RETAIL ENERGY CODE

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QUARTERLY QUALIFICATION UPDATE (INCLUDING MHHS)

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FOR DECISION	Section 1 of this paper covers proposed changes to Qualification artefacts to reflect transition from MHHS Programme activity and Enduring Qualification arrangements, alongside other changes to improve the market entry journey for new entrants. The Code Manager recommends REC PAB to: • **APPROVE** the REC Qualification Code Products described in section 1 of this paper for publication. • **APPROVE** delegation of authority to the REC Code Manager to approve changes to future iterations of these documents with a notification of the update to PAB, in line with current practice.
FOR INFORMATION	In section 2, the Code Manager has presented the Quarterly update on Qualification, including insights on the progress of MHHS Qualification, as well as operational issues that are emerging. Additionally, PAB Members can access the Market Entry Dashboards via the PAB Dashboards area on the REC Portal for insights on applications processed.
APPENDICES	• **RECPAB_26_0224_08A – Entry Assessment Forms v2.4 (Redlined)** • **RECPAB_26_0224_08B – CoMCoP Application – Electricity Meter Operator Agents (Redlined)** • **RECPAB_26_0224_08C – REC Internal Testing Guidance Including Market Scenarios (Clean)** • **RECPAB_26_0224_08C – REC Internal Testing Guidance Including Market Scenarios (Redlined)** • **RECPAB_26_0224_08D – REC Internal Testing Scenarios for Electricity Suppliers, Distribution Network Operators and Meter Operator Agents covering DIP and DTN market messages** • **RECPAB_26_0224_08E – Metering Party Escalation**

1 ENDURING PROCESS FOR REC QUALIFICATION

In RECPAB_25_1125_09C, the Code Manager presented the available pathways for market entry, where new entrants demonstrate their ability to operate in line with the obligations defined in the REC, whilst the GB electricity market transitions to processes amended by Marketwide Half Hourly Settlement (MHHS) Programme.

This approach covered *interim process* for market entry under the REC which was cognisant of organisations demonstrating their readiness to operate MHHS processes via the MHHS Qualification route, whilst demonstrating readiness to meet other wider REC obligations through REC Market Entry, in parallel.

In December 2025, the Qualification Advisory Group under the MHHS Programme determined the MHHS Qualification waves would no longer be accepting new entrants. To ensure there remains a continuous route to market for new entrants, our update to REC PAB in November also described the *enduring process* for REC Qualification, which would assess new entrants' systems and processes are fit for purpose and allow them to meet their REC requirements once operational.

Additionally, as a dual fuel Code, REC Market Entry also offers a route to entry for those new entrants intending to operate within GB gas market, which is not impacted by the MHHS Programme, but revised by the Code Manager to enhance the market entry journey.

In this update, we are presenting the updated documentation available to new entrants to support them in their market entry journey by setting out the entry requirements for PAB approval[1]. These include:

- REC Entry Assessment Forms
- REC Internal Testing Guidance Including Market Scenarios (for Gas Suppliers, Meter Asset Managers and Safe Isolation Providers)
- REC Market Testing Scenarios for Electricity Suppliers, Distribution Network Operators (DNOs) and Meter Operator Agents (MOAs) covering DIP and DTN Market Messages

1.1 REC ENTRY ASSESSMENT FORMS

As MHHS Qualification waves are no longer accepting new entrants, we have updated the Entry Assessment Forms to reflect this, adding questions to ensure coverage of changes introduce by MHHS Design. This includes additional question specifically asking whether the new entrant has commenced the process with the DIP Manager to become a DIP User as that is a pre-requisite for REC Qualification in line with REC Schedule 9.

These changes are redlined in the copy of the Entry Assessment Forms v2.4 for Suppliers and DNOs included as Appendix A to this paper, and the same for MOAs as Appendix B to this paper.

1.2 REC INTERNAL TESTING GUIDANCE INCLUDING MARKET SCENARIOS

This document replaces its predecessor – Joint BSC and REC Storyboards – and provides comprehensive guidance for applicants undertaking the Internal Testing Assessment to enter the market as an Electricity and/or Gas Supplier, DNO, MOA, MAM or SIP. It details the requirements and submission formats for the testing evidence applicants must provide in support for their market entry application. Additionally, the market scenarios to be demonstrated through testing for Gas Supplier, Meter Asset Manager and Safe Isolation Provider roles are described here.

[1] PAB are responsible for setting the nature and extent of market entry assurance activities. Therefore, decisions for setting policy, approach and risk appetite are presented for PAB approval.

Version 1 of this document is included as Appendix C to this paper.

1.3 REC MARKET TESTING SCENARIOS FOR ELECTRICITY SUPPLIERS, DISTRIBUTION NETWORK OPERATORS AND METER OPERATOR AGENTS

This document summarises the market testing scenarios for Electricity Suppliers, DNOs and MOAs and is adapted from the list of Qualification Testing Scenarios developed jointly with Elexon to support testing requirements for MHHS. The Code Manager has added requirements for other REC processes, which are not impacted by the MHHS Design, for example, Sharing of Priority Services Register (PSR) and Consumer Data, Meter Equipment Fault Resolution, Debt Assignment Protocol of Prepayment, etc.

Version 1 of this document is included as Appendix D to this paper.

We would also like to inform PAB members that, to support External Testing for Data Interface Platform (DIP) and Data Transfer Network (DTN) Market Messages, RECCo, REC Code Manager and Elexon are developing the proposal for extension of the Qualification Testing Framework (QTF) for Enduring Qualification of Electricity Suppliers, DNOs and MOAs. The REC Scenarios proposed for the QTF are aligned with those listed within this document. Any further refinements to the QTF proposal will be reviewed to ensure they are appropriately reflected in future iterations of this document. This new approach is expected to consolidate testing requirements for new entrants into end-to-end market scenarios and bring them to the standard in place for CSS External Testing.

1.4 PAB DECISION

REC PAB DECISION

The Code Manager recommends REC PAB to

- **APPROVE** the REC Qualification Code Products described in section 1 of this paper for publication.
- **APPROVE** delegation of authority to the REC Code Manager to approve changes to future iterations of these documents with a notification of the update to PAB, in line with current practice.

2 QUARTERLY UPDATE ON QUALIFICATION

2.1 REC MARKET ENTRY

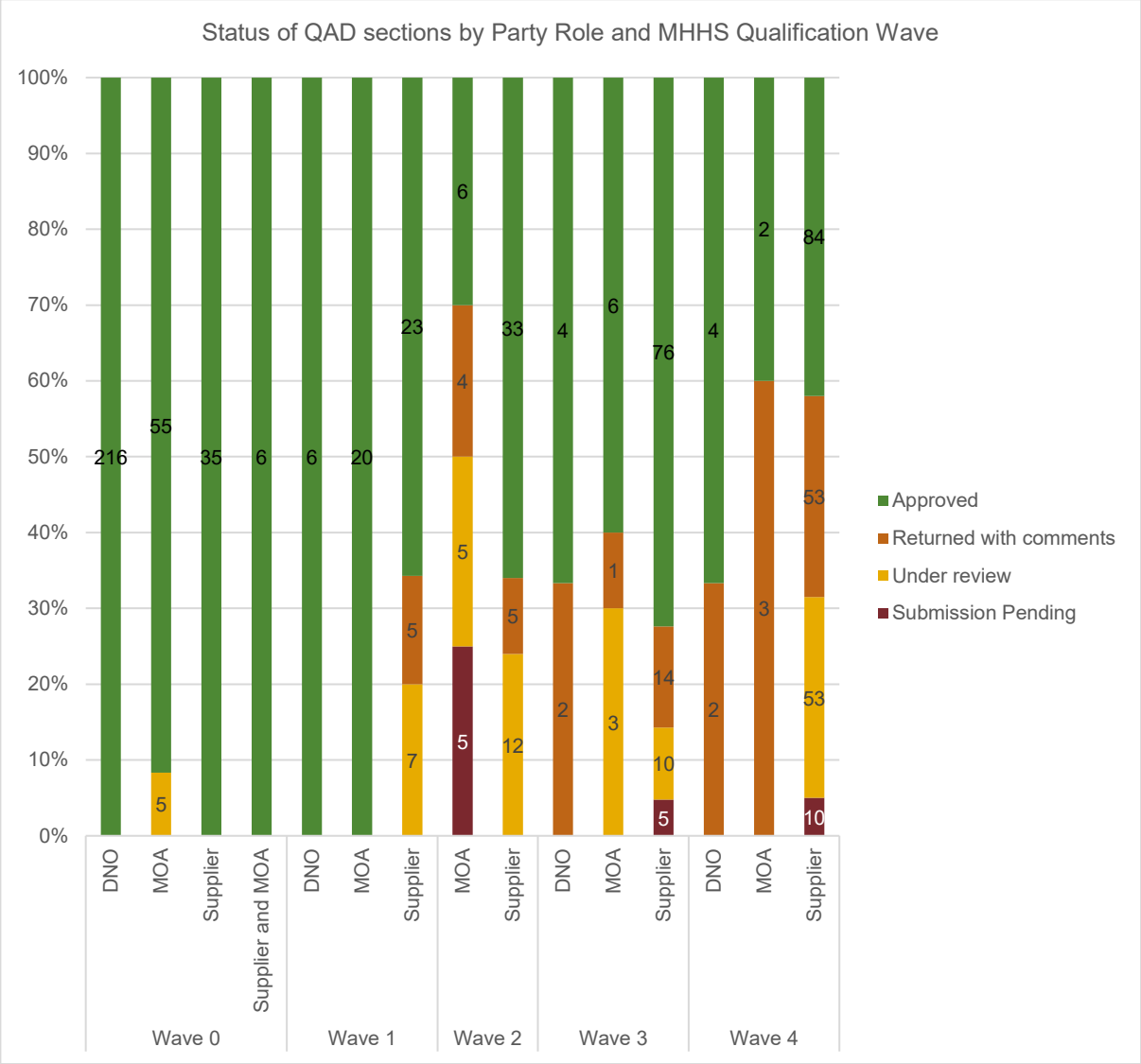
PAB Members can access the Market Entry Dashboards via the PAB Dashboards area on the REC Portal for insights on applications processed.

2.2 PARTY ESCALATIONS TO PAB

There is one Party escalation for Qualification, which is presented in RECPAB_26_0224_08E. This paper is classified as Amber and includes a recommendation for PAB to suspend the accreditation of a metering Party.

2.3 MHHS QUALIFICATION

We have set out below the progress of each application type through the MHHS Qualification process, as of 11 February 2026:



2.3.1 WAVE 0

- One MOA deferred their application from SIT to Qualification Wave 3. They are currently on track and no risks to flag to REC PAB. Their application is tagged to Wave 0 in the QAD Portal as they had started completing the QAD with SIT Parties, hence tracking against Wave 0.

2.3.2 WAVE 1

- One DNO new entrant in Wave 1 has received their Qualification approval.
- All four MOAs, along with three Suppliers, in Wave 1 have had their Final QAD approved and on track for REC Qualification approval by 15 April.
- Across 4 Suppliers, we have 12 QAD sections with open comments where either the Party is updating their response, or have recently submitted an updated response and it is under Code Manager Review.

- The Code Manager has not identified any risks with Wave 1 to highlight at this time.

2.3.3 WAVE 2

- There no DNOs, four MOAs and 10 Suppliers in Qualification Wave 2.
- Two MOAs and four Suppliers have had all Initial QAD sections approved, and are now working on their Final QAD submissions, which will unlock for submission as they complete Qualification Testing. One of these MOAs' Final QAD has been unlocked as they have successfully exit testing, therefore, their Final QAD is showing as 'Submission Pending' within the chart above. PAB are informed this is not cause for concern.
- One MOA and two Suppliers, who have exit testing, have even had some of their Final QAD sections approved. While another two Suppliers and a MOA have submitted their Final QADs ahead of the submission deadline. These are under review with the Code Manager.
- Two Suppliers have all but one Initial QAD sections approved. However, there are no concerns with their level of engagement at this time.

2.3.4 WAVE 3

- One DNO, two MOAs (in addition to the one deferred from Wave 0, reported above) and 8 Suppliers in Wave 3 have had some of their Initial QAD sections approved, but at least one section remains with open comments. The Code Manager is prioritising closure of all comments (other than those linked with testing) at Initial QAD stage to reduce delays in agreeing the Final QAD. Therefore, whilst the Initial QAD for 11 out of 26 REC Parties is not approved, the Code Manager is monitoring their progress but not raising any risks to PAB at this time. Final QAD submission deadline for Wave 3 is 22 May 2026.
- 14 Suppliers have all Initial QAD sections approved and now working on their Final QAD submissions which can be submitted after they exit Qualification Testing. One of these Suppliers' Final QAD has been unlocked as they've successfully exit testing, and therefore their Final QAD is tracking at 'Submission Pending'
- One Supplier in Wave 3 is a new entrant completing the combined REC Market Entry and MHHS Qualification process.

2.3.5 WAVE 4

- As the largest Qualification Wave, Wave 4 has 1 DNO, 1 MOA and 44 Suppliers.
- Only one Party (a Supplier) has not submitted their Initial QAD, which was due on 16 January 2026. They are currently in escalation with both Codes as well as the MHHS Programme. Their delays are due to staffing issues and change of personnel, and they are expected to return on track imminently.
- Five Suppliers in Wave 4 have had all sections of their Initial QAD approved.
- Three Suppliers in Wave 4 are new entrants completing the combined REC Market Entry and MHHS Qualification process.
- Progress of all other Parties in this Wave is currently on track with no risk to flag to PAB, other than the one described above where one Supplier's Initial QAD submissions is still overdue and being closely monitored.

2.4 VALIDATION RULES FOR DIP MESSAGES

The MHHS design involves multiple levels of message validation. The DIP Manager has identified that some Parties have not built Level 3 (L3) and Level 4 (L4) validation rules listed within the MHHS Design Artefact MHHS-DES138-Interface Catalogue into their systems. This has been identified as a potential issue, for which the resolution path is not yet known. We have included detail on the matter to:

1. Reassure the PAB we are aware of the issue and actively engaged in relevant working groups.
2. Provide context. We currently assume that this will be resolved outside of REC governance, but it is possible that action from the REC PAB will be required to address the situation.

2.4.2 ADDITIONAL TECHNICAL INFORMATION

The MHHS Design intent was that IF/PUB Market Messages sent over the DIP will be subject to the following validation checks2:

- The DIP will check for errors within message structure and invalid values within fields (i.e., character type and length, but not combination of values) at the following levels:
  - Level 1: Synchronous errors that are returned by the API.
  - Level 2: Asynchronous errors that are returned using a message status transaction.
- The recipient will perform the following validation checks wherein the combination of values will be checked for errors:
  - Level 3: Synchronous errors that are returned using a message status transaction.
  - Level 4: Asynchronous errors that are returned using a message status transaction.
  - Level 5: Business Process Validation (e.g., the request date is on or after the MPAN creation date) returned using a defined IF/PUB message.
  - Level 6: Third Party Request Outcome i.e. where the request is accepted or rejected using a defined IF/PUB message.

Following this, there has been discussion at industry working groups and governance groups on the impacts of this and available mitigations.

These L3/L4 validation checks are performed by the recipients of the DIP message. The Code Manager has reviewed the issue, and our view is that the validation forms part of the DIP users' obligations under the DIP Rules. Also, not all recipient roles are governed under any one Industry Code, other than under the DIP Rules that all DIP Users must comply with. It would be inappropriate for REC PAB to apply PATs on these issues without crossing the boundary of the Code and also whilst creating a double jeopardy risk for Parties.

Therefore, as these validations form part of the DIP Rules, compliance with these must be assured through the DIP Performance Assurance arrangements to ensure there are appropriate vires and to prevent any double jeopardy risks where a recipient role may be governed under more than one Industry Code. In instances where these issues are not identified and addressed through DIP Performance Assurance, they will surface as issues under Code processes – such as missing MOA appointments or declining quality of Meter Technical Details – these would be picked up through REC Performance Assurance Monitoring.

At this time, we are sharing this update with REC PAB for information only, recommending no interventions under REC Performance Assurance Framework are required at this time.

[2] IF/PUB Market Message validation is described in the DIP Rules DSD002 Annex 2 sections 7.4 and 8.