

Report

Update: A Change Control Process for Market-wide Half-Hourly Settlement Implementation

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This update is to inform stakeholders that Ofgem has approved the Change Control Process and associated guidance materials¹ for the implementation of market-wide half-hourly settlement (MHHS).

Introduction

On 30 September 2021, the Authority published a decision to approve Balancing and Settlement Code (BSC) modification proposal P423. The modification sets out the roles, obligations, governance and assurance arrangements for implementing MHHS. The modification came into force on 7 October 2021.

Section C 12.3.1 of the BSC states that the Authority may designate (and may, if it wishes from time to time, re-designate) one or more documents as the MHHS Governance Framework. The Authority designated the MHHS Governance Framework on 1 November 2021.² Section C 12.3.2 provides that the MHHS Governance Framework shall set out supplementary rights, obligations and processes to apply in respect of MHHS Implementation, which may include a change control process for MHHS Implementation.

¹ See [Change Control - MHHS Programme](#) for details.

² See [Market-wide Half-hourly Settlement Governance Framework](#), November 2021.

Paragraph 1.53 of the MHHS Governance Framework requires Elexon to develop, consult on and obtain Ofgem's approval of the initial change process. Elexon (in its role as MHHS Programme Management Office, or MHHS PMO) has accordingly consulted MHHS Participants on a draft change control process and associated guidance documentation. The MHHS PMO presented the proposed change control process to the Programme Steering Group on 2 March 2022 for comments and feedback. The MHHS PMO then submitted the suite of documents to the Independent Programme Assurance provider (IPA) for review.

IPA comments

The IPA raised no major issues with the draft change control process or accompanying documents. The IPA suggested minor changes to Parts B and C of the Change Request Form, and to the Change Log. The IPA also sought greater detail on the criteria for escalation and on the implementation status of a proposal. The IPA believed that the changes would ensure a clearer line of accountability throughout the process. The MHHS PMO amended the documents in light of these comments. The IPA has confirmed that its suggestions have been appropriately taken into account. Consequently, the IPA has not raised any concerns that would prevent Ofgem from approving the change control process and associated documents. The IPA recommends that, as the programme progresses, the change control process be revisited periodically to identify any further enhancements that might emerge through more regular use, and once the planned move to the portal is completed.

Ofgem review

The MHHS PMO submitted the documents to Ofgem on 1 April for review and approval. Ofgem reviewed the documents and made minor comments. We requested, in relation to the associated guidance for triaging the importance of a Change Request, that the text makes clear that a 'low' impact proposal would be one that is expected to have a 'moderate' rather than a 'minor' impact on cost, schedule, risk and on other programmes and projects, which could impact MHHS Tier 3 milestones. We also requested that the guidance provide more assistance to MHHS Participants in completing Part C of the Change Request Form. The MHHS PMO considered our comments and resubmitted the documents on 29 April.

Considerations

Section C 12.6.2 (c) requires the MHHS PMO to

“establish and administer the document change control process as required by the MHHS Governance Framework..., including impact assessment and consultation (which must include consideration against any factors specified in the MHHS Governance Framework, and cover impact on consumers, total and component costs to industry as a whole and to different classes of MHHS Participants, and the likely impact on the ability of MHHS Participants to meet the MHHS Implementation Timetable).”

The MHHS Governance Framework also sets out certain requirements for the MHHS Implementation Change Control process. Paragraphs 1.54 and 1.55 set out that

“All proposed changes must be impact assessed. That impact assessment will be required to include the costs and benefits of the change, taking account of costs across the industry and across the investment period for the programme, the reasons for why the change is required, and the impacts it would have on the delivery timescale. It must also include an evidenced assessment of whether the proposed change would sit within the SRO scope or whether it would meet any of criteria for Ofgem intervention...It is important that all decisions taken in respect of MHHS implementation have the interests of consumers in mind. One element of that consumer focus is that the full industry impact and cost of different approaches should be considered, with action taken where it can be done most efficiently and cost-effectively.”

The MHHS PMO has appropriately reflected our comments in the change control documents. Consistent with the recommendation of the IPA, we are satisfied that the Change Control Process as submitted to us on 29 April 2022 enables these matters to be properly considered by MHHS Participants as part of any Change Request. Consequently, the Change Control Process should ensure that the decisions taken (and, where appropriate, the recommendations made) by the MHHS SRO are in the interests of consumers.

Ofgem Decision

Pursuant to section C 12.3.1 of the BSC, the Authority is now formally designating the initial Change Control Process for MHHS Implementation. Pursuant to section C 12.6.2 (c) of the BSC, the MHHS PMO is responsible for administering it efficiently. We expect that the IPA will from time to time review its operation and make any recommendations with a view to ensuring that it remains fit for purpose.

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