RETAIL ENERGY CODE

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

REFERENCE	**RECPAB_24_1029_03**
STATUS	**FOR DECISION**
PAGES	**6**

MHHS UPDATE

BY V SHARMA, MHHS QUALIFICATION LEAD, AND DANIEL RODGERS, QUALIFICATION MANAGER, REC CODE MANAGER
REVIEWED BY ANTON MODEN, PERFORMANCE ASSURANCE LEAD, REC CODE MANAGER

FOR DECISION	Section 1 of this paper covers an overview of the changes proposed as part of MHHS Programme Change Request (CR055) to the MHHS Programme Plan and its impacts on activities overseen by the REC PAB. In section 2 of this paper, the Code Manager has presented clarification the boundaries of REC and Data Interface Platform (DIP) Assurance, along with dependencies, based on recent discussions with the DIP Manager. We have also proposed next steps to ensure we have confidence in the arrangements managed by the DIP Manager and can manage any consequential risks on REC arrangements. In section 3, the Code Manager has outlined the changes proposed to the REC Market Entry documents such as the Storyboard Scenarios document in preparation for the introduction of MHHS arrangements. The Code Manager recommends PAB to: • **NOTE** the update on MHHS Programme Replan (CR055). • **APPROVE** the actions proposed by the Code Manager to manage impacts. • **APPROVE** the proposal to retain the approach and timelines for introducing MTD reconciliation for MOAs and separate this from the PARC solution for MHHS. • **APPROVE** the actions proposed to manage dependency on the DIP governance for MHHS Qualification. • **APPROVE** the updates to Market Entry documents in preparation for the introduction of MHHS arrangements.
APPENDICES	**RECPAB_24_1029_03A – REC Storyboard Scenarios Updated for MHHS**

Note: In some instances, this paper uses Balancing and Settlement Code (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. All mentions of the Code Bodies, refer jointly to the Balancing and Settlement Code Company (BSCCo) and the REC Code Manager.

1 MHHS PROGRAMME REPLAN

1.1 OVERVIEW OF CR055

MHHS Programme Change Request CR055: Amendments to M10 and corresponding Milestones proposes changes to the MHHS Programme Plan and its Tier 1 milestones.

Programme milestone M10, which is for Central Systems to be ready for migrating MPANs was proposed to be deferred by c. 5 months from the baselined date of 07 March 2025 to 13 August 2025 based on current progress of the System Integration Testing (SIT). Similarly, other Programme milestones linked with M10 are proposed to be deferred by c. 5 months.

The Programme sought feedback from Programme participants on the changes proposed via the impact assessment which closed on 04 October 2024. Following this, on 15 October 2024, the MHHS Programme Change Board made a recommendation to the Senior Responsible Owner to further extend M10 by 6 weeks to 24 September 2025. This recommendation is being discussed at the Programme Steering Group (PSG) which is meeting on 18 October 2024.

Due to the nature of this change i.e. the length of delay, approval from the Programme Sponsor (Ofgem) is required before it can be implemented. The current proposal has not yet been endorsed by Ofgem.

In its proposal, the MHHS Programme also retains the 3-month contingency window for M10 that was built into the original Programme Plan. This allows M10 and other corresponding milestones to move forward or backward by c. 6.5 weeks. A decision point is planned for c. 6 months before the planned date for M10 (in February 2025) to confirm the planned date for M10.

As this contingency will impact Participants' MHHS Qualification plans, the Code Manager has asked that the Programme ensure Participants are aware of this contingency and have built flexibility into their MHHS Plans to respond to it based on the decision expected in February 2025.

1.2 IMPACTS ON REC ARRANGEMENT

1.2.1 MHHS QUALIFICATION TIMELINES

The changes proposed by CR055 impact the timelines planned for MHHS Qualification which is being jointly delivered by BSCCo and the REC Code Manager. As a result, the Qualification Approach and Plan (QA&P) and its Annexes which have been baselined in the recent months following approval by the BSC and REC PABs, will need to be reviewed and amended.

While the changes will not be implemented until approved by the Authority, to support market participants to adjust their MHHS delivery plans, the Code Bodies will review the recommendation made by the MHHS PSG as part of CR055 to Ofgem and advise market participants on proposed dates for Qualification activities.

Proposed Action: *The Code Manager will work with BSCCo to proposed amendments to dates for MHHS Qualification published in the QA&P and its annexes. These will be taken through the governance process for conditional approval whilst the Authority decision is awaiting to provide Participants indicative timescales so they can make required adjustments to their MHHS delivery plans.*

1.2.2 MHHS QUALIFICATION WAVE ALLOCATION

As the MHHS Programme replan defers MHHS Qualification timelines by c. 6.5 months, some Programme participants have enquired about the option to move to an earlier Qualification Wave to manage impacts on the replan on their internal delivery plans. Therefore, the Code Bodies, at the

Qualification Working Group in October, have set out principles on the basis of which Participants may be able to request such a move where there is spare capacity.

The Code Bodies are also working with the MHHS Programme to issue information requests to understand the demand for such movement and accommodate requests where possible.

1.2.3 MHHS PERFORMANCE ASSURANCE REPORTING CATALOGUE

As noted in August 2024, the Code Manager has raised REC Change Proposal R0202 which introduces new reporting requirements within the Performance Assurance Reporting Catalogue (PARC) to monitor performance under the new arrangements introduced by MHHS. As part of prioritising data from central sources, the approach taken by the Code Manager sought to utilise reports produced by the DIP Manager where these could provide the required information. Whilst the DIP Manager expects to be able to deliver the reports required for REC Performance Assurance, they have not yet formally confirmed its feasibility. They have indicated as they finalise the set-up of the DIP Manager function, they may need another 2-3 months to be able to confirm the deliverables they can offer.

In this instance, CR055 provides an opportunity to defer the release of the R0202 solution to allow time to receive confirmation from the DIP Manager or revise the solution to separate the DIP reporting requirements from the others. The Code Manager has already captured the dependency on the DIP Manager within the MHHS Programme RAID log along with the associated risk for performance assurance monitoring to be established in time for the MHHS Transition.

Proposed Action: *The Code Manager's Change team will notify PAB once the updated change plan is confirmed including the approach to retain the solution or revise it to separate DIP requirements.*

1.2.4 RESOURCING AND REWORK

The replan will result in additional effort to replan activities managed by the Code Bodies for the delivery of MHHS Qualification as well as Performance Reporting and Risk Monitoring under the new arrangements.

In preparation for Qualification activities to ramp up, the Code Manager had started preparation to increase the MHHS Qualification team capacity. As a result of the delay, the following impacts are noted on the Code Manager:

- The scope of work for the Code Manager has increased as new activities are required to replan as well as to operate new processes (such as wave reallocation) to manage impacts of CR055.
- The Code Manager will incur additional costs should it retain the team staffed and trained to deliver MHHS Qualification due to delays within the MHHS Programme.
- There is a risk that the costs incurred to train new resources will not be recovered if:
    - The resources trained to deliver MHHS Qualification are rolled off the project and are not later available to rejoin the team.
    - The resources require retraining if they do not have the opportunity to apply their learning for c. 6.5 months.

To manage these impacts, the Code Manager is consulting with RECCo to understand if the resources can be redeployed to deliver other projects and activities within the REC arrangements or whether resources should be stood down during the delay and subsequently re-engaged, although the additional effort and costs would need to be agreed.

Proposed Action: *The Code Manager will inform PAB of any reprioritisation of activities to optimise resource utilisation impacts activities overseen by PAB.*

1.2.5 ACTIVITIES WITHIN THE PERFORMANCE ASSURANCE OPERATING PLAN (PAOP)

The Code Manager has noted direct impact of CR055 on two activities planned within the PAOP:

- **Meter Operator Agent (MOA) Assurance:** Introduction of Meter Technical Detail (MTD) reconciliation to assess MOA performance in relation to maintaining accuracy of MTDs was linked with MHHS transition and forms part of the PARC updates proposed for MHHS. As a mentioned in section 1.2.3 above, the Code Manager recommends these changes are decoupled and implemented in line with the currently proposed timescales to minimise disruption and ensure we sufficiently cover MOA performance within our risk monitoring. The Code Manager, at the meeting in October, will seek PAB approval to retain the MOA assurance approach and timelines and separate it from other reporting changes proposed for MHHS transition.
- **Deep dive on Electricity Enquiry Service (EES) Performance:** The Code Manager had scheduled the EES deep dive such that it would have taken place c. 2-3 months following the start of MHHS transition. This would have allowed us an early view on how the changes to EES introduced by MHHS are operating and the transition to the new arrangement has not resulted in any performance concerns. CR055 impacts this activity. As MHHS transition is now not expected to start within this REC Performance Year, the Code Manager is considering whether the deep dive should be conducted sooner to prevent any overlap on MHHS preparation activities. We will consult RECCo and the EES Provider to assess impacts of CR055 and present the revised plan to PAB.

Proposed Actions:

- *PAB's approval is sought* to retain the MOA assurance approach and timelines and separate it from other reporting changes proposed for MHHS transition.
- *The Code Manager will work with RECCo and the EES Provider to review the schedule for the EES direct assurance and PAB deep dive which are currently planned for June 2025.*

1.2.6 REC CHANGE PROCESS

The Code Manager is reviewing the impacts of the CR055 proposal on the REC Change timelines, including existing change freezes. These will be reviewed with the REC Change Panel and where impacts on the processes overseen by the REC PAB are noted, the Code Manager's Change team will update the PAB.

Proposed Action: *The Code Manager's Change team will be requested to inform PAB of any impacts on processes overseen by it because of changes introduced by CR055.*

REC PAB DECISIONS

1. The Code Manager recommends REC PAB to note the update on MHHS Programme Replan (CR055) and approve the actions proposed by the Code Manager to manage impacts.
2. The Code Manager recommends REC PAB to approve the proposal to retain the approach and timelines for introducing MTD reconciliation for MOAs and separate this from the PARC solution for MHHS.

2 RELIANCE ON DATA INTERFACE PLATFORM (DIP) ASSURANCE

In order to use the DIP to send and receive information as part of REC processes via Interface Flows (IF), Parties will need to meet the non-functional requirements that are set out within the DIP Rules. Therefore, the Code Bodies are reliant on the DIP governance to gain assurance on the Participants' ability to communicate over the DIP to meet their Code requirements.

The DIP Manager recognises that they remain responsible and accountable to provide Code Bodies this assurance, however, as the assurance arrangements for DIP governance are still being developed, the detail on how this assurance will be provided is still not clear.

Therefore, there is a risk that at a later date, it is determined that the Participants complete additional testing to meet the DIP assurance requirements as part of their MHHS Qualification. To help manage this risk, the Code Manager is recommending the following actions.

Proposed Actions:

- *REC PAB request the DIP Manager to present at REC PAB how they will obtain assurance that Parties meet the non-functional requirements set out in the DIP Rules in order to meet their Code requirements where the process requires sending and/or receipt of information via DIP.*
- *REC PAB request BSC PAB to inform REC PAB how they are gaining similar assurance from the DIP Manager.*
- *REC Code Manager to raise the following within the MHHS Programme RAID:*
    - *There is a dependency on the DIP Manager for assurance on Non-Functional requirements for MHHS Qualification.*
    - *There is a risk that there is not sufficient assurance to ensure Participants can meet the requirements within the DIP Rules which prevents them from sending and/or receiving message via the DIP, preventing the Participant from meeting their REC obligations.*

REC PAB DECISION

3. The Code Manager recommends REC PAB to approve the proposed next steps set out above.

3 MARKET ENTRY DOCUMENT UPDATES

As part of the Market Entry for the REC, each Suppler, DNO, and MOA applicant is required to complete Market Scenario Testing. Currently the REC and BSC maintain a list of Joint Storyboard Scenarios that can be used for both REC and BSC Market Scenario Testing.

For MHHS Qualification, a new Qualification Testing Framework (QTF) has been developed containing test cases and test scenarios relevant for MHHS Qualification. The BSC will continue to use and adapt this QTF for their enduring Qualification and will no longer use the Joint Storyboard Scenarios.

However, the focus of MHHS Qualification was around the changes that Parties would be making to prepare for MHHS Qualification. As a result, some existing processes were not required to be tested during MHHS Qualification Testing and were not included in the scope of the QTF.

As a result, the REC Code Manager will continue to maintain a list of Storyboard Scenarios relevant to REC Market Entry and update them in-line with MHHS Processes. However, where equivalent assurance can be gained from using the test cases and test scenarios in the QTF, the Party may instead choose to meet that requirement by completing the test cases in the QTF.

The indicative changes to the REC Storyboards have been included as RECPAB_24_1029_03A;please note, this document will be reviewed and updated, where required, in-line with any changes made to the Code, to the QTF, and any learnings from MHHS Qualification.CSS External Testing Test Scenarios are currently based on the REC and BSC Joint Storyboards; the tests completed during CSS External Testing by Suppliers reflect MESS001, MESS002, MESS003, MESS004, and MESS007. The approach during and after MHHS Qualification is unchanged, with CSS External Testing by Suppliers reflecting the same MSTS001, MSTS002, MSTS003, MSTS004, and MSTS007 scenarios in the REC Storyboards.

REC PAB DECISION



4. The Code Manager recommends REC PAB to approve the updates to Market Entry documents in preparation for the introduction of MHHS arrangements.