

Public

# **ELEXON - Settlement process**

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ELEXON view of what needs to be  
considered for Mandatory Half  
Hourly Settlement design

19 January 2017  
Kevin Spencer

**ELEXON**

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# Introduction

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- Work already done in this area
- What is the size and scope of mandatory HHS?
- What does the current Supplier Volume Allocation process look like?
- What needs to be considered for the Target Operating Model?

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## Recap of ELEXON work

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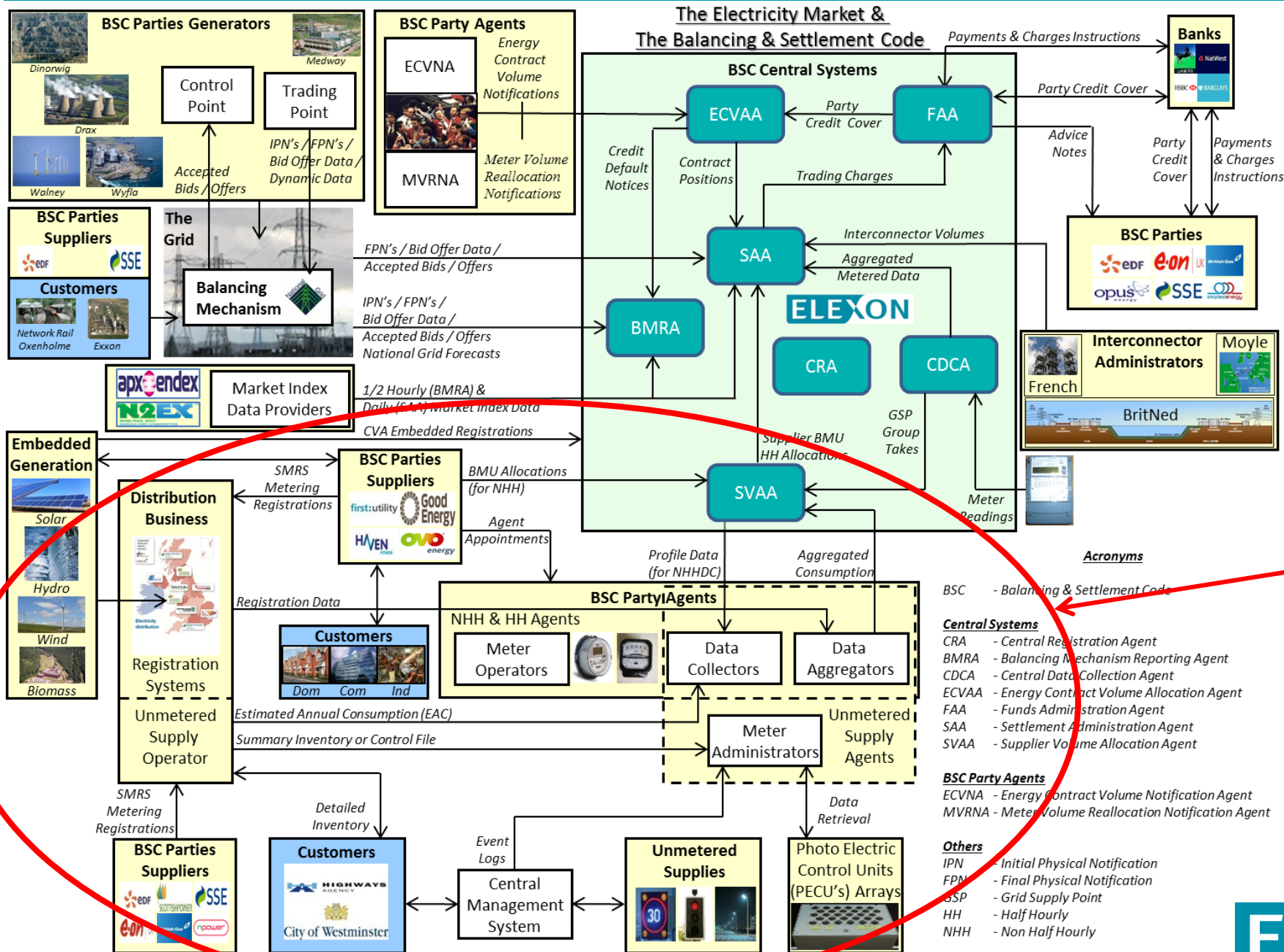
ELEXON has been providing leadership in this area since 2010:

- Profiling and Settlement Review Group (PSRG) looked at HHS for customers with Advanced Meters (resulting in P272)
- PSRG also undertook an initial consultation on moving smaller customers to HHS
- The PSRG also undertook a project on reducing settlement timescales
- The Settlement Reform Advisory Group looked at new processes for 'elective' HHS which have now been progressed and are awaiting implementation



**What is the size  
and scope of  
mandatory HHS?**

# Settlement is complicated!



## Acronyms

BSC - Balancing & Settlement Code

### Central Systems

CRA - Central Registration Agent  
 BMRA - Balancing Mechanism Reporting Agent  
 CDCA - Central Data Collection Agent  
 ECVA - Energy Contract Volume Allocation Agent  
 FAA - Funds Administration Agent  
 SAA - Settlement Administration Agent  
 SVAA - Supplier Volume Allocation Agent

### BSC Party Agents

ECVNA - Energy Contract Volume Notification Agent  
 MVRNA - Meter Volume Reallocation Notification Agent

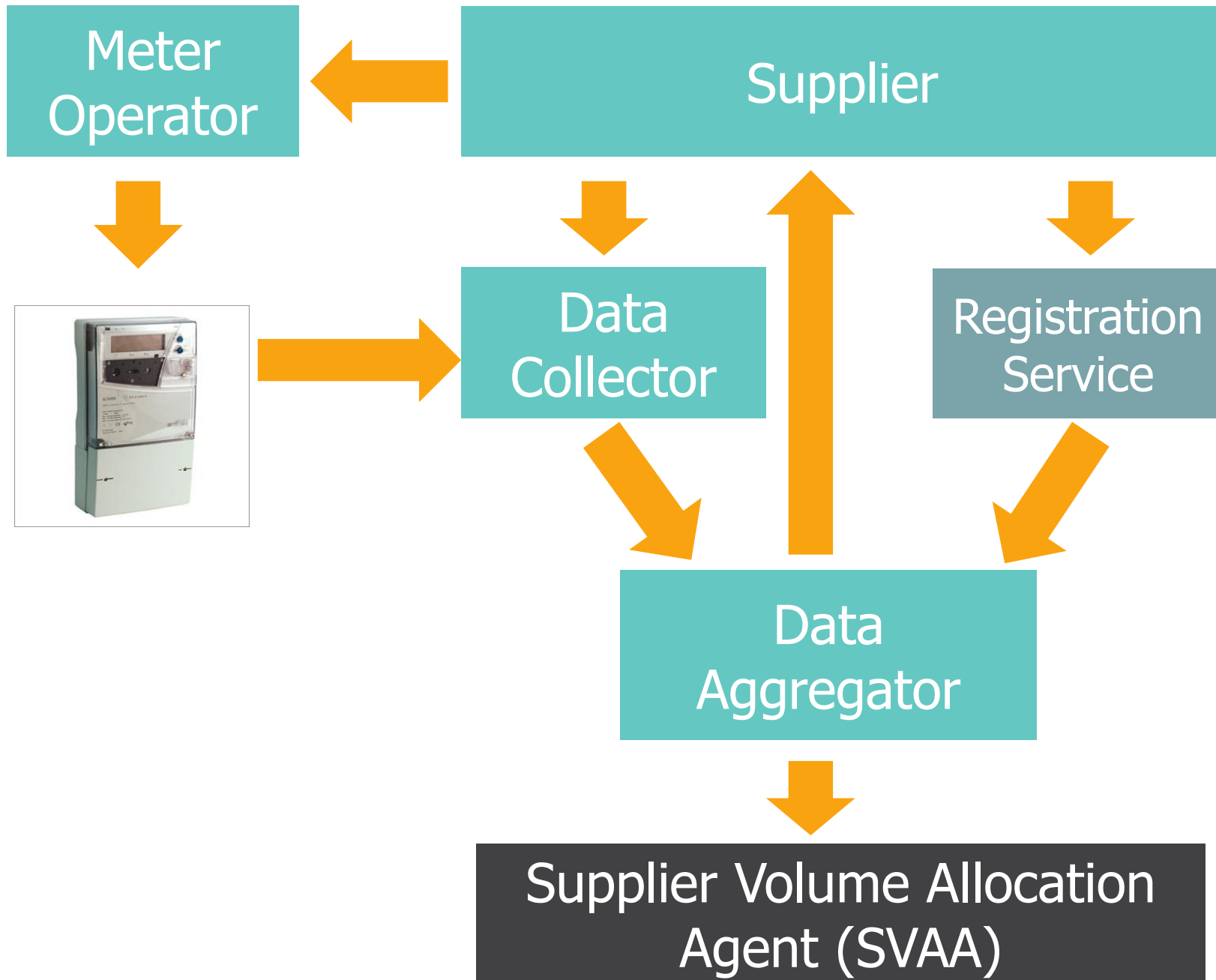
### Others

IPN - Initial Physical Notification  
 FPN - Final Physical Notification  
 GSP - Grid Supply Point  
 HH - Half Hourly  
 NHH - Non Half Hourly

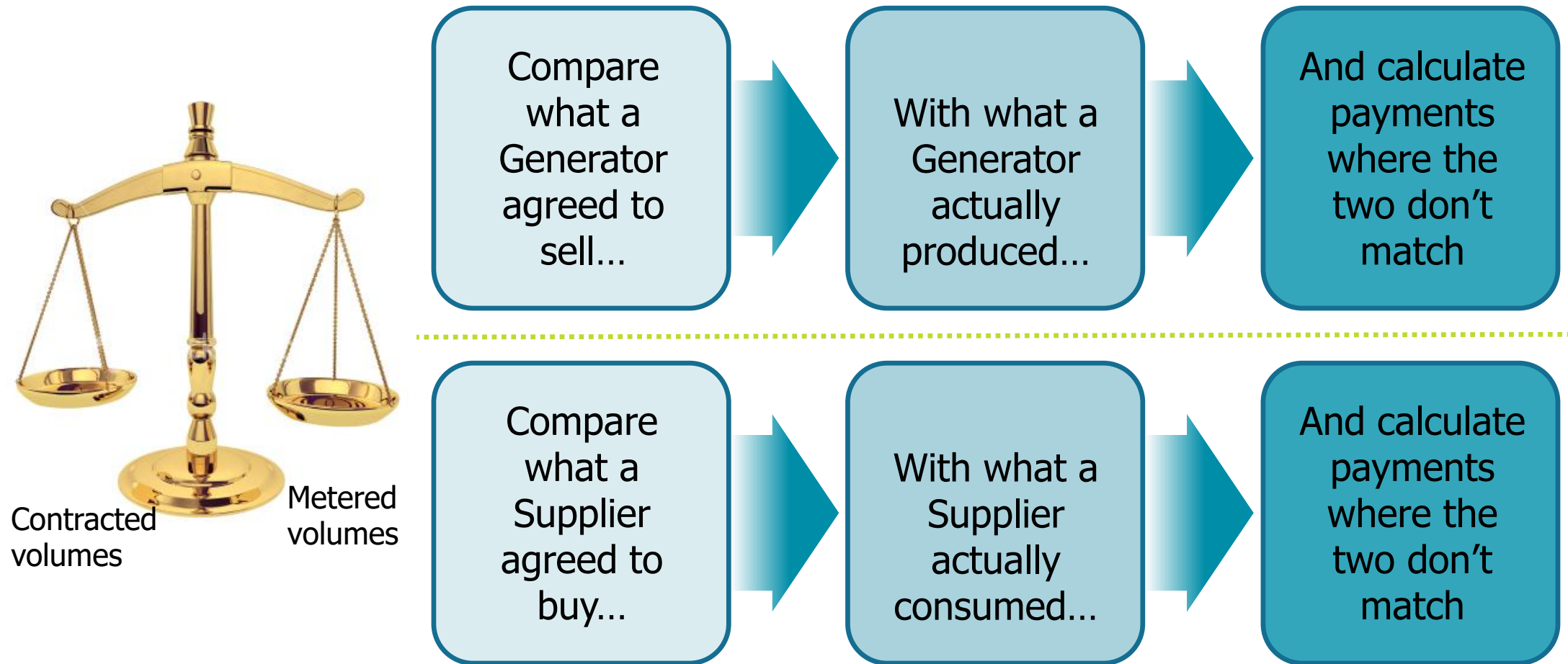
**SCOPE**



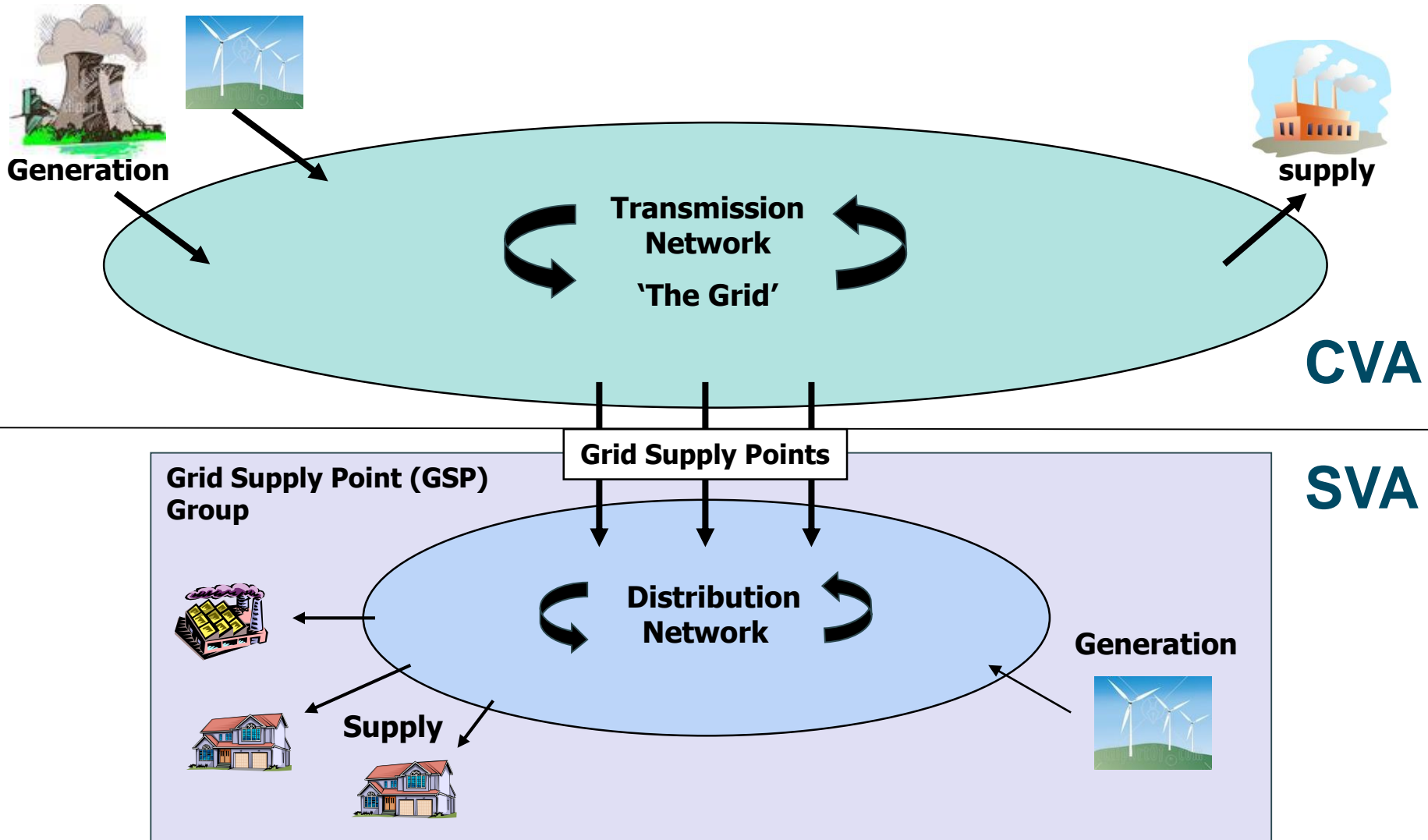
# Settlement - simplified



# Imbalance Settlement



# Central Volume Allocation (CVA) and Supplier Volume Allocation (SVA)

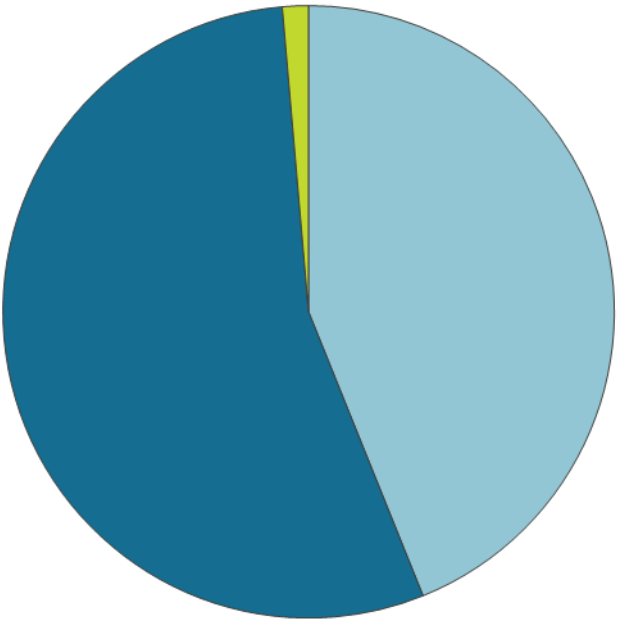




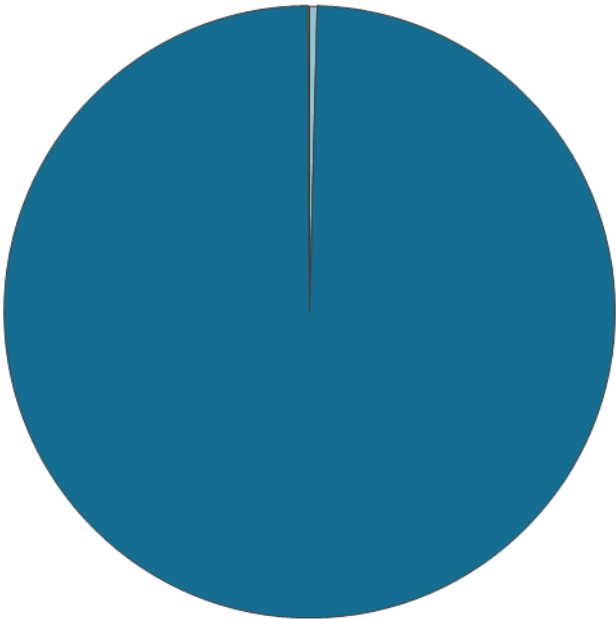
## CVA and SVA

	<b>CVA</b>	<b>SVA</b>
Meter Points	440 generating units (200 stations)	30 million customers
Registration	central (CRA)	20 SMRAs (1 per DNO/IDNO)
HH / NHH	HH	HH & NHH
Meter Operator	competitive	competitive
Data Collector	central (CDCA)	competitive
Data Aggregator	N/A	competitive

# Half-Hourly Vs Non-Half Hourly



- NHH energy
- HH energy
- UMS energy

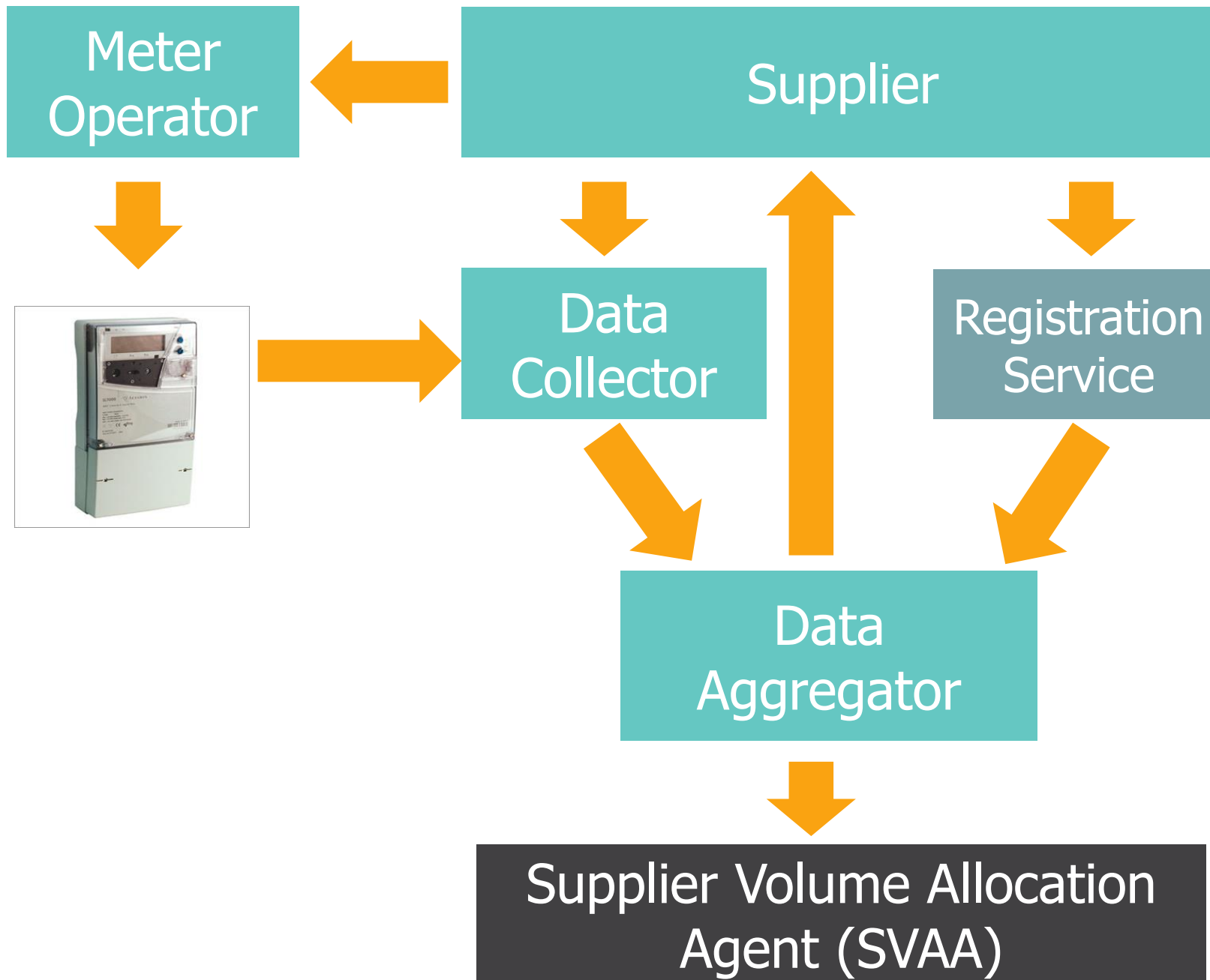


- NHH customers
- HH customers
- UMS customers

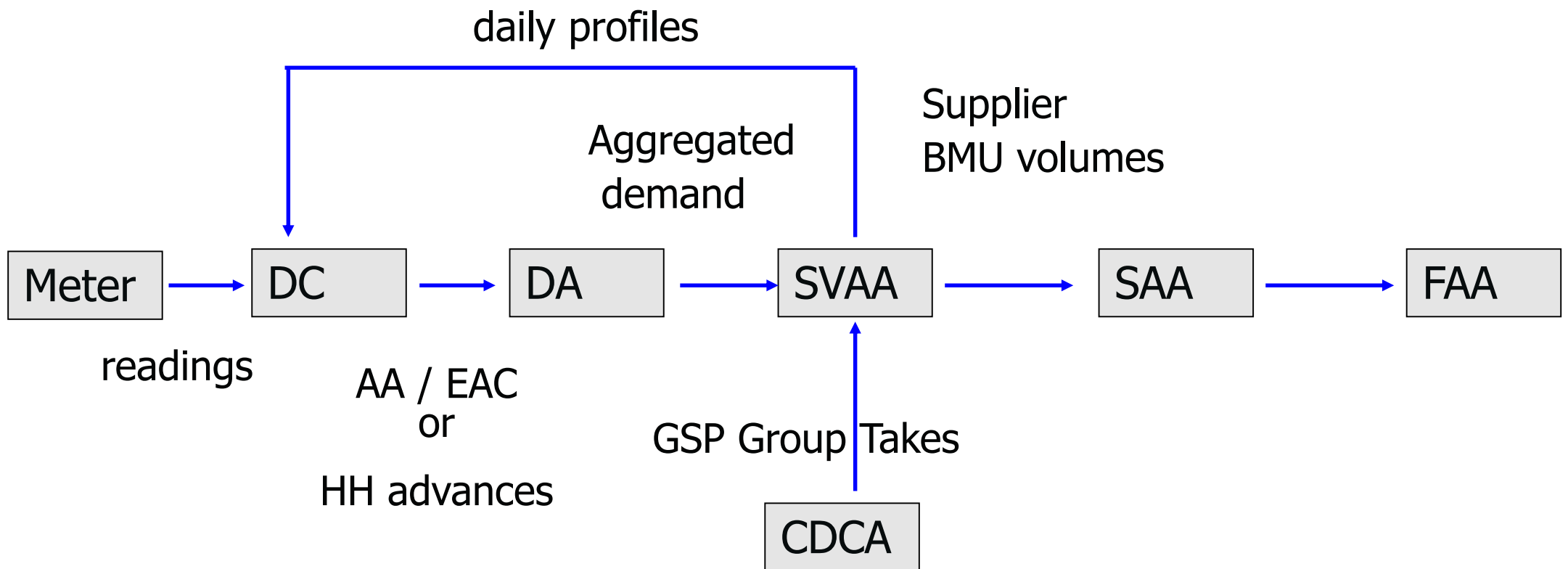


**What does the  
current system  
look like?**

# The Supplier Hub Model

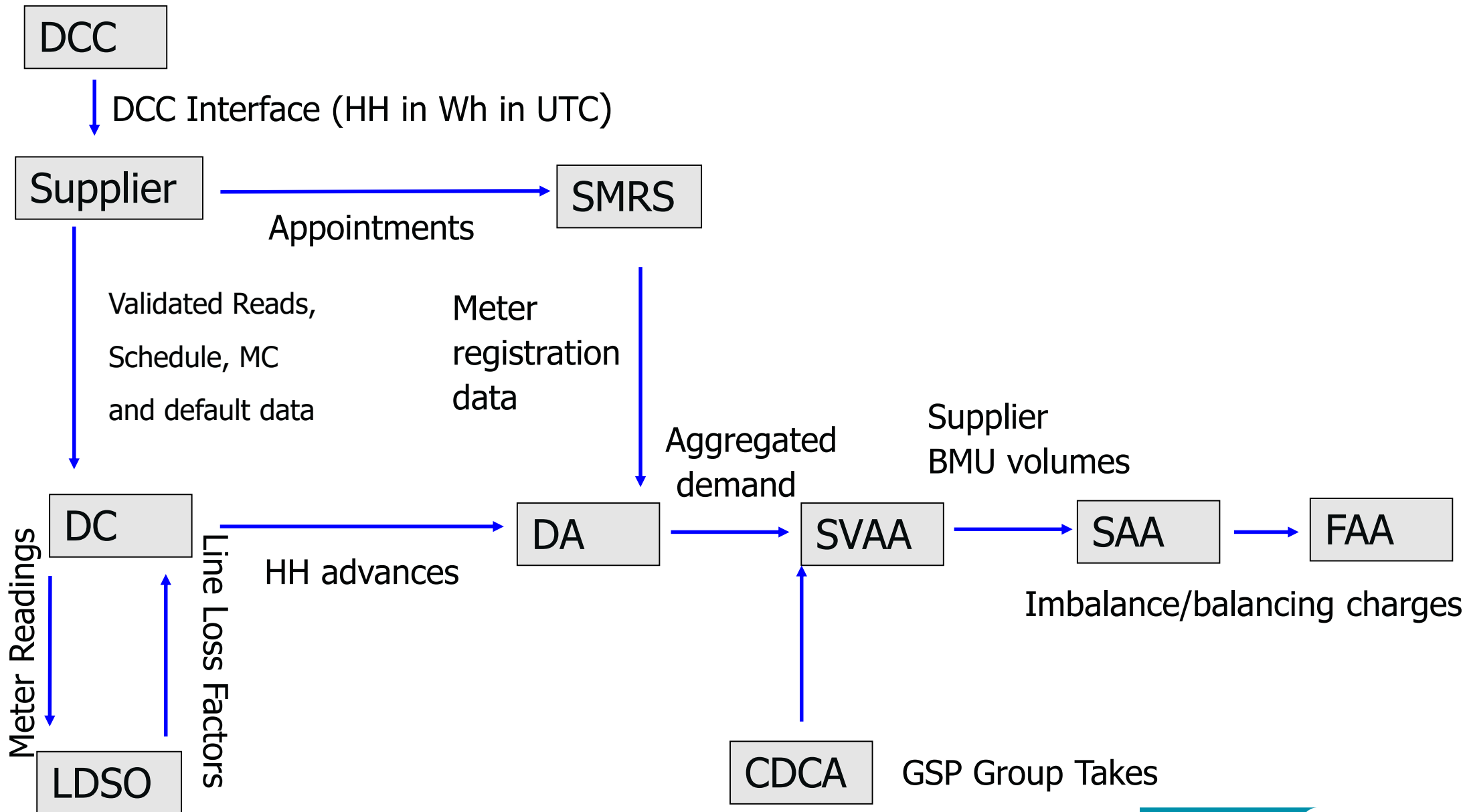


# The meter to bank process



DA, SVAA, SAA & FAA are all scheduled runs

# Getting the elective Smart Meter data into Settlement





# **What needs to be considered for the Target Operating Model?**

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## What needs to be considered for the HHS Target Operating Model?

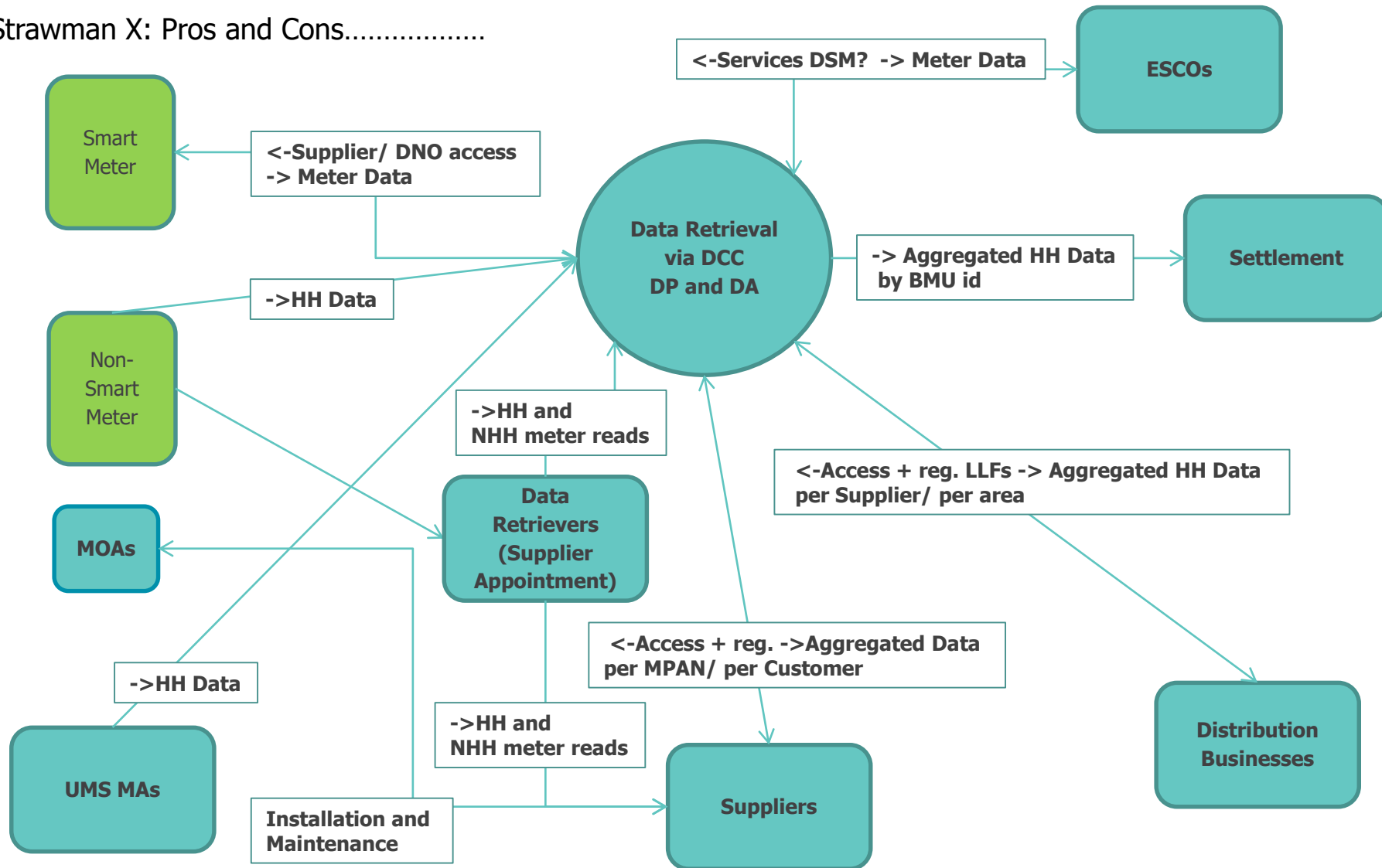
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- Roles and responsibilities
  - Who does what and when?
- Data Collection and Data Aggregation
  - How do we allow data to be flexibly aggregated to encourage innovation?
- Smart Rollout timescales
  - When can we start (before it is complete)?
- Transitioning of NHH Customers to HH
  - Can we move them early to avoid dual processes
- Access to HH data
  - Who can access this level of data, what are the safeguards?
- Settlement Timescales
  - Can we settle customers in a more timely manner?

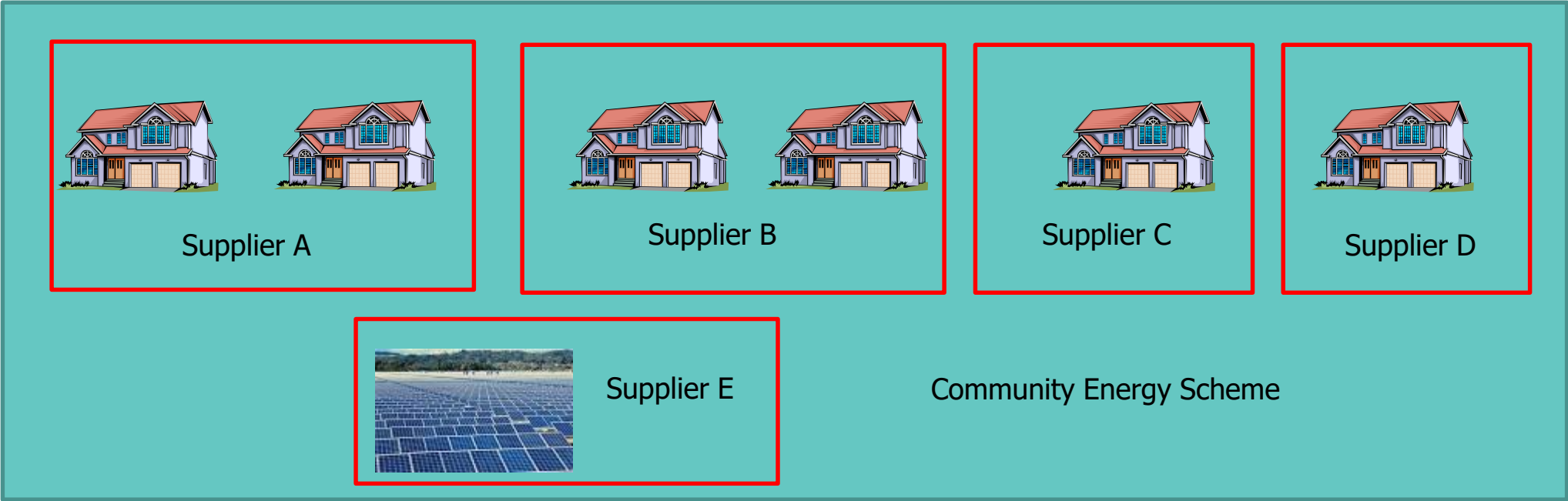


# Roles and responsibilities: Developing Strawmen TOMs

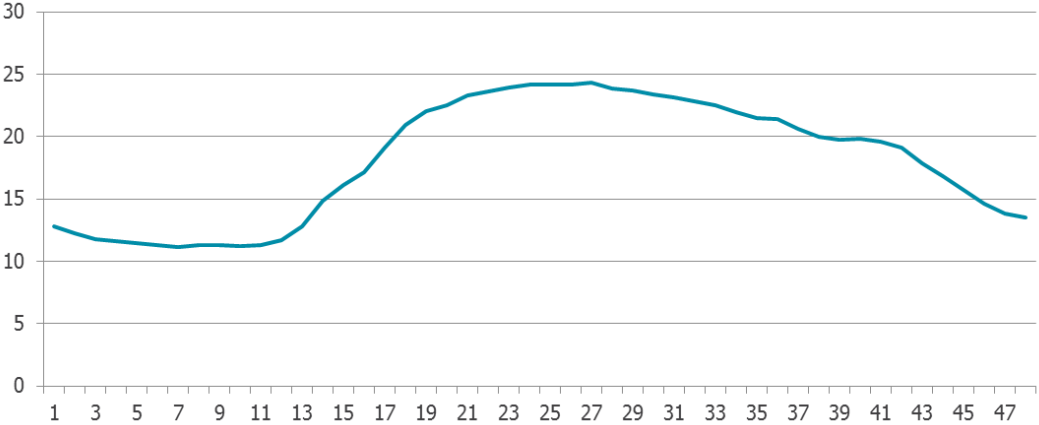
Strawman X: Pros and Cons.....



# Data Aggregation: Who needs what?



BMU\_XX2013\_A - 1 April 2020



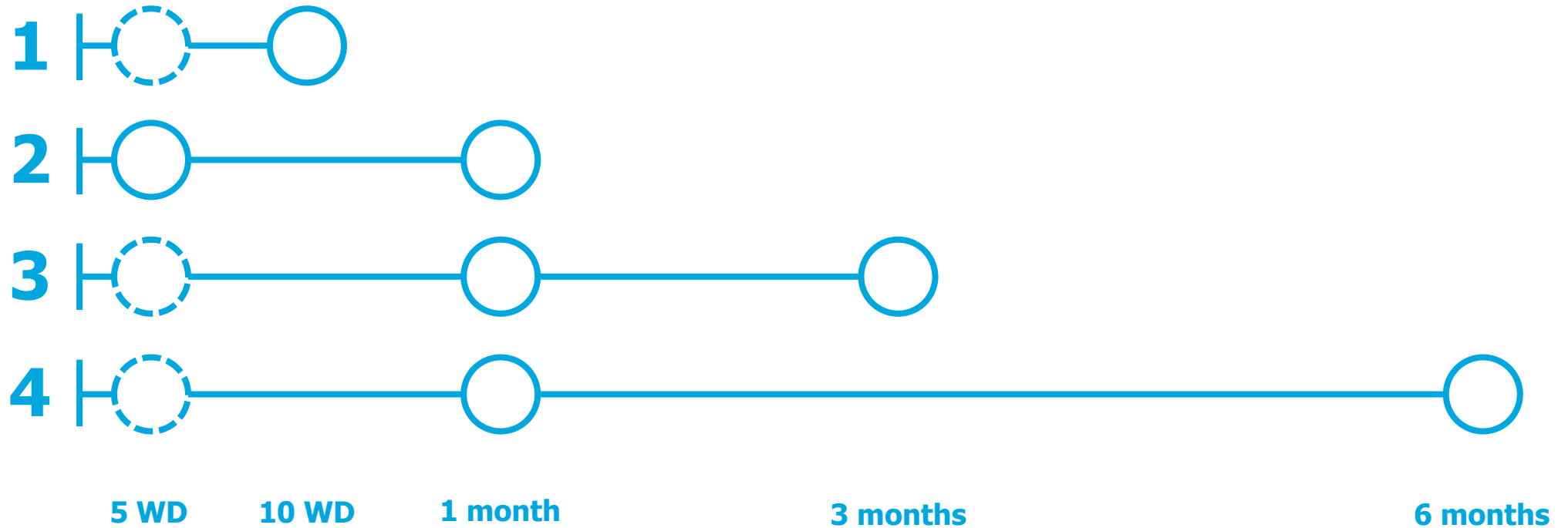
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# Smart Rollout timescales, data access and transition

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- Will the Smart Meter roll-out go as planned?
- How many customers will never have a smart meter?
- What we do with remaining NHH may be different depending on the size of the rump:
  - Less sophisticated profiling if small volume
- How do we incorporate these without retaining existing NHH Processes

# Settlement Timescales



-  Information run
-  Settlement run

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# Summary

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- ELEXON settlement expert
- Settlement Design – many factors
  - Roles and responsibilities
  - Access to HH data
  - Settlement process and timescales
- Transition approach (NHH to HH)
- Interactions
  - Smart meter rollout
  - Export
  - Demand Side Flexibility work

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## ELEXON - Further Information

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Please contact:

Kevin Spencer

Design Authority

T +44 (0) 20 7380 4115

E [kevin.spencer@elexon.co.uk](mailto:kevin.spencer@elexon.co.uk)



Useful links:

[www.elexon.co.uk](http://www.elexon.co.uk)