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MARKET-WIDE HALF-HOURLY SETTLEMENT (MHHS) QUALIFICATION – USEFUL INFORMATION FOR REC PARTIES

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We invite RIG members to note the following updates:

1. What is MHHS Qualification and who must complete it?
2. What do REC Parties need to do?
3. What is Placing Reliance?
4. What is the Pre-Qualification Submission (PQS)?
5. What is the Qualification Working Group?
6. Who can I contact for further information?

Please note that while we have summarised key information for REC Parties in this paper, all Parties must refer to the latest documents published on the MHHS Collaboration Base for full detail.

1 AN OVERVIEW OF MHHS QUALIFICATION

The purpose of MHHS Qualification:

The purpose of MHHS Qualification is to provide assurance that Market Participants are ready to operate in the MHHS market, and to protect both electricity settlement and retail markets from participants who are not able to deliver the required industry processes and standards. MHHS Qualification is being jointly developed and managed by Balancing and Settlement Code (BSC) and Retail Energy Code (REC).

Who it applies to?

The following REC Parties are required to complete MHHS Qualification:

- Electricity Suppliers
- Electricity Metering Equipment Managers (MEMs to be known as Meter Operator Agents (MOAs) under R0064)
- Distribution Network Operators (DNOs – referred to as LDSOs in the MHHS Programme)

DNOs and Electricity Suppliers are parties to both the REC and the BSC and will need to be MHHS Qualified under each code before being allowed to operate new MHHS arrangements. MEMs will be MHHS Qualified under the REC only.

Where can REC Parties find more information on MHHS Qualification?

The high-level approach and plan for MHHS Qualification is documented within the Qualification Approach and Plan (QA&P). This document sets out:

- The roles and responsibilities for REC Parties (as Programme Participants) and defines the overall MHHS Qualification timeframes.
- The roles and responsibilities for the two Code Bodies (i.e. BSC and REC) and MHHS Programme for testing and assessment.
- Various other documents, which are being developed by the Code Bodies to support Programme Participants to plan and prepare for, and complete their MHHS Qualification, and their delivery plan. These include the REC Assessment Criteria for MHHS Qualification and the Qualification Assessment Document (QAD) to name a few.

This document has been through industry consultation in February 2024 and is expected to be published following approval from the MHHS Programme's Qualification Advisory Group (QAG) and the BSC and REC Performance Assurance Boards (PABs) in March 2024.

2 WHAT DO REC PARTIES NEED TO DO?

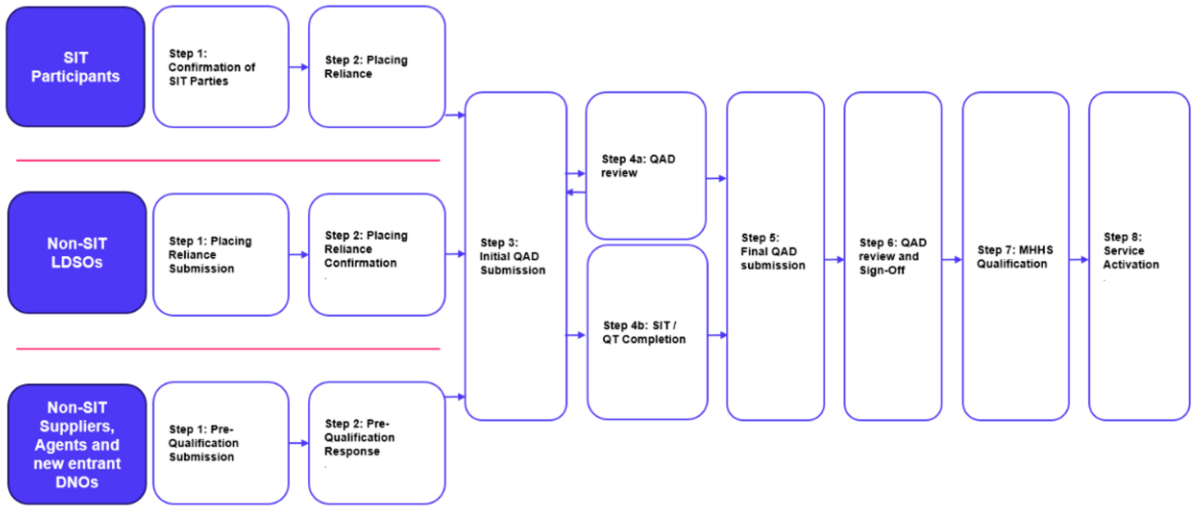
REC Party Responsibilities:

The REC Parties, as listed in section 1, who are required to complete MHHS Qualification should ensure they:

- Remain engaged with the MHHS Programme related activities, e.g. meeting MHHS Qualification requirements on time.
- Ensuring they understand and implement changes brought about by MHHS.
- Do not hold up industry processes or cause issues to other Market Participants or Central Systems.

High-level Qualification Process:

The Qualification Process includes the following steps:



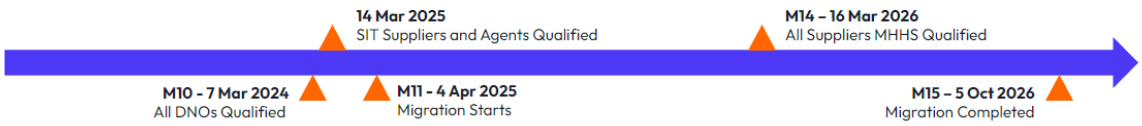
Further detail on the Qualification steps and how Parties can evidence they meet MHHS Qualification requirements are documented within the Qualification Approach and Plan (QA&P).

Routes for Qualification:

To complete MHHS Qualification, the following routes are available to REC Parties:

- SIT Parties: Some Suppliers, MEMs and DNOs have volunteered to support central party E2E testing. Testing is being managed by the MHHS Programme. Code Bodies will MHHS Qualify the SIT Parties first.
- Non-SIT DNOs (LDSOs): Only two DNOs are part of SIT. The others must be MHHS Qualified by Code Bodies at the same time. The key difference is that Non-SIT LDSOs are undertaking role-based testing – this is being managed by MHHS Programme.
- Non-SIT Suppliers and Agents: All Suppliers and MEMs that are not part of SIT must also be MHHS Qualified by Code Bodies. This will happen after the SIT Parties and Non-SIT LDSOs. These parties will undertake role-based testing by joining one of four Qualification Testing Waves – this is being managed by the Elexon Test Manager.

When do REC Parties need to Qualify, and what happens if they don't?



To facilitate MHHS Migration Completion at MHHS Programme Milestone M15, all Electricity Suppliers must be MHHS Qualified by MHHS Programme Milestone M14 or their right to register new customers will be removed. This will be operationalised via a request from BSCCo to the REC Code Manager to update the CSS Switching Operation Data to remove registration permission.

All MEMs are expected to be MHHS Qualified by MHHS Programme Milestone M14 and has a commercial incentive to do so. If a MEM is not MHHS Qualified, it cannot be appointed to a metering point after M14. Once all MPANs have been migrated to the new MHHS arrangements at M15, a MEM that has not MHHS Qualified will no longer be able to operate in the market.

In addition to removing an Electricity Supplier's right to switch, as presented at the February Qualification Working Group (QWG), Ofgem is considering:

- Requiring RECCo / Elexon / Programme (TBD) to name and shame Parties that have not MHHS Qualified by the required timescales, and
- Removing Electricity Suppliers from the market if not MHHS Qualified by M15.

3 WHAT IS PLACING RELIANCE?

The MHHS-DEL1064 - Placing Reliance Policy was approved by the MHHS Programme governance and the BSC and REC PABs in April 2023. The purpose of this policy is to ensure there is no unnecessary duplication of effort for Parties whilst also ensuring that Code Bodies have sufficient assurance that Parties can meet their Code requirements. It is optional for Parties and can be adopted by either:

- Delegating some or all testing to a third-party software / IT provider (referred to as 'testing on behalf of'), or;
- Placing reliance on some or all testing completed by another Party to meet MHHS Qualification evidence requirements in part or full (referred to as 'placing reliance').

In this document, the term Placing Reliance is used to collectively describe both instances covered in the bullets above and the lower-case terms refer to the specific arrangements for 'placing reliance' and 'testing on behalf of' as set out in the Placing Reliance Policy. In either case, the Party that wishes to MHHS Qualify is accountable for how its MHHS testing requirements are met.

How can a Party Place Reliance?

SIT Parties and Non-SIT LDSOs intending to Place Reliance should have already submitted and discussed their Placing Reliance Proposal with the MHHS Programme (who are responsible for facilitating Code Bodies' review).

Non SIT Supplier and MEMs, who intend to Place Reliance, are required to submit their Placing Reliance Proposals as part of their Pre-Qualification Submission (PQS), which is due by 26 April 2024. REC Parties may, engage with the REC Code Manager (and BSCCo, where applicable for your Market Role) to discuss their case for Placing Reliance.

4 WHAT IS THE PRE-QUALIFICATION SUBMISSION (PQS)?

The submission will include all the information that Code Bodies need to make an informed judgement on a party's readiness and suitability to be allocated to a particular Qualification Wave. The information provided will also assist Code Bodies to understand the resource and testing capacity required to support each Qualification Wave.

To reduce the number of information requests simultaneously going to Parties, the Code Bodies have included questions to cover MHHS readiness[1] for the other relevant Code areas within the PQS (Section 4.5). Responses to these questions will feed into business as usual assurance arrangements under the Balancing & Settlement Code (BSC) and Retail Energy Code (REC) and will not form part of the Programme participants' MHHS Qualification Wave allocation assessment.

Both the Code Bodies and MHHS Programme will use the information provided in the PQS.

[1] For SIT Participants, who are not required to complete the Pre-Qualification Submission, the Code Bodies will obtain this information by applying Performance Assurance Techniques via the BSC and REC Performance Assurance Framework.

Who must complete the PQS?

This document must be completed by Non-SIT Suppliers, MEMs and new entrant iDNOs.

Parties are able to submit this document from 05 February 2024 but no later than 26 April 2024. Where a Party enters the market after 26 April 2024, it would also need to complete this form to join one of the Qualification Waves.

How to complete the PQS?

The Pre-Qualification Submission template, available on the MHHS Collaboration Base, requests provision of the following information from each Party:

- Preferred Qualification Wave
- Pre-Integration Testing (PIT) approach and completion timescales
- Qualification Testing approach and completion timescales
- Any Placing Reliance proposals, where applicable, both to understand dependencies and the level of testing required in Qualification Testing
- Supplier Hub relationships to inform Migration planning, (optional)

Parties should download the PQS template from the link above, complete it, and email their submissions to the Code Bodies at MHHSQualification@elexon.co.uk by 5 pm on 26 April 2024.

The Code Bodies are hosting a walkthrough webinar at 10:30-11:30 on Thursday, 07 March 2024 to support Programme participants with completing this Pre-Qualification Submission template. Parties can enrol for this webinar before 5 pm on 06 March 2024 here.

5 WHAT IS THE QUALIFICATION WORKING GROUP (QWG)?

The Qualification Working Group (QWG) is a Level 4 Working Group within the MHHS Programme Governance responsible for defining the approach to Qualification Testing. This includes characterising the processes around how Parties will qualify under MHHS. Code Bodies and MHHS Programme use this forum to consult on proposed approaches and share the latest thinking on matter relating to MHHS Qualification.

The QWG is open to Party representatives and Subject Matter Experts (SMEs) working on MHHS Qualification, who are encouraged to join the QWG by emailing PMO@mhhsprogramme.co.uk.

6 WHO CAN I CONTACT FOR FURTHER INFORMATION?

Parties, having reviewed the QA&P and other documents, may contact the following for clarification:

Area	Contact
General queries on MHHS Programme	Please contact the MHHS Programme Participant Coordination team at: PPC@mhhsprogramme.co.uk
SIT Testing	Please contact the MHHS Programme Testing team at: Testing@mhhsprogramme.co.uk
Non-SIT LDSO Qualification Testing	Please contact the MHHSP LDSO Qualification test team at: LDSO_QT@mhhsprogramme.co.uk
Supplier and Agent (including MEM) Qualification Testing	Please contact the Code Bodies at: MHHSQualification@elexon.co.uk and performanceassurance@recmanager.co.uk
Qualification Assessment Document (all qualification pathways)	Please contact the Code Bodies at: MHHSQualification@elexon.co.uk and performanceassurance@recmanager.co.uk