



Making a positive difference
for energy consumers

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Electricity Settlement Reform Newsletter:

October 2021 issue

Dear Colleague,

This is the October 2021 edition of our monthly newsletter, providing a roundup of all that is happening within the Settlement Reform programme.

This will be the final Settlement Reform newsletter that Ofgem publishes, now that responsibility as Senior Responsible Owner (SRO) for the project has transferred over to the ELEXON-led MHHS Programme.

MHHS Programme will continue to publish information about progress on the project, including in its newsletter "The Clock". To subscribe to receive the MHHS Programme newsletter, sign up at the bottom of the homepage at <https://www.mhhsprogramme.co.uk/>.

An archive of previous editions of this newsletter can be found under the Newsletter subheading on the [Settlement Reform webpage](#). The first edition, [March 2020](#), includes useful background information.

For any questions or feedback, please get in touch via the Half-Hourly Settlement team mailbox at HalfHourlySettlement@ofgem.gov.uk

Ofgem-led activity

Authority-led code modification proposals

In our [August update](#) we confirmed that we were commencing our submissions of five Authority-led code modification proposals pursuant to the Authority's Market-wide Half-

Hourly Settlement Significant Code Review. We also set out target dates for decisions on these proposals. Following consideration by the relevant code bodies, we received recommendations on the proposals. We have recently published decisions to approve

- the Balancing and Settlement Code modification [P423: Market-wide Half Hourly Settlement \(MHHS\) Implementation and Governance Arrangements](#),
- the Distribution Connection and Use of System Agreement change proposal [DCP393](#)
- the Connection and Use of System Code modification proposal [CMP378](#)
- the Retail Energy Code change proposal [R0003](#) and
- the Smart Energy Code change proposal [MP180](#).

The decisions on modifications P423, DCP393 and CMP378 have now been implemented. The decisions on R0003 and MP180 are due to come into force on 4 November.

MHHS Governance Framework

Ofgem [designated the MHHS Governance Framework](#) on 1 November. It is now for Elexon and industry to assume the responsibilities they have been given for implementing MHHS.

Architecture Working Group (AWG) recommended TOM architecture – Ofgem preliminary decision

As noted in previous newsletters, Ofgem and the programme continue to discuss the outstanding areas of design necessary before Ofgem can make a final decision on the Event Driven Architecture.

Details of the recommended architecture and the subsequent Ofgem preliminary decision can be found in the [July / August](#) edition of the newsletter.

Policy - Electricity Supply Standard Licence Condition (SLC) 47

We have been continuing to work up the proposed amended SLC 47 text, which will transpose into the legal framework the policies we have already set out with regards data access for settlement purposes. However, in light of the current conditions in the wholesale and retail markets, we do not intend to proceed with the statutory consultation for now. We will endeavour to publish the consultation as soon as it is reasonable to do so.

MHHS Programme

MHHS Programme website

The Elexon-led MHHS Programme now has a live website. Please refer to the website for information about the programme, including details of work currently being undertaken and planned for the future.

<https://www.mhhsprogramme.co.uk/>

Programme Steering Group

The first Programme Steering Group meeting will take place on Wednesday 10th November. If you have any questions about the Programme Steering Group or any other aspect of MHHS governance, please email SRO@mhhsprogramme.co.uk.

Code Change and Development Group (CCDG)

CCDG Deliverable – Recommendations on the transition to MHHS

On 5th July, the CCDG published a [consultation](#) on their recommendations for the key stages of the MHHS transition. Following review of the consultation responses, the CCDG then published their final [recommendations on the transition approach for MHHS](#) on 30th September, setting out nine key recommendations related to pre-migration activities, the migration process, the transition approach for unmetered supplies, and performance assurance.

We published our [response](#) to the CCDG recommendations on 28th October. Our response set out our expectation for the programme and industry to ensure that these recommendations are appropriately taken into account in the pre-migration (including data cleanse) and migration activities. We also advise that the early code modifications identified within the recommendations are progressed on a timescale consistent with the overall transition timetable published alongside our Full Business Case [decision document](#).

CCDG meetings

Due to the coronavirus national emergency and the subsequent social distancing measures put in place by the Government, the CCDG and AWG meetings continue to be conducted remotely. Further information on our approach to the TOM working groups during this time can be found in the [May 2020 edition](#) of our newsletter.

There have been two CCDG meetings since the last newsletter was published:

CCDG21: 21st September 2021

The main purpose of [CCDG21](#) was to refine the transition recommendations / putback to the [CCDG consultation on the transition approach for MHHS](#), with a view to publishing the recommendations shortly after the meeting.

As noted above, the putback was then published by the CCDG on 30th September.

CCDG22: 19th October 2021

At [CCDG 22](#) the group discussed a proposed mechanism for transitioning the outstanding design issues to the MHHS Programme, as well as the plans for closing the CCDG now that the transitional deliverable has been completed.

At the time of this newsletter going to press, the minutes from CCDG22 had yet to be published.

Way forward

There are no plans to hold another CCDG meeting now that the transition approach deliverable has been completed and published, though there are some outstanding design areas and code drafting tasks being progressed under the MHHS Programme

The CCDG are now preparing a handover for the MHHS Programme, to feed into the activity of the Level 4 working groups.