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Re: Amendments to Market-Wide Half Hourly Settlement Governance Framework

Dear Jenny,

Thank you for the opportunity to respond to Ofgem's consultation on amendments to the Market-Wide Half Hourly Settlement Governance Framework

Who we are

NESO lies at the heart of the energy system as an independent, public corporation responsible for planning Great Britain's electricity and gas networks, operating the electricity system and creating insights and recommendations for the future whole energy system.

At the forefront of our efforts is delivering value for consumers. We work with government, regulators and our customers to create an integrated future-proof system that works for people, communities, businesses and industry, where everyone has access to clean, reliable and affordable energy.

NESO's primary duty is to promote three objectives: enabling the government to deliver net zero, promoting efficient, coordinated and economical systems for electricity and gas and the economy and efficiency of energy businesses and ensuring security of supply for current and future consumers. NESO will take a whole system approach, looking across natural gas, electricity and other forms of energy and will engage participants in all parts of the energy ecosystem to deliver the plans, markets and operations of the energy system of today and the future.

NESO response to consultation

Given the high importance of delivering the MHHS Programme, NESO recognises that Ofgem are looking to take every step to ensure this objective by assuming control of the MHHS Programme Milestones.

If Ofgem do proceed with the amendments to BSC Section C, we believe this is a regrettable course of action, but this may focus all MHHS Participants minds to ensure that all remaining Milestones

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do not slip further. We hope this power would not be required but agree specifically with the proposed amendment that any forecast or re-plan that would move one or more milestones changes from '3 months or more' to 'any length of time' (1.57). We believe this is sensible and would limit delays by allowing Ofgem to immediately act.

Having reviewed the contents of the consultation we note that there are amendments to the BSC Section C, 12. Given that Ofgem may use the powers to them under Section C 12.3.1, we would welcome clarity on whether these changes will be incorporated into the BSC legal text changes described under P478 – Implementation of MHHS Arrangements due to be implemented on 22nd September 2025 (M8) or be captured under a new Modification.

Final Remarks

For the avoidance of doubt: NESO will support the measures taken by Ofgem to direct MHHS Programme Participants to deliver the MHHS Programme, and NESO continues to remain on track to deliver against the MHHS programme timelines.

I hope NESO's response is helpful. If there are any questions or clarifications following this response, please feel free to contact me and arrange a call to discuss.

Yours sincerely

Daniel Arrowsmith

Commercial Codes Change Manager