

Ofgem
10 South Colonnade
Canary Wharf
London
E14 4PU
25 March 2025

Dear Ofgem MHHS Team,

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

Following the release and request for feedback on a suite of directions potentially issued to MHHS Participants, please see below, feedback on behalf of SmartestEnergy Limited (SEL) – hereby referred to as ‘We’ and ‘Our’.

We offer feedback with regards to section 2.27 “**We also seek views on whether the proposed directions on MHHS Participants cohere effectively with the direction that we issued on 28 February 2025 to the MHHS Implementation Manager**”. And section 2.28 “**We also welcome views on whether these proposals are sufficient in their scope and timing to mitigate any future risks to MHHS delivery. If you believe they are not, and that additional requirements ought to be included within these directions, please specify what those requirements should be, on which party or parties they should be placed and when those requirements should be fulfilled**”.

Specifically, Appendix 1: “**Proposed directions to MHHS Participants Directions given by the Gas and Electricity Markets Authority (‘the Authority’) to MHHS Participants pursuant to paragraph 12.12.1(h) of the Balancing and Settlement Code (BSC).**” We have included Appendix 1 in this letter, an amended excerpt from the consultation notice that includes our comments.

Overall, we feel the proposed direction for MHHS Participants, if implemented, is unfeasible and unfair, and will place significant cost and effort overheads upon us. Awareness of the deliverable has only been notified via this Consultation; the content is still unspecified for the deliverable, the review methodology is unclear and enacting this will require resource to be diverted away from delivery and test planning to fulfil these by the 30th of April and 14th May 2025.

We also offer feedback with regards to section 2.28 “We also welcome views on whether these proposals are sufficient in their scope and timing to mitigate any future risks to MHHS delivery. If you believe they are not, and that additional requirements ought to be included within these directions, please specify what those requirements should be, on which party or parties they should be placed and when those requirements should be fulfilled”:

We are supportive of monitoring and assurance that MHHS Participants can and will meet programme milestones, however applying a blanket approach does not facilitate this. Any request for documentation, evidence, or assurance must be aligned to the Qualification wave a participant is allocated. Without this alignment, viewpoints will not be consistent or accurate, and we are concerned a participant may be looked upon negatively simply due to being present within a later wave.

Kind regards,
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Appendix 1 – Excerpt of Appendix 1 from “Proposed Directions to Market-wide Half-Hourly Settlement (MHHS) Participants” Consultation, Page 17-19, with annotated feedback from SEL:

Now the Authority directs **each MHHS Participant** as follows:

8. Pursuant to paragraph 12.12.1(h) of section C of the BSC, the Authority hereby directs each MHHS Participant, in accordance with Good Industry Practice, to develop, keep up-to-date and comply with its own MHHS programme plan (consistent with the MHHS Implementation Timetable) for MHHS Implementation. Each such MHHS programme plan shall for the purposes of this direction be called the ‘MHHS Participant Plan’.

9. Each MHHS Participant Plan must cover all MHHS-related activities for which the MHHS Participant is responsible for in the delivery of the overall MHHS Programme Milestones, as set out in the Milestone Register and supporting documentation. For example, therefore, a Supplier’s MHHS Participant Plan shall include its Migration Schedule once that has been agreed with the MHHS Implementation Manager. Each Migration Schedule may be adjusted by agreement with the MHHS Implementation Manager but in any event it must be consistent with the MHHS Migration Plan and the M15 milestone delivery date.

[SEL response]

- No template or guide has been provided by the Authority defining the structure or format of the MHHS Participant Plan. We have been unable to find where this information is stated in the MHHS Programme plans or Participant Checklist and so, what content is expected.
- For example:
 - Is it sufficient for the MHHS Participant Plan to only specify internal milestones that align with the overall MHHS Programme Milestones, or does it need to specify detailed tasks with corresponding resource schedules? The level of detail required may materially affect the effort required to develop and maintain the MHHS Participant Plan.
 - What file format should the MHHS Participant Plan be supplied in?
- What confidentiality will be applied to the MHHS Participant Plan? Our plan may reference confidential parties and activities that are subject to non-disclosure.
- As a Wave 3 Non-SIT Participant, we are several months from testing and more so for migration efforts, and as such have yet to develop a detailed baseline plan for all activities required under MHHS Implementation. As an example, our Migration Schedules are not yet firm nor confirmed with the MHHS Implementation Manager. It is not possible to submit a detailed MHHS Participant Plan for all MHHS-related activities by 30 April 2025. Can the Authority clarify which activities it expects to see fully defined at this stage?

10. Each MHHS Participant shall develop and submit its MHHS Participant Plan to the MHHS Implementation Manager (and, if requested, to the IPA) by 30 April 2025. Where the MHHS Participant Plan relates to MHHS qualification, the MHHS Participant shall submit that information also to the BSC Performance Assurance Board and REC Manager. Where an MHHS Participant subsequently revises its MHHS Participant Plan, the MHHS Participant shall provide the revised version within 3 working days to the MHHS Implementation Manager (and to the IPA where it has previously requested to see the MHHS Participant Plan. Where the revisions to a MHHS Participant Plan relate to MHHS Qualification, that information shall be sent to the BSC Performance Assurance Board and REC Manager.

[SEL response]

- The date stated for the submission of the MHHS Participant Plan deliverable conflicts with Readiness Assessment 5/6, 28th April to 16th May 2025. This assessment already places significant strain on our resources to provide an appropriate detailed response. Presenting an additional request on Participants poses a query over which activity Participants should look to prioritise whilst also looking to continue their progress on delivery efforts.
- Appendix 1 also states that the MHHS Implementation Manager, IPA, BSC and REC may require receipt. Who will, and how will, this be facilitated, tracked and what feedback mechanism will be in place to confirm receipt as well as further action being required?
- What is the definition of a revision to a MHHS Participant Plan? For example, does a modification to the start or end date of any task constitute a revision? The level of detail to which the revision process applies may materially affect the internal governance effort required to develop and maintain the MHHS Participant Plan.
- What, if any, change control or commentary, is expected to accompany any revisions that a Participant may make to its MHHS Participant Plan? The level of detail required may materially affect the effort required to develop and maintain the MHHS Participant Plan.

11. Each MHHS Participant must complete all of its MHHS-related activities on time and to the required standard, consistent with the delivery commitments made in its MHHS Participant Plan. To this end, each MHHS Participant must comply fully with any reasonable request made of it by the MHHS Implementation Manager or by an MHHS Affected Code Body in connection with MHHS Qualification or by the IPA in connection with its MHHS assurance activities.

[SEL response]

- We are supportive of monitoring and assurance that participants can and will meet programme milestones, however applying a blanket approach does not facilitate this. Any request for documentation, evidence or assurance must be aligned to the Qualification wave a participant is allocated. Without this alignment, viewpoints will not be consistent or accurate, a participant may be looked upon negatively simply due to being present within a later wave.
- What is the recourse to be followed if a Participant does not consider that a request received to be reasonable, and how does the Participant formally raise their concern?
- What is the time allowance for Participants to any requests that might be issued?

12. Each MHHS Participant shall comply fully and promptly with all reasonable requests from the MHHS Implementation Manager to provide information that is required support the provision of reports by the MHHS Implementation Manager to Ofgem and to the IPA under the direction issued by Ofgem to the MHHS Implementation Manager on 28 February 2025.

[SEL response]

- Where requesting additional documentation, Participants will require from the MHHS Implementation Manager an understanding of any reports to which the additional information will contribute and/or inform.
- What is the recourse to be followed if a Participant does not consider that a request from the MHHS Implementation Manager is reasonable, and how does the Participant formally raise their concern?
- What is the time allowance for Participants to any requests that might be issued?

13. Each MHHS Participant must identify, allocate and deploy sufficient budget and appropriately skilled resources to promote timely delivery against its MHHS Participant Plan and against MHHS Programme milestones. Where a MHHS Participant contracts with service providers, each MHHS Participant shall be required to ensure that all their service providers are likewise sufficiently resourced.

[SEL response]

- Whilst we have contracts in place with service providers to support the delivery of MHHS-related activities under MHHS Implementation, we cannot accept liability (legal or otherwise) if those service providers should fail to deliver, for example, due to insufficient resources, as we do not have control over our service providers' approaches to resourcing.

14. Each MHHS Participant must establish, by 30 April 2025, formalised internal governance and senior sponsorship to assure the delivery of its MHHS Participant Plan. Each MHHS Participant must, by 14 May 2025, provide a written description to the MHHS Implementation Manager of those arrangements and confirmation in writing that they are fully operational. These arrangements shall continue in place until the relevant MHHS Participant has complied in full with the obligations set out in its MHHS Participant Plan.

[SEL response]

- We already have internal governance and senior sponsorship in place to assure the delivery of MHHS-related activities. However, without clarity and responses to the above comments raised concerning the MHHS Participant Plan artefact, it is not possible to commit to the dates specified in paragraph 14 concerning the internal governance and sponsorship of it.

15. Each MHHS Participant must report on progress of delivery against its MHHS Participant Plan in line with any reporting requirements set out by the MHHS Implementation Manager or, in relation to MHHS Qualification, by the BSC Performance Assurance Board and the REC Code Manager. Each MHHS Participant shall provide such reporting no later than the date and time that it has been requested to do so by the MHHS Implementation Manager, the BSC Performance Assurance Board and/or the REC Code Manager.

16. Each MHHS Participant must promptly report any risks or issues that could cause delay in the progression and/or completion of any MHHS-related activity for which it is wholly or partly responsible. All such risks and issues must be reported to the MHHS Implementation Manager, the BSC Performance Assurance Board and/or the REC Code Manager at the earliest opportunity so as to enable effective mitigating actions to be taken and to avoid any delays to the implementation of MHHS.

17. Where the IPA reasonably requests, as part of its assurance activities, information about an MHHS Participant's progress against its MHHS Participant Plan, each MHHS Participant shall provide that information promptly and comprehensively, no later than the date and time requested by the IPA. In so doing, the MHS Participant shall explain any risks and issues that could delay progress.