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By email only to: [half-hourlysettlement@ofgem.gov.uk](mailto:half-hourlysettlement@ofgem.gov.uk)

24 March 2025

Dear Sir/Madam

### **Proposed Directions to Market-wide Half-Hourly Settlement (MHHS) Participants**

Thank you for the opportunity to comment on the above consultation, dated 10 March 2025. This letter should be treated as a consolidated response on behalf of UK Power Networks' three distribution licence holding companies: Eastern Power Networks plc (EPN), London Power Networks plc (LPN), and South Eastern Power Networks plc (SPN).

We have reviewed the draft directions and provide the following feedback to ensure they are as clear as possible for all parties:

1. In the heading to the draft directions (the bold text at the top of page 17) we believe that it would be helpful clarify that the reference to paragraph 12.12.1(h) is to "paragraph 12.12.1(h) of Section C" of the BSC. This would then also align to the wording in paragraphs 1 and 2.
2. Paragraph 2 of the direction is unclear – some elements appear to infer it is a summary of paragraph 12.12.1 of Section C of the BSC (please see (a) below for examples), whereas others infer it is a verbatim copy of that paragraph (please see (b) below for examples).
  - a. **The elements that infer it is a summary are:** missing sub paras (h) and (j) from 12.12.1 and the opening sentence which states "amongst other things". The inclusion of the definition of IPA which is not in paragraph 12.1.2.1 of the BSC itself.
  - b. **The elements which infer a verbatim copy of 12.12.1 are:** the near exact same wording between them unless you look in detail, and the quotation marks after the end of paragraph (i).

We believe that a verbatim copy of paragraph 12.12.1 of Section C of the BSC should be included in the direction. This will avoid potential confusion as to the differences between the direction and the BSC being for a specific reason. Further, we believe that the inclusion of the missing paragraph (h) is of particular importance as it is referred to in paragraph 8 of the draft direction.



3. On a similar basis, the wording of paragraph 3 is very close to the verbatim wording in the BSC paragraph 12.12.3 (save for it missing a reference to good industry practice) and we therefore believe that it too should, for the same reasons outlined above, be a verbatim copy of that BSC paragraph.
4. Next, we need to look at paragraphs 8 and 10 of the draft direction together. By way of background, it is worth noting that we have a main project plan supported by a very detailed suit of almost 1,000 underpinning tasks. Of these we believe a subset are material to meeting the milestones e.g. they are key deliverables/milestones in respect of qualification assessment documents or industry testing. Under paragraph 8 “MHHS programme plan” is not defined and we note that under paragraph 10 we are obliged to send you our full plan. We do not believe that sending you the full plan with almost 1,000 tasks is appropriate nor practical mindful that we also have to send you updates to the plan within three working days of making them. Our plan is under constant review and our reading of paragraph 10 is that completing a task or a slight change to its completion date (even a task that is not a key milestone or deliverable) would be an update to our plan. If this is the case, we would have to send you revised plans two or three times a week to remain compliant. One potential solution is to amend the direction to focus on the key deliverables and milestones or where there are material changes to tasks that are on the critical path. For us this would reduce c.1,000 tasks to c.100 tasks – a much more digestible plan for you to receive. This could be done by including a clearer definition of “MHHS programme plan”. We would welcome greater clarity on your expectations on this specific point prior to the finalisation of the directions, and whether our proposal would meet your requirements. Such clarifications will also need to be reflected in the direction itself so that there is common understanding for all parties – we are happy to work with you directly on this point regarding the clarifications required to ensure that we remain compliant with the directions when they are issued.
5. In paragraph 11 the reference to “the required standard” is unclear as the required standard is not defined – accordingly this should be clarified to “as per the programme’s defined requirements”.
6. In paragraph 15 the second line should read “reasonable reporting requirements” to align with wording regarding reasonableness used elsewhere in the direction.
7. The threshold for reporting/explaining risks as set out in paragraphs 16 and 17 is very low and would result in very low level or highly unlikely risks being reported for no benefit. By way of example, with emphasis and inference added, “**any** risk that **could** cause delay [**of any scale**]”. We believe that a more pragmatic approach would be to use wording which is aligned to “a material risk that may, on the balance of probabilities, cause a material delay”.
8. Finally, subject to any verbatim inclusion of paragraphs from the BSC, a check should be done to ensure that the only capitalised terms in the directions are those which have defined meanings or are names.

If you have any queries on these points, please do not hesitate to contact us.

Your sincerely

A handwritten signature in dark ink, appearing to read 'James', followed by a stylized flourish.

James Hope

Head of Regulation & Regulatory Finance – UK Power Networks

Copy: James Devriendt, Head of Income Management, UK Power Networks  
Paul Measday, Regulatory Compliance & Reporting Manager, UK Power Networks  
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