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

EDF is the UK's largest producer of low carbon electricity. EDF operates low carbon nuclear power stations and is building the first of a new generation of nuclear plants. EDF also has a large and growing portfolio of renewables, including onshore and offshore wind and solar generation, as well as energy storage. With over five and a half million electricity and gas customer accounts, including residential and business users, EDF aims to help Britain achieve net zero by building a smarter energy future that will support delivery of net zero carbon emissions, including through digital innovations and new customer offerings that encourage the transition to low carbon electric transport and heating.

EDF is committed to supporting all its customers to save cash and save carbon. It is why we have completed a successful migration to the Kraken platform. It is also why this past winter we made an additional £29m of support available to help our customers most in need in response to the ongoing Cost of Living crisis. This commitment to our customers is reflected in our Trustpilot score recently increasing to 4.7 out of 5.

EDF is disappointed with the approach that Ofgem is taking, and with many of the proposed directions set out in the consultation. As the consultation itself notes, Market-wide Half-Hourly Settlement (MHHS) Participants are already subject to a series of detailed obligations regarding the delivery of MHHS, as set out in Section C of the Balancing and Settlement Code (BSC), specifically section 12.12. The proposed directions appear to duplicate many of these obligations, so it is not clear how they will address any issues or result in any different outcomes. We are also concerned that there may be a risk of 'double jeopardy' where MHHS Participants are subject to what appear to be the same obligations under the BSC and the proposed directions.

We remain concerned that Ofgem's perception is that the causes of the delays to date have been caused by failures of the part of MHHS Participants. However, this is not borne out by the available evidence. Regarding the delays to System Integration Testing (SIT) that resulted in CR055, the consistent narrative was that the MHHS Participants involved in testing were not dedicating sufficient resource to enable SIT testing to be completed within the required timescales. However, once the real blockers to SIT such as defects and data and scripting issues were addressed by the MHHS Implementation Manager, test execution rates increased significantly.

If it is the view that some MHHS Participants are not meeting their current obligations and posing a risk to the delivery of MHHS as a result, issuing these directions to all Participants including those that are already operating as required would appear to be unnecessary and burdensome, and could actually be a distraction from delivery. We would recommend a more targeted approach that addresses the real risks to the delivery of the MHHS Programme and the Participants causing them, rather than the blanket approach being proposed.

As an example, the consultation notes that MHHS Participants will be required to establish formalised internal governance and senior sponsorship to assure the delivery of its MHHS Participant Plan, and to provide written confirmation of those arrangements. EDF has already established such internal governance and provided that information to the MHHS Implementation Manager. It is not clear whether we would need to provide this again, if so that would seem to be duplicative and unnecessary. Similarly, we have previously shared our delivery plans with the MHHS Implementation Manager and the Independent Programme Assurance provider (IPA); doing so again would not seem to be the best use of our time or resources.

As detailed in EDF's response to CR055, we are confident that the 6.5 month delays coupled with the additional improvements made will enable SIT to be completed within these revised timescales. The current SIT progress is in line with the revised timeline. However, there is a risk that the Programme may still face delays with the Qualification and Migration phases. The scale of the Qualification phase for the MHHS Programme is way beyond anything that the code bodies have previously managed. Similarly, the scale of Migration and the associated change of agent processes is way beyond anything that MHHS Participants have ever executed.

To address these risks, EDF continues to recommend that premortem workshops are held, well in advance of the start of these phases, with input from MHHS Participants. These workshops would identify the typical issues that could be faced during Qualification and Migration so that the likely root causes can be identified and associated mitigating actions agreed. These actions can then be proactively added to MHHS Participant plans to reduce the likelihood of these issues actually occurring. EDF has experience in running premortem workshops and would be more than happy to provide support. We have previously made similar suggestions and are disappointed that these have not been taken up by the Ofgem or the MHHS Implementation Manager.

While we welcome the proposed focus on BSCCo in its capacity as MHHS Participant and on Helix in particular, it is not clear how the proposed directions will address the current issues impacting Operational Testing, which do pose a real risk to Programme Milestones being achieved. These issues appear to be caused by the relationship between Helix, the MHHS Implementation Manager and MHHS Participants, which is not functioning effectively. Rather than facilitating, the MHHS Implementation Manager is actually coming between Helix and

MHHS Participants; in our view Helix should be undertaking functions like test coordination and leading testing issues discussions, rather than being just another participant.

We also note that there are aspects of the proposed directions that do not seem to be related to the delivery of MHHS, so it is not clear why they have been included. We are specifically referring to the direction to publish a consultation on the development and implementation and of a smart meter data repository. If these are matters that Ofgem wishes to take forward then these should be undertaken separately to these directions. Including these requirements, and requiring them to be completed within the MHHS Programme's delivery timescales, poses a risk to MHHS delivery rather than achieving Ofgem's stated aim of ensuring that there are no further delays in the delivery of the Programme.

Should you wish to discuss any of the points raised in our response or have any queries, please contact Paul Saker or myself.

I confirm that this letter and its attachment may be published on Ofgem's website.

Yours sincerely

A handwritten signature in black ink, appearing to read "Denise Willis".

**Denise Willis**  
**Senior Manager of Industry Change**