



## Market-wide Half-Hourly Settlement (MHHS) Programme 101 Guide: Exelon

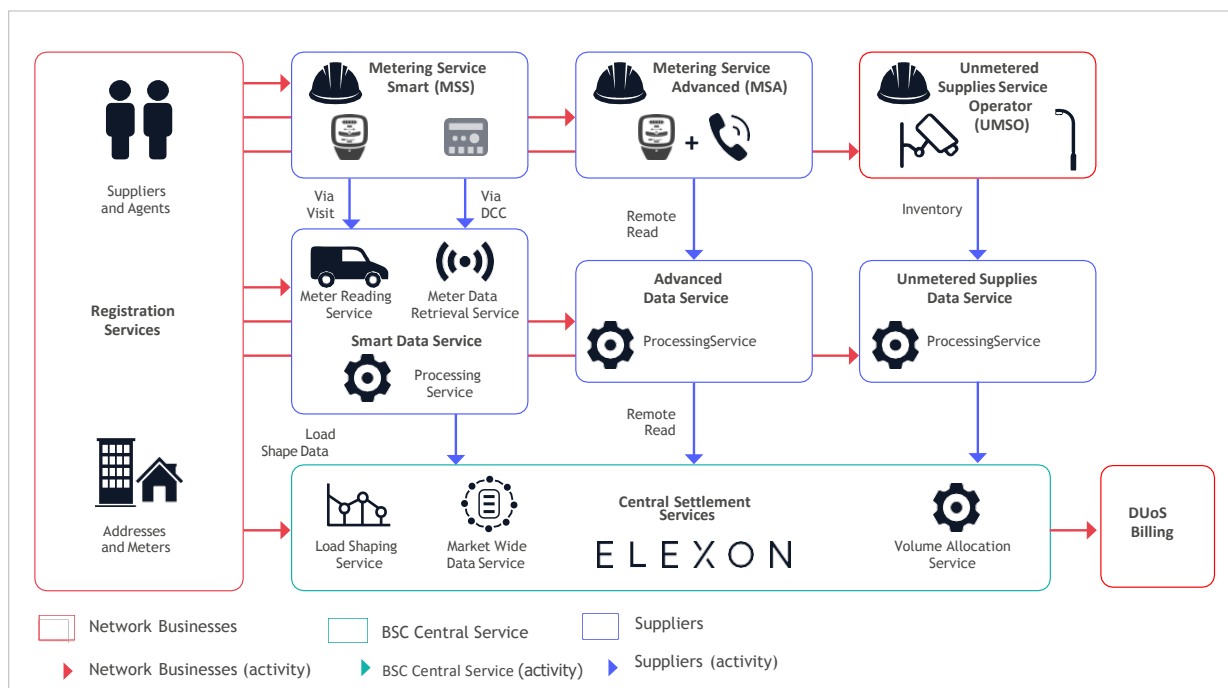
### How Exelon operations change

#### Services, systems & process

The current Supplier Volume Allocation (SVA) services provided by Exelon change in Central Settlement Services under the new **MHHS Target Operating Model (TOM)** illustrated below.

Three new services are being developed:

1. Load Shaping Service (LSS) which will calculate energy consumption and load shapes using validated actual Settlement Period level data.
2. Market-wide Data Service (MDS) which will aggregate data for smart, non-smart, advanced, and unmetered supplies for imbalance settlement and other purposes such as network charges and flexibility offerings.
3. Volume Allocation Service (VAS) which will use data from the MDS to calculate energy volumes for Balancing Mechanism Units, replacing the current Supplier Volume Allocation Agent (SVAA).



## Settlement timetable changes

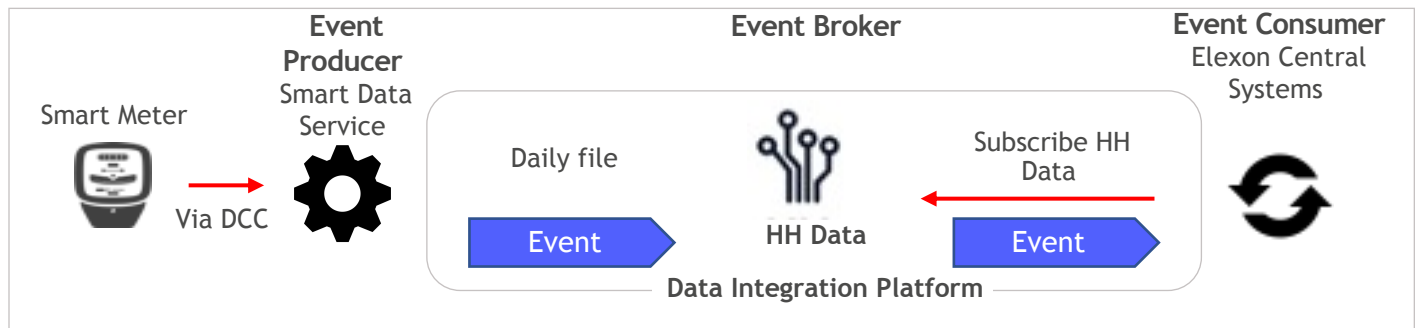
A new, shorter settlement reconciliation timetable is required to enable faster delivery and increased financial certainty to wholesale market participants.

| Run name  | Purpose of Run   | Current timing – Working Days | New Timing – Working Days                          |
|---|--|-------------------------------|--|
| Interim Information (II) Run                          | Central Volume Allocation (CVA) error detection and correction   | 4                             | 4  |
| Initial Settlement (SF) Run                           | First financial run. Up to this point, parties must lodge credit cover for estimated positions   | 16                            | 5-7  |
| 1st Reconciliation (R1) Run                           | Reconciliation against previous run as more SVA meter reads are available  | 39 (~ 2 months)               | 33   |
| 2nd Reconciliation (R2) Run                           | Reconciliation against previous run as more SVA meter reads are available  | 78 (~ 5 months)               | Would not exist                                    |
| 3rd Reconciliation (R2) Run                           | Reconciliation against previous run as more SVA meter reads are available  | 148 (~ 7 months)              | Would not exist                                    |
| Final Reconciliation (RF) Run                         | Final financial run. Reconciliation against previous run based on final SVA meter reads. After this point, trading positions can change only after a dispute | 14 months                     | 4 months   |
| Post-Final Settlement (SF) Run ('Disputes Final' Run) | Settlement corrections where errors could be detected and/or resolved before the RF Run (subject to criteria)  | 28 months – if required       | 20 months with ratcheted materiality – if required |

## Data exchange and volumes

The volume of half-hourly consumption data processed under MHHS will increase. This will impact Elexon Central Systems as it will process actual consumption data, estimated at up to 31 million daily sets of up to 48 half-hourly consumption periods, rather than aggregated data in the form of the Supplier Purchase Matrix currently used in settlement calculations. The non-functional performance requirements of the new MHHS TOM will reflect this change.

The MHHS Programme, on behalf of the energy industry, is procuring a new **Event Driven Architecture (EDA) technology platform**, known as the Data Integration Platform (DIP). Elexon Central Systems will connect to and interact with the DIP through defined interfaces and messaging platforms, illustrated below.



## Balancing and Settlement Code (BSC) administration

Elexon administers the BSC, the multiparty contract setting out the rules for the operation and governance of the Balancing Mechanism and Imbalance Settlement in Great Britain. The BSC is the key industry Code affected by the MHHS Programme, and BSC Parties have obligations under the BSC to deliver the changes required for MHHS.

The MHHS Programme is taking a 'design-led' approach where the design will be baselined before Code changes are made. Elexon representatives from the BSC have attended and contributed to the Level 4 Design Working Groups.