

# Decision

---

## Direction to Elexon as the Market-wide Half-Hourly Settlement Implementation Manager

---

Publication date: 28 02 2025

---

Contact: Jenny Boothe

---

Team: MHHS Team

---

Email: [Half-HourlySettlement@ofgem.gov.uk](mailto:Half-HourlySettlement@ofgem.gov.uk)

---

In January 2025 we consulted on a draft direction to be issued to Elexon (formally, to the Balancing and Settlement Code Company (BSCCo)) in its capacity as the Market-wide Half-Hourly Settlement (MHHS) Implementation Manager. This publication summarises the responses to that consultation and sets out our position on the key points raised. Having considered the responses, we are now issuing a direction to BSCCo as the MHHS Implementation Manager. The direction relates to reporting on the progress of MHHS Implementation and to the management of MHHS Testing cohorts. We are developing a complementary suite of directions to MHHS Participants which, after consultation, we will aim to bring into effect as quickly as possible. The purpose of these directions is and will be to minimise the risk of further delays to MHHS delivery.

© Crown copyright 2025

The text of this document may be reproduced (excluding logos) under and in accordance with the terms of the [Open Government Licence](#).

Without prejudice to the generality of the terms of the Open Government Licence the material that is reproduced must be acknowledged as Crown copyright and the document title of this document must be specified in that acknowledgement.

Any enquiries related to the text of this publication should be sent to Ofgem at:  
10 South Colonnade, Canary Wharf, London, E14 4PU.

This publication is available at [www.ofgem.gov.uk](http://www.ofgem.gov.uk). Any enquiries regarding the use and re-use of this information resource should be sent to: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk)

---

## **Contents**

<b>Executive Summary .....</b>	<b>4</b>
<b>1. Introduction .....</b>	<b>5</b>
Background .....	5
General feedback.....	6
<b>2. Respondents’ views and Ofgem’s position.....</b>	<b>7</b>
The proposed scope of the direction.....	7
Reporting in relation to MHHS Testing .....	8
Respondents’ views.....	8
Ofgem’s position .....	8
MHHS Testing cohort management.....	9
Respondents’ views.....	9
Ofgem’s position .....	9
Reporting in relation to M10 Readiness.....	10
Respondents’ views.....	10
Ofgem’s position .....	10
Reporting in relation to the M10 Milestone (‘the M10 Checkpoint Reports’) .	10
Respondents’ views.....	10
Ofgem’s position .....	11
Reporting in relation to MHHS Qualification .....	12
Respondents’ views.....	12
Ofgem’s position .....	14
Reporting in relation to MHHS Migration .....	15
Respondents’ views.....	15
Ofgem’s position .....	15
Reporting in relation to post-M10 milestones.....	16
Respondents’ views.....	16
Ofgem’s position .....	17
<b>Appendices .....</b>	<b>19</b>
<b>Appendix 1 - Direction to the Balancing and Settlement Code Company as the MHHS Implementation Manager .....</b>	<b>20</b>
Direction given by the Gas and Electricity Markets Authority (‘the Authority’) to the Balancing and Settlement Code Company (BSCCo) pursuant to paragraph 12.4.1.(h) of the Balancing and Settlement Code (BSC) .....	20

## Executive Summary

In January 2025 we consulted on a draft direction to be issued to the Balancing and Settlement Code Company (BSCCo)<sup>1</sup> in its capacity as the Market-wide Half-Hourly Settlement (MHHS) Implementation Manager. This document summarises responses to that consultation and sets out our position on the key points raised. Having considered the responses, we are now issuing the direction, which relates to reporting on the progress of MHHS Implementation and to the management of MHHS Testing cohorts. The full text of the direction is in appendix 1.

The direction requires the MHHS Implementation Manager to provide reports to Ofgem and - at the same time - to the MHHS Independent Assurance provider ('the IPA') on:

- MHHS Testing (fortnightly unless stated otherwise)
- the M10 Milestone<sup>2</sup> (two Checkpoint Reports, in March and June 2025)
- M10 Readiness (monthly)
- MHHS Qualification (monthly)
- MHHS Migration (monthly until M11, fortnightly after M11)
- the scope to bring forward the dates for completing migration and switching over to the faster settlement timetable (to be prepared at the M14 milestone).

The direction also requires the MHHS Implementation Manager to provide greater clarity of roles and responsibilities within and between MHHS Testing cohorts.

A key theme in the consultation responses was to ensure the reporting requirements do not impose unnecessary burdens on the MHHS Implementation Manager and on the MHHS Participants from whom the information required in the reports would need to be collected. Ofgem is keenly aware of the need to ensure that the reporting requirements do not divert resources away from MHHS delivery. To that end, we expect that the MHHS Implementation Manager will rely as far as possible on existing mechanisms for gathering information from MHHS Participants. That said, in order to support the MHHS Implementation Manager, Ofgem intends to issue a direction to all MHHS Participants to respond in a timely manner to any reasonable request for information (including where this information is required for the purposes of reporting to Ofgem and to the IPA under this direction). We will consult on this and related matters shortly.

---

<sup>1</sup> Means Elexon Limited (or any successor to that company acting in the capacity as BSCCo).

<sup>2</sup> The 'M10' Milestone is the point at which the MHHS Central Parties' systems are ready to accept the migration of Meter Point Administration Numbers to the new MHHS arrangements. The deadline is 24 September 2025.

# 1. Introduction

## Section summary

In November 2024 Ofgem approved MHHS Programme Change Request CR055. The effect of this Change Request was to delay MHHS delivery by 6.5 months. To reduce the risk of further delays, Ofgem decided to pursue a package of regulatory measures including directions and licence modifications. The first element in this package is a direction on the MHHS Implementation Manager. After consulting on a draft direction in January 2025, we are now issuing the final version. It takes effect immediately.

## Background

- 1.1 On 29 November 2024, Ofgem approved MHHS Change Request CR055 ('Amendments to M10 and corresponding milestones').<sup>3</sup> CR055 proposed to delay MHHS 'go live' by 6.5 months to enable the full and robust completion of Systems Integration Testing (SIT). It also had knock-on effects for subsequent programme milestones. In our decision document, we stated that we were determined that there should be no further delays in the delivery of this vital programme.
- 1.2 To reduce this risk, we said that we would be taking forward, in early 2025, a package of additional regulatory measures intended to expedite the delivery of MHHS. We further stated that we were minded, as part of that package, to issue a direction on Elexon in its role as MHHS Implementation Manager to:
  - provide bespoke, regular reports to Ofgem senior management on the progress of testing, qualification and migration;
  - report to the industry and Ofgem, on dates to be determined, about progress in relation to the M10 milestone and, if necessary, about any remedial measures to be implemented to ensure that the milestone is met (such remedial measures could relate to resources and working hours); and
  - report to the industry and Ofgem, at a date to be determined, on the scope to bring forward post-go live activities/milestones.
- 1.3 We consulted<sup>4</sup> on that basis in January 2025 and received 19 responses. All the non-confidential responses are available on our website alongside this document.

---

<sup>3</sup> [Market-wide Half Hourly Settlement Change Request CR055 'Amendments to M10 and corresponding milestones' - decision | Ofgem](#).

<sup>4</sup> [Direction on Elexon as Market-wide Half-Hourly Settlement \(MHHS\) implementation manager | Ofgem](#).

---

### **General feedback**

1.4 Consultation is at the heart of good policy development. We are keen to receive your comments about this report and get your answers to these questions:

1. Do you have any comments about the overall quality of this document?
2. Do you have any comments about its tone and content?
3. Was it easy to read and understand or could it have been better written?
4. Are its conclusions balanced?
5. Did it make reasoned recommendations?
6. Any further comments.

1.5 Please send any general feedback comments to [Half-HourlySettlement@ofgem.gov.uk](mailto:Half-HourlySettlement@ofgem.gov.uk).

## **2. Respondents’ views and Ofgem’s position**

### **Section summary**

This section outlines the matters on which we consulted, summarises respondents’ views, sets out Ofgem’s position and makes clear where we have made changes to the direction.

### **The proposed scope of the direction**

- 2.1 For the period before M10, we proposed to direct the BSCCo to provide:
- a fortnightly testing report setting out testing progress against the baselined plan and whether it is on track, defects management and recovery actions;
  - a fortnightly qualification report (distinguishing clearly between those activities required to be completed before M10 and those not);
  - a monthly report on the readiness of MHHS Participants for the M10 milestone deadline focusing on the ‘M10 Acceptance Criteria’; and
  - two M10 Checkpoint Reports (the latter facilitating a decision on the M10 milestone), which would include information about testing performance relative to expectations and the remedial actions to bring testing performance back in line with the requirements of the MHHS Timetable. We stated that we were minded to direct that the Checkpoint Reports be produced in March 2025 and June 2025, and we sought views on this.
- 2.2 We also proposed to direct BSCCo to provide greater clarity around roles and responsibilities within and between testing cohorts. The intention was to facilitate the sharing of best practice and thereby improve cohorts’ capacity to respond effectively and quickly where issues arise that block progress in testing.
- 2.3 In relation to the post-M10 period we proposed to direct BSCCo to provide:
- a fortnightly report on post-M10 qualification activities;
  - a fortnightly migration report; and
  - a report on the scope for speeding up migration overall and the cutover to the faster settlement timetable. We stated that we were minded to direct that this report be produced once 40% of Meter Point Administration Numbers (MPANs) have been migrated, and we sought views on this.

## **Reporting in relation to MHHS Testing**

### **Respondents' views**

- 2.4 Most respondents supported the need for enhanced reporting. However, several said that it would be important to ensure that this does not impose unnecessary burdens on the MHHS Implementation Manager and on the MHHS Participants from whom the information required in the reports would need to be collected.
- 2.5 The MHHS Implementation Manager recommended introducing more flexibility over the frequency with which testing (and other) reports should be produced, reflecting as appropriate the level of risk to Programme timescales. The MHHS Implementation Manager also recommended that defect management reporting should focus on unresolved severity 1 and 2 defects.
- 2.6 Some respondents stated that, where a report identifies that specific MHHS Participants have missed or could miss a deadline, the report should clearly set out any dependencies that could (have) affect(ed) their ability to meet that deadline, and that the report should be made available to the relevant MHHS Participants when it is submitted to Ofgem.
- 2.7 The MHHS Implementation Manager said that it would draw upon existing Programme reporting wherever possible to produce these reports. Even so, the MHHS Implementation Manager noted that submitting the reports to Ofgem within three working days of the relevant testing period would be impractical if they had to be reviewed by the IPA before submission to Ofgem.

### **Ofgem's position**

- 2.8 Ofgem is keenly aware of the need to ensure that the reporting requirements are proportionate and do not divert resources away from MHHS delivery. We note and support the desire of the MHHS Implementation Manager to rely as far as possible on existing reporting materials (and on the information-gathering mechanisms that enable these existing reports to be compiled) to produce the additional reporting under this direction.
- 2.9 In addition, we have clarified in the direction that these reports are intended to be executive-level summaries that highlight progress and the expected path towards completion for each remaining phase of MHHS Testing. In that vein, we agree with the MHHS Implementation Manager that reporting on testing defects (including as part of the broader reports relating to the M10 milestone) should concentrate on the most material defects and how they are being addressed.



## **Decision** – Direction to Elexon as the Market-wide Half-Hourly Settlement Implementation Manager

---

- 2.10 We have also
- introduced greater flexibility over the frequency of the testing reports, such that they shall be provided on a fortnightly basis unless stated otherwise by Ofgem after consultation with affected stakeholders;
  - made clear that these (and other) reports shall be provided no later than three working days after the end of the period covered by the report; and
  - stipulated that these (and other) reports shall be submitted to Ofgem and the IPA at the same time.
- 2.11 We have agreed with the IPA that it will, on receipt of the MHHS Implementation Manager’s testing reports, review whether the evidence from its own assurance activities supports the assessment of progress set out in the reports. The IPA will then - within three working days - send Ofgem a brief summary report with its assessment, observations and any remediating actions agreed with the MHHS Implementation Manager and other MHHS Participants as appropriate.
- 2.12 Where a report identifies that specific MHHS Participants have missed or could miss a deadline, Ofgem expects that the MHHS Implementation Manager will engage directly with the MHHS Participants concerned. We expect that in many cases the engagement would have begun well in advance of drafting the report, as part of the process of monitoring key risks/issues and seeking to understand both what has gone wrong and what is being done to resolve the issue. We expect the reporting to summarise the position accurately and fairly.

## **MHHS Testing cohort management**

### **Respondents’ views**

- 2.13 Respondents generally agreed that there was a need for greater clarity around roles and responsibilities within the MHHS testing cohorts and for better enabling best practice to be shared across cohorts. The MHHS Implementation Manager proposed to provide this clarificatory information by 28 February 2025.

### **Ofgem’s position**

- 2.14 Ofgem has decided to direct BSCCo to provide greater clarity around roles and responsibilities within and between testing cohorts. As previously noted, the purpose of doing so is to strengthen the management of the testing cohorts and facilitate the sharing of best practice and thereby improve their capacity to respond effectively and quickly where issues arise that block progress in testing. We have required BSCCo to provide this information by 7 March 2025.

## **Reporting in relation to M10 Readiness**

### **Respondents' views**

2.15 Respondents agreed that it was sensible for Ofgem to receive monthly progress reports from the MHHS Implementation Manager about the readiness of MHHS Participants for the M10 milestone deadline. They agreed that the reports should focus on providing information relating to the baselined 'M10 Acceptance Criteria'. The MHHS Implementation Manager noted that submitting these reports to Ofgem within three working days of the relevant reporting period would be impractical if they had to be reviewed by the IPA before submission to Ofgem.

### **Ofgem's position**

2.16 We have decided to direct that the MHHS Implementation Manager shall provide monthly reports on M10 Readiness no later than three working days after the end of the period covered by the report and that these reports shall be submitted to Ofgem and the IPA at the same time. We have agreed with the IPA that it will, on receipt of these reports, review whether the evidence from its own assurance activities supports the assessment of readiness set out in the reports. The IPA will then - within three further working days - send Ofgem a brief summary report with its assessment, observations and any remediating actions agreed with the MHHS Implementation Manager and other MHHS Participants as appropriate.

## **Reporting in relation to the M10 Milestone ('the M10 Checkpoint Reports')**

### **Respondents' views**

- 2.17 Almost all respondents that commented supported Ofgem's 'minded to' proposal for M10 Checkpoint Reports in March 2025 and June 2025 (for discussion at the Programme Steering Group meetings in April 2025 and July 2025 respectively). We note in particular the IPA's view that these dates "provide appropriate contingency for remedial action ahead of M10 in September 2025 unless a particularly disruptive or unforeseen event takes place".
- 2.18 The MHHS Implementation Manager recommended that the first Checkpoint Report should cover progress up to 28 February 2025 "with any relevant progress after month end up to PSG paper day added". The MHHS Implementation Manager recommended that the second Checkpoint Report should cover progress up to the end of May 2025.

**Decision** – Direction to Elexon as the Market-wide Half-Hourly Settlement Implementation Manager

---

- 2.19 The IPA said that on each occasion it would provide a summary report with its own observations and actions agreed with the MHHS Implementation Manager and other MHHS Participants as appropriate to remediate any identified issues. The IPA said that it would aim to provide these reports “in accordance with the PSG cadence” and “aim to share them with Ofgem and Programme three working days prior to the PSG paper day for alignment”.
- 2.20 Respondents generally agreed that the Checkpoint Reports should focus on progress against the M10 Acceptance Criteria (drawing as necessary on the monthly readiness reports) and on any remedial measures that may need to be implemented in order to ensure that the M10 milestone is met. The MHHS Implementation Manager stated that the Checkpoint Reports should refer to actions taken (or to be taken) by itself and also refer to actions that it has requested others to take, and whether those actions have been taken.

**Ofgem’s position**

Scope of the M10 Checkpoint Reports

- 2.21 We have decided to direct that BSCCo as MHHS Implementation Manager shall report to Ofgem and to the IPA on progress in relation to the M10 milestone in March 2025 and June 2025. These M10 Checkpoint Reports shall provide progress updates relating to each of the M10 Acceptance Criteria. This shall include information about
- testing performance relative to the progress that is needed to comply with the MHHS Implementation Timetable and the expected future path to completion;
  - testing defects, their impact and mitigation, focusing on unresolved severity 1 and 2 defects;
  - SIT and non-SIT Licensed Distribution System Operator (LDSO) qualification readiness, and migration readiness.
- 2.22 As set out in the consultation, we intend that the Checkpoint Reports shall provide updates on progress across the full range of MHHS implementation activities that have a bearing on timely delivery of the M10 milestone. To that end, we have made clear in the direction that these reports shall provide an update on the operational readiness of all the MHHS Central Parties (that is, BSCCo’s central systems, the Data Integration Platform, the Smart DCC Limited and ElectraLink).

## **Decision** – Direction to Elexon as the Market-wide Half-Hourly Settlement Implementation Manager

---

- 2.23 We agree with the MHHS Implementation Manager that it is important to be transparent about the actions that may be required in order to mitigate the impact of any delays, whatever their cause. Accordingly, we have decided that the M10 Checkpoint Reports shall include information about the remedial actions that have been or will be taken by the MHHS Implementation Manager, and the remedial actions that the MHHS Implementation Manager have requested MHHS Participants to take, in order to mitigate the risk of further delay to the M10 milestone (with consequential effects on later milestones).

### Timing of the M10 Checkpoint Reports

- 2.24 The first Checkpoint Report shall provide information about progress up to and including 14 March 2025 and shall be submitted to Ofgem and the IPA in draft no later than 19 March 2025. The IPA will then aim to submit its own summary report to Ofgem (and the MHHS Implementation Manager) no later than 21 March 2025, which is three working days before PSG paper day on 26 March 2025. PSG will discuss the Checkpoint Report and the IPA's summary report on 2 April 2025.
- 2.25 The second Checkpoint Report shall provide information about progress up to and including 13 June 2025 and shall be submitted to Ofgem and the IPA in draft no later than 18 June 2025. The IPA will then aim to submit its own summary report to Ofgem (and the MHHS Implementation Manager) no later than 20 June 2025, which is three working days before PSG paper day on 25 June 2025. PSG will discuss the Checkpoint Report and the IPA's summary report on 2 July 2025.
- 2.26 As set out in the consultation, we expect that, in light of the discussions at the April and July PSG meetings, the MHHS Senior Responsible Owner (MHHS SRO) would record formally whether delivery is on track - and whether it is expected to remain on track - for the planned M10 date of 24 September 2025. Our expectation is that the MHHS SRO will, at the PSG meeting on 2 July 2025, give the Central Parties a clear, firm indication that all their preparation must be completed in time for go-live on 24 September 2025.

## **Reporting in relation to MHHS Qualification**

### **Respondents' views**

- 2.27 The MHHS Implementation Manager, RECCo and Elexon in its capacity as MHHS Participant and Code Body, believed that the proposed reporting requirements for MHHS Qualification were, in certain respects, too granular and frequent and

**Decision** – Direction to Elexon as the Market-wide Half-Hourly Settlement Implementation Manager

---

had the potential to divert resources unnecessarily from essential qualification activities. In particular, they noted that:

- reporting fortnightly on the progress of Pre-integration Testing (PIT) in a detailed manner would be difficult since the code bodies themselves do not receive detailed information from non-SIT Parties. Rather, the code bodies will receive and assure a PIT Approach and Plan for each non-SIT Party, followed by two formal check points to assess progress and upon completion. The code bodies intend to supplement this activity with ad hoc bilateral engagement and attendance at relevant MHHS governance groups;
- in relation to non-SIT Qualification Testing (QT), the agreed MHHS Qualification Approach and Plan requires individual MHHS Participants to submit progress reports to the MHHS Implementation Manager two to four weeks before the expected QT start date and then weekly throughout QT.

2.28 In relation to SIT Party Qualification, Elexon recommended as far as possible continuing the agreed reporting arrangements both before and after M10 until all SIT Parties have qualified. RECCo noted that paragraphs 17-19 of the draft direction referred to non-SIT Participants but not to SIT Participants. Although SIT Participant qualification progress would be covered in the M10 Checkpoint Reports, this would focus mainly on members of the Minimum Viable Cohort and not on other SIT Participants and the frequency of reporting would be much lower than for non-SIT Participants. RECCo therefore suggested that Ofgem review the qualification reporting requirements in relation to SIT Participants.

2.29 In general, the MHHS Implementation Manager and the code bodies recommended that the qualification reporting requirements under this direction be less granular and occur at a frequency that reflects the monitoring regime already agreed with industry. The IPA recommended reducing the frequency of qualification reporting to monthly and relying on tracking progress in between through working groups, governance meetings, and the IPA's assurance activities. The IPA added that, on receipt of reports from the MHHS Implementation Manager, it would within three working days provide its own summary reports with observations and actions agreed with the code bodies and, where necessary, with the MHHS Implementation Manager.

2.30 One respondent noted that that the scale of the qualification activity for MHHS was "far beyond anything that the code bodies have previously delivered" and that "code body resourcing should not delay parties from being able to

commence migration”. Thus, the reporting requirements should include code body activities such as delivering the test scenarios for ‘Placing Reliance’ and the code bodies’ preparation and readiness to process Qualification Assessment Documents”.

### **Ofgem’s position**

2.31 We fully accept the need to ensure that directions intended to reduce the risk of further delays do not have the unintended consequence of diverting resources unnecessarily from MHHS delivery. On the other hand, Ofgem is keen to ensure that it has an appropriate level of visibility of progress in the qualification phase. Balancing these considerations, we have decided to make changes to the reporting requirements for MHHS Qualification as follows:

- we have clarified that the MHHS Implementation Manager should provide monthly reports on the progress of SIT Participants through MHHS Qualification until all SIT Participants have qualified for MHHS;
- we have simplified the reporting of non-SIT Pre-integration Testing and required this to be produced on a monthly basis;
- we have clarified that Ofgem requires an overview of progress in relating to the completion and approval of Qualification Assessment Documents and that these overviews shall be provided on a monthly basis; and
- we have simplified the reporting requirements for QT execution and approvals and are requiring monthly, not fortnightly, updates on these matters.

2.32 We intend to place a complementary direction on the code bodies to provide the MHHS Implementation Manager with the information required to fulfil this obligation.

2.33 The purpose of this reporting is, as noted above, to provide visibility of overall progress and to highlight risks to the successful and timely completion of each phase of the MHHS Qualification phase. The onus is on the Parties seeking qualification to comply with the deadlines for completing PIT, submitting Qualification Assessment Documents and completing QT execution. Equally, though, it will be essential that the code bodies carry out their responsibilities efficiently and effectively to mitigate, so far as it is within their control to do so, any risks to the timely completion of qualification.

## **Reporting in relation to MHHS Migration**

### **Respondents' views**

- 2.34 The MHHS Implementation Manager stated that suppliers and LDSOs would need to be directed to provide information to it about the reasons for any shortfall in a supplier's migration performance relative to expectations.
- 2.35 The IPA recommended reducing the cadence of the reporting to monthly (pre M10) with a review of the required frequency post M10.
- 2.36 RECCo noted that each BSC and REC Party will need to go through a process of Service Activation once they have become MHHS Qualified and that it is only after a Party has completed this process (including agreeing its Migration Schedule, inclusion of its Data Integration Platform (DIP) ID within Industry Standing Data and onboarding to the production DIP environment) that the Party will be allowed to start migrating MPANs. RECCO recommended that Ofgem include Service Activation within the scope of this direction so as to mitigate a risk that migration at individual supplier level is delayed.

### **Ofgem's position**

- 2.37 Further to the IPA's recommendation, we have decided that the MHHS Implementation Manager shall provide monthly reports to Ofgem on migration readiness before M11. We have also decided that the MHHS Implementation Manager shall provide fortnightly reports to Ofgem on migration readiness and progress in migrating MPANs after M11.
- 2.38 Further to the recommendation by RECCo, we have decided that the reporting on migration readiness whether before or after M11 shall include progress updates on service activation.
- 2.39 We have decided that the reporting on migration progress shall set out, for each LDSO region, information about suppliers' actual performance relative to the volume of migrated MPANs that were expected on the basis of their agreed Migration Schedules. Where the MHHS Implementation Manager considers that a shortfall in suppliers' actual performance relative to expected performance could put at risk the timely overall delivery of MHHS Migration, the reporting shall set out how the shortfall is being remedied. In support of this, we are minded to direct suppliers and other parties to provide information to the MHHS Implementation Manager about the reasons for any such shortfall in a supplier's actual migration performance.

- 2.40 We have agreed with the IPA that it will, on receipt of these reports, review whether the evidence from its own assurance activities supports the assessment of readiness and/or migration progress set out in the reports. The IPA will then - within three further working days - send Ofgem a brief summary report with its assessment, observations and any remediating actions agreed with the MHHS Implementation Manager and other MHHS Participants as appropriate.
- 2.41 We will keep the frequency of reporting in relation to MHHS Migration under review. If migration is consistently proceeding according to expectations, it might be appropriate for migration reporting to take place at monthly rather than fortnightly intervals. In that event, we would consult with directly affected parties in a proportionate way with a view to modifying this aspect of the direction.

## **Reporting in relation to post-M10 milestones**

### **Respondents' views**

- 2.42 Several respondents said that any discussions about bringing forward M15 should take place as early as possible to give MHHS Participants clear sight of when migration needs to be completed. These respondents felt that it would be unfair on those aiming for Qualification Waves 3 and 4 to find the M15 date brought forward thus reducing their 6-month window to migrate their MPANs.
- 2.43 That said, many respondents stated that it would be premature to require the production of a report on the scope for bringing forward the M15 and M16 milestones when 40% of MPANs had migrated to MHHS. At that point, the MPANs will have been migrated by SIT Participants. Using SIT Participants' progress as the basis for assessing when migration will complete was likely to be unrealistic and overstate the speed with which non-SIT Participants can complete their migration of MPANs.
- 2.44 The MHHS Implementation Manager recommended reviewing the M15 and M16 dates once the M14 milestone has been achieved and all suppliers' Migration Schedules will be known. One supplier suggested that the report be produced 3 months after M14 since at that point every supplier would have reached full speed with their migrations.
- 2.45 One respondent noted that the report should contain information about the settlement performance of migrated MPANs since this would influence any decision in respect of the M16 milestone. One supplier noted that, under BSC modification P478, Annex S4 of the BSC sets out two dates for the MHHS



## **Decision** – Direction to Elexon as the Market-wide Half-Hourly Settlement Implementation Manager

---

Implementation Manager to confirm whether M16 is on track. The supplier further noted that these dates needed to be changed simply to reflect Ofgem's decision to approve CR055.

- 2.46 The MHHS Implementation Manager said that, in order to minimise the risk of delay to the M15 milestone, Ofgem should consider introducing a customer acquisition ban or a £/MPAN/day financial penalty for any supplier that had missed the M15 milestone.

### **Ofgem's position**

- 2.47 We have decided that the MHHS Implementation Manager shall report to Ofgem and the IPA on the scope for speeding up MHHS migration and consequently bringing forward the cutover to the faster settlement timetable. We accept that it would not be appropriate to require the production of this report at a point when migration will have been dominated by SIT Participants.
- 2.48 Rather, the report shall be drafted by the MHHS Implementation Manager at the M14 milestone and submitted to Ofgem and the IPA within 2 weeks of that milestone. This will allow the report to take account of the agreed Migration Schedules for all remaining suppliers when considering the potential for bringing forward the M15 and M16 dates.
- 2.49 We have decided that this report shall include information to verify that all suppliers and agents have qualified for MHHS. Drawing on the migration reporting, it shall also provide an update on the total number and proportion of MPANs that are properly registered in the Metering Point Registration System and the anticipated trajectory of progress towards migration completion. Within that, this report shall also contain information about suppliers' actual migration performance relative to their Migration Schedules and, where there is a risk that a shortfall in a supplier's performance could affect the timely overall delivery of MHHS, information about how that shortfall is being remedied.
- 2.50 Finally, we have decided that this report shall include information about the settlement performance of MPANs that have been migrated to MHHS. This will facilitate consideration of the scope for bringing forward M16.
- 2.51 As noted in our consultation, we intend that the information in the report shall be used to underpin the decision on whether to amend the M15 date and, as a consequence, the M16 and M16\* dates. Depending on the recommendation in the report, this decision will be taken either by the MHHS SRO or by Ofgem after receiving a recommendation from the MHHS SRO.

**Decision** – Direction to Elexon as the Market-wide Half-Hourly Settlement Implementation Manager

---

- 2.52 Ofgem may consider, as part of its forthcoming consultation on potential MHHS-related modifications to supplier licences, whether it would be sensible to introduce a customer acquisition ban or a £/MPAN/day financial penalty for any supplier that had missed the M15 milestone. Ofgem acknowledges that supplier migration shortfalls could arise as a result of issues with Supplier, LDSO and/or DCC systems and processes. Any modifications to supplier and other licences would need to take that fact properly into account.

## Appendices

Index

<b>Appendix</b>	<b>Name of appendix</b>	<b>Page no.</b>
1	Direction to the Balancing and Settlement Code Company as the MHHS Implementation Manager	20

## **Appendix 1 - Direction to the Balancing and Settlement Code Company as the MHHS Implementation Manager**

### **Direction given by the Gas and Electricity Markets Authority ('the Authority') to the Balancing and Settlement Code Company (BSCCo) pursuant to paragraph 12.4.1.(h) of the Balancing and Settlement Code (BSC)**

Whereas:

1. The Balancing and Settlement Code Company ('BSCCo')<sup>5</sup> is the Market-wide Half-Hourly Settlement (MHHS) Implementation Manager. BSCCo's functions and obligations as MHHS Implementation Manager are set out in paragraph 12 of Section C of the Balancing and Settlement Code (BSC).
2. On 30 September 2021, the Authority approved BSC modification proposal P423 and the modification came into force on 7 October 2021. The BSC provisions place obligations on various parties to ensure that they comply with and operate in accordance with the governance and management of MHHS Implementation. This includes obligations relating to BSCCo's role as the Programme Management Office ('MHHS PMO') and the Systems Integrator ('MHHS SI') for MHHS Implementation.
3. Paragraph 12.6.2 of section C of the BSC states that the MHHS PMO's responsibilities include "tracking and reporting on progress against the MHHS Implementation Timetable to the Authority" (amongst others) and "identifying risks to successful completion of MHHS Implementation Timetable milestones...[and] reporting on those risks to the Authority" (amongst others).
4. Paragraph 12.8.2 of section C of the BSC states that the MHHS SI's responsibilities for securing the robust and stable integration of the business processes and IT Systems to be used by MHHS Participants include "providing timely and expert assistance to the MHHS Participants in complying with their obligations under each MHHS Test Plan" and "tracking the progress of MHHS Participants against the MHHS Test Plans, and reporting on such progress to the MHHS SRO and the MHHS Programme Steering Group".

---

<sup>5</sup> Means Elexon Limited (or any successor to that company acting in the capacity as BSCCo).

---

Now the Authority directs as follows:

**Reporting in relation to Market-wide Half-Hourly Settlement Testing**

5. Pursuant to paragraph 12.4.1(h) of section C of the BSC, the Authority hereby directs the BSCCo, in its capacity as the MHHS Implementation Manager, to provide reports to the Authority and to the MHHS Independent Assurance provider ('the IPA') summarising progress in respect of each remaining phase of MHHS Systems Integration Testing (SIT) and in respect of non-SIT Licensed Distribution System Operator (LDSO) Qualification Testing.
6. These summary reports shall be produced, in a form and manner to be agreed with the Authority, on a fortnightly basis or such other frequency as may be agreed by the MHHS Implementation Manager and the Authority. Each report must be submitted to the Authority and to the IPA no later than 3 Working Days after the end of the period covered by the report. For example, where testing is being conducted on the basis of 'sprints', the reports shall be submitted to the Authority and to the IPA no later than 3 Working Days of the completion of each sprint.
7. For each type of testing, these summary reports shall provide an overview of
  - actual testing progress relative to the progress that is needed to comply with the MHHS Implementation Timetable;
  - the expected future path of progression, including the best estimate of when testing will be completed; and
  - the total number of testing defects, their severity and their status. For unresolved severity 1 and 2 defects, these reports shall identify as clearly as possible the party or parties that caused those defects, and outline any potential impact on the MHHS Implementation Timetable and the actions that have been and/or will be taken by the party or parties responsible to mitigate any such impact.
8. Where testing is being managed in cohorts, this information should be provided for each cohort as well as in aggregate.

### **MHHS Testing cohort management**

9. Pursuant to paragraph 12.4.1(h) of section C of the BSC, the Authority hereby directs BSCCo, in its capacity as the MHHS Implementation Manager, where MHHS Testing is being arranged in cohorts, to provide greater clarity by 7 March 2025 around roles and responsibilities within and between testing cohorts.
10. The purpose of this is to strengthen the management of the SIT Cohorts (paired or otherwise) and facilitate the sharing of best practice and thereby improve their capacity to respond effectively and quickly where issues arise that block progress in testing.

### **Reporting in relation to M10 Readiness**

11. Pursuant to paragraph 12.4.1(h) of section C of the BSC, the Authority hereby directs the BSCCo, in its capacity as the MHHS Implementation Manager, to provide, in a form and manner to be agreed with the Authority, monthly reports to the Authority and to the IPA summarising the readiness of MHHS Participants for the M10 milestone deadline. These summary reports shall provide an overview of progress and status updates relating to each of the 'M10 Acceptance Criteria' as baselined by the Migration and Cutover Advisory Group.
12. These summary reports must be provided to Ofgem and the IPA no later than 3 Working Days after the end of each reporting period.

### **Reporting in relation to the M10 Milestone ('the M10 Checkpoints')**

13. Pursuant to paragraph 12.4.1(h) of section C of the BSC, the Authority hereby directs the BSCCo, in its capacity as the MHHS Implementation Manager, to report, in a form and manner to be agreed with the Authority, about progress in relation to the M10 milestone. The report shall contain progress and status updates relating to each of the 'M10 Acceptance Criteria' as baselined by the Migration and Cutover Advisory Group. The report shall also include, to the extent necessary, information about any remedial measures that, in the opinion of the MHHS Senior Responsible Owner, need to be implemented to ensure that the M10 milestone is met.

**Decision** – Direction to Elexon as the Market-wide Half-Hourly Settlement Implementation Manager

---

14. The first such report shall cover progress up to and including 14 March 2025 and shall be submitted in draft to Ofgem and to the IPA on 19 March 2025 for review, comment and subsequent discussion at the MHHS Programme Steering Group at its meeting on 2 April 2025. The second such report shall cover progress up to and including 13 June 2025 and shall be submitted in draft to Ofgem and to the IPA on 17 June 2025 for review, comment and subsequent discussion at the MHHS Programme Steering Group on 2 July 2025. This latter report shall facilitate a fully reasoned decision in relation to the M10 milestone.
  
15. Each M10 Checkpoint Report shall include:
  - a) for each test area, the progress made in testing relative to the progress that is needed to comply with the MHHS Implementation Timetable, and the expected future path of progression, including the best estimate of when testing will be completed;
  
  - b) for each test area, the total number of testing defects, their severity and their status. For unresolved severity 1 and 2 defects, the report shall identify as clearly as possible the party or parties that caused those defects, and outline any potential impact on the MHHS Implementation Timetable and the action(s) that have been and/or will be taken by the party or parties responsible to mitigate any such impact;
  
  - c) where testing progress is behind the expected target for reasons other than testing defects, the actions that the MHHS Implementation Manager has taken and will take, and the actions that the MHHS Implementation Manager has requested and may request MHHS Participants to take, in order most efficiently to bring testing performance back in line with the requirements of the existing MHHS Timetable. The Checkpoint Report shall set out whether and to what extent MHHS Participants have met any such request. These actions may include extending the testing hours, working on weekends and drawing down additional resources;
  
  - d) an update on progress in relation to service management, including but not limited to baselining the Operations Manual and the associated governance arrangements;

**Decision** – Direction to Elexon as the Market-wide Half-Hourly Settlement Implementation Manager

---

- e) an assessment of SIT and non-SIT LDSO Qualification completeness against planned activities;
  - f) an assessment of Migration readiness against planned activities;
  - g) an update on the operational readiness of the MHHS Central Bodies/Systems<sup>6</sup>;
  - h) an assessment and update in relation to risks that may impact the timely delivery of the M10 milestone; and
  - i) an assessment and update of any other pre-requisite to M10 not specifically set out above (including any pre-requisites that are not within the delivery scope of the Programme itself).
16. The purpose of getting this information is to enable Ofgem (and the IPA) to assess the likelihood, in early and mid-2025, that the M10 milestone will be met on time. The information will also enable Ofgem (and the IPA) to understand, where there are risks to the timetable, not only which party or parties is causing those risks, but also what those parties are doing to mitigate them.

**Market-wide Half-Hourly Settlement Qualification**

17. Pursuant to paragraph 12.4.1(h) of section C of the BSC, the Authority hereby directs the BSCCo, in its capacity as the MHHS Implementation Manager, to provide monthly summary reports to the Authority and to the IPA in relation to MHHS Qualification by SIT Participants until such time as all SIT Participants have qualified for MHHS.
18. Pursuant to paragraph 12.4.1(h) of section C of the BSC, the Authority hereby directs the BSCCo, in its capacity as the MHHS Implementation Manager, to provide monthly summary reports to the Authority and to the IPA in relation to MHHS Qualification by non-SIT Participants.

---

<sup>6</sup> As defined in the [MHHS Programme Glossary](#).



**Decision** – Direction to Elexon as the Market-wide Half-Hourly Settlement Implementation Manager

---

19. Summary reports on MHHS Qualification shall set out, in a form and manner to be agreed with the Authority:
- a) an overview of progress in relation to the completion of Pre-Integration Testing;
  - b) an overview of progress in relation to the successful completion and approval of Qualification Assessment Documents (QADs) submitted MHHS Participants;
  - c) for each Qualification Wave, an overview of progress in relation to Qualification Testing (QT) execution, including
    - actual QT execution progress relative to the progress that is needed to comply with the MHHS Implementation Timetable;
    - the expected future path of QT progression, including the best estimate of when QT will be completed; and
    - risks to the successful and timely completion of QT, including risks arising from unresolved severity 1 and 2 defects and the actions that have been and/or will be taken by the party or parties responsible to mitigate any such impact.
  - d) for each Qualification Wave, an overview of progress in relation to securing approvals by the BSC Performance Assurance Board and the REC Code Manager in line with the deadlines set out in the MHHS Implementation Timetable.
20. Reporting under this section shall be both aggregated by Party Type and, where appropriate, disaggregated to provide clear information about the progress of each MHHS Participant seeking to qualify for MHHS.
21. These reports must be provided to Ofgem and to the IPA no later than 3 Working Days after the end of each reporting period.

### **Market-wide Half-Hourly Settlement Migration**

22. Pursuant to paragraph 12.4.1(h) of section C of the BSC, the Authority hereby directs the BSCCo, in its capacity as the MHHS Implementation Manager, to provide summary reports to the Authority and to the IPA about the readiness of MHHS Participants for migration. These reports shall be provided on a monthly basis until the M11 milestone.
23. Pursuant to paragraph 12.4.1(h) of section C of the BSC, the Authority hereby directs the BSCCo, in its capacity as the MHHS Implementation Manager, to provide summary reports to the Authority and to the IPA after the M11 milestone about the readiness of MHHS Participants for migration and the progress they are making in migrating their MPANs to the new settlement arrangements. These reports shall be provided on a fortnightly basis until and unless stated otherwise by the Authority after consultation with affected stakeholders.
24. These summary reports shall be provided in a form and manner to be agreed with the Authority. Reporting about migration readiness shall include information about service activation. Reporting about the actual migration of MPANs shall, for each LDSO region, set out aggregated and disaggregated (by supplier) information about:
  - a) the volume of Meter Administration Numbers (MPANs) expected to be migrated to the new MHHS arrangements by the end of each fortnightly reporting period;
  - b) actual performance relative to the expected volume of migrating MPANs identified above;
  - c) where a Supplier is experiencing systemic or repeated migration deferrals or failures, the reasons for those failed or deferred migrations, including identifying as clearly as possible the party or parties that caused them;
  - d) the materiality of any shortfall in actual performance relative to expected performance for each Supplier, including indicating any potential impact (when considered as a whole) on the MHHS Implementation Timetable; and

**Decision** – Direction to Elexon as the Market-wide Half-Hourly Settlement Implementation Manager

---

- e) the intended response, whether on the part of the relevant supplier and/or other parties, to those systemic or recurring failed or deferred migrations, setting out how migration at the individual Supplier level and in the aggregate can most efficiently be brought back in line with the requirements of the existing MHHS Timetable.
25. These reports must be provided to Ofgem and to the IPA no later than 3 Working Days after the end of each reporting period.

**Reporting on the scope to bring forward post-go live milestones**

26. Pursuant to paragraph 12.4.1(h) of section C of the BSC, the Authority hereby directs the BSCCo, in its capacity as the MHHS Implementation manager, to prepare a report on the scope to bring forward the post-go live milestones once the M14 milestone has been met. The BSCCo as MHHS Implementation Manager shall submit the report to Ofgem and to the IPA no later than two weeks after the M14 milestone has been met. The report shall contain as a minimum:
- a) information from the LDSOs to verify the percentage of all MPANs are properly registered in the Metering Point Registration System;
  - b) information to that point in time about the performance of each Supplier relative to the expected volume of migrating MPANs;
  - c) analysis of the reasons for any shortfalls in actual migration performance relative to expected performance for each Supplier to that point in time, including identifying as clearly as possible the party or parties that caused them;
  - d) analysis of how suppliers and/or other parties have responded to migration performance shortfalls, setting out how successful they have been in bringing performance back in line with the requirements of the existing MHHS Timetable, and any residual risks to the MHHS Timetable;
  - e) a statement from the MMHS SRO on the overall status of and prospects for the migration phase;

**Decision** – Direction to Elexon as the Market-wide Half-Hourly Settlement Implementation Manager

---

- f) information about settlement performance metrics for migrated MPANs; and
  - g) an assessment of central system capability alongside any accelerated migration forecast if that forecast would exceed previously agreed migration thresholds.
27. The Authority may, following consultation with the MHHS Implementation Manager and other affected parties as appropriate, modify this direction.
28. This direction shall have effect on and from 28 February 2025.



**Melissa Giordano**

**Deputy Director, Retail Systems and Processes**

**Duly authorised on behalf of the Gas and Electricity Markets Authority**

**28 February 2025**