

Public

Ms Melissa Giardano
Deputy Director, Retail
Ofgem
10 South Colonnade
London
E14 4PU

National Energy System Operator
St. Catherine's Lodge
Bearwood Road
Wokingham
RG41 5BN

daniel.arrowsmith@nationalenergyso.com
+44 (0)7906 362 767
www.neso.energy

20th March 2025

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

Dear Melissa,

Thank you for the opportunity to respond to Ofgem's consultation on a suite of directions to Market-wide Half Hourly Settlement (MHHS) Participants

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

As an over-arching statement, NESO are supportive of the directions noted in the consultation.

MHHS Participant Plan

We are cognisant that any expenditure NESO has in relation to the delivery of the MHHS Programme is passed onto consumers. This was taken into account when the MHHS Programme previously asked in one of their Readiness Assessment for Participants to provide Programme Plans. The NESO plan has executive sponsorship approval and we regularly review to ensure that we are meeting our obligations to ensure delivery to each of the Programme Milestones.

Scope of directions and Compliance with MHHS Participant Plans

NESO agrees that successful implementation of MHHS relies on all Programme Participants complying with their own MHHS Programme Plans. We regularly hold meetings with the Senior MHHS Programme team in

Public

relation to where we fit into the Programme delivery. Accordingly, NESO is happy to report on our progress on our plans to the MMHHS Implementation Manager and IPA if appropriate. We believe that transparency by all Participants would be beneficial to ensure that there are no further delays to delivery or if issues are brought out they can be resolved in a timely manner.

Direction to be issued to BSCCo in its capacity as MHHS Participant.

NESO agrees with the suggested directions to BSCCo to develop a comprehensive M10 “Helix” Readiness including the scope, approach for consulting and timelines. We also support the provision of information to the MHHS Implementation Manager on a fortnightly basis on settlement process for newly migrated MPANs to highlight any issues or be able to demonstrate the process is working in encouraging a speedier migration by Suppliers, which may in turn facilitate delivery of the MHHS Milestones.

Direction to MHHS Central Parties and LDSO's

Whilst accepting that there will be additional burdens being placed on Central Parties and LDSO's to ensure they meet their own Programme Plans, we believe it would be appropriate to include these parties in relation to operational readiness to reduce the risk of any further delay to MHHS Programme timelines.

General Comments

NESO believe that these proposals appear to be sufficient when combined with the directions to BSCCo, and that they are cohesive and provide clear guidance to MHHS Programme Participants on the expectations on the timely delivery of their Programme Plan. We note that whilst nothing is guaranteed, we believe these combined measures should mitigate future risks to delivery of the MHHS Programme.

Final Remarks

For the avoidance of doubt: NESO are supportive of 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

By email

Daniel Arrowsmith

Commercial Codes Change Manager