CGI

MHHS is coming. Are you ready?

Market-wide Half-Hourly Settlement will have a profound impact on energy suppliers' businesses

The challenge

Market-wide Half-Hourly Settlement (MHHS) represents the most radical change to the electricity retail market since the introduction of competition in 1998. It will play a key role in meeting Great Britain's net zero targets and is a major justification for the national rollout of smart meters. MHHS will replace sporadic, cumulative electricity meter readings with half-hourly consumption and export readings and will spawn a host of new customer-centric products and services, creating a new competitive retail market.

The impact of MHHS on suppliers extends way beyond wholesale settlement, affecting people, processes and systems across the whole business. With the Government set on its implementation, suppliers need a clear strategy and roadmap in order to survive and thrive in the new MHHS retail world.

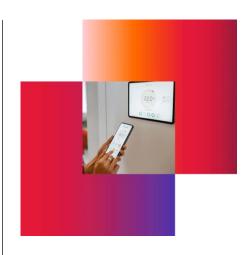
The business impact

From customer acquisition to pricing, registration, forecasting and billing, energy suppliers need to make sure their entire value chain is prepared. The huge influx of data from millions of smart-enabled customers will require more than simply scaling-up settlement market processes.

Amongst other things, MHHS will require:

- Massively enlarged data management, exception management and analytics capabilities
- · New forecasting models and risk management strategies
- New quotation, tariff modelling and cost-to-serve processes
- · New metering agent contracts or in-house functions
- New settlement performance measures and settlement reconciliation

MHHS also represents an opportunity for suppliers to develop innovative products and services and harness the granular data to hedge more effectively against the supply, demand and management of energy.



As well as helping with the development of tariffs that incentivise more sustainable consumer behaviours, the granularity of half-hourly data will provide greater clarity around energy consumption and help to direct investment into renewables and energy storage solutions.

Preparing for migration

In addition to the longer-term business impact, suppliers also need a clear strategy for meeting the aggressive timescales for MHHS migration – currently planned to start in April 2025. This includes qualification, post-qualification user testing and preparation for migration. Suppliers should have a clear strategy for migration that defines the order in which meter points will be migrated, pre- and post-migration checks to be applied, the processes to be used for migration and how exceptions will be managed. Most importantly, the strategy should define the customer journey before, during and after the migration of their MPAN.

CGI's business readiness assessment and roadmap services

Our business readiness assessment is designed to provide a clear assessment of your state of readiness for MHHS. Harnessing our energy retail business capability hierarchy model, along with our deep knowledge of the forthcoming changes, we will help you to undertake a focused and systematic assessment of your current business readiness. Through a series of workshops, we will document and prioritise key activities and next steps that will be then summarised during a playback session.

We can also offer a more in-depth assessment, strategy and roadmap engagement. We will work with you to set and articulate your strategies for ensuring your business not only meets changing regulations but harnesses these to achieve wider business goals. We will explore your current readiness in greater detail and provide a detailed assessment, along with a proposed roadmap and programme of activity that will address the impacts across your organisation.

Our aim is to give you confidence as you navigate key decisions, helping ensure your business thrives as a result of this significant industry change.

Why CGI?

CGI has been at the heart of the energy market since before the introduction of competition in 1998. We designed, built and still operate the Central Settlement Systems for Elexon, and are a key part of the Helix programme upgrading these for MHHS. As Data Service Provider (DSP) to the Data Communication Company (DCC), we designed, built and operate the DCC Central Systems that underpin the move to MHHS and are implementing the changes that MHHS requires. We are currently developing a Data Services Platform for ADS and SDS Agents and are regular attendees at the MHHS Programme Working Groups.

Key benefits

- A clear understanding of the impact of MHHS on your business
- A clearly articulated MHHS strategy and roadmap for enacting the changes required
- Confidence of compliance with new regulatory obligations

About CGI

Founded in 1976, CGI is among the largest IT and business consulting services firms in the world.

We are insights-driven and outcomes-based to help accelerate returns on your investments. Across 21 industry sectors in 400 locations worldwide, our 90,000+ professionals provide comprehensive, scalable and sustainable IT and business consulting services that are informed globally and delivered locally.

For more information

Visit <u>cgi.com/uk</u> Email us at <u>enquiry.uk@cgi.com</u>