

## Ofgem decision to approve Balancing and Settlement Code (BSC) P495: ‘Allow Suppliers to retire MPIDs they do not intend to qualify prior to MHHS Milestone M14’

Decision	The Authority <sup>1</sup> directs that this modification be made <sup>2</sup>
Target audience	National Energy System Operator (NESO), Parties to the BSC, the BSC Panel and other interested parties
Date of publication:	23 April 2026
Implementation date:	30 April 2026

### Background

Under section C of the Balancing and Settlement Code (BSC), Market Wide Half Hourly Settlement (MHHS) participants are required to complete MHHS Qualification by the ‘Milestone 14’ (M14) date, which is currently 28 October 2026.<sup>3</sup> BSC Section C12.12.6 provides that, if a Supplier fails to qualify for MHHS by the M14 date, the Supplier will be suspended from registering new Metering System Identifiers (MSIDs) across all Market Participant Identifiers (MPIDs)<sup>4</sup> associated with its Party ID. Any suspension under BSC Section C12.12.6 would remain in effect until every MPID under that Party has either been qualified for MHHS or has fully exited from the market.

### The modification proposal

Centrica (‘the Proposer’) raised P495 on 7 August 2025. The Modification proposes an update to Section C of the BSC to introduce additional criteria that would enable any Suppliers intending to retire MPIDs rather than qualify them for MHHS by M14 to avoid being subject to

<sup>1</sup> References to the “Authority”, “Ofgem”, “we” and “our” are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day-to-day work. This decision is made by or on behalf of GEMA.

<sup>2</sup> This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989.

<sup>3</sup> As specified in the [MHHS Programme Implementation Plan](#) and the [MHHS Qualification Approach and Plan](#).

<sup>4</sup> An MPID is a unique identifier assigned to a market participant to distinguish their activities within industry systems. An MSID refers to a specific metering point where electricity is consumed or generated. MSIDs are linked to MPIDs for registration and settlement purposes.

a Party-wide new registrations ban after M14. The proposal distinguishes between active MPIDs that are intended to continue under MHHS and unqualified MPIDs that are not intended to continue under MHHS and are therefore being retired. The proposal, as modified by a BSC Workgroup<sup>5</sup>, introduces a new process, the MPID Retirement Process, where Suppliers can declare unqualified MPIDs for retirement, subject to meeting defined conditions and assurance checks that align with MHHS timelines.

Prior to M14, a Supplier intending to retire one or more unqualified MPIDs must notify the BSC Performance Assurance Board (PAB) of its intention and must submit a Retirement Plan for each MPID. The Retirement Plan must:

- set out the timetable and actions required to migrate all MSIDs currently associated with the unqualified MPID to an MHHS-qualified MPID, or otherwise to de-register and disconnect them, by the MHHS Milestone 15 (migration completion) date of 7 May 2027
- identify any problematic/exception MSIDs that could impede migration and propose mitigation or escalation actions
- confirm that no new MSIDs will be registered under the unqualified MPID after M14
- describe the transfer of responsibilities (customers, agents, data flows) and any interim operational arrangements.

The Proposal provides that PAB may only approve a Retirement Plan if the supplier has met a series of conditions. For example, by M14 the Supplier must have completed MHHS Qualification for at least one MPID that contains at least one operational MSID<sup>6</sup> and must have notified the PAB of its intention to retire one or more MPIDs.<sup>7</sup> (For dormant MPIDs with non-operational MSIDs, Suppliers may submit a short-form acknowledgement to the PAB instead of a full plan. The PAB will track progress.) Once a Retirement Plan is approved, the unqualified MPID will be indefinitely suspended from new registrations following M14.

The Proposal requires Suppliers to implement a Retirement Plan in accordance with its terms and to provide such evidence of compliance as the PAB may reasonably request. Under P495, the PAB:

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<sup>5</sup> For details of the changes to the proposal that were agreed by the Workgroup see pages 20-26 of the [P495 Final Modification Report](#).

<sup>6</sup> The legal text for P495 provides that, for these purposes, an 'operational MSID' means a "Metering System Identifier...in respect of which energy consumption or export is, or is reasonably expected to be, occurring, and shall not include any Metering System which has been fully de-energised and subject to a completed disconnection process, or which is otherwise closed in SMRS or CSS".

<sup>7</sup> For a full list of the conditions for retiring an MPID see page 29 of the Final Modification Report.

- will monitor progress against approved plans through regular reporting and evidence submissions from Suppliers (who may for example be required to provide migration data, exception reporting, or portfolio updates)
- may request more evidence where it identifies discrepancies or risks to M15
- will maintain a confidential register of retired or retiring MPIDs to ensure oversight and traceability while protecting commercially sensitive information.

Any non-compliance with approved Retirement Plans (such as any failure to meet migration milestones or any evidence of new registrations under retired MPIDs) may be escalated via the existing Performance Assurance Framework and, if necessary, ultimately to Ofgem.

The Proposal also allows an unqualified MPID to remain active for the purpose of fulfilling a Supplier of Last Resort (SoLR) appointment directed by Ofgem. However, P495 provides that any Supplier appointed as a SoLR in respect of an unqualified MPID must:

- notify the PAB in writing within 10 Working Days of such appointment
- agree with the PAB either a reasonable timetable to achieve MHHS Qualification in respect of the unqualified MPID or a proposed onboarding timetable for transferring customers to an existing MHHS Qualified Supplier MPID. In either case, the Supplier shall use best endeavours to ensure that the relevant MPID(s) are compliant with M14.

The Proposal makes clear that any Supplier that has an MHHS Qualified MPID with at least one operational MSID shall not be subject to a Party-wide ban on new registrations solely on the basis that it also has unqualified MPIDs, provided that the Supplier complies with the new requirements outlined above. As noted above, the Supplier must then either migrate all the MSIDs associated with the unqualified MPID to an MHHS-qualified MPID, or de-register and disconnect them, by M15. The Proposer therefore considers that P495 balances the need for robust qualification and operational flexibility in a way that enables Suppliers to manage their MPID portfolios responsibly while safeguarding timely MHHS delivery and ensuring consumer protection if there are SoLR appointments involving unqualified MPIDs.

## **BSC Panel<sup>8</sup> recommendation**

At the BSC Panel meeting on 12 March 2026, the BSC Panel considered unanimously that Modification P495 would better facilitate BSC objectives (c) and (d). The Panel therefore recommended its approval.

## **Our decision**

We have considered the issues raised by the modification proposal and the Final Modification Report (FMR)<sup>9</sup> dated 16 March 2026. We have considered and taken account of the responses to the industry consultation on the modification proposal which are attached to the FMR. We have concluded that, on balance, it is likely that:

- implementation of the modification proposal will better facilitate the achievement of the applicable objectives of the BSC<sup>10</sup>
- directing that the modification be made is consistent with our principal objective and statutory duties<sup>11</sup>

## **Reasons for our decision**

We consider that, on balance, it is likely that this modification proposal will better facilitate BSC objectives (c) and (d) and have a neutral impact on the other applicable objectives.

### **(c) promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity**

We note that the Panel agreed with the Proposer and the Workgroup that P495 would introduce a clear, managed route for Suppliers to retire MPIDs after M14 if they meet the proposed criteria and demonstrate compliance through a PAB-approved Retirement Plan. We also note the Panel's view that P495 would support competition and continuity of electricity supply by removing a barrier (a Party-wide ban on new registrations after M14) that could discourage

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<sup>8</sup> The BSC Panel is established and constituted pursuant to and in accordance with Section B of the BSC and Condition E1 of the Electricity System Operator Licence.

<sup>9</sup> BSC modification proposals, modification reports and representations can be viewed on the [Elexon website](#).

<sup>10</sup> As set out in Condition E1 of the Electricity System Operator Licence.

<sup>11</sup> The Authority's statutory duties are wider than matters which the Panel must take into consideration and are detailed mainly in the Electricity Act 1989.

Suppliers from engaging with any SoLR process involving unqualified MPIDs.

Ofgem considers that the proposed retirement conditions and approval criteria are sensible and should ensure that only Suppliers with a credible plan to retire an unqualified MPID may do so. Based on the information we have received, we consider that P495 is likely to reduce the risk of consumers being adversely affected by any ban on new registrations for MHHS Qualified MPIDs specifically where a Supplier has an unqualified MPID to be retired or where it is the SoLR for an unqualified MPID.

We note that the Proposer, Workgroup and the Panel consider that P495 enables Suppliers to manage their MPID portfolios responsibly while safeguarding timely MHHS delivery and ensuring consumer protection if there are SoLR appointments involving unqualified MPIDs. We note and support MHHS Programme's view that "it is essential that Suppliers proactively evidence their migration process, ceasing new registrations for retired MPIDs, and engage with the Migration Control Centre and the PAB to deal with exceptions ahead of M15...given the long settlement run-off before MPIDs can be retired"<sup>12</sup>.

Equally, we expect that the PAB will take a proactive approach to managing MHHS delivery risks in relation to unqualified MPIDs. We note in this connection Exelon's statement that, from an assurance perspective, P495 "does not materially change the level of work" that it will be required to undertake. This is because Exelon's Assurance function would "in any event need to identify MPIDs that are no longer permitted to register new Supplies. Whether this list captures all MPIDs for any Supplier with at least one unqualified MPID (the position without P495) or all unqualified MPIDs (the position under P495) makes no practical difference to their workload".<sup>13</sup>

We also note MHHS Programme's statement that P495 "addresses the MHHS Programme's core concern of maintaining the integrity and timely delivery of M15, which marks the end of migration, while introducing proportionate flexibility around M14 for Suppliers intending to retire unqualified MPIDs".<sup>14</sup> Ofgem notes that the proposed assurance (and, if necessary, escalation) mechanisms for tracking compliance with Retirement Plans are proportionate and that Suppliers are required by P495 to ensure that all required Plan activities are carried

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<sup>12</sup> See page 10 of the [P495 Report Phase Consultation Responses](#).

<sup>13</sup> See page 13 of the FMR.

<sup>14</sup> See page 3 of the [P495 Report Phase Consultation Responses](#).

out in full before M15 on 7 May 2027. On that basis, we consider that P495 would, on balance, better facilitate Applicable Objective (c).

#### **(d) promoting efficiency in the implementation and administration of the Balancing and Settlement Arrangements**

The Proposer and the Workgroup considered that the Proposal would introduce a structured, auditable and time-bound process for retiring MPIDs. They also stated that properly planned, evidenced and monitored Retirement Plans would “prevent ad hoc or last minute suspensions that could otherwise disrupt settlement activity”. Further, they considered that “maintaining M15 as a key milestone provides a clear and common industry checkpoint to ensure that settlement integrity is protected while allowing flexibility for Suppliers who are acting responsibly and transparently”.<sup>15</sup> We note that the Panel agreed with all this.

Ofgem considers that the proposed process for retiring MPIDs is appropriately structured and time-bound. We note that the proposed requirement for any Supplier wishing to retire an unqualified MPID to notify the PAB before M14 is intended to prevent “ad hoc or last-minute suspensions” that could adversely affect settlement activity. We also note the clear requirement in the proposed legal text that all actions required under a Retirement Plan must be completed by the M15 deadline, thereby supporting timely delivery of MHHS. On this basis, Ofgem considers that P495 would better facilitate Applicable Objective (d).

#### **Further remarks**

P495 modifies the existing rule that provides for a Party-level suspension of the ability to register MSIDs if a Supplier has not qualified all its MPIDs for MHHS by the M14 deadline. We have taken the decision to approve P495 on the basis that it will apply only in limited, time-specified circumstances. In addition, we note that all Suppliers (including those seeking to rely on the revised BSC provisions) can commence MHHS migration once they have an MHHS-Qualified MPID<sup>16</sup>, which may be the case well before M14. Together with the assurance and compliance framework surrounding P495, this fact should minimise any additional risk of delay to the M15 Milestone deadline that is critical for wider MHHS benefits realisation.

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<sup>15</sup> See pages 31-32 of the Final Modification Report.

<sup>16</sup> Subject to completing MHHS Service Activation requirements.

## Decision Notice

In accordance with Condition E1 of the Electricity System Operator Licence, the Authority hereby directs that modification proposal BSC P495: 'Allow Suppliers to retire MPIDs they do not intend to qualify prior to MHHS Milestone M14' shall be made.



**Heather Stewart**

**Deputy Director, Retail Systems and Processes**

Signed on behalf of the Authority and authorised for that purpose