30 January 2025

Jenny Boothe,
Head of MHHS,
Ofgem,
10 South Colonnade
Canary Wharf
London
E14 4PU

Dear Jenny,

Proposed Direction to Elexon about reporting on MHHS implementation and managing MHHS testing cohorts

Executive Summary

Thank you for the opportunity to review and feedback on Ofgem's proposed direction to Elexon in its capacity as the MHHS Implementation Manager (IM). For the avoidance of doubt, This Response is on behalf of the IM. BSCCo, as a Programme participant will be responding separately in line with the separation agreement.

As you are aware, we strongly share Ofgem's desire to ensure no further delay to the delivery of the MHHS Programme and are in principle, subject to some clarifications set out below, happy to provide Ofgem with more reporting on participant and Programme progress.

Most of the information requested is already available on the collaboration base which both Ofgem and the IPA have access to. However, we are happy to formalise delivery to Ofgem using these existing reports as templates for delivery. We note that the Consultation does not justify why Ofgem feels it needs this level of granular data in its role as Programme Sponsor and we do ask Ofgem to consider its own resources (and those of the IPA) to ensure it has the ability to analyse the significant quantity of data it will receive. No participant involved in the Programme wishes to spend time collating data for reports, which are then not utilised effectively by the recipient.

Ofgem may wish to consider taking a more risk-based approach and decide whether all the fortnightly reports proposed need to be fortnightly or whether less frequent reporting would be more effective in areas of low risk. To this end, we would propose that all the fortnightly report requirements are listed as fortnightly, or a regularity agree between the IM and Ofgem. This gives Ofgem discretion to amend the frequency without the need for a new Direction. In terms of testing, it may be more pertinent to align to the sprints some of which are 3 weeks in length.

As highlighted below, to facilitate this granularity of reporting we will need Ofgem to place complementary directions or licence obligations on programme participants to co-operate with the provision of the information to allow us to submit the information to Ofgem. The Programme will

take reasonable endeavours to obtain the data from participants, but failure by participants to comply must be a matter for Ofgem to resolve.

In terms of cohort testing, the Programme is focused on the Minimum Viable Cohorts (MVC) participants as they are essential to deliver M10. Non-MVC cohorts are not essential for M10 and whilst it is important for the parties to complete SIT and Qualification, so that they commence migration on time, M10 does not require all cohorts to finish SIT testing to proceed.

With reference to the M16 date, there are a number of factors that will need to be considered, not least the settlement performance and stability of level of actual HH data against HH data which is derived by the LSS. The BSC PAB will need to be satisfied that there will be no intended consequences before agreeing to switch to the new settlement timetable.

With regards to your specific questions in the consultation.

1. we agree with the timing of the M10 Checkpoint reports.

2. Rather than a proportion of MPANs, a review on scope to bring forward M15 and M16 should occur at M14, when we will have a clear view of all participants migration schedule, rather than SIT participants who will be predominant in the first 40% of MPANs migrated.

3. We believe the existing reporting that is available is sufficient for Ofgem and the IPA to understand the nature and causes of any risk delays, and in fact the granularity requested could actually impede understanding in a timely manner.

For clarity, our comments below are referenced to the relevant paragraph number in the **draft direction (Appendix 1)**, expanding where necessary to cover points raised in the main document.

Draft Direction

Para. 5(e) to (g) – In any testing scenario, all defects are captured no matter how trivial (e.g. user error) and it would be significantly onerous to provide detailed reports on all, including those already resolved. We believe this reporting should be limited to unresolved severity one/two defects. Lower-level defect volumes can be ascertained from 5(d) if the severity level was added.

It is our preference to use existing reports wherever possible.   We believe these satisfy Ofgem's requirements but would welcome clarification as to what information is not available in the existing reports that we may need to add.

Ofgem should note, that the data requested and broken down as requested in this draft will be of significant volume and Ofgem's analysis of it will be resource intensive and likely to be superseded by the time that analysis is complete. We ask that Ofgem satisfy themselves that this level of detail is needed and how each data item will be useful to them.

Para. 7 – Submitting these reports to Ofgem no later than 3 working days after the relevant period is impractical if it has to go the IPA before submission. The data for each relevant period may not be

available on the 1st working day and will need to be reviewed internally before submission.

We also note that "Relevant Period" is not defined in the Direction and is used in both this paragraph and paragraph and paragraph 14(b), which may not be correct. It would be better if the Relevant period is flexible so we can align to sprints as proposed above, rather than being a defined calendar period.

Nor can the Programme be held accountable for the delivery of the IPA's opinion being available alongside the report. We would propose that the requirement is that the report is submitted to Ofgem and the IPA on the 3rd Working day, and it is for Ofgem to agree KPIs with the IPA for their opinion.

Para. 8 – We would propose that we deliver this information by 28th February.

Para. 11 – Submitting these reports to Ofgem, no later than 3 working days after the reporting period is impractical if it has to go the IPA before submission. The data for each relevant period may not be available on the 1st working day and will need to be reviewed internally before submission. For transparency purposes we would prefer that any reporting requirements sits in the cycle of Governance meetings, so reports to PSG and Advisory Groups are the same as reports to Ofgem.

Nor can the Programme be held accountable for the IPA opinion being available alongside the report. We would propose that the requirement is that the report is submitted to Ofgem and the IPA on the 3rd Working day, and it is for Ofgem to agree KPIs with the IPA for their opinion.

Para. 13 – Excluding the February PSG, there are seven PSG sessions between now and M10. We propose that reports to April PSG covering the period to the end of February, with any relevant progress after month end up to PSG paper day added, and to July PSG covering the period up to end of May. As proposed in the consultation.

Para. 14 – For consistency, the Milestone report should reference the M10 Acceptance Criteria as mentioned in 2.13 and progress towards these requirements.

Para. 14(b) – This should refer to the actions the IM "has taken" and "will take" as it is a checkpoint report. We also believe it should include actions it has requested from testing participants and the whether the participant has met this request.

Para. 14(c) – In order to deliver this, we will require Ofgem to ensure all relevant participants are directed to provide this information to the Programme in a manner that allows it to meet Ofgem's request. We will make reasonable endeavours to obtain this information, but failure by a participant to provide the data is a matter for Ofgem to resolve.

Para. 14(d) - At this point this will only be relevant to SIT and LDSO qualification.

Para. 14(f) – As the Governance arrangements are agreed between the enduring DIP owner and Ofgem, we believe Ofgem would be best seeking this information directly from the DIP Manager.

The Programme accepts its responsibilities to deliver the DIP system and processes for Go-Live, but the Governance structure was developed by Elexon via an Issue Group and approved by Ofgem via a modification outside the Programme.

Para. 14(g) - We do not believe this is relevant to the M10 Check point report as it is not something M10 is dependent on and should already been set out by this point.

Para. 14(h) – Ofgem may also wish to consider other central parties' readiness beside BSCCo to take over. BSCCo, whilst the most important party, does not have jurisdiction over other parties in the way the Programme does. Delivery of this assessment will be heavily dependent on the co-operation of BSCCo (and other central parties) and thus will require complimentary Directions on these parties to assist in this assessment.

Para. 16 – This paragraph has no timing in it. As before, we believe it would be appropriate for us to deliver the report to Ofgem and the IPA concurrently, and for Ofgem to agree with the IPA delivery of their opinion. We propose the report should be available to Ofgem and the IPA 5 working days before the relevant PSG.

Para. 17 (a) to (h) – As with SIT participants, PIT testing is an internal testing phase for participants that is conducted before a party enters qualification testing and as such the Code Bodies do not monitor PIT testing progress. The timing and degree of testing is unique to each participant. To this end we will be unable to meet this request and would need every participant to provide fortnightly reports to us. We strongly proposed that this requirement is removed, and the focus should be on Qualification Testing.

If Ofgem does require information on PIT testing, then we propose that Ofgem, Code Bodies and the Programme should meet and discuss the best way to deliver this requirement in a way that is useful to all parties and where possible using existing data.

Para. 17 (i) – The QA&P and its associated annexes does not set out the need for participants to provide this level of granular detail in their testing. The QA&P requires participants to submit a test plan with a test schedule to support progress tracking and provide evidence of the test (unless covered by placing reliance) but does not dictate a schedule or pace of testing. We strongly urge Ofgem to discuss this in more detail with the Code Bodies before mandating this Direction and consider placing reporting on S&A qualification testing onto the Code Bodies.

Para. 17 (i) (i) – As mentioned in SIT testing reporting (Para. 5 (e) to (g)), In any testing scenario, all defects are captured no matter how trivial (e.g. User error) and it would be significantly onerous to provide detailed reports on all, even those already resolved. We believe this reporting should be limited to unresolved severity one/two defects. Lower-level defect volumes can be ascertained from 5(d) if the severity level was added.

Ofgem should note, that the data requested and broken down as requested in this draft will be of significant volume and Ofgem's analysis of it will be resource intensive and likely to be superseded by the time that analysis is complete.

It should also be noted that unlike SIT testing, Qualification testing is about an individual's ability to pass the test and not about testing the system as a whole. Therefore, any test defect will be for that participant, (recognising several participants may have the same defect) and will not block testing by other participants. The resolution of any defect will lie with the participant. We again ask Ofgem to consider whether this level of granular detail is something they really require.

Para. 17(j) – for clarity, the REC Performance Assurance Board has delegated authority to the REC Code Manager to approve qualifications. Although it is correct that the BSC PAB will make the decision on Qualification.

Para. 17(f) (i) (j) and 20(e) and 22(e) – with reference to all impacts on consumers. Any impacts to the consumers cannot be assessed by the IM. The accountability for consumer benefit as a result of MHHS sits primarily with Suppliers and Ofgem.

Para. 19 - As mentioned above, We would propose that the requirement is that the report is submitted to Ofgem and the IPA on the 3rd Working day, and it is for Ofgem to agree KPIs with the IPA for their opinion as the Programme cannot be held accountable for an IPA deliverable.

Para 20. (d) - the triggering of MPAN migration is done by the supplier and we will need suppliers to be directed to provide timely reasoning to the programme so that it can be submitted in the report. If the issue is caused by a LDSO, then they too should be required to provide timely data for reporting purposes. Reporting the reason for the failure of each MPAN to migrate to our mind is far too detailed. As a programme we want to be aware of systematic or reoccurring issues, but not individual failures. We ask Ofgem to consider if why they would want this granularity of data.

Para. 21. - As mentioned above, we would propose that the requirement is that the report is submitted to Ofgem and the IPA on the 3rd Working day, and it is for Ofgem to agree KPIs with the IPA for their opinion as the Programme cannot be held accountable for an IPA deliverable.

Para. 22 – Any discussions about bringing forward M15 needs to be discussed as soon as possible to give participants clear sight of when Migration needs to be completed. It would be unfair on those participants aiming for wave 3 or 4 to find the M15 date bought forward reducing their 6-month window to migrate truncated. There is limited point in bringing forward M15 if it just increases the risk of participants not meeting the deadline rather than achieving a successful earlier completion. We believe further dialogue is required and will happily work with Ofgem to do this without the need for a specific Direction.

We also note that currently there is no incentive or penalty on participants for failing to meet M15, other than a vague threat of enforcement action after the event. We have previously raised with Ofgem the clear need for an incentive, either a ban on new customer acquisitions and/or a £/MPAN/Day penalty for all MPANs not migrated by M15. We firmly believe that a clear quantifiable risk of jeopardy would encourage participants to complete migration well ahead of the M15 deadline.

If you require any additional information, then please feel free to get in touch with myself or relevant Programme colleagues.

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Kind regards,

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Helen Adey
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