v1.0</a>			
MHHS-DEL-1591-Master_Settlement_Timetable_Example_replacementv2.0			

## 2 Executive Summary

This paper sets out the proposal to transition from the legacy 14 month Settlement Timetable to a new 4 month Settlement Timetable, known as the Settlement Timetable Transition (M16), which is the planned cutover date of 07 December 2026. This proposal aims to enable the completion of all Settlement Runs for pre-M16 Settlement Dates by the 31 March 2027. The plan is to achieve this in two stages:

1. Firstly to reduce the RF Runs for pre-M16 Settlement Days so the complete by 4 Months after M16 by moving them to replace either the R3 Run or the R2 Run as required;
2. Secondly, to move the SF VAR Runs from 15 working days to 7 working days and the R1 VAR Runs from 38 working days to 29 working days at the M16 cut-over date.

The high-level solution to achieve this requires six transition timetables to be produced because the timetable cuts across three financial years.–

1. A Settlement Timetable for M11 'Start of 18-month migration for UMS / Advanced' until the end of the financial year;
2. A partial Settlement Timetable, covers the start of the next financial year until 6 months before the end of the financial year;
3. A partial Settlement Timetable from 6 months after the start of the financial year until the end of the financial year;
4. A partial Settlement Calendar from the start of the financial year until the day before the M16 Cut-over date;
5. A timetable that aligns with the revised operational Choreography covering the period from M16 until the end of the financial year; and
6. A rolling 'fall back' Settlement timetable, which covers the period up from the original M16 up until a revised date if the M16 cutover criteria is not met. (duration dependant on length of any delay).

Migration activity finishes 2 months earlier than M16. Completion of Migration should be known 3 months prior to M16, i.e. if the M16 cutover is at risk. Providing Migration is on track, the table in step 5 above will be used to transition to the new Settlement Timetable as set out in the Operational Choreography. If there is a risk of Migration delaying the cutover date, the risk will be managed by deferring the cutover date and deferring the publishing the Settlement Timetable Transition defined in step 6.

We believe the solution approach aligns with the original Design Working Group (DWG) recommendations and high-level principles as set out in the document below.

We welcome Transition Design Subgroup feedback on the proposal, before we request a Design Advisory Group (DAG) industry consultation and subsequent DAG approval.

## 3 Introduction

### 3.1 Background

The new Market-wide Half Hourly Settlement (MHHS) Target Operating Model (TOM) developed by the Design Working Group (DWG) and refined by the Code Change and Development Group (CCDG) set out the requirements for the Settlement Timetable under MHHS. The DWG agreed the following:

Agreed that the simplest approach to implementing the revised Settlement timetable is to wait until all MPANs are being settled under the TOM;

- Agreed that the TOM needs to be in place (i.e. all NHH MPANs moved to the MHHS) before reducing the timing of the Initial Settlement (SF) Run, as this is reliant on the Load Shaping Service;
- Discussed the potential to reduce the timings of different Settlement Runs at different times – for example, reducing the RF Run timing before the SF Run timing;
- Discussed the potential to 'cut off' different segments at the current Second Reconciliation (R2) Run at different times, with Settlement no longer processing data for the given segment after R2;

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- Agreed that the DF Run timing cannot be shortened until all Meter data is being received by the BSC Central Settlement Services, due to the impact on Data Aggregators;
- Discussed an approach of gradually reducing the gaps between Settlement Runs and thought this was not appropriate;
- Discussed the potential to reduce the Settlement timetable gradually, though did not identify any benefits of changing it more than once;
- After discussing all of the complexities above, that transition to the reduced Settlement timetable would ideally occur after changes to the BSC Central Settlement Services have gone live; and
- Agreed that the decision on how and when to reduce the Settlement timetable could be taken nearer the time, based on market monitoring against trigger points.

The DWG also recommended that the timing of the Post Final Settlement should be reduced from 28 Months to 20 Months.

The MHHS Programme notes that decisions relating the reduction of the Post Final Settlement timelines (Trading Disputes) relates to Participant assurance and is outside of Programme scope.

### 3.2 The Settlement Timetable and the Operational Choreography

The requirements for the timings of Settlement Runs is set out in the artefact MHHSP\_OPC001\_Operational\_Choreography. This set out the to be Settlement schedule as follows:

	Activity	Transition Gate Closure	Post Transition Gate Closure
OPC_900	Load Shaping Run Consumption Gate Closure	00:00 CAL +4	00:00 CAL +4
OPC_910	Load Shape Publication	12:00 CAL +4	12:00 CAL+4
OPC_920	MDS & Settlement Run (II)	17:00 WD +4	17:00 WD +4
OPC_930	Best Estimate Provision (SF)	00:00 WD +14	00:00 WD +6
OPC_940	MDS Run (SF)	17:00 WD +14	17:00 WD +6
OPC_950	Settlement Run (SF)	17:00 WD +15	17:00 WD +7
OPC_960	Best Estimate Provision (R1)	00:00 WD +38	00:00 WD +29
OPC_970	MDS Run (R1)	17:00 WD +38	17:00 WD +29
OPC_980	Settlement Run (R1)	17:00 WD +39	17:00 WD +30
OPC_990	Best Estimate Provision (RF)	00:00 WD +291	00:00 WD + 83
OPC_1000	MDS Run (RF)	17:00 WD +291	17:00 WD + 83
OPC_1010	Settlement Run (RF)	17:00 WD +292	17:00 WD + 84

### 3.3 Key Milestones relating to the Settlement Timetable

The following are the Tier 1 Milestones relating to the Settlement Timetable:

Tier	Milestone	Comment
		The Master Settlement Timetable will need to be published in ISD
Tier 1	Central systems ready for migrating MPANs (M10)	From the <a href="#">M10</a>
Tier 1	Load Shaping Service switched on (M13)	
		The Master Settlement Timetable will need have the runs for MHHS Services scheduled from this date.
Tier 1	Start of 18-month migration for UMS / Advanced (M11)	
		The Master Settlement Timetable will need have the
Tier 1	Start of 18-month migration for Smart / Non-smart (M12)	

		runs for MHHS Services scheduled from this date.
Tier 1	All suppliers must be able to access MPANs under the new TOM (M14)	
Tier 1	Full transition complete (M15)	Following this date all MPANs will be Settling under the MHHS arrangements.
Tier 1	Cut over to new settlement timetable (M16)	A revised Master Settlement Timetable will need to be published prior to this date with revised Settlement Run from this date.

There are also some specific Milestones for assessing the move at the M16 Milestone:

- a) T2-MR-0400 M16 Checkpoint,
- b) T2-RA-0800 Readiness assessment 9 – readiness for new settlement timetable – completed
- c) T2-EL-0100 Confirm M16 date
- d) T1-CP-4000 Control Point 5 – cut over to the new settlement timetable M16

This proposal is suggesting some additional Milestones as follows:

- a) T2-MR-0aaa M16 Checkpoint– A year ahead of the M16 Milestone
- b) T2-EL-0bbb Confirm M16 date 2 Months after the start of the financial year - Start of partial Settlement Calendar Production for 2026
- c) T2-RA-0ccc Readiness assessment 'X' – readiness for new settlement timetable – completed (**02/02/2026**) – ahead of Panel (SVG) decision in March on new Settlement Calendars.

### 3.4 Other Consideration

There are a number of other considerations that need to be factored into when revising the Settlement Timetable:

- The Master Settlement Table will be published in ISD and is therefore subject to the timing of the ISD Timetable;
- Every Settlement Date requires an RF Run: Certain charges are levied off the back of the RF Run e.g. BSUoS;
- It has been suggested that once populated in Market Participant Systems cannot make retrospective changes e.g. making the R3 Run the Final Reconciliation Run (RF) once the R3 Run has completed; Ofgem aim was to reduce settlement timetable to 4 months as part of SCR. The rational is to reduce the timescale of any Supplier (and counter parties) financial exposure. It also reconciles Use of System charges faster providing certainty for all participants;
- There is no desire to keep legacy “systems” supported longer than necessary. There is a cost for participants to maintain legacy systems operational, staffed, backed up, archived, audited, BSC audited, etc. So there will be a strong desire to shut these down as soon as possible. These systems are already stated as operating on unsupported software, so by 2027 this will be a significantly greater risk. The “systems” cover – all the qualified roles – MEM, MA, DC, DA, ElectraLink (all the legacy DTN flows), central systems and code documentation;
- Data Aggregators cannot surrender until last MPAN has reached RF. The BSC currently does not allow a DA to surrender their qualification until their last MPAN has completed RF. This could be changed, but the underlying rational reflects the need to be available and able to provide updated data for RF. If the DAs shut down in advance of RF, then the value of RF is negated because there will not be any revised data to process at RF.

## 4 Proposed Approach for cut-over to New Settlement Timetable

Taking into account of Section 3, the following is the MHHS Programmes proposal for moving to the revised Settlement Timetable by the M16 Milestone:

#### 4.1 Detailed Steps

Step	When	What needs to happen?	Comment
1	<u>By start of financial year</u>	The Settlement Calendars shall need to be produced for the Settlement Year <u>as defined in BSCP508</u> . ISD <u>will</u> need to have the Master Settlement Timetable aligned with the existing Settlement Calendars (SVAA and SAA) with Settlement Runs for new MHHS Services (LSS, MDS and VAS) scheduled from the M11 Milestone	Note if the M11 milestone moves the scheduled runs for the new Services will not be undertaken until the revised Migration Start date. See worked example based on the 2023/24 Settlement Calendars: <a href="#">Master_Settlement_Timetable_Examplev1.0</a>
2	From M11	Elxon shall initiate Monitoring of Migrated MPANs commences (evaluation criteria to be defined at a future date)	Monitoring will be undertaken by Elxon from M11 at the start of Migration. Monitoring will include but not limited to: <ul style="list-style-type: none"> <li>• The number of MPANs, not consenting to provision of HH data in each GSP Group;</li> <li>• The percentage of consumption being settled with Actual Data in each GSP Group;</li> <li>• The percentage of MPANs being settled with Actual Data in each GSP Group; and</li> <li>• The number of open Trading Disputes.</li> </ul>
3	By 1st April 2026	The <u>Partial</u> Settlement Calendars shall need to be produced and published for the <u>following</u> Settlement Year for Settlement Dates up until <u>six months before the end of the financial year</u> . When setting this calendar any RF Run where the VAS Run Date would have been greater than the 31/03/2027 will be reduced to 7 months and replace the R3 Runs. Likewise, any R3 Run where the VAS Run Date would have been greater than the 31/03/2027 will be reduced to 4 months and replace the R2 Run with a RF Run.	
4	<u>M16 Checkpoint 1 - 1 year prior to M16</u>	<u>Review the monitoring data from Step 2 to understand the volume of actual data at each Settlement Run.</u>	<u>Approximately 8 Months of monitoring data should be available by the M16 Checkpoint 1.</u>
5	<u>Following Step 4: Confirm M16 date</u>	<u>Confirm if the M16 date is likely to be retained.</u>	<u>If confirmed move to Step 6</u>
6	<u>Publish revised calendar.</u>	<u>When setting this calendar any RF Run where the VAS Run Date would have been greater than the 4 months after M16</u>	<u>This would mean that from mid-financial year the Settlement Timetable is reduced to 7 months and from the end of M16 the</u>

	<u>covering last 6 months of the financial year</u>	<u>will be reduced to 7 months and replace the R3 Runs. Likewise, any R3 Run where the VAS Run Date would have been greater than the 4 months after M16 will be reduced to 4 months and replace the R2 Run with a RF Run.</u>	<u>Settlement Timetable is reduced to four months. It should be noted that this means the timing of the RF run will be reduced before all Metering Systems have been migrated. The SF, R1 are retained at their pre-cut over timings and DF is still at 28 Months. See example based on the 2023/24 calendar:</u> <u>Master_Settlement_Timetable_Example_replacementv1.0 and the illustration:</u> <u>Replacement_RF_Settlement_Timetable_RF_Illustration05 5v1.0</u>  <u>If the M16 date is not confirmed in Step 5 then a calendar shall be produced that moves the RF adjustments in relation to the revised M16 date. E.G. If the milestone moves 3 by months then the RF Runs would only be reduced where they were greater than 4 Months after the revised M16 date.</u>
<u>7</u>	<u>By the start of next financially year</u>	<u>Publish Partial Settlement Calendars from the start of financial year up until the day before M16.</u>	<u>These calendars will contain the revised RF date as per Step 6 if M16 is confirmed in Step 5.</u>
<u>8</u>	<u>Following Step 6</u>	In case the cut-over date is missed two versions of the Settlement Timetable shall be produced for Settlement Dates from M16  a) A Settlement Timetable that aligns with the Operational Choreography SF 7 WD and R1 at 29 WD with the DF Run reduced to 20 Months <u>up until the end of the financial year.</u>  b) A Settlement Timetable that retains the existing timings for the SF Run and the DF Run retained at 28 Months <u>until a date to be defined based on any delay to the M16 Milestone.</u>	Examples of Settlement Calendars a) and b) can be found in: <u>Master_Settlement_Timetable_Example_replacementv1.1</u>  These calendars can be developed at the same time as those for Step 5 and provided to Market Participants for information.
<u>9</u>	<u>M16 Checkpoint 2 – 2 months prior to M16)</u>	Review the latest monitoring data from Step 2 to understand the volume of actual data at each Settlement Run.	
<u>10</u>	<u>Following Step 9 - Readiness for new Settlement Timetable – completed</u>	Readiness assesses Participant's preparedness to transition to the new Settlement Timetable.	The date of this Milestone will need to be <u>agreed.</u>



<u>11</u>	<u>Following Step 10</u> Confirm M16 date	Confirm if the M16 date will be retained.	
<u>12</u>	<u>Following Step 11</u>	Raise Fast Track Change to ISD If go ahead is given for M16 <u>then</u> publish the Settlement Timetable set out in a) of Step <u>8</u> . Otherwise, publish all or some of the Settlement Timetable set out in b) of Step <u>8</u> .	The EMR Settlement Calendar will also need to be cut-over at the same time. It should be noted that the timings may require changes to some regulations which 'hard codes' the timings of CFD and Capacity Runs to the current Settlement Timetable.
12	M16 Milestone	Settlement Runs proceed in accordance with Settlement Calendars published in Step <u>12</u> .	

The above approach would allow all pre-cutover Settlement Runs to be completed by the 4 months after M16 (unless M16 Milestone date is deferred). The Post Final Settlement Runs will be brought into 20 Months at the M16 Cut-over date. It should be noted that once the RF dates are completed, for pre M16 Settlement Dates, revised data will not be available for non-migrated MPANs, unless Supplier keep their DAs available to submit revised data. Hence, it is likely the data for these MPANs will be crystallised at RF. Migrated MPANs can have revised data submitted by MHHS Data Services for Pre-M16 Settlement Dates for Post Final Settlement Runs up to 28 Months.

Participant systems shall maintain an archive of all transactional data for 40 months where the settlement date is prior to M16 and for 24 months for Settlement dates greater than or equal to the M16 date. Currently the 40 month retention period is derived from a period twice the current settlement window plus a further 12 months. Noting the reduction in the Settlement Timetable post transition the retention period for Settlement Data will be 24 months.

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## 5 Validating the Transition Approach against the DWG Approach

In proposing the above approach for Settlement Timetable Transition, the analysis compares the proposed solution to the original DWG Agreements and Discussions:

DWG Agreed Approach	Transition Meets Approach	Comment
Agreed that the TOM needs to be in place (i.e. all NHH MPANs moved to the TOM) before reducing the timing of the Initial Settlement (SF) Run, as this is reliant on the Load Shaping Service.	Yes	All NHH MPAN moved at M15 so M16 will fall after that Milestone. If M15 not met then approach is flexible to allow a later reduction of the SF Run.
Discussed the potential to reduce the timings of different Settlement Runs at different times – for example, reducing the RF Run timing before the SF Run timing.	Yes	This approach reduces the timings of the RF and R3 Runs before moving the timing of SF.
Discussed the potential to 'cut off' different segments at the current Second Reconciliation (R2) Run at different times, with Settlement no longer processing data for the given segment after R2.	Partial	This approach does reduce the overall timing of the RF Run to R2 but does it for all Market Segments. It is not clear how this was envisaged to work without having separate Settlement Timetables for each Market Segment.

Agreed that the DF Run timing cannot be shortened until all Meter data is being received by the BSC Central Settlement Services, due to the impact on Data Aggregators.	Yes	The reduction of the DF Run only occurs when the M16 Milestone is achieved.
Discussed an approach of gradually reducing the gaps between Settlement Runs and thought this was not appropriate.	Yes	This approach does not seek to reduce the gaps between Settlement Runs e.g. Moving RF to 10 Months.
Discussed the potential to reduce the Settlement timetable gradually, though did not identify any benefits of changing it more than once.	Partial	It does reduce the timetable in two stages firstly reducing the RF to R3 and then R2.
After discussing all of the complexities above, that transition to the reduced Settlement timetable would ideally occur after changes to the BSC Central Settlement Services have gone live.	Yes	BSC Central Services will have 'Gone-Live' at M10.
Agreed that the decision on how and when to reduce the Settlement timetable could be taken nearer the time, based on market monitoring against trigger points.	Yes	This approach introduces Market Monitoring and trigger point Milestones.
The DWG also agreed that the timing of the Post Final Settlement should be reduced from 28 Months to 20 Months.	Yes	The DF Runs is reduced to 20 Months at the M16 Milestone.

## 6 Proposal Recommendation

The MHHS Programme recommendation is that Participants accept this proposal for [M16](#), with a fall back Settlement Timetable, [if M16 is not met](#) for Settlement Timetable Transition, because it aligns with the Principles of -

- A single solution which is [a](#) hard cut over;
- The cut over date is as soon as practicably possible linked to M16;
- The transition timescales [s](#) are linked to the new 4 month MHHS TOM;
- RF for all settlement periods are enabled for billing and settlement close out; and
- It provides for some flexibility in case the cutover date is not achievable.

Which this is the Programme's recommendation, we welcome Transition Design Workgroup engagement and feedback, where the solution can be improved, made easier to understand and/or where additional detail is required.