RETAIL ENERGY CODE

This document is classified as **WHITE**.
Information is for public, unrestricted dissemination and publication.

REFERENCE	**RECPAB_24_0827_04**
STATUS	**FOR DECISION**
PAGES	**6**

MARKETWIDE HALF-HOURLY SETTLEMENT (MHHS) UPDATE

BY V SHARMA, MHHS QUALIFICATION LEAD, REC CODE MANAGER AND NIRAV VYAS, ANALYTICS AND REPORTING LEAD, REC CODE MANAGER
REVIEWED BY WALTER CARLTON, PERFORMANCE ASSURANCE LEADER, REC CODE MANAGER

FOR DECISION	Section 1 of this paper covers key MHHS Qualification documents produced jointly under the Retail Energy Code (REC) and the Balancing and Settlement Code (BSC). In this paper, the Code Manager sets out the purpose of the documents that are presented to PAB for approval, the process of their development and key facts that enable PAB to make key decisions. In section 2 of this paper, the Code Manager has presented the changes proposed to the Performance Assurance Report Catalogue (PARC) in preparation for MHHS go-live for PAB approval before taking these through the Category 2 REC Change process. The Code Manager recommends REC PAB to: • **APPROVE** the updated Qualification Approach and Plan; • **APPROVE** the updated Qualification Assessment Document • **APPROVE** the updates to the PARC.
APPENDICES	**RECPAB_24_0827_04A – MHHS Qualification Approach and Plan** **RECPAB_24_0827_04B – MHHS QA&P Annex 1** **RECPAB_24_0827_04C – MHHS QA&P Annex 2** **RECPAB_24_0827_04D – MHHS Qualification Assessment Document** **RECPAB_24_0827_04E – Draft changes to the PARC for MHHS**

Note: In some instances, this paper uses BSC terminology used by the MHHS Programme, which is different to typically used under the REC, including referring to Licensed Distribution System Operators (LDSOs), which are Electricity Distribution Network Operators (DNOs) under REC.

1 MHHS QUALIFICATION

1.1 ROLE OF THE PAB

The REC PAB sets the policy, approach and risk appetite for REC Qualification under the MHHS Programme. Therefore, through this paper, we provide REC PAB an update on MHHS Qualification artefacts development and ask them to approve key decisions on the nature and extent of the assurance activities for MHHS Programme Qualification.

1.2 QUALIFICATION DOCUMENT DESCRIPTIONS

The documents listed in this section comprise the suite of Qualification artefacts that have been developed by the Code Manager and approved by the REC PAB, in collaboration with REC Company (RECCo) and BSC Company (BSCCo), as applicable. There are other documents to support delivery of MHHS Qualification, which have not been listed here. For the full list, please refer to section 5 of the Qualification Approach and Plan.

1.2.1 QUALIFICATION APPROACH AND PLAN (QA&P)

This document is to set out the approach that will be taken for MHHS Qualification and the high-level plan of activities and requirements in relation to the BSC and REC only. As the Code Bodies are responsible for MHHS Qualification, BSCCo and the REC Code Manager have worked together on this joint approach and plan, with support from the MHHS Programme, and will continue to work closely for the duration of the MHHS Programme.

The QA&P incorporates the main document with the following annexes:

- **Annex 1 - Non-SIT LDSO MHHS Qualification Testing Approach and Plan**: sets out the specific MHHS Qualification testing requirements, scope, testing framework, objectives, and approach for LDSOs who did not participate in Systems Integration Testing (SIT). As MHHS Programme are responsible for delivering Qualification testing for LDSOs to enable the start of MHHS migration, they have led on the development of this Annex, with support from BSCCo, RECCo and the REC Code Manager to ensure Qualification testing for LDSOs captures Code requirements for Qualification.

- **Annex 2 - Non-SIT Supplier and Agent MHHS Qualification Testing Approach and Plan**: sets out the specific MHHS Qualification testing requirements, scope, testing framework, objectives, and approach for Suppliers and Agents (including Meter Operator Agents (MOA) governed under the REC) who did not participate in SIT. The Elexon Qualification Test Manager is responsible for developing this document and ensuring it covers the requirements for both BSC and REC. BSCCo have led on the development of this document with input from RECCo and the REC Code Manager.

- **Annex 3 – New Entrant Non-SIT LDSO MHHS Qualification Testing Approach and Plan**: sets out the specific MHHS Qualification testing requirements, scope, testing framework, objectives, and approach for new entrant Non-SIT LDSOs that will be MHHS Qualified after programme milestone M10 (i.e. after migration to the new arrangements has started). The Elexon Qualification Test Manager will also lead on the development of this document, ensuring alignment with Annex 1 and coverage of REC and BSC Qualification requirements.

- **Annex 4 – Non-Completion of Qualification**: sets out the market sanction process under the BSC should a current Programme Participant fail to complete MHHS Qualification in line with the MHHS Programme Plan. BSCCo have led on the development of this document with input from RECCo and the REC Code Manager where interactions are required with REC Systems. The processes proposed within this document are within BSC governance.

1.2.2 QUALIFICATION ASSESSMENT DOCUMENT (QAD)

Whilst the QA&P sets out the high-level scope and MHHS Qualification requirements, the detailed evidence required is defined in the QAD and will need to be completed by Programme Participants to satisfy the REC and BSC Assessment Criteria for MHHS Qualification.

The document has been spilt into two parts:

- Organisation-specific sections: The first part covers information at the organisation-level which is agnostic of the Market Role for which the Programme Participant wishes to Qualify. This is information such as company information, approach to change management including testing, etc.
- Role-specific sections: The second part covers information for specific Market Roles. The Programme Participant is only required to complete sections for the Market Roles they intend to Qualify for. The following sections are within REC governance:
    - Supplier – this is jointly governed under BSC and REC.
    - Licensed Distribution System Operator (LDSO, or Distribution Network Operator (DNO) under REC) – this is jointly governed under BSC and REC.
    - Registration Service[1] – this is jointly governed under BSC and REC.
    - Metering Operator Agent (MOA) – this is solely governed under REC.

  All other roles are solely governed under BSC.

This document has also been jointly developed by BSCCo and the REC Code Manager, and as an assurance document, sits entirely within the governance of the Code Bodies.

To streamline the process for Programme Participants, a section (Section 4.5 of the QAD) has been added at the request of the DIP Manager in relation to the DIP requirements. This section has been developed by the DIP Manager and sits solely within DIP governance.

1.2.3 REC ASSESSMENT CRITERIA FOR MHHS QUALIFICATION

This document sets out the assessment criteria for MHHS Qualification for all roles governed under the REC. The Code Manager has analysed the Functional, Non-Functional, Migration and Operational Requirements to provide MHHS Programme Participants an indication of where they would need to provide evidence of meeting these requirements, e.g., within the QAD, and/or through internal testing (PIT) and/or external testing (SIT or QT). This document also informs the scope of the QAD and the Qualification Testing Scenarios.

1.3 PREVIOUS DECISIONS

The REC PAB has approved the following documents so far:

Document name and version	REC PAB Meeting where approved
Qualification Approach and Plan (QA&P) v1.0	March 2023 PAB

[1] This includes the Supplier Meter Registration Service (SMRS) governed under BSC and the Electricity Registration Data Service (ERDS) governed under the REC and operated by the DNO.

Document name and version	REC PAB Meeting where approved
REC Assessment Criteria for MHHS Qualification v1.0	August 2023 PAB
Qualification Approach and Plan (QA&P) v2.0	March 2024 PAB
QA&P Annex 1 v1.0	March 2024 PAB
QA&P Annex 4 v1.0	March 2024 PAB
Qualification Assessment Document (QAD) v1.0	March 2024 PAB
REC Assessment Criteria for MHHS Qualification v2.0	March 2024 PAB
QA&P Annex 2 v1.0	May 2024 PAB
REC Assessment Criteria for MHHS Qualification v3.0	June 2024 PAB

1.4 DOCUMENTS PRESENTED FOR APPROVAL

In this paper, the Code Manager presents the following documents for PAB approval:

- Qualification Approach and Plan (QA&P) v3.0, along with Annex 1 v2.0 and Annex 2 v2.0
- Qualification Assessment Document (QAD) v3.0

1.4.1 UPDATES SINCE PREVIOUS VERSION APPROVED BY PAB

These documents have been updated to cover the approach and requirements for Non-Functional and Operational testing phases.

1.4.2 DEVELOPMENT AND APPROVAL PROCESS

The documents presented for approval have been through industry consultation in July 2024 as per the timelines set out in Figure 1 below. The QWG recommended these documents for Qualification Advisory Group (QAG)[2] and REC and BSC PAB approval on 13 August 2024.[3]

[2] QAG is a Level 3 Advisory Group within the MHHS Programme Governance responsible for decision making in relation to MHHS Qualification. QAG works closely with other Level 3 Advisory Groups within the MHHS Programme and report to the Programme Steering Group (PSG) who in turn report to Ofgem as the Sponsor. QAG is attended by nominated constituency representatives. This Advisory Group was set up in February 2024 following the restructure of the Testing and Migration Advisory Group (TMAG).

The QA&P is approved under both MHHSP and Code Bodies' governance. However, the QAD is solely under Code Bodies' governance, and therefore an update on this document is being taken to the QAG on 23 August 2024 for information only.

[3] The Qualification Assessment Document approval was subject to closing action QWG25-04 to clarify some of the requirements in Section 4.5 Data Integration Platform (DIP); this action has now been closed, and the QWG recommendation has gone ahead.



Figure 1: Timeline and process for development and approval

At the time of issuing this paper to REC PAB, the document has also been issued to the QAG and BSC PAB. The Code Manager will provide a verbal update on the outcome of the QAG at the August PAB meeting and asks the REC PAB to approve this document with a condition that it is approved by the BSC PAB.

REC PAB DECISION

The Code Manager recommends REC PAB to approve the following documents for publication:

- Qualification Approach and Plan, along with Annex 1 and Annex 2.
- Qualification Assessment Document

1.4.3 NEXT STEPS

Once approved by QAG, and REC and BSC PABs, RECPAB_24_0827_04A will be uplifted to Qualification Approach and Plan v3.0 and published on the MHHS Collaboration Base. Similarly, RECPAB_24_0827_04B and RECPAB_24_0827_04C will be published as Annex 1 version 2 and Annex 2 version 2 respectively.

RECPAB_24_0827_04D will be uplifted to Qualification Assessment Document v3.0 and published. Keeping in mind user experience, QAD completion is not planned as a paper-based exercise for Programme Participants. BSCCo are developing a QAD Portal where Programme Participants will be able to complete the questionnaire, submit evidence, and review their progress alongside Code Bodies' feedback.

2 PARC CHANGES FOR MHHS

R0202 has been raised to update the Performance Assurance Report Catalogue (PARC) to reflect additional data items required from Electricity MEMs and the DIP Manager to measure performance against code obligations as defined in the Risk Register. Appendix RECPAB_24_0827_04E – Draft changes to the PARC for MHHS shows the redline changes.

REC PAB DECISION

The Code Manager recommends REC PAB to approve the redlined copy of the PARC shared as Appendix E of this paper to be included as part of the solution of R0202.