

# Market Wide Half Hourly Settlement



Don't get left behind.

**Our major concern for every customer is that you are ready for the data explosion and big system changes that MHHS will bring. There are significant costs in making the changes, but there are also many clear benefits and opportunities that will give you value down the track. If you don't get the changes right, you will probably get left behind.**

## What's happening?

**UK energy suppliers are about to undergo a colossal change. In the next three years, Ofgem will introduce a 'half-hourly' settlement. The new mandated rules will require electricity companies to improve their settlement processes and help energy users save money.**

By measuring energy in precise 30-minute chunks, the new system will take the guesswork out of energy bills and usage. Suppliers will be required to process data about exactly when people use electricity, clocking our peak times during the day and quieter moments overnight.

And it's good news for consumers: with better data, energy companies will have an incentive to offer people new 'time of use' tariffs - helping savvy households save money. Ofgem estimates it could save consumers up to £4.5 billion.

## What does change mean for suppliers?

**This will be a major change for UK energy companies – retailers and their agents. Every provider will have to process more data than they can handle now – much more.**

For a supplier with one million supply points, you'll be looking at 48 meter readings a day, over 30 days, across all your meters. That's more than one billion readings every month. And each of those readings needs to be processed, stored, and billed like clockwork.

Most suppliers are not ready to process a fraction of that today. Without the right support, navigating the change will be difficult, expensive, and time-consuming.

Ofgem's first programme readiness assessments start in October 2022, meaning now is the time to mobilise your team and find expert partners.

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ESG has been fortunate to have lived through and learned from all the big changes in the energy industry over 2 decades. We understand that data is precious.

## Our Solution

**We've helped our customers adapt and thrive through:**

The nationwide smart meter roll out – 40% of the UK's smart meters are supported by our platform.

- We're proud to have supported the faster switching programme by launching 29 suppliers into the central switching service.
- Our operating teams switched 6,000 homes and businesses within the first three days.

**We develop for what's coming next, not what is just ahead.**

In sport, the best players think about the next move; where the ball is going to be, not where it is now. That kind of anticipation creates space and opportunities. It's our job to think ahead and imagine what our customers need, sometimes before they begin to imagine it themselves.

As you would expect, we've been working hard in anticipation of MHHS so that our customers can focus on their businesses while we take care of the complex shift to half-hourly settlement. We have future-proofed all our existing products to make sure that our partners are ready. Specifically:

- For suppliers, that means updated market participant solutions.
- For metering agents, that means an updated metering solution.
- For smart systems, that means updates across our smart metering platform.

## These upgrades will be supported by our all new, consolidated data platform.

**The new platform is ESG's flexible, and fully compliant technology that will help our customers adapt confidently to the new half-hourly requirement.**

- The platform is an all-in-one solution for better forecasting, billing, market connectivity and customer engagement
- Our platform is easy to scale, as your customer base grows
- And with ESG, you won't just process more data: we'll work with you to secure it, store it, manage it, and use it – however best suits your business.



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**For those who get this shift right, there's a big prize on offer. With improved data, data management and analytics, you'll get better insights into your strategy. And clearer insight will help you make better decisions about your business.**

## With ESG you will:

- Be ready to handle an avalanche of data
- Make more sophisticated energy forecasts
- Make better decisions about how and when to buy energy in the wholesale market
- Have the data to introduce new 'time of use tariffs', and attract, retain and better segment your customers
- Understand your customers better, and be able to reduce your cost to serve

All this insight drives your sales activity and adds up to a clear competitive advantage.

### Case study: March 2022 price cap chaos

There are good reasons for suppliers to plan ahead. Earlier this year, Ofgem agreed to raise the cap on energy prices, resulting in a sharp jump in household energy bills. But on the eve of the price hike, suppliers were unprepared for the influx of data. Without the right support in place, customers rushed to submit meter readings and supplier websites crashed. With ESG, we'll make sure your billing systems aren't overwhelmed by big market changes.

### Leading-edge Software that won't go out of style

Right now, the biggest UK suppliers handle up to 10 million meter points in smart mode. But because we think long-term, we've tested our platform on over 100 million meters - ten times today's capacity requirements.

Many businesses take the easy route for the quick win. We don't, MHHS is too important for that approach.

### From XGen to Next-Gen

This new platform has been years in the making. ESG's journey dates back to our first "XGen" framework - a product that proved so successful, it became the stepping-stone to a whole new way of working.

## Guaranteed compliance

Our team understands energy regulation better than anyone else in the business. And we work closely with industry bodies, so we can guarantee compliance with:

**The Retail Energy Code**

**The Smart Energy Code**

**The Balancing & Settlement Code**



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Contact us for more details:



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## Case Study: UK Smart Metering

Five years ago, DCC began rolling out smart meters across the UK. At ESG, we knew it would be a big change for the energy market - so we planned ahead to help suppliers securely access the data. Today, more than 40% of UK smart meters operate on our software. And we're not done. Working with dozens of metering agents, ten thousand smart meters are installed in the UK every week, backed by our leading 'software as a service' tech.

Our approach then, as now, was simple: we knew the change was coming, so we started early.

- With smart metering, we worked on the tech long before the industry specifications were fully prepared.
- In July this year, we did the same with faster switching. Our tech helped 29 UK suppliers adapt seamlessly to the new service.
- Now, with half-hourly settlements, we're at the vanguard again, so we know what it takes to help companies prepare.

## ESG at a glance

**ESG is the energy market's most popular technology platform suite. For over 25 years, we've helped energy providers run their businesses more efficiently, lower their costs, and serve their customers better.**

With more than 35 million energy meters on our platform, we've become experts in handling data. Our software simply helps you gather better data, understand it more completely, and use it more effectively than any other product on the market.

- 300+ customers
- 35 million energy meters
- 400 industry experts worldwide
- ISO 9001/27001 certified

Contact us for more details:

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