

Decision

Directions to Market-wide Half-Hourly Settlement Participants

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In March 2025 we consulted on draft directions to be issued to Market-wide Half-Hourly Settlement (MHHS) Participants. This publication summarises the responses to that consultation and sets out our position on the key points raised. Having considered the responses, we are now issuing directions to MHHS Participants. As with the direction that we issued to the MHHS Implementation Manager on 28 February 2025, the purpose of these directions is to minimise the risk of further delays to MHHS delivery.

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Contents

Executive Summary.	4
1.Introduction	7
2. Respondents’ views and Ofgem’s position	9
The proposed scope of the directions	9
General remarks	11
MHHS Participants’ plans	12
Resource allocation and internal governance	14
Risk and progress reporting, and responding to information requests	15
Directions to be issued to BSCCo in its capacity as MHHS Participant	16
M10 ‘Helix’ readiness plan	16
M10-M16 ‘Helix’ Plan on a Page	16
Service management, including a Service Operations Manual	17
Settlement performance of migrated MPANs	17
Supplier of Last Resort processes	17
Smart Meter Data Repository	18
Post-M10 change management	18
MHHS Qualification	20
Central parties’ (other than BSCCo) operational readiness	21
Appendices	23
Appendix 1 - Directions to MHHS Participants	24

Executive Summary.

In March 2025 we consulted on draft directions to be issued to MHHS Participants. This document summarises responses to that consultation and sets out our position on the key points raised. Having considered the responses, we are now issuing the directions. The full text of the directions is in appendix 1.

Some of our proposals were intended to apply to all MHHS Participants. These related to:

- MHHS Participants developing and complying with their own programme plans;
- identifying, allocating and deploying sufficient budget and resources to ensure compliance with those plans and Programme milestones;
- providing updates on progress and risks to the MHHS Implementation Manager and the MHHS Independent Programme Assurance provider ('the IPA'); and
- responding in a timely way to reasonable requests by the MHHS Implementation Manager, the IPA and code bodies (the latter in relation to MHHS Qualification), including requests made to facilitate reporting by the MHHS Implementation Manager as a result of the direction issued by Ofgem on 28 February 2025.

In light of respondents' comments, we have modified the proposed automatic requirement to submit MHHS Participant Plans to the MHHS Implementation Manager. MHHS Participants shall only be required to submit their Plans, or other relevant information, *if* the MHHS Implementation Manager or the IPA requests that they do so as part of their ongoing risk-based programme assurance activities or if the code bodies request that they do so as part of their MHHS Qualification activities. In the meantime, MHHS Participants have been asked as part of Readiness Assessment 5&6 to confirm to the MHHS Implementation Manager whether they have developed their Plans.

We have also made clear that MHHS Participants need report revisions to their plans only where there is a risk that those revisions could affect the delivery of MHHS Programme milestones. Finally, we have reiterated that MHHS Participants are free to take a flexible and efficient approach towards the purely internal activities in their plans so long as they remain on track to meet MHHS Programme milestones. This is a proportionate approach that reinforces existing BSC obligations, avoids placing unnecessary additional burdens on MHHS Participants, and ensures that the MHHS Implementation Manager, the IPA and the code bodies can readily access the information that they need to evaluate risks to the timely and robust delivery of MHHS. These requirements come into force immediately.

Decision – Directions to Market-wide Half-Hourly Settlement Participants

We also consulted on proposals specific to the Balancing and Settlement Code Company (BSCCo)¹ in its capacity as a MHHS Participant. In light of the consultation responses, we have decided to direct BSCCo to:

- develop, consult on and baseline a comprehensive M10 'Helix' Readiness plan by 30 May 2025, which shall include milestones for scoping, developing and codifying the service management arrangements across all MHHS Participants;
- develop, consult on and baseline a Service Operations Manual (SOM), including the arrangements for 'Early Life Support' and business continuity and 'end-to-end' recovery, by 30 May 2025;
- implement the service management arrangements for MHHS (including the baselined SOM) and the associated governance by M8;
- develop, consult on and baseline a 'Helix' Plan on a Page covering from M10 to M16 by 30 June 2025;
- provide information to the MHHS Implementation Manager about the settlement performance of successfully migrated Meter Point Administration Numbers; and
- working in conjunction with the MHHS Implementation Manager and the Retail Energy Code Company as appropriate, develop, consult on and baseline, by 31 July 2025, effective and efficient Supplier of Last Resort processes to be used if there is a Supplier of Last Resort event during and after MHHS migration.

We have decided to direct certain MHHS Affected Code Bodies² to ensure that they consult and take proper account of the views of the MHHS Implementation Manager as regards the implementation dates of any post-M10 changes to relevant industry codes and their supporting documents where the proposed changes could affect the delivery of MHHS milestones. Those code bodies shall also work collaboratively with the MHHS Implementation Manager where urgent changes are identified in the 'Early Life Support' phase of MHHS implementation.³ If there is a critical defect in the Early Life Support phase, the MHHS Implementation Manager will convene a group with appropriate technical expertise to assess how the defect may most rapidly and effectively be remedied. Where the remedy requires a modification to an industry code or codes, those modifications shall be progressed as soon as practicable.

¹ Means Elexon Limited (or any successor to that company acting in their capacity as BSCCo).

² BSCCo, the Retail Energy Code Company (RECCo), the Distribution Connection and Use of System (DCUSA) and the Smart Energy Code Company (SECCo).

³ For more information see [MHHS-DEL3094 - MHHS Early Life Support Model v0.3 Red-Lined.pdf](#).

Decision – Directions to Market-wide Half-Hourly Settlement Participants

We have decided to direct BSCCo and RECCo to ensure that the MHHS Qualification approvals processes administered by the BSC Performance Assurance Board and the REC Code Manager operate efficiently and effectively thus facilitating MHHS Qualification in line with MHHS Participants' Plans, the MHHS Migration Plan and with MHHS Programme Milestones. To facilitate this, MHHS Participants will, amongst other things, need to ensure that they submit their Qualification Assessment Documents on time and respond promptly to any feedback about them that they receive from their code bodies.

Finally, in our consultation we sought views on whether there would be merit in explicitly directing all MHHS central parties and the LDSOs in respect of M10 operational readiness and service management. In light of responses, we have decided not to do so. Instead, we shall rely on the general direction on MHHS Participants to develop, maintain and comply with their internal plans which shall at all times be consistent with Programme milestones. Again, we believe that this is a risk-based and proportionate approach.

1.Introduction

Section summary

In November 2024 Ofgem approved MHHS Programme Change Request CR055. The effect of this Change Request was to delay MHHS delivery by 6.5 months. To reduce the risk of further delays, Ofgem decided to pursue a package of regulatory measures including directions and, potentially, licence modifications. A key element in this package is directions on MHHS Participants. After consulting on draft directions in March 2025, we are now issuing the final version of the directions. The directions have immediate effect.

Background

- 1.1 On 29 November 2024, Ofgem approved MHHS Change Request CR055 ('Amendments to M10 and corresponding milestones').⁴ CR055 proposed to delay MHHS 'go live' by 6.5 months to enable the full and robust completion of Systems Integration Testing. It also had knock-on effects for subsequent programme milestones. In our decision document, we stated that we were determined that there should be no further delays in the delivery of this vital programme.
- 1.2 To reduce this risk, we said we would be taking forward, in early 2025, a package of additional regulatory measures to expedite the delivery of MHHS. We further stated that we were minded, as part of that package, to issue a direction on:
 - all MHHS Participants to comply in a timely manner with any reasonable requests made by MHHS Programme; and
 - BSCCo as a MHHS Participant to develop, consult on and implement an operational testing plan for Helix and prepare related governance code modifications as necessary on a timescale consistent with the MHHS Implementation Timetable.
- 1.3 Having considered the matter further, including discussing potential directions with MHHS Implementation Manager and the MHHS Independent Programme Assurance provider ('the IPA'), we consulted on a suite of draft directions intended to ensure that MHHS Participants abide by the MHHS-related obligations placed on them in industry codes and Programme documents. Subject to the responses, our intention was to implement the directions as soon as possible.

⁴ [Market-wide Half Hourly Settlement Change Request CR055 'Amendments to M10 and corresponding milestones' - decision | Ofgem](#).

- 1.4 We consulted⁵ on that basis in March 2025 and received 32 responses. All the non-confidential responses are available on our website alongside this document.

Other developments

- 1.5 We recently consulted the industry on a proposal to change the MHHS Governance Framework such that any future proposal to change a Tier 1 MHHS Implementation Milestone shall be referred, with a recommendation by the MHHS Senior Responsible Owner, to Ofgem for determination. We are considering the responses and expect to publish our decision shortly.
- 1.6 We are aware of a potential proposal to modify the Balancing and Settlement Code (BSC) with a view to incentivising the complete migration of MPANs by the M15 deadline of May 2027. At the same time, we are continuing to consider whether there is a need to modify the supply licence, and other licences, before the MHHS migration phase begins. Any proposals that we put forward would be intended to expedite the delivery of MHHS and its associated benefits.

General feedback

- 1.7 Consultation is at the heart of good policy development. We are keen to receive your comments about this report and get your answers to these questions:
1. Do you have any comments about the overall quality of this document?
 2. Do you have any comments about its tone and content?
 3. Was it easy to read and understand or could it have been better written?
 4. Are its conclusions balanced?
 5. Did it make reasoned recommendations?
 6. Any further comments.
- 1.8 Please send any general feedback comments to Half-HourlySettlement@ofgem.gov.uk.

⁵ [Proposed directions to Market-wide Half-Hourly Settlement \(MHHS\) Participants | Ofgem](#).

2.Respondents’ views and Ofgem’s position

Section summary

This section outlines the matters on which we consulted, summarises respondents’ views, sets out Ofgem’s position and makes clear where we have changed the directions.

The proposed scope of the directions

- 2.1 In March 2025 we consulted on draft directions to be issued to MHHS Participants. The general purpose of the proposals was to ensure that MHHS Participants fulfil their responsibilities in the delivery of the MHHS Programme implementation milestones and report progress and risks to the MHHS Implementation Manager, the IPA and, where appropriate, to the code bodies.
- 2.2 We proposed that all MHHS Participants shall:
- comply with their own individual MHHS programme plans as referred to in paragraph 12.12.1(c) of section C of the BSC. We set out that those individual plans - to be known as ‘MHHS Participant Plans’ for the purposes of this direction - must include all activities for which the MHHS Participant is responsible in the overall delivery of MHHS and, while adjustable with the agreement of the MHHS Implementation Manager and/or the code bodies, must in any event be aligned to the overall relevant MHHS plans (such as the MHHS Qualification plan and the MHHS Migration Plan) and milestones;
 - identify, allocate and deploy sufficient budget and appropriately skilled resources to promote timely delivery against their MHHS Participant Plans and/or against Programme milestones. Where parties contract with service providers, those parties shall be required to ensure that all their service providers are likewise sufficiently resourced;
 - establish formalised internal governance and senior sponsorship to assure the delivery of their plans, and confirm in writing to the MHHS Implementation Manager that such arrangements are fully in effect;
 - provide updates on delivery progress and risks to the MHHS Implementation Manager (and to the IPA and code bodies as necessary) in a timely manner that enables mitigating actions to be taken that preserve the existing MHHS Implementation Timetable; and

- respond in a timely and constructive way to reasonable requests by the MHHS Implementation Manager, the IPA and code bodies (the latter in relation to MHHS Qualification), including all requests for information made to facilitate reporting by the MHHS Implementation Manager under the direction issued by Ofgem on 28 February 2025.

2.3 We also proposed a suite of directions specifically for the BSCCo in its role as MHHS Participant. We proposed that BSCCo shall:

- develop, consult on and baseline a comprehensive M10 'Helix' Readiness plan by [30 April 2025], including the service management arrangements for MHHS and their codification;
- develop, consult on and baseline a 'Helix' Plan on a Page covering from M10 to M16 by [30 April 2025];
- develop, consult on and baseline a Service Operations Manual (including the arrangements for 'Early Life Support' and business recovery in the event of a disruption to operations across all MHHS Participants) within 1 week of the direction coming into force;
- implement the governance arrangements associated with that baselined Service Operations Manual and the wider service management arrangements for MHHS by M8;
- provide information to the MHHS Implementation Manager on a fortnightly basis after M11 about the settlement performance of successfully migrated MPANs;
- working in conjunction with the MHHS Implementation Manager and the Retail Energy Code Company as appropriate, develop, consult on and baseline, by [30 June 2025], effective and efficient Supplier of Last Resort processes to be used if there is a Supplier of Last Resort event during and after the transition to MHHS; and
- publish a consultation by [30 April 2025] on the development and implementation and of a smart meter data repository that enables efficient and non-discriminatory access by third parties to half-hourly consumption data.

2.4 We proposed to direct certain MHHS Affected Code Bodies to

- ensure that the implementation dates of any post-M10 changes to the relevant industry codes and their supporting documents are agreed with

the MHHS Implementation Manager where the proposed changes could affect the delivery of MHHS milestones;

- work collaboratively with the MHHS Implementation Manager where urgent changes are identified as being necessary in the 'Early Life Support' phase of MHHS implementation. In the event that there is a critical defect during Early Life Support, we expected that the MHHS Implementation Manager would convene a group with appropriate technical expertise to assess how the defect may most rapidly and effectively be remedied. Where the remedy required a modification to an industry code or codes, we expected that those modifications would be progressed as soon as practicable.

2.5 We proposed to direct BSCCo and RECCo to ensure that the MHHS Qualification approvals processes administered by the BSC Performance Assurance Board and the REC Code Manager operate efficiently thus facilitating MHHS Qualification in line with MHHS Participants' Plans, the MHHS Migration Plan and with MHHS Programme Milestones.

2.6 In our consultation, we sought views on whether there would be merit in explicitly directing all MHHS central parties and the LDSOs in respect of M10 operational readiness and service management, rather than relying on the general direction to all MHHS Participants to deliver on their MHHS Participant Plans in line with Programme milestones. We also sought views on whether the proposed directions on MHHS Participants cohered effectively with the direction that we issued on 28 February 2025 to the MHHS Implementation Manager and whether the proposals were sufficient in scope and timing to mitigate any future risks to MHHS delivery.

General remarks

Respondents' views

2.7 Most respondents supported our proposed directions as a means of reducing the risk of further delays to MHHS delivery. However, some of those who supported the proposals in principle wanted guidance as to how they would operate in practice (particularly in relation to the submission of MHHS Participant Plans, the reporting of revisions to those plans, and other reporting requirements more generally.) A significant minority of respondents thought that it was not necessary to introduce new requirements since the existing obligations in codes were sufficient. Of those respondents, some said that adding new obligations risked duplication of effort and an unnecessary diversion of resources from operational delivery, which itself could increase the risk of delays. Several respondents said that any new obligations should be targeted only on those organisations causing the risks to MHHS delivery.

Ofgem's position

- 2.8 We welcome the support that we have received for our proposed directions. We have reflected carefully on respondents' comments. In light of those comments, we have made changes that we believe strike a proportionate balance between the legitimate need for the MHHS Implementation Manager and the IPA to conduct their vital, risk-based, programme assurance activities efficiently and effectively, and for MHHS Participants to devote the maximum amount of time and resources on front-line operational delivery. We set out the details below.

MHHS Participants' plans

Respondents' views

- 2.9 Most respondents supported the intent of our proposals insofar as they were intended to ensure that each MHHS Participant had a robust plan and to give the MHHS Implementation Manager confidence that each MHHS Participant was delivering on it. However, some respondents - content in principle to submit MHHS Participant Plans - sought guidance on their content and format.
- 2.10 Several respondents noted that each MHHS Participant would have detailed internal plans, the bulk of which would relate to activities that do not impinge on the delivery of key programme milestones. For these activities, they said, it was vital to retain flexibility and formal compliance should be required only where Programme deliverables are affected. These respondents also questioned whether the MHHS Implementation Manager would have the capacity to review all such documents and said that only major milestones should be tracked against delivery. Similarly, these respondents said that MHHS Participants should only be under an obligation to report plan revisions where these created a material risk of missing a Programme deliverable.
- 2.11 A few respondents intending to go through later Qualification Waves queried how much information about migration could usefully be required by the 30 April 2025 deadline that we proposed for the submission of plans to the MHHS Implementation Manager. Some respondents expressed concern about a potential misalignment with programme assurance activities and about possible duplication of plan requests. A few respondents said the requirement to submit detailed plans and provide updates could divert resources away from operational delivery and so could increase the risk of delays.

Ofgem's position

- 2.12 Ofgem notes that all MHHS Participants have had a longstanding obligation in the BSC to develop, keep up to date and comply with their own internal MHHS programme delivery plans.⁶ The MHHS Participant Plan referred to in our proposals is not an additional plan but instead refers to that plan already required of each MHHS Participant under the BSC. The requirement under these directions to produce such a plan is not, therefore, an additional burden.
- 2.13 On that basis, we consider that every MHHS Participant ought by now to have developed such a plan, albeit that certain details may remain to be finalised, particularly as regards migration. Consequently, we believe it is reasonable to require each MHHS Participant to confirm formally to the MHHS Implementation Manager whether they have produced such a plan. The MHHS Implementation Manager has included a question to that effect in Readiness Assessment 5&6. This will enable MHHS Participants to provide the necessary confirmation (or otherwise) in an efficient way.
- 2.14 We have, however, reconsidered whether it is sensible to require the automatic submission of these plans to the MHHS Implementation Manager. We have decided to amend the direction so that it requires MHHS Participants to submit their internal plans if requested to do so by the MHHS Implementation Manager or the IPA in the course of their ongoing programme assurance activities or by the code bodies in the course of their activities relating to MHHS Qualification.
- 2.15 The MHHS Implementation Manager and the IPA take a risk-based approach to programme assurance. This means that any requests for the submission of information relating to a MHHS Participant's delivery activities - such as a delivery plan - will be made on a sample basis to inform an overall view of that MHHS Participant's progress and/or where there is a perceived risk to MHHS programme milestones.
- 2.16 So far as plan compliance is concerned, Ofgem entirely accepts that MHHS Participants need the flexibility to adapt their plans as required, insofar as this relates to the delivery of internal activities within their plans. In that regard, we acknowledge that MHHS Participants may wish to reprioritise matters and use any *internal* periods of contingency as necessary. This is perfectly proper. Formal compliance is required only where Programme deliverables are affected. It follows, therefore, that all plan revisions must comply with MHHS Programme

⁶ See paragraph 12.12.1(c) of section C of the BSC.

milestones. Furthermore, it is vital to report risks to MHHS milestones as they become known.

- 2.17 So far as the reporting of plan revisions is concerned, we agree that these need be communicated to the MHHS Implementation Manager and as necessary to the Code Bodies and the IPA only where they create a risk of failure to comply with a Programme milestone. We have amended the direction to that effect. For the avoidance of doubt, we intend that this obligation shall apply in respect of plan revisions that create a risk of failure to qualify in the Qualification Wave previously agreed with the code bodies. Early warning of such revisions will facilitate an understanding of any emerging cumulative risks to programme timetables. The same rationale applies also in respect of reporting revisions to migration schedules. Again, we consider that this is a proportionate approach.

Resource allocation and internal governance

Respondents' views

- 2.18 Almost all respondents that commented accepted the need to make sure that they identify, allocate and deploy sufficient budget and appropriately skilled resources to promote timely delivery against their own plans and against MHHS Programme milestones. A few respondents noted that MHHS Participants should not be held responsible for any resource failings by other MHHS Participants in the same testing cohort, since they have no contractual relationship with them.

Ofgem's position

- 2.19 Allocating sufficient budget and skilled resources is critical to the timely delivery of MHHS. Consistent with the joint letter of 7 April 2025 from the Secretary of State and Ofgem's Chief Executive, we intend to implement this element of the direction without amendment. We agree that MHHS Participants cannot be held responsible for the performance of other parties with whom they have no contractual relationship. Where there is a contractual relationship, however, MHHS Participants must ensure that service providers deploy the resources required to deliver on time.
- 2.20 We have amended the direction in relation to the internal governance arrangements that each MHHS Participant must establish to assure delivery of its own plan. We have decided to require each MHHS Participant simply to confirm, when requested by the MHHS Implementation Manager, whether these arrangements are in place and fully operational. The MHHS Implementation Manager included a question about this in Readiness Assessment 5&6 issued on

28 April 2025. We consider that this provides an efficient mechanism for parties to self-certify whether or not they have complied with this obligation.

Risk and progress reporting, and responding to information requests

Respondents' views

- 2.21 Respondents agreed that it was, in principle, important to provide updates on delivery progress and risks to the MHHS Implementation Manager (and to the IPA and code bodies as necessary) in a timely manner so as to enable mitigating actions to be taken that preserve the existing MHHS Implementation Timetable. However, many respondents said - as they did in relation to plan revisions - that updates should be required only where there was a material risk of delay to MHHS Programme milestones.
- 2.22 Most respondents acknowledged that the MHHS Implementation Manager and the IPA had a legitimate right to request information as part of their ongoing assurance activities. However, many of these respondents were concerned that the combined effect of the draft directions on reporting risks and responding to information requests might be to impose unnecessary burdens on MHHS Participants that could increase costs and divert resources from operational delivery. Those respondents sought assurance that all such requests for information would be reasonable and targeted only at those parties perceived as posing a material risk to the delivery of MHHS.

Ofgem's position

- 2.23 We have decided to revise the direction to introduce a materiality threshold for risk reporting. We believe the revised drafting is proportionate. So far as information requests are concerned, we have amended the direction to make clear that all such requests must be reasonable. As noted above, the MHHS Implementation Manager and the IPA take a risk-based approach to their assurance activities and this will ensure that any bespoke information requests are targeted at areas of greatest perceived risk to MHHS implementation.
- 2.24 We expect that the reasons for making any requests for information will be set out in the request and any surrounding communications to the relevant MHHS Participants. In line with existing Programme governance, if a party believes that a request from the MHHS Implementation Manager is not reasonable, the party may make representations to the Implementation Manager and, if necessary, escalate the matter to the IPA and, ultimately, to Ofgem. If the IPA

issued the request for information, representations about reasonableness may be made to the IPA and any escalations thereafter should be made to Ofgem.

Directions to be issued to BSCCo in its capacity as MHHS Participant

M10 'Helix' readiness plan

Respondents' views

- 2.25 All respondents that commented agreed it was essential that BSCCo should as soon as possible develop, consult on and baseline a comprehensive M10 'Helix' Readiness plan including the service management arrangements for MHHS and their codification.

Ofgem's position

- 2.26 We have decided to require BSCCo to develop, consult on and, by 30 May 2025, baseline a comprehensive M10 readiness plan including the service management arrangements for MHHS and their codification. This plan must contain sufficient detail and granularity to enable the MHHS Implementation Manager (and, as necessary, the IPA) to conduct a full assessment of the likelihood that BSCCo will be operationally ready in line with the Programme timetable. Industry engagement with the proposed readiness plan is vital. We have allowed BSCCo an extra month to complete this activity as we believe it will help ensure the plan is robust, well understood and has industry support.

M10-M16 'Helix' Plan on a Page

Respondents' views

- 2.27 All respondents that commented agreed it was essential that BSCCo should develop, consult on and baseline a 'Helix' M10-M16 Plan on a Page as soon as possible.

Ofgem's position

- 2.28 We have decided to require BSCCo to develop, consult on and, by 30 June 2025, baseline a 'Helix' M10-M16 Plan on a Page. This plan shall set out the critical path from M10 to M16 and highlight any dependencies. Again, we have allowed BSCCo extra time to complete this activity as we believe this will help ensure that the Plan on a Page is robust, well understood and has full industry support.

Service management, including a Service Operations Manual

Respondents' views

- 2.29 All respondents that commented agreed that it was essential that BSCCo should develop, consult on and baseline a Service Operations Manual (including the arrangements for 'Early Life Support' and business recovery in the event of a disruption to operations across all MHHS Participants) as soon as possible.

Ofgem's position

- 2.30 We have decided to require BSCCo to develop, consult on and, by 30 May 2025, baseline a Service Operations Manual (including the arrangements for 'Early Life Support' and business recovery in the event of a disruption to operations across all MHHS Participants). As with the wider service management arrangements, Ofgem believes that allowing an extra month for completion of this requirement will help ensure that the Service Operations Manual is robustly drafted, well understood and supported by the industry. This will then facilitate the process of implementing, by M8, the governance arrangements associated not only with the baselined Service Operations Manual but also the wider service management arrangements for MHHS.

Settlement performance of migrated MPANs

Respondents' views

- 2.31 Those respondents that commented agreed that it was sensible to ensure that the MHHS Implementation Manager is regularly kept up to date throughout the migration phase about the settlement performance of successfully migrated MPANs. This information would be a useful input into any decision about when to switch over to the faster settlement timetable (the 'M16' programme milestone).

Ofgem's position

- 2.32 We have decided to implement this aspect of the directions unamended. Consequently, BSCCo shall be required to provide information to the MHHS Implementation Manager on a fortnightly basis after M11 about the settlement performance of successfully migrated MPANs.

Supplier of Last Resort processes

Respondents' views

- 2.33 Those respondents that commented supported the proposal to require BSCCo, working in conjunction with the MHHS Implementation Manager and the Retail Energy Code Company as appropriate, to develop, consult on and baseline

effective and efficient Supplier of Last Resort (SoLR) processes to be used if there is a SoLR event during and after the MHHS transition. Given Ofgem's important role in the SoLR process, one respondent stated that BSCCo should also be required to work in conjunction with Ofgem on this matter.

Ofgem's position

- 2.34 We have decided to implement this aspect of the directions unamended except in relation to the deadline date, where we have allowed BSCCo an extra month in order to ensure that the arrangements are robust and agreed by the key organisations involved. We do not consider that it is necessary formally to require BSCCo to work in conjunction with Ofgem on this matter. BSCCo is in any case proactively keeping us well informed about progress and we expect this to continue. We also expect that these arrangements will be baselined through appropriate programme governance.

Smart Meter Data Repository

Respondents' views

- 2.35 Several respondents commented that BSCCo's consultation on and plans to develop and implementation a smart meter data repository needed to be fully aligned with the wider policy approach towards consumer consent.

Ofgem's position

- 2.36 Given that BSCCo has already published its consultation, we have removed the requirement to consult from the direction. We agree entirely that BSCCo's plans to develop a smart meter data repository must be consistent with broader DESNZ and Ofgem policy on data sharing and consumer consent. BSCCo has engaged and will continue to engage with DESNZ and Ofgem on this. BSCCo is aware that it will also have to work closely with RECCo, the selected Delivery Body for the Consumer Consent Solution⁷, to ensure that BSCCo's smart meter data provision fully aligns with wider policy development.

Post-M10 change management

Respondents' views

- 2.37 Those respondents that commented generally agreed that it was sensible to require the MHHS Affected Code Bodies to ensure that the implementation dates of any post-M10 changes to the relevant industry codes and their supporting

⁷ [Consumer Consent decision | Ofgem](#).

documents are agreed with the MHHS Implementation Manager where the proposed changes could affect the delivery of MHHS milestones. However, one respondent was concerned that the proposed direction, as drafted, could mean that changes to codes that have wider benefits not related to the delivery of MHHS are unnecessarily delayed until after the completion of MHHS migration and the switch over to the faster settlement timetable. The respondent did not consider that the MHHS Implementation Manager should have the ability to prevent implementation of code changes without there being a mechanism to challenge this position and consider the wider benefits of the change. The respondent also noted that the proposals did not require the MHHS Implementation Manager to demonstrate that a code change could affect the delivery of MHHS Milestones or to demonstrate the materiality of that impact.

- 2.38 As an alternative, this respondent stated that the code bodies should be required to consult the MHHS Implementation Manager on any code change that could affect the delivery of MHHS milestones and be required to take proper account of any representations made by the MHHS Implementation Manager in making its recommendation to the relevant Panel. The relevant Panel should then be required to take proper account of such representations in making its decision (on a self-governance modification) or in making its recommendation to Ofgem. The respondent expected that Ofgem would consider the views of the MHHS Implementation Manager when determining an appeal or any code changes that required Authority approval. Finally, the respondent expected that any cross-code changes would be reviewed by Code Bodies (including the DIP Manager) at the Cross Code Steering Group (CCSG) and that the CCSG would consider whether there are any potential impacts on MHHS Milestones and how best to coordinate any request from the MHHS Implementation Manager for an impact assessment.
- 2.39 Those respondents that commented agreed that it would be essential for the code bodies and the MHHS Implementation Manager to collaborate efficiently and effectively where urgent changes are identified as being necessary in the 'Early Life Support' phase of MHHS implementation.

Ofgem's position

- 2.40 We agree that the MHHS Implementation Manager cannot have an effective veto on whether and how quickly code change proposals are progressed after M10. However, in order to reduce the potential for future disagreements, it will be essential for the relevant code bodies to continue to work closely with the MHHS Implementation Manager in relation to possible code changes after M10 that

could have an effect on the delivery of MHHS. For example, we welcome the ‘horizon scanning’ activity that currently takes place and expect that such liaison will continue after M10. We also note and support the role that the CCSG will play. After M10, when a code body becomes aware of a new proposal to modify a code or associated document, we expect that the code body will seek the view of the MHHS Implementation Manager on whether the proposal might have an impact on the delivery of MHHS and carefully consider any representations made about that. We then expect the relevant Panel to take any such representations fully into account when making its decision on a self-governance modification or its recommendation to Ofgem on a code change requiring Authority approval. We have amended the direction to make this clear.

- 2.41 We expect that the Implementation Manager will make representations to Ofgem should it consider that its views have not been properly taken into account by a Panel. Ofgem would consider those representations alongside the other documentation that we would normally expect to receive in relation to a code modification decision (or appeal) and make our decision in the light of whether a proposal would better facilitate the objectives of the relevant code and in light of our principal objective and statutory duties.
- 2.42 In the event that there is a critical defect during Early Life Support, the MHHS Implementation Manager will have to convene a group with appropriate technical expertise to assess how the defect may most rapidly and effectively be remedied. Where the remedy requires a modification to an industry code or codes, those modifications must then be progressed as soon as practicable. Ofgem fully supports the discussions that are currently taking place between the relevant parties on these matters and we expect the practical arrangements to be fully developed, consulted on, baselined and implemented in advance of M8, including any amendments that might be required to relevant industry codes.

MHHS Qualification

Respondents’ views

- 2.43 The relevant code bodies confirmed their commitment to ensuring that the MHHS Qualification approval processes operate efficiently to support MHHS Qualification in line with MHHS Participants’ Plans, the MHHS Migration Plan and MHHS Programme Milestones. They added that they were working closely with all relevant parties to achieve this.
- 2.44 One of the code bodies noted that, in accordance with the baselined MHHS Qualification Approach and Plan, a SIT Party that wishes to be qualified by M10

would have to provide its complete and accurate Final Qualification Assessment Document (QAD) by 9 May 2025 and each non-SIT LDSO would have to provide its Final QAD by 23 May 2025. The code body also stated that each QAD should be of sufficient quality that it requires limited review and iteration before it is agreed as finalised by the relevant code bodies. Furthermore, the code body stated that each party must have completed SIT and Qualification Testing and be in receipt of a finalised Test Completion Report from the Programme that sets out any work-off plans agreed with MHHS Programme and Code Bodies before its QAD can be fully signed off. Where this is not the case (for example, if the QAD requires several material iterations after submission and/or a party has a material number of work-off plans to resolve after testing), the code body considers that the party will not have met all necessary requirements and timelines. In that event, the code body would endeavour to qualify these parties by M10 or as quickly as possible thereafter.

Ofgem's position

- 2.45 Ofgem has decided to implement this aspect of our proposals without substantial revision. Ofgem welcomes the commitment of the code bodies to ensuring that the MHHS Qualification approvals processes work efficiently. We agree that a flexible approach to resourcing will be necessary to adjust effectively at times of peak activity. Equally, MHHS Participants have a clear responsibility to ensure that their QAD submissions are complete, accurate and on time and that they respond promptly to any code body feedback they receive.
- 2.46 Given that the scale of activity under MHHS Qualification will be very significant, the code bodies may wish to consider (as was suggested by one respondent) holding pre-mortems as an additional means of assessing the risks relating to the timely qualification of MHHS Participants not only for M10 but also for later Qualification Waves. This could provide additional confidence that QAD submissions will be of the required quality and thus make timely qualification more likely.

Central parties' (other than BSCCo) operational readiness

Respondents' views

- 2.47 Respondents' views were mixed on the issue of whether to issue a direction to all MHHS central parties and the LDSOs in respect of M10 operational readiness and service management. Some respondents believed this would be a prudent approach, confirming the specific obligations of these MHHS Participants, and potentially enhancing industry confidence about operational readiness.

- 2.48 Respondents opposed to the introduction of additional directions on the central parties and LDSOs believed they were unnecessary because full reliance could and should be placed on the general direction to all MHHS Participants to deliver on their MHHS Participant Plans in line with Programme milestones. Some LDSOs argued that any new directions on central parties should only be targeted at areas of material risk such as BSCCo operational readiness and central service management. On that basis, they stated that directions should be issued to BSCCo but not to LDSOs. They added that issuing a direction to the LDSOs could divert resources unnecessarily from M10 delivery activities. One respondent had no objection in principle to Ofgem directing parties other than BSCCo but suggested the priority should be to clarify the post-M10 operational model and service management requirements that need to be implemented. Once that is done, Ofgem can reassess the benefit of extending the direction to other parties.

Ofgem's position

- 2.49 Ofgem has decided not to issue additional bespoke directions to central parties and the LDSOs on operational readiness and service management. We agree that clarity is urgently needed about the precise nature of the arrangements that will need to be implemented. We note, too, the progress that has been made by non-SIT LDSOs in relation to Qualification Testing. Taking these factors into account, we have decided to rely on the general requirement in this direction on all MHHS Participants to develop, keep up-to-date and comply with internal programme plans that must at all times be consistent with overall Programme milestones. We also note in this context the obligations on all MHHS Participants in the BSC to cooperate with the MHHS Implementation Manager and the IPA and to ensure that they are able to meet the various milestones on the dates specified in the MHHS Implementation Timetable. We consider that this is a proportionate approach for the central parties (other than BSCCo) and the LDSOs.

Appendices

Index

Appendix	Name of appendix	Page no.
1	Directions to MHHS Participants	24

Appendix 1 - 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 section C of the Balancing and Settlement Code (BSC)

Whereas:

1. On 30 September 2021, the Authority approved Balancing and Settlement Code (BSC) modification proposal P423 and the modification came into force on 7 October 2021. Paragraph 12 of Section C of the BSC places obligations on various parties to ensure that they comply with and operate in accordance with the governance and management of MHHS Implementation. This includes obligations for MHHS Participants in relation to MHHS Implementation.
2. Paragraph 12.12.1 of section C of the BSC states, amongst other things, that each MHHS Participant shall
 - (a) deliver the new and modified IT systems and business processes required of it as part of MHHS Implementation, including the mobilisation, design, building and testing of such IT Systems and business processes and their integration with those of other MHHS Participants (and shall do so in accordance with the MHHS Implementation Timetable);
 - (b) take all reasonable steps within its control to facilitate completion of MHHS Implementation in accordance with the MHHS Implementation Timetable, including taking any action reasonably recommended by the MHHS Independent Assurance Provider ('the IPA');
 - (c) (in accordance with Good Industry Practice) develop, keep up-to-date and comply with its own programme plan (consistent with the MHHS Implementation Timetable) for MHHS Implementation;
 - (d) refrain from any action which would unduly compromise or delay MHHS Implementation;

- (f) provide the Authority, the MHHS Independent Assurance Provider or MHHS Implementation Manager with such information as they may reasonably request in relation to MHHS Implementation, including regarding the MHHS Participant's planning for and progress in relation to MHHS Implementation (including progress against its own programme plan);
 - (g) promptly identify, escalate and report to the MHHS Implementation Manager and MHHS Programme Steering Group any and all risks or disputes that may adversely affect MHHS Implementation;
 - (h) comply with the Authority's directions from time to time relating to MHHS Implementation;
 - (i) ensure it is able to meet the various milestones on the dates specified in the MHHS Implementation Timetable”.
3. Paragraph 12.12.3 of section C of the BSC requires MHHS Participants taking part in MHHS testing, amongst other things, to comply with the MHHS Test Plan; to participate in testing in a reasonable, fair and cooperative manner; to provide test reports demonstrating their successful completion of the test phase (or an intermediate stage) as required; and to provide all information, access and co-operation reasonably required by the MHHS Systems Integrator (MHHS SI) and to act in accordance with the reasonable instructions of the MHHS SI.
4. Paragraph 12.12.2 of section C of the BSC makes it clear that “an MHHS Participant cannot seek to avoid or delay undertaking its obligations as an MHHS Participant by reason of cost” and that if “an MHHS Participant considers that the costs of compliance become (or are likely to become) disproportionate, then it may raise the issue or seek a change under the MHHS Governance Framework, but shall nevertheless continue to comply with its obligations from time to time as an MHHS Participant”.
5. Paragraph 12.12.7 of section C of the BSC states that “Each MHHS Participant is responsible for ensuring that its agents, employees, service providers and other contractors (including its Party Agents) undertake the activities necessary to enable such MHHS Participant to comply with its obligations as an MHHS Participant. Lack of co-operation from such third parties shall not excuse delays or

failures on the part of an MHHS Participant”.

6. Paragraph 12.8.2(f) of section C of the BSC requires the MHHS SI to “propose, consult on and obtain approval for...the “MHHS Migration Plan”. The MHHS Migration Plan is defined at paragraph 12.2.14 of section C of the BSC as “the plan for the migration of Metering Systems as required for MHHS Implementation”. Paragraph 12.16.2 of section C of the BSC states that “Each Supplier must comply with the MHHS Migration Plan”.
7. Paragraph 12.11.3 of section C of the BSC requires BSCCo to “undertake the following in relation to the migration of Metering Systems required for MHHS Implementation:
 - (a) BSCCo shall provide access to any of its IT Systems and business processes necessary to enable the relevant MHHS Participants to complete the required migration of Metering Systems; and
 - (b) BSCCo shall provide such access on the basis that all such MHHS Participants can access such systems and processes simultaneously, or (if this is not reasonably practicable) on the basis of a non-discriminatory order of access.

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. MHHS Participants may make

revisions to their plans, for example to promote efficient delivery of purely internal-facing activities, but all such changes shall in any event comply with overall MHHS Programme milestones.

10. Each MHHS Participant shall, when requested by the MHHS Implementation Manager, confirm in writing whether it has developed its MHHS Participant Plan.
11. Each MHHS Participant shall, on receipt of a request from either the MHHS Implementation Manager or the IPA, submit its MHHS Participant Plan (or such part or parts of it that have been requested) in a timely manner to the organisation that requested it. Each MHHS Participant shall, on receipt of a request from an MHHS Affected Code Body, shall submit in a timely manner that part of its MHHS Participant plan that relates to MHHS Qualification.
12. Where an MHHS Participant makes a material revision to its MHHS Participant Plan, the MHHS Participant shall promptly inform the MHHS Implementation Manager and - if the material revision relates to MHHS Qualification - the BSC Performance Assurance Board and REC Manager. Material changes to MHHS Participant Plans shall also be sent to the IPA where the IPA has previously requested to see that MHHS Participant's Plan. For the avoidance of doubt, a material change shall include any revisions to MHHS Participant Plans that may affect the delivery of a MHHS Programme Milestone.
13. Each MHHS Participant must complete its MHHS-related activities on time and in line with the Programme's defined requirements, consistent with the delivery commitments made in its MHHS Participant Plan.
14. Each MHHS Participant must comply fully with any reasonable request made of it by the MHHS Implementation Manager or by a relevant MHHS Affected Code Body in connection with MHHS Qualification or by the IPA in connection with its MHHS assurance activities. For the avoidance of doubt, a request shall be considered reasonable if, for example, the MHHS Implementation Manager or the IPA has reasonable grounds for believing that the relevant MHHS Participant poses a risk to the timely and robust delivery of MHHS.
15. Each MHHS Participant shall comply fully and promptly with all reasonable requests from the MHHS Implementation Manager to provide information that is required to 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.

16. 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.
17. Each MHHS Participant must establish formalised internal governance and senior sponsorship to assure the delivery of its MHHS Participant Plan and confirm, when requested by the MHHS Implementation Manager, whether these arrangements are in place and 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.
18. Each MHHS Participant must report on progress of delivery against its MHHS Participant Plan in line with any reasonable reporting requirements set out by the MHHS Implementation Manager or, in relation to MHHS Qualification, by the relevant MHHS Affected Code Bodies. 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 and/or the relevant MHHS Affected Code Bodies. For the avoidance of doubt, a request under this paragraph shall be considered reasonable if, for example, the MHHS Implementation Manager or MHHS Affected Code Body has reasonable grounds for believing that the relevant MHHS Participant poses a risk to the timely and robust delivery of MHHS.
19. 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 where that delay could also cause a delay to one or more MHHS Programme milestones. All such risks and issues must be reported to the MHHS Implementation Manager and/or the Code Bodies at the earliest opportunity so as to enable effective mitigating actions to be taken and to avoid any delays to the implementation of MHHS.
20. Where the IPA reasonably requests, as part of its assurance activities, information relating to 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 MHHS Participant shall explain any risks and issues that could delay overall MHHS progress. For the avoidance of doubt, a request under this paragraph shall be considered reasonable if, for example, the IPA has reasonable grounds for believing that the relevant MHHS Participant poses a risk to the timely and robust delivery of MHHS.

Now the Authority directs **BSCCo as an MHHS Participant** as follows:

21. Pursuant to paragraph 12.12.1(h) of section C of the BSC, the Authority hereby directs the Balancing and Settlement Code Company (BSCCo) to

- develop, consult on and baseline a comprehensive M10 'Helix' Readiness plan by 30 May 2025. This plan shall include:
 - the scope of, and approach to be taken to, service management across all MHHS Participants, which in turn shall include the arrangements for business continuity and recovery, and the enhanced service that shall be provided during the Early Life Support period;
 - the development, baselining and codification of the service management arrangements for MHHS, including the Service Operations Manual;
- develop, consult on and baseline a 'Helix' Plan on a Page covering from M10 to M16 by 30 June 2025. This plan shall set out the critical path from M10 to M16 and highlight any dependencies;
- develop, consult on and baseline a Service Operations Manual for live operation by 30 May 2025 and implement associated governance arrangements for that baselined Service Operations Manual, and the wider service management arrangements for MHHS, by M8. This Service Operations Manual shall include:
 - an approach to 'Early Life Support' (developed in conjunction with the MHHS Implementation Manager);

- a robust suite of arrangements to ensure business continuity and ‘end-to-end’ recovery in the event of a disruption to operations across all MHHS Participants;
- provide information to the MHHS Implementation Manager on a fortnightly basis after M11 about the settlement performance of MPANs that have been successfully migrated to the new settlement arrangements;
- working in conjunction with the MHHS Implementation Manager and the Retail Energy Code Company as appropriate, develop, consult on and baseline, by 31 July 2025, effective and efficient Supplier of Last Resort processes to be used if there is a Supplier of Last Resort event during and after the transition to MHHS.

Now the Authority directs **BSCCo, RECCo, DCUSA Ltd and SECCo as MHHS Participants** as follows:

22. Pursuant to paragraph 12.12.1(h) of section C of the BSC, the Authority hereby directs the BSCCo (including in its capacity as the DIP Manager), the Retail Energy Code Company (RECCo), the Distribution Connection and Use of System (DCUSA) and the Smart Energy Code Company (SECCo)⁸ to consult and take proper account of the views of the MHHS Implementation Manager as regards the implementation dates of any post-M10 changes to relevant industry codes and supporting documents (including, in relation to the BSC, the Data Integration Platform Rules) where the proposed changes have the potential to impact delivery of MHHS milestones. Relevant Panels shall seek the views of the MHHS Implementation Manager in relation to such changes and shall take any representations made by the MHHS Implementation Manager fully into account when making their decisions on self-governance modifications or their recommendations to Ofgem on code changes that require Authority approval.
23. The above-named code bodies shall also work collaboratively with the MHHS Implementation Manager where urgent changes are identified in the ‘Early Life Support’ phase of MHHS implementation.

⁸ Each of which are already under an obligation in the relevant industry codes to comply with the obligations expressed to apply to them (either specifically or generically as a category of participant) under section C12 of the BSC.

Now the Authority directs **BSCCo and RECCo as MHHS Participants** as follows:

24. Pursuant to paragraph 12.12.1(h) of section C of the BSC, the Authority hereby directs the BSCCo and the RECCo, in their capacities as MHHS Affected Code Bodies, to ensure that the MHHS Qualification approvals processes administered by the BSC Performance Assurance Board and the REC Code Manager operate efficiently and effectively thus facilitating MHHS Qualification in line with MHHS Participants' Plans, the MHHS Migration Plan and with MHHS Programme Milestones. This includes
- completing, by 22 August 2025, the approval of Qualification Assessment Documents submitted by SIT Participants and by non-SIT LDSOs that have met all necessary Programme and Code Body requirements and timelines and are otherwise ready for M10;
 - completing, by 28 November 2025, the approval of Qualification Assessment Documents submitted by other SIT Participants that have met all necessary Programme and Code Body requirements and timelines;
 - completing, by 11 September 2025, Qualification Approvals for SIT Participants and for non-SIT LDSOs that have met all necessary Programme and Code Body requirements and timelines and are otherwise ready for M10;
 - completing, by 18 December 2025, Qualification Approvals for other SIT Participants that have met all necessary Programme and Code Body requirements and timelines;
 - completing the approval of Qualification Assessment Documents submitted by all other non-SIT MHHS Participants and all Qualification Approvals in respect of all other non-SIT MHHS Participants that have met all necessary Programme and Code Body requirements and timelines in line with each MHHS Participant's planned Qualification Wave, such that all Qualification Waves are completed by 24 September 2026 in line with the MHHS Migration Plan.
25. In support of the above, the Authority also directs the BSCCo, in its capacity as the Data Integration Platform (DIP) Manager, to ensure that the DIP 'onboarding' processes operate efficiently and effectively, thus facilitating timely MHHS

qualification approvals.

26. BSCCo and RECCo shall identify, allocate and deploy sufficient budget and appropriately skilled resources to promote timely delivery of all qualification-related Milestones for which they are responsible. For the avoidance of doubt, the requirement on BSCCo also includes the activities of the DIP Manager referred to in paragraph 25.
27. This direction shall have effect on and from 9 May 2025.

A handwritten signature in black ink, reading "Melissa Giordano", is written over a horizontal line. The signature is cursive and fluid.

Melissa Giordano

Deputy Director, Retail Systems and Processes

Duly authorised on behalf of the Gas and Electricity Markets Authority

9 May 2025