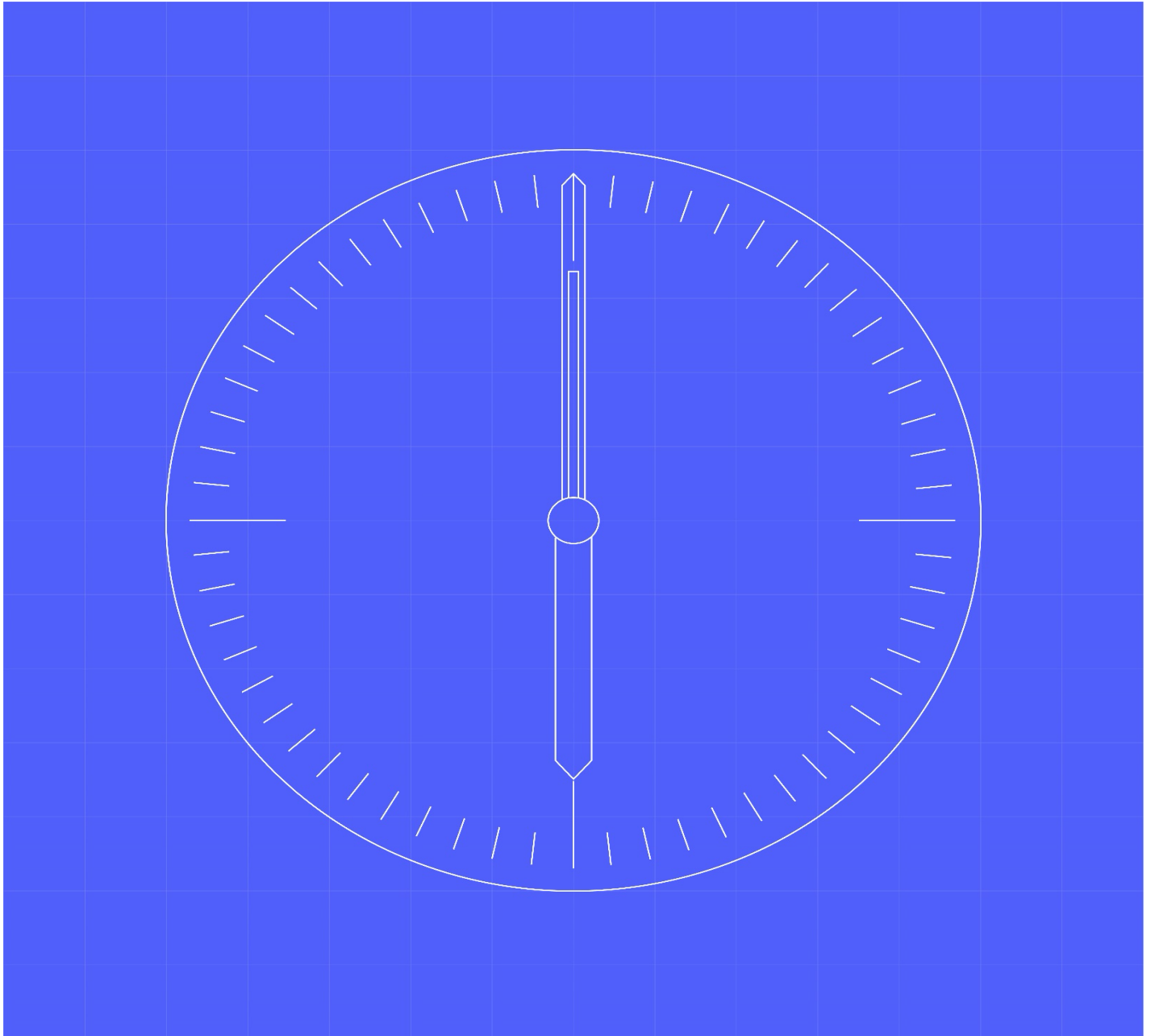


MHHS Settlement Timetable Consultation on Final Reconciliation Run (RF) Reductions



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1.1 Change Record

Date	Author	Version	Change Detail
07 April 2026	Justin Andrews	0.1	Initial Draft- for STEG review
13 April 2026	Justin Andrews	0.2	Draft updated with STEG comments
20 April 2026	Justin Andrews	0.3	Updated post STEG meeting 15/04/26

2 Consultation on Settlement Timetable decision approach

2.1 Introduction

The MHHS Implementation Plan milestone M16 is the cutover to a new Settlement Timetable. This marks the final stage of implementing the MHHS Target Operating Model (TOM) through the shortening of the Settlement Timetable¹. There are three key decision elements² to this transition, each reducing the timescales for settlement activities:

- Final Reconciliation (RF) reduced from 14 months to 7 months;
- RF further reduced from 7 months to 4 months; and
- First financial settlement run (SF) reduced from 15WD to 7WD (and reducing R1 from 38 WD to 29 WD).

This consultation focuses specifically on the two RF-shortening decisions and the Supplier Volume Allocation (SVA) arrangements, in:

- Reducing RF to 7 months from Settlement Day 01 October 2026; and
- Reducing RF to 4 months from Settlement Day 01 April 2027.

The third and final decision on SF (and R1) will be subject to further consultation at a later point in time. This will be further developed regarding monitoring data and decision criteria at future STEG meetings later this year.

The transition process for moving to a new Settlement Timetable is defined in the approved Transition Design³. It includes an initial decision point in October 2026 to reduce RF to 7 months for Settlement Days from October 2026, as well as decision on a proposed RF reduction to 4 months from 1 April 2027. The reduction in RF to 4 months is subject to a final decision in March 2027.

The Transition Design sets out the requirements underpinning these decisions, which are based on monitoring settlement performance data and the migration of MPANs to the new MHHS arrangements. The data to be monitored, along with the associated success criteria, has been developed by the Settlement Timetable Expert Group (STEG⁴), a group established by the Migration Cutover Advisory Group (MCAG) to define detailed monitoring requirements and the decision-making process.

This consultation is issued to all Programme Participants and other relevant impacted organisations, as part of a wider package of supporting documents, education materials, webinars, and Q&A sessions. The outputs will be reviewed by the STEG, who will then make recommendations to the MCAG on the operational monitoring approach for the M16 decision process.

¹ The requirements for new settlement timetable were approved by Ofgem in April 2021, see <https://www.ofgem.gov.uk/decision/electricity-retail-market-wide-half-hourly-settlement-decision-and-full-business-case>.

² The new settlement timetable is set out in the MHHS Operational Choreography document, approved by the Design Advisory Group (DAG) in Q3 2022. See [MHHS Operational Choreography](#).

³ The Transition Design was approved by DAG in Q3 2023, see <https://www.mhhsprogramme.co.uk/design/transition-design>.

⁴ STEG information see MHHS Website: <https://www.mhhsprogramme.co.uk/migration/migration-governance/steg>.

2.2 Proposal for the monitoring and decision process for RF reduction to 7 months (& 4 months)

The STEG have considered the MHHS settlement monitoring proposal and agreed the following:

- The aggregate delta change in settlement energy volumes between R3 and RF is considered material if it is greater than 1%, broken down by Measurement Class (excluding Measurement Classes B, NHH UMS and D, HH UMS). This is an absolute value, averaged over the last four quarters by Measurement Class (the last 4 quarters delta volumes will be shown).

If the performance metrics are outside of these targets, the STEG will consider the data and the circumstances for the divergence and make suitable recommendations to the MCAG. This may result in remedial action by participants to resolve performance issues.

In their assessment, the STEG noted that the aggregate delta changes today (Calendar Year 2024) in legacy settlement between R3 and RF would not prevent the shortening of the settlement timetable at this point, and that there is limited additional benefit to settlement accuracy from retaining RF at 14 months.

In addition to settlement monitoring, the STEG also considered the Market-wide Half Hourly Settlement (MHHS) proposal that migration monitoring is required to ensure that migration is progressing in line with the Migration Plan.

In conclusion, the STEG have agreed that the conditions exist to recommend executing the decision to reduce RF to 7 months, based on settlement performance monitoring and migration monitoring data. This decision confirms, with evidence, that reducing reconciliation to 7 months and then to 4 months is appropriate, in line with the conditions set out in Ofgem's 2021 decision.

The conditions are based on the following:

- No material change (less than 1 per cent) in the settlement volume delta from R3 to RF (and from R2 to RF) at Measurement Class level (excluding Measurement Classes B, NHH UMS and D, HH UMS). This is an absolute value, averaged over the last four quarters by Measurement Class (the last 4 quarters delta volumes will be shown); and
- migration is progressing to plan, with no material migration issues, for example significant MPAN exclusions.

STEG believe that, under this approach, settlement performance and accuracy will not be degraded by a shortened Settlement Timetable. STEG also noted that Ofgem's 2021 decision referred to the need for the BSC Performance Assurance Framework (PAF) to set performance targets flexibly, to balance the need to incentivise timely meter readings with practical considerations such as the number of Traditional meters, hard-to-access sites and meter faults. BSCCo are reviewing separately this aspect of the PAF (e.g. Supplier Charges methodology/triggers) under the Performance Assurance Board (PAB), alongside the MHHS settlement timetable decision work.

A Readiness Assessment (RA) will be undertaken in July 2026 to determine confidence in achieving M16 on the current baseline date. This assessment will consider migration progress and settlement performance. In addition, Programme Participant readiness will be requested and analysed to determine whether M16 is expected to be met. The results of the RA will be reviewed by STEG, who will then make recommendations to MCAG for approval.

2.3 Consultation Questions

The following two consultation questions seek your views on the proposed approach to shortening the Settlement Timetable for the SVA arrangements.

1. Do you agree that the reduction in RF to 7 months should be applied to the Settlement Timetable from the Settlement Date of 1 October 2026 onwards, if:

- the settlement performance monitoring metric shows less than 1 per cent change in the settlement volume delta (by Measurement Class, excluding UMS Measurement Classes B and D) from R3 to RF, This is an absolute value, averaged over the last four quarters by Measurement Class (the last 4 quarters delta volumes will be shown).; and
- migration data shows performance in line with the plan, as demonstrated by the Readiness Assessment scheduled for July 2026, with no material issues identified

If you do not agree, please provide evidence and supporting rationale. Any stated impacts must be supported by associated calculations and assumptions. In addition, please provide your preferred alternative approach for how the decision to move to the shortened timetable should be taken.

2. Do you agree that the reduction in RF to 4 months should be applied to the Settlement Timetable from the Settlement Date of 1 April 2027 onwards, if:

- the settlement performance monitoring metric shows less than 1 per cent change in the settlement volume delta (by Measurement Class, excluding UMS Measurement Classes B and D) from R2 to RF. This is an absolute value, averaged over the last four quarters by Measurement Class (the last 4 quarters delta volumes will be shown).; and
- migration data shows performance in line with the plan, as demonstrated by the Readiness Assessment scheduled for July 2026, with no material issues identified.

If you do not agree, please provide evidence and supporting rationale. Any stated impacts must be supported by associated calculations and assumptions. In addition, please provide your preferred alternative approach for how the decision to move to the shortened timetable should be taken.

2.4 Next Steps

The output from the consultation responses will be analysed by the MHHS Programme and presented to the STEG for their consideration. The STEG will then agree any changes to the monitoring and decision process related to RF shortening implementation. This STEG recommendation will be presented to MCAG for approval. The Programme and Elexon will then carry out the approved operational monitoring process and present it to regular (monthly) STEG meetings for their review.