



To: Ofgem MHHS Team

Sent via email to Half-HourlySettlement@ofgem.gov.uk

DATE 30/01/2025

Dear Sir/Madam

Proposed Directions to Elexon about reporting on Market-wide Half-Hourly Settlement (MHHS) implementation and about managing MHHS Testing cohorts: E.ON UK response.

Thank you for the opportunity to provide feedback to the above mentioned consultation, please find below our response to your consultation points.

The timing of the M10 Checkpoint Reports

We fully support these proposals and have no additional concerns.

Based on our understanding of BSC section C clause 12.6.2 we are confident that it enables Ofgem to set its reporting requirements and decide if any further changes (additional, removal and frequency of any reporting) can be provided on request, on the basis that the entirety of clause 12.6.2 is "without limitation".

The proportion of MPANs that ought to be successfully migrated before the MHHS Implementation Manager produces its report on the scope for bringing forward the M15 and M16 milestone delivery dates.

We are in agreement that reporting should include a proportion of Mpans that have successfully migrated, however we have a number of concerns with the proposal to report only on this, as well as a 40% threshold of all MPANs have been successfully migrated to the new arrangements:

1. large suppliers who are undertaking SIT have a large enough market share to exceed a 40% migrated MPAN threshold prior to M14.

Suppliers who are ready to commence migration from the M11 milestone will have an initial period of Early Life Support (ELS), which will initially limit the number of MHHS migrations. Upon completion of the ELS window those suppliers will then

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have every opportunity to take up significant migration capacity until other suppliers complete qualification and in turn take up migration capacity. It is highly probable they will choose to migrate their customer base to MHHS in large numbers between the M11 and M14 milestones.

2. There should be a minimum period set out post M14 so that suppliers who have opted to conduct qualification in the later waves are not placed under pressure to commence migration at significant pace shortly after they qualified.

This is because it is critical for suppliers to be sure their systems and process are stable and working, for which an allowance for any additional learnings and fixes that may only materialise in the live environment. This would enable suppliers to gain confidence they can migrate at pace and meet the required standards.

We recommend the trigger point to be determined must be a post M14 consideration and should not be triggered earlier than M14 + 3 months.

3. Settlement accuracy across MHHS TOM market segment, including domestic and non-domestic.

We have concerns regarding the quality of settlement data within the earlier periods of MHHS migration, which could be compounded further by reducing the migration window.

The Load Shaping Service (LSS) will consume accurate HH data from meters which in the long term will more accurately reflect estimated HH data over the course of time. We are supportive of the eventual outturn as those customers who cannot be HH settled based on actual metered data for any reason will benefit by having visible HH consumption profiles that are informed by a wider population of meters when compared to today's limited and shrinking pool of customers who inform the current consumption profiles.

In the initial migration phases the LSS will need to build up accurate HH data and evolve to reach the goal of increased settlement accuracy which raises a number of concerns for metered segments because the LSS methodology statement clearly articulates how it will derive data estimations by market segment, in our opinion this is as follows:

Smart/non-Smart Segment

The majority of the MPAN count requiring MHHS migration (approx. 31mn), those that have decided not to opt out of HH data for settlement purposes, will provide actual HH metered data once migrated and are



likely to feature heavily in the initial migration window post M11. Consequently the LSS is likely to be well informed to be able to accurately shape all customers HH data that will be estimated.

Advanced Segment

- The LSS within the advanced segment has the added complexity of producing consumption profiles for data estimation based on the Connection Type Indicator, in addition to Smart/non-smart segment variables. Due this market segment being much smaller by MPAN count (approx. 2mn)
- We believe that there is a sliding scale of impact based on connection type, with Whole Current Connections being the most populous albeit much lower in number vs Smart meters when migrated to MHHS vs CT connections are (split into 3 distinct connection type) data items totalling approx. 300K CT meters nationally.

As the connection type is a key data item that will inform the LSS for data estimations, it is of high importance that migration focuses upfront on moving MPANs that will produce accurate data in line with the LSS methodology statement to ensure those meter points that must estimate can do so accurately.

We recommend any reporting also considers a migration completion rate in line with the LSS and market segments.

4. BSC settlement Transition Arrangements

There is already a prescribed set of transition rules set out in the coming BSC section S-4 document under clause 21, MHHS-DEL1726 - Section_S_Annex_S-4 Transition Rules which sets the phasing approach (14 months to 7 months to 4 months) explicitly under clause 21.5. However, the drafted legal text is based on a fixed checkpoints dates that are no longer relevant following the approval of CR055.

This point was raised at the TORWG 19/01/25 and an action has been taken under action reference TORWG15-09. This was agreed just before this consultation was issued.

We note that Ofgem made clear that MHHS need to firmly set out the M16 delivery timeframe and it is our belief that this directly refers to the approach set out in section S4, primarily the text sets out that if checks and balances do not meet pre-set criteria as detailed under section S4 clause 21.2, then milestone M16



becomes at risk as there is built in contingency but does not specify how M16 would be achieved if the checkpoints checks are not met.

It is our belief that the checkpoint provision checks under clause 21.2 accurately reflect many of the issues we have called out, and that includes the provision a percentage completion rate under 21.2 (d) but is somewhat more expansive covering many of the preceding points of concern in this response.

As such we recommend that the provisions as set in section S4 should be maintained for MHHS migration and transition, and fixed check point 1 and 2 dates are clearly set out as firm dates when transition will commence, as this approach creates certainty on settlement timetable transition so would support the removal of the checkpoint dates creating the potential for transition to be delayed and creating certainty on the M16 milestone date being achieved.

Whether the provisions on reporting are sufficient to give Ofgem the information it needs to understand the nature and causes of any future risks to MHHS delivery. If you believe they are not, and that additional information needs to be provided, please specify what that information is and from whom it may be obtained.

We fully support these proposals and have no additional concerns as per our response to question 1, we believe that Ofgem has access to sufficient information as proposed and already have the vires to flex and change its reporting requirements as it see fit.

We hope this feedback is helpful and would be happy to discuss or clarify any elements of this response.

Yours sincerely

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E.ON UK, on behalf of E.ON Next Limited & Npower Commercial Gas Limited
(npower Business Solutions).