

Elexon
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14 March 2022

Dear Company Secretary,

Direction concerning Elexon's management responsibilities in respect of the MHHS Independent Assurance Provider contract

Paragraph 12 (Market-Wide Half Hourly Settlement Implementation) of section C of the Balancing and Settlement Code (BSC) sets out Elexon's (formally, the Balancing and Settlement Code Company's) functions and obligations as MHHS Implementation Manager. Expressions used in this direction shall have the meanings given to them in that paragraph 12.

Paragraph 12.10.2 obliges you, in your role as MHHS Senior Responsible Owner, to manage such aspects of the MHHS Independent Assurance Provider's service provision as are described in the MHHS Governance Framework or as the Authority may from time to time direct.

This is our direction under paragraph 12.10.2. This direction supersedes all previous directions and statements but is without prejudice to your other obligations under the BSC. We may supplement, amend or replace this direction from time to time.

We shared with you the draft contract with the MHHS Independent Assurance Provider. References in the table below to numbered work packages are to the numbered work packages of that contract (as amended from time to time).

We hereby direct that the MHHS SRO shall manage the following work packages:

- 3 – MHHS Transition Timetable
- 4 – Design documentation
- 6 – Independent Reporting to Elexon Board
- 8 - Assure Market Participants' Readiness for Design and Build

- 9 - Assure Readiness for Pre-Integration Testing
- 10 - Assure Readiness for System Integration Testing
- 11 - Assure Readiness for System Proving
- 13 - Assure Readiness for, and Completion of, Migration.

In practical terms, for each of these work packages the MHHS Independent Assurance Provider will draft a document defining the scope of work that is to be completed. The MHHS Independent Assurance Provider will share, discuss and agree these draft scoping documents with the MHHS SRO. The MHHS Independent Assurance Provider will then seek the approval of the Authority for these scoping documents.

For each of these work packages, once the scope has been approved, the MHHS Independent Assurance Provider will independently conduct fieldwork leading to the production of a programme assurance report. The MHHS Independent Assurance Provider will share, and discuss, these draft programme assurance reports with the MHHS SRO. The MHHS Independent Assurance Provider will then seek the approval of the Authority for these programme assurance reports (including seeking confirmation that all relevant deliverables have been satisfactorily completed).

The MHHS Independent Assurance Provider will as necessary engage directly with the MHHS Implementation Manager on a day-to-day basis to facilitate delivery of work package requirements. This does not preclude the MHHS Independent Assurance Provider from engaging directly with the Authority where the assurance activity relates to the work performed by the MHHS Implementation Manager.

Yours faithfully



Rachel Clark

Deputy Director, Retail

Duly authorised on behalf of the Gas and Electricity Markets Authority

14 March 2022

Direction given by the Gas and Electricity Markets Authority ('the Authority') to the Balancing and Settlement Code Company (BSCCo) pursuant to paragraph 12.10.2 of the Balancing and Settlement Code (BSC).

Whereas:

1. The Balancing and Settlement Code Company Limited¹ ('BSCCo') is the Implementation Manager for Market-wide Half-Hourly Settlement ('MHHS IM'). BSCCo's functions and obligations as MHHS IM are set out in Section C of the Balancing and Settlement Code (BSC).
2. On 30 September 2021 the Authority approved² BSC modification proposal P423 and the modification came into force on 7 October 2021. The BSC provisions place obligations on various parties to ensure they comply with and operate in accordance with the governance and management of MHHS implementation, as well as with obligations in respect of programme assurance. This includes obligations relating to BSCCo's role as Senior Responsible Owner (SRO) for MHHS Implementation.
3. Paragraph 12.10.2 of section C of the BSC states that "Although the MHHS Independent Assurance Provider will be contracted by the Authority, the MHHS Senior Responsible Owner shall manage such aspects of the MHHS Independent Assurance Provider's service provision as are described in the MHHS Governance Framework or as the Authority may from time to time direct".

Now the Authority directs as follows:

4. Pursuant to paragraph 12.10.2 of section C of the BSC, the Authority hereby directs the Balancing and Settlement Code Company (BSCCo) Limited that the BSCCo shall manage the following packages of work specified in the contract with the MHHS Independent Assurance Provider:

3 – MHHS Transition Timetable
4 – Design documentation
6 – Independent Reporting to Elexon Board
8 – Assure Market Participants' Readiness for Design and Build
9 – Assure Readiness for Pre-Integration Testing
10 – Assure Readiness for System Integration Testing

¹ Registered as a Company in England and Wales under Company Number 03782949.

² See Ofgem's decision on [BSC modification proposal P423](#).

- 11 - Assure Readiness for System Proving
- 13 - Assure Readiness for, and Completion of, Migration.

5. In practical terms, for each of these work packages the MHHS Independent Assurance Provider will draft a document defining the scope of work that is to be completed. The MHHS Independent Assurance Provider will share, discuss and agree these draft scoping documents with the MHHS SRO. The MHHS Independent Assurance Provider will then seek the approval of the Authority for these scoping documents.
6. For each of these work packages, once the scope has been approved, the MHHS Independent Assurance Provider will independently conduct fieldwork leading to the production of a programme assurance report. The MHHS Independent Assurance Provider will share and discuss these draft programme assurance reports with the MHHS SRO. The MHHS Independent Assurance Provider will then seek the approval of the Authority for these programme assurance reports (including seeking confirmation that all relevant deliverables have been satisfactorily completed).
7. The MHHS Independent Assurance Provider will as necessary engage directly with the MHHS Implementation Manager on a day-to-day basis to facilitate delivery of work package requirements. This does not preclude the MHHS Independent Assurance Provider from engaging directly with the Authority where the assurance activity relates to the work performed by the MHHS Implementation Manager.
8. This direction shall have effect on and from 14 March 2022.

Rachel Clark
Deputy Director, Retail
Duly authorised on behalf of the Gas and Electricity Markets Authority

14 March 2022