

ELEXON

30 January 2025

Tim Jarvis
Director General, Markets
Ofgem
10 South Colonnade
Canary Wharf, London
E14 4PU

c.c.: Jenny Boothe, Melissa Giordano, Charlotte Friel

Elexon's response to Ofgem's Proposed Directions to Elexon about reporting on Market-wide Half-Hourly Settlement (MHHS)

Dear Tim,

I am writing to you personally to draw your attention to our two responses to Ofgem's proposed direction on Elexon about reporting on Market-wide Half-Hourly Settlement (MHHS) implementation and about managing MHHS Testing cohorts¹ aimed at improving reporting on progress of implementing the MHHS Programme.

As both Implementation Manager of MHHS and participant role in delivering the BSC arrangements, Elexon is committed to delivering the MHHS programme and is in full support of the need for new reporting requirements set out in your proposed direction. We will work with Ofgem to help finalise these reporting requirements and will be ready to begin reporting once they come into force.

Whilst Elexon's roles are intentionally separated to ensure the impartiality of the Implementation Manager, the delivery of MHHS is the number one key priority for the whole of Elexon. I reinforced this point, on separate occasions, when recently meeting with Jonathan Brearley and Ed Miliband, Secretary of State, in early January.

Delivery of MHHS is also set at the heart of our recently published draft business plan for 2025-26². Ahead of M10, our focus is on developing an operational control centre and a bigger, more robust team which will bolster our work to deliver MHHS and support parties through their migration.

Ofgem's proposed direction sets out reporting measures intended to give more frequent and targeted sight of progress, thereby drawing attention to parties' responsibilities and giving earlier notice of risks to the delivery of the programme. As our responses explain, we are in support of your overall approach. In order to finalise the specific proposals and ensure their success, I would

¹ <https://www.ofgem.gov.uk/consultation/direction-elexon-market-wide-half-hourly-settlement-mhhs-implementation-manager>

² <https://www.elexon.com/governance/reports-and-finances/business-plan/>

draw your attention to some particular points in our responses:

- We have provided responses on behalf of the Implementation Manager and as a participant. Whilst Ofgem's direction proposes reporting requirements for the Implementation Manager (IM), we recognise that the IM's delivery of the proposed reporting requirements will be dependent on Elexon as a participant contributing data in a timely and constructive manner. As one organisation, we are keen to continue finding ways for Elexon as a participant to proactively and in a timely way support the IM and Ofgem. Whilst our two responses have been prepared in isolation of each other, they should collectively give you more rounded feedback on the practicalities of your proposals.
- Reporting by the IM will be dependent on the timely provision of data by all participants. The frequency of reporting may make successfully collecting, collating and submitting all necessary submissions challenging. Our responses propose options for managing this challenge, e.g. complementary reporting obligations on parties and/or simplified/higher-level reporting that still provides sufficient visibility and accountability to Ofgem. Please also note that it may not be practical for participants to report on the level of detail required. We understand you will be issuing obligations for participants shortly, and welcome more discussion on how to best align obligations between participants and the IM.
- We hope that the feedback provided in our responses helps to define effective reporting requirements up front. However, it may be that in due course, opportunities are identified to improve how and what is reported - e.g. that balance the time and effort of reporting and reviewing progress, with providing meaningful, actionable data. We'd encourage Ofgem to consider finalising the requirements of its direction such that they provide it with an opportunity to tailor its requirements after the fact and in a way that may avoid the need for further consultation.

As CEO of Elexon, I would like to reinforce my commitment to the delivery of the MHHS Programme to the new timetable. I would be more than happy to meet in person to discuss any of the points raised in this letter, our responses to the proposed direction or the wider programme.

Yours sincerely,



Peter Stanley
CEO, Elexon