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15 December 2025

Dear Sara,

**BSC Modification Proposal P507 'Reverting the legacy Half Hourly scaling factors in Market Domain Data to the pre-M10 values' - decision on urgency**

Drax Energy Services Limited ('the Proposer') raised P506 on 9 December 2025. On 12 December 2025, we received your request that P507 ('the Proposal') and an Alternative Modification be treated as Urgent Modification Proposals. This letter sets out our decision that the Proposal and its alternative should be progressed on an urgent basis.

**Background**

As part of Market-Wide Half Hourly Settlement (MHHS), Market Domain Data (MDD) entities were 'frozen' when Modification P478 was implemented on 22 September 2025. Freezing those MDD entities at the MHHS 'go-live' date<sup>1</sup> was intended to discourage further development of legacy arrangements and to incentivise Suppliers to focus on their MHHS transition activities. However, it has become apparent that the freeze is having unintended consequences due to the changes to Group Correction Scaling Factors that were made at M10.<sup>2</sup>

The Proposer states that the changes to the calculation mean that non-migrated half-hourly metered customers (particularly Extra High Voltage customers) are being charged for energy they have not consumed. The Proposer also states that this will also lead to settlement inaccuracies. The purpose of P507, according to the Proposer, is to reset the scaling factors for all non-migrated half-hourly settled customers to those that were being used before 22 September 2025. If implemented, the Proposer believes that it should have "retroactive effect" dating back to when the scaling factors were changed on 22 September 2025. Finally, it is proposed as a temporary measure pending the outcome of Issue 120, which is expected to deliver a longer-term solution.<sup>3</sup>

**BSC Panel view**

At the BSC Panel meeting on 11 December 2025, the BSC Panel unanimously agreed to recommend to Ofgem that P507 should be progressed as an Urgent Modification Proposal. The

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<sup>1</sup> 22 September 2025 was both MHHS milestone M8 (when the BSC legal text for MHHS came into effect) and MHHS Milestone M10 (when the BSC Systems required for MHHS went live).

<sup>2</sup> Grid Supply Point (GSP) Group Correction is the mechanism that adjusts suppliers' metered volumes in each GSP Group to address the under- or over-accounting of energy. At M10, MHHS introduced revised GSP Group Correction Scaling Factors for non-migrated Metering Systems and new Scaling Weights for migrated Metering Systems.

<sup>3</sup> According to the Elexon website, [Issue 120 Review of the approach to GSP Scaling Factors post M8/10 - Elexon BSC](#) was raised on 14 November 2025 to "examine supplier concerns that the new MHHS method for GSP Group Correction Scaling Factors may reduce post-M10 Settlement accuracy compared to the Issue 55 approach. Suppliers are seeking a review of the current calculation to better understand its impacts and consider potential improvements." A workgroup is now being established.

BSC Panel also agreed that an Alternative Modification to restore the previous scaling factors for all non-migrated half-hourly settled customers - but applying only from the date of implementation rather than from 22 September 2025 - should also be progressed as an Urgent Modification Proposal for industry consideration at the same time.

## Our decision

In reaching our decision on the urgency of the Proposal and the Alternative Modification, we have considered their details, the justification for urgency and the views of the BSC Panel. We have also assessed the request against the urgency criteria set out in our published guidance.<sup>4</sup> Our guidance sets out that an urgent modification should be linked to an imminent issue or a current issue that if not urgently addressed, may cause:

- a significant commercial impact on parties, consumers, or other stakeholder(s)
- a significant impact on the safety and security of the electricity and/or gas systems
- a party to be in breach of any relevant legal requirements.

We note that the Proposer has estimated that the recent revision of GCF scaling factors has had immediate and material commercial impacts, for suppliers with non-migrated Half Hourly portfolios, in the region of £10–15 million per month across the industry. Given this, we agree that the issue may cause a significant commercial impact on affected consumers. On that basis, we agree that P507 and the Alternative Modification should be progressed urgently.

In granting this urgency request, we have made no assessment of the merits of the Proposal and the Alternative Proposal. Nothing in this letter in any way fetters our discretion in relation to them. ***We expect that the Final Modification Report will include a robust and credible estimate of the costs of the present arrangements to Parties and consumers, and of how these Proposals would affect those costs, to inform our decision on whether either of the Proposals should be approved and implemented.***

## Urgent Progression Procedure for P507 and the Alternative Modification

We agree that P507 and the Alternative Modification should follow the timetable proposed in your letter. We set out the timetable below:

Event	Date
Modification proposal raised	9 December 2025
BSC Panel meeting	11 December 2025
Ofgem receives request for urgency	12 December 2025
Ofgem decision on urgency	15 December 2025
Urgent Modification consultation (15 WDs)	Within 2 WD of the decision on urgency
Draft Urgent Modification Report presented to Panel	Within 5 WDs of the consultation closing
Final Urgent Modification Report sent to Ofgem	Within 1 WD of the Urgent Panel meeting

Yours sincerely,

**Jenny Boothe**  
**Head of MHHS, Ofgem**

Duly authorised on behalf of the Authority

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<sup>4</sup> [Ofgem Guidance on Code Modification Urgency Criteria](#)