

Ofgem Consultation: 10th March 2025

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

Our response from Edgware Energy Limited, the licensed UK electricity supply subsidiary of RWE Supply & Trading GmbH, and who has been one of the System Integration Testing (SIT) participants is as follows:

- We are content with the principle of increased accountability across the MHHS Programme.
- However, we are concerned by the following:
 - The Programme narrative doesn't align with our own experience. i.e. the view that Suppliers, IDNOs and Agents are the root cause of delays, whilst maintaining Central Systems have had minimal defects. We believe there have been significant delays caused by defects in Central Systems.
 - Test statistics are not coherent or concise, and it's very difficult to understand the results from a quality perspective. i.e. the use of a points system, which places emphasis on starting tests rather than completing tests, and doesn't identify pass rates, test reruns, blocked tests, defects raised, etc. Unintentionally, the statistics are hindering transparency across the Programme, and this makes it difficult to identify the root cause of delays.
 - In order to ensure that the directions by Ofgem can be enforced fairly and have the intended impact, it is critical that we identify where the delays are occurring. As it currently stands, Participants are often held accountable for exceptions that are not within their control. For example: Participant A starts a test, Participant B fails because of a system defect, the test gets reset (status of waiting to start), and Participant A is held responsible for the delay because they haven't started the test (regardless of whether the test is blocked by Participant B's defect). In such instances, the fact this is a rerun caused by an external party is not being recorded, acknowledged or reported sufficiently, and this is going to become a contentious issue when Ofgem begin penalising Participants for failing to meet their plan.
 - Statements and narratives are not being justified with empirical evidence. If the MHHS Programme is going to insist that a Participant is responsible for a delay, they must produce evidence to support this assertion, especially when they announce it on open calls. This goes back to test statistics being unnecessarily

convoluted, which can have the unintentional effect of concealing testing performance. i.e. if Participant A has had less than 7 defects raised against it throughout the entirety of SIT but has had to rerun dozens of tests due to external errors, it's disparaging and disingenuous to state Participant A is responsible for delays. More importantly, without doing the proper analysis to identify the cause of delays, participants will not be able to expedite delivery or enforce the directions being issued.

- Focus is shifting away from quality and onto quantity. i.e. the priority is now starting as many tests as possible to accumulate as many points as possible because this indicates progress (regardless of how many of these tests fail and need to be restarted). It is important to remember that testing is a quality control, and its objective is to ensure systems are fit-for-purpose. Whilst we understand timelines are important to avoid additional costs, it's vitally important to ensure these systems are working before they go-live. Settlement errors and Central System errors in live will likely have a greater cost-impact than further delays to the Programme. It is essential to avoid the pitfall of condensing testing or relaxing the standards for sign-off just to meet a deadline.
- Resourcing is virtually impossible to forecast when stakeholders are reliant on external Participants. Most test plans will account for an expected number of reruns and resource accordingly. At this stage, having gone through PIT, which was meant to shake down Participant's systems to ensure they're ready for SIT, we expected far fewer reruns than we've had. Again, it seems disingenuous to blame a Participant for not having enough resource, when the number of reruns is far higher than it should be; it's another case where a Participant is held responsible for the failures of another Participant.
- We recognise that, in an operational environment, Suppliers are indeed responsible for their agents. However, when it comes to SIT, we need to remember that Suppliers have been partnered with agents with whom they do not have a commercial relationship, and , thus have no authority over. The Supplier cannot be held responsible for these agents, and it cannot be suggested the onus is on the Supplier to force such agents to expedite test progress; this is the responsibility of the MHHS Programme in their role as Test Coordinator.
- Inconsistencies during SIT have not been sufficiently explained to participants. We're yet to fully understand why a test that previously passed in one Cohort can fail (due to a Central System issue) in a different Cohort. Without sufficient explanation, participants can only assume one of the following:

- Test evidence has not been verified to a sufficient level of detail, and the previous test was passed in error
- Central Systems are behaving erratically, resulting in functionality working sporadically, or
- There is regression within Central System caused by the volume and frequency of changes being made.