

Ofgem decision to approve Balancing and Settlement Code (BSC) P487: ‘Incentive on BSC Supplier Parties to meet the M15 MHHS Milestone’

Decision	The Authority ¹ directs that this modification be made ²
Target audience	National Energy System Operator (NESO), Parties to the BSC, the BSC Panel and other interested parties
Date of decision:	30 April 2026
Implementation date:	The date on which the notified changes ³ to the MHHS Migration Framework setting out the process for P487 implementation are implemented, or 25 June 2026, whichever is the earlier

Background

Under the Market-wide Half-Hourly Settlement (MHHS) programme, electricity Suppliers are required to complete the migration of their Meter Point Administration Numbers (MPANs) by the MHHS Milestone 15 (‘M15’) deadline of 7 May 2027. After this date, the legacy settlement systems can be turned off once the last settlement date with MPANs in the legacy arrangements has been reconciled. Failure to complete migration by the M15 date could delay the cutover to the new settlement timetable and would prolong the dual running of settlement systems and increase industry costs. These costs would be allocated according to market share regardless of whether any Supplier had or had not completed its migration. Thus, Suppliers that had completed their migration on time would bear a financial burden caused by those Suppliers that had not. In addition, unmigrated MPAN customers could not access the benefits of MHHS. This would not be in the interests of competition or consumers.

¹ 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) support GEMA in its day-to-day work. This decision is made by or on behalf of GEMA.

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

³ The notified changes to the MHHS Migration Framework setting out the process for P487 implementation are the changes included as Annex G to the Revised Final Modification Report (or any additional changes to those documents that are substantially the same).

Before Suppliers can start to migrate their MPANs they (and their agents) must first have qualified to operate under the MHHS arrangements. Parties must qualify by the MHHS Milestone 14 ('M14') deadline of 28 October 2026. Section C 12.12.6 of the BSC provides that, where a Supplier has not completed MHHS Qualification by that date, it cannot become a Registrant for Metering Systems for which it is not already a Registrant until such time as it has completed MHHS Qualification. Further to BSC Modification P495, which Ofgem approved on 23 April 2026, this restriction will not apply where a Supplier has – by the M14 deadline – agreed a Retirement Plan in respect of any unqualified Market Participant Identifiers (MPIDs) with the BSC Performance Assurance Board (PAB), or where the Supplier has acquired one or more unqualified MPIDs as the result of being appointed Supplier of Last Resort by Ofgem, and has agreed with the PAB a deadline between M14 and M15 for qualifying those MPIDs or transferring customers on them to qualified MPIDs.⁴

These requirements provide an appropriate incentive for Parties to meet the M14 MHHS qualification deadline. However, there is currently no equivalent incentive to meet the M15 migration deadline, even though the M15 deadline is vital for the timely completion of MHHS implementation and, consequently, for the realisation of MHHS benefits for consumers.

The original modification proposal

On 7 April 2025, the Secretary of State for Energy Security and Net Zero and Ofgem's Chief Executive Officer issued a joint letter⁵ to all MHHS Participants. The letter stated that they were "extremely disappointed that progress on industry testing last year was so slow that a delay of 6.5 months in the delivery of MHHS became unavoidable". The letter also made "clear that there should be no further delays. This determination extends not only to the rest of the testing phase, but also through the qualification and *migration phases*, and the switchover to the faster settlement timetable".

As a contribution towards minimising the risk of delay to the completion of MHHS migration, Elexon developed Modification P487. P487 in its original form provided that any failure by a Supplier to complete its MHHS migration by the M15 deadline would result in that Supplier being restricted from registering new customers until it had completed its MHHS migration.

⁴ Ofgem's decision to approve BSC Modification P495 was implemented via a non-standard BSC Release on 30 April 2026.

⁵ [Joint Letter on MHHS delivery](#).

BSC Panel discussion of the original proposal

The BSC Panel ('the Panel') first discussed the proposal at its meeting on 10 April 2025. The Panel agreed there should be informal engagement with industry on the proposal via a webinar before it could be raised. The webinar took place on 25 April 2025 and the BSC Panel discussed P487 again on 8 May 2025. Panel members were unanimous in their initial agreement that P487 better facilitated Applicable BSC Objective (d) on the efficient administration of the balancing and settlement arrangements. The Panel disagreed by majority votes that the P487 better facilitated Applicable BSC Objectives (b), (c) and (f). Nevertheless, there was "initial full Panel agreement that P487 should be approved".⁶ The Panel agreed unanimously to raise P487 and agreed by majority to send it to the Report Phase for consultation. Industry consultation took place between 12 May and 2 June 2025.

The original BSC Panel recommendation

The BSC Panel considered the P487 Draft Modification Report on 12 June 2025. In light of Suppliers' consultation responses, some Panel members suggested that placing restrictions on Suppliers' ability to register new customers for failing to complete migration by the M15 deadline was a disproportionate measure that could have "an adverse effect on competition...which could not be justified". They added that "while some metering data issues would be inevitable, the modification did not provide sufficient flexibility to account for those exceptions".⁷ Accordingly, the Panel recommended that Ofgem should reject the modification on the basis that it did not better facilitate Applicable BSC Objectives (c) and (d). On 17 June 2025, Ofgem received the Final Modification Report (FMR) for decision.

Ofgem's 'Send Back' decision

Ofgem decided that it was unable to form an opinion on P487 because the FMR (and potentially the legal text) provided insufficient clarity on whether the new registrations restriction would be activated where one or more suppliers had failed to migrate all their MPANs by the M15 deadline for reasons beyond their control and where those reasons did not affect the entire market. Without this information, we stated that we were unable to

⁶ For more details of the BSC Panel's initial discussions of the original proposal see pages 22-24 of the [Revised Final Modification Report](#).

⁷ For more details of the BSC Panel's final discussions of the original proposal see pages 28-29 of the [Revised Final Modification Report](#).

determine whether P487 was proportionate in all circumstances. On 22 August 2025, we sent it back⁸ for further work and directed that the following steps be undertaken:

- the BSC Panel shall, liaising with the MHHS Programme and other Parties as appropriate, arrange for the development of a revised proposal and any associated guidance which makes clear how “genuine exceptions” will be treated. The revised proposal and any associated guidance shall set out what will happen, if:
 - a supplier or suppliers miss the M15 deadline for reasons outside its/their control, but where the causative factors do not affect the entire industry
 - there is an unforeseen event shortly before the M15 deadline, for example if a supplier takes on a significant amount of MPANs (whether by being appointed the Supplier of Last Resort or via a trade sale)
- the BSC Panel shall provide for consultation on that revised proposal and shall, after considering the responses to that consultation, revise the FMR accordingly (including explaining in sufficient detail all the operational and governance processes connected with implementing and revoking a restriction on new registrations after M15, whether or not these are contained in the BSC legal text).

Finally, under section F2.7A.2 of the BSC, we directed that the BSC Panel shall, having revised the FMR, re-submit it to us no later than 15 December 2025 for decision.

Revisions to P487 following the Send Back

Elexon (MHHS Programme) made changes to the legal text for P487 and proposed a series of updates to the MHHS Migration Framework to provide supporting detail for the modification, including extensive draft guidance on how Suppliers would be treated if they missed M15 due to circumstances beyond their control. These changes and updates were discussed with an industry workgroup and some of them were consulted on from 21 October to 3 November 2025. Consultation respondents raised several important points, including seeking clarity on a range of scenarios that might affect Suppliers’ ability to meet the M15 deadline, the process for appealing exemption decisions and the operational and governance process for implementing and lifting the restriction. This section of the decision letter summarises the

⁸ [Ofgem decision to Send Back BSC Modification P487](#).

proposed revisions to the P487 legal text and Migration Framework resulting from the Send Back and subsequent industry engagement. It also highlights illustrative scenarios where MHHS Programme considers that exemptions to a restriction on registrations might apply.

Legal text

MHHS Programme proposed to revise the legal text effectively to provide that the restriction on new registrations for a Supplier that had failed to complete MHHS migration by the M15 deadline would not come into effect if the MHHS Senior Responsible Owner (MHHS SRO) had granted that Supplier an exemption in accordance with the MHHS Migration Plan.

MHHS Migration Framework

MHHS Programme developed a series of amendments to the MHHS Migration Framework which provide supporting detail relating to the exemption process now referred to in the revised legal text. The proposed changes make clear that the Migration Control Centre (MCC) will take account of any circumstances outside the control of Suppliers, including any Supplier of Last Resort process and, where it is not possible to produce a Migration Plan that complies with M15, some MPANs may be planned to migrate after M15. Where this is the case and the Supplier is complying with the Migration Plan, the proposed changes state that the MHHS SRO will exempt any MPANs scheduled to migrate after M15 from the customer acquisition ban until their scheduled migration date. MHHS Programme also drafted exemptions and appeals processes and the procedures for implementing and rescinding any restrictions on new registrations. For more details of these proposed changes see annex 1. These proposals to revise the MHHS Migration Framework are subject to MHHS programme Change Request governance procedures rather than to the BSC modification process.

Illustrative scenarios

MHHS Programme presented a range of scenarios⁹ to the Workgroup for discussion on 6 October 2025. MHHS Programme explained that “all exemption applications would be treated on a case-by-case basis as circumstances will differ.” Nevertheless, MHHS Programme highlighted that there were several scenarios in which exemptions might reasonably apply, including:

⁹ These scenarios are tabulated on pages 34-36 of the [P487 Revised Draft Modification Report](#) and the [Revised Final Modification Report](#).

- central service outages such as unplanned DCC, DIP or LDSO¹⁰ capacity constraints, or Elexon Settlement delays, where migration schedules would be replanned and “M15 may move if the problem is major”
- Programme-driven qualification delays, where the response would likely be as above
- SoLR acquisitions, where “the Supplier is to apply for MCC to replan” and an exemption is “likely if migration cannot reasonably be achieved before M15”
- market-wide disruptions, where there will be “no individual exemption and M15 may move if the problem is major”
- complex MPANs requiring central system or code changes, where migration schedules would be replanned and “M15 may move if the problem is major”.

The revised Draft Final Modification Report noted that “workgroup members agreed these examples struck an appropriate balance between recognising legitimate constraints on Suppliers and maintaining the incentive for timely migration”. The workgroup also “agreed that any exemptions should remain MPAN-specific, time-limited and evidence-based”.¹¹

Workgroup members also “discussed that central service outages, large-scale events or MHHS Programme-driven qualification delays could justify either limited exemptions or movement of M15, whereas Supplier readiness delays [including those caused by agents and contracted third party service providers] would not”.

At the Workgroup meeting on 27 November 2025, MHHS Programme explained that a Supplier’s migration status at M15 would be determined from Electricity Enquiry Service (EES) reports. The Workgroup asked how last-minute unmigrated acquisitions would be handled. MHHS Programme confirmed (at a later date) that it “will work with Suppliers ahead of M15 to ensure that EES data is understood and that Suppliers have an opportunity to compare EES reported data to their own data”. In addition, MHHS Programme stated that the time lag between M15 and the production date of EES reports “gives Suppliers the opportunity to migrate any late acquisitions before the customer acquisition ban is introduced”.¹²

¹⁰ Respectively the Data Communications Company, the Data Integration Platform and Licensed Distribution System Operators.

¹¹ See page 34 of the [P487 Revised Draft Modification Report](#) (and the [Revised Final Modification Report](#)).

¹² See pages 38-39 of the [P487 Revised Draft Modification Report](#) (and the [Revised Final Modification Report](#)).

All the proposed revisions to the BSC legal text and to the MHHS Migration Framework were included as attachments to the revised Draft Modification Report that was submitted to the BSC Panel in early December 2025.

BSC Panel¹³ recommendation

At the BSC Panel meeting on 11 December 2025, the BSC Panel considered the outcomes of the Send Back process, responses to the Send Back consultation, and provided its final views on the revised P487 Draft Modification Report.

In assessing the Proposal against the BSC Objectives, the BSC Panel then unanimously agreed that P487 did not better facilitate BSC objective (c), stating potential “adverse implications for competition of restricting Suppliers from taking on customers”. By majority, the BSC Panel also agreed that P487 did not better facilitate BSC objective (d). The BSC Panel then agreed, by majority, to recommend that Ofgem reject the modification. The Panel unanimously agreed that the Send Back process had been concluded and that the Revised Final Modification Report (RFMR)¹⁴ should be submitted to Ofgem.

Our decision

We have considered the issues raised by P487 and in the RFMR dated 15 December 2025. We have considered the additional details provided by MHHS Programme about how Suppliers would be treated where a failure to meet the M15 deadline was not their fault, including draft processes for exemptions and appeals. Our deliberation has taken account of the responses to the Send Back Consultation on the modification proposal, which were attached to the RFMR. Since receiving the RFMR, we have conducted an assessment of the potential impact of the modification on competition and consumers, and we have considered the Programme Participant Information Request (PPIR) on ‘Troublesome MPANs’¹⁵ that was issued by MHHS Programme on 16 February 2026. MHHS Programme provided an update on the outcome of this PPIR at the MHHS Programme Steering Group on 8 April 2026. We have concluded that:

¹³ 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.

¹⁴ BSC modification proposals, modification reports and representations can be viewed on the [Flexon website](#).

¹⁵ See [Previous PPIRs - MHHS Programme](#) for details. ‘Troublesome MPANs’ is not a defined term as such but it relates to the approximately 500,000 MPANs with one or more of a range of data quality issues that must be resolved before their migration should be attempted.

- implementation of the modification proposal will, on balance, better facilitate the achievement of the applicable objectives of the BSC¹⁶
- directing that the modification be made is consistent with our principal objective and statutory duties.¹⁷

Reasons for our decision

We consider that, on balance, this modification proposal will better facilitate BSC objectives (c) and (d) and will 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 refer below to P487 in relation to competition, given all the measures that have been put in place to mitigate the risk of Supplier failure to complete migration by the M15 deadline and given Suppliers' progress to date. We also respond to the Panel's discussions about how MHHS Programme would deal with M15 non-compliance due to circumstances beyond Suppliers' control, and data quality issues. Our position on the latter issue is also informed by new evidence relating to 'troublesome MPANs'.

Potential effects on competition and consumers

We note that the Panel has suggested that there may be implications for competition and consumers if Suppliers are restricted from taking on customers because they have missed the M15 deadline. A temporary restriction on new customer registrations may have a potential temporary effect on competition. We have assessed whether the scale and impact of this potential temporary effect could outweigh the benefits and efficiencies of this modification and have concluded that the benefits and efficiencies would outweigh any potential temporary effects, which may be at low risk of occurring.

¹⁶ As set out in Condition E1 of the Electricity System Operator Licence.

¹⁷ 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.

The benefits of P487 that relate to BSC Objective (c) are that it provides a strong incentive on Suppliers to complete MHHS migration on time, thereby enabling the earliest possible realisation of wider MHHS that, as stated in our MHHS Final Impact Assessment¹⁸, include increased competition and innovation with the development of new tariffs and products promoting consumer flexibility.

We have considered the extent to which any temporary restrictions on registration might:

- reduce competitive pressure and lead to consumers paying higher prices
- cause consumers harm from being unable to select their preferred supplier
- have a persistent impact on suppliers with weak financial positions (including supplier failure)¹⁹, leading to an ongoing reduction in competition.

We have also considered the possibility that some suppliers might reduce their acquisition activity in the run-up to M15 to avoid a restriction on registrations. We have found that the risk of this is low.

In assessing these potential effects, we have had regard to weekly profile data on Suppliers' Migration Schedules provided to us by the MCC – focusing particularly on those Suppliers currently intending to be migrating MPANs within the last month of the migration period. We have also taken account of Suppliers' historic incoming customer switching figures. If all the Suppliers currently intending to complete migration in the last month of the migration phase were to miss the M15 deadline due to factors within their own control and be restricted from taking on new customers, there could be a noticeable impact on competition and consumer choice. However, our assessment is that this scenario is highly unlikely to occur. Our conclusion is that the risk of these potential effects causing any significant harm to competition and consumers is low and that such effects as may arise are likely to be substantially outweighed by the benefits of the modification (the timely completion of MHHS migration and the earliest possible realisation of wider MHHS benefits including increased competition and innovation with new tariffs and products that encourage consumer flexibility). Moreover, we remind Suppliers that it is for them to take the steps within their control that are needed to comply with M15 and so avoid the risk of such impacts occurring.

¹⁸ See in particular chapter 5 of the [MHHS Final Impact Assessment](#), April 2021.

¹⁹ Any Supplier concerned about the financial impact of an impending registration restriction that has been validated by the MHHS Independent Assurance Provider may make representations to Ofgem. Ofgem would consider any appeal in light of its principal objective and statutory duties.

Factors mitigating the risk that Suppliers will miss the M15 deadline

For several other reasons, we have assessed that the likelihood of significant competition and consumer impacts occurring as a result of potential temporary Supplier registration restrictions after missing the M15 deadline is low:

1. the MCC is and will be monitoring throughput of migrated MPANs against Suppliers' agreed Migration Schedules. This real-time tracking enables early intervention and promotes prompt remedial activity by the Supplier where the migration shortfall has been caused by an issue within its control
2. each Programme Participant, including each Supplier, remains subject to Ofgem's direction²⁰ of 9 May 2025 and 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"
3. the BSC already requires Programme Participants, including Suppliers, to "promptly identify, escalate and report to the MHHS Implementation Manager and MHHS Programme Steering Group any and all risks that may adversely affect MHHS Implementation".²¹

In this connection we support MHHS Programme's position, as reflected in the draft revisions to the MHHS Migration Framework, that any Supplier seeking an exemption should submit its application as soon as it becomes aware of a risk to the timely completion of its MHHS migration. All these stipulations are intended to maximise the chances that any remedial action can be implemented in a timely way that preserves the M15 date and therefore promotes the early realisation of MHHS benefits.

²⁰ See paragraph 19 of page 28 of Ofgem's [Directions to MHHS Participants](#).

²¹ See paragraph 12.12.1 of Section C.

Failure to complete migration by M15 due to circumstances outside Suppliers' control

During the meeting on 11 December 2025, the BSC Panel asked how exemptions from the proposed incentive would operate in practice, particularly where Suppliers may face technical barriers to migration outside their control. In response, MHHS Programme referred to the illustrative scenarios that it had discussed with the Workgroup. MHHS Programme stated that exemptions would be “appropriate where systematic technical difficulties prevent migration, such as where external changes to codes or other industry arrangements are required” and have not been put in place sufficiently in advance of M15 to enable Suppliers to respond to them. In those circumstances, “category exemptions would be expected to be issued” by the MHHS SRO “so that Suppliers are not unfairly penalised”.²²

We note that MHHS Programme has stated that all exemption decisions must be considered on their own merits and in the light of a Supplier’s particular circumstances. That said, Ofgem agrees with MHHS Programme that exemptions might reasonably apply where there are central service outages, SoLR acquisitions, Programme-driven qualification delays, market-wide disruptions and complex MPANs requiring central system or code changes. Ofgem also agrees that exemptions should not be issued where a Supplier is at risk of missing the M15 date due to issues within its control or within the control of the Supplier’s agent or contracted third party. Overall, we consider that the illustrative list of scenarios set out in the RFMR provides clear guidance for Suppliers on the circumstances in which exemptions would be likely to be issued and where the MHHS SRO might consider proposing to delay M15. We therefore expect that the list of illustrative scenarios will be included within the revised baselined MHHS Migration Framework.

Data quality issues

We note that the BSC Panel “expressed concern about the potential customer impact of proceeding with migration where data issues exist, noting past industry experiences where data quality issues led to incorrect billing and adverse media coverage”. The Panel considered that “a balance should be struck between meeting Programme milestones and ensuring customer confidence” and that “strong incentives could risk unfairly penalising Suppliers or creating negative consumer outcomes”. In response, MHHS Programme stated

²² See page 41 of the [Revised Final Modification Report](#).

that “in most circumstances, meters should be able to migrate even where data issues exist. Unless the data issues would significantly impact settlement accuracy or overall consumer costs, migration should proceed with issues resolved post-migration”. MHHS Programme stated that Suppliers would be “expected to manage non-systemic issues post-migration in the interests of the wider consumer base”.²³

Ofgem fully supports the position of MHHS Programme in this matter. Where data quality issues do not significantly impact settlement accuracy or overall consumer costs, Ofgem expects Suppliers to migrate the relevant MPANs first, if that is necessary to comply with the M15 deadline, and to resolve the data quality issues promptly thereafter. We have also taken into account that Programme Participants have had several years to address data quality issues, including under the auspices of the MHHS implementation programme.

MHHS Programme published a Data Cleanse Final Report²⁴ in October 2025. The report listed those MPANs with attributes that could not currently be migrated, noted the remedial actions that were required to enable their migration, and provided guidance to ensure that Suppliers do not migrate ‘excluded’ MPANs in error. The report also contained observations and recommendations about future performance assurance monitoring and additional data cleansing initiatives and identified clearly where changes to industry codes or other documents were required before affected MPANs could be migrated.

Ofgem concludes that a clear pathway has been established with sufficient advance notice to enable Suppliers (and others) to resolve data quality issues before the M15 deadline. Where changes to codes or other documents are necessary, we require them to be developed, consulted on and implemented as soon as possible and at any rate sufficiently in advance of M15 to allow Suppliers then to complete the migration of the affected MPANs in a timely way. To that end, we note that MHHS Programme has commenced monthly reporting to the Migration and Cutover Advisory Group (MCAG)²⁵ on any activities required by the Code Bodies to support the resolution of these issues.

²³ See page 41 of the [Revised Final Modification Report](#).

²⁴ [MHHS-DEL4254 MHHS Programme Data Cleanse Closure Report](#).

²⁵ The MCAG is the MHHS Governance Group with responsibility for overseeing the development of, and compliance with, the Migration Control Centre Framework as well as the MHHS Transition and MHHS Programme Data Cleanse activities.

Evidence relating to the timely migration of ‘troublesome’ MPANs

MHHS Programme reported to the Migration Working Group (MWG)²⁶ on 9 April 2026 and to the MCAG on 28 April 2026 about the outcomes of its recent PPIR on ‘Troublesome MPANs’. PPIR responses were received from 99% of Suppliers, representing 99.99% of all industry MPANs. The responses confirmed the number of Troublesome MPANs each Supplier has, alongside their associated remediation plans. This included the identification of complex sites, which will help the Suppliers’ development of migration plans for these sites where migration activity may need to be coordinated across multiple parties.

MHHS Programme’s position, “based on current self-declared volumes, trend analysis, remediation forecasts and proximity to M15” is that the “13 data quality issues [within the scope of the PPIR] will not prevent achievement of M15 migration completion in May 2027 as long as Suppliers complete activities to timeframe and External Change is implemented in a timely manner”. MHHS Programme therefore concludes, based on the PPIR findings, that “Troublesome MPANs currently represent a low risk to M15”.²⁷

We note from MHHS Programme’s presentations that “submitted plans show that the Supplier community forecast to have 99.7% of Troublesome MPANs resolved by the end of 2026. The remaining 0.3% of Troublesome MPANs sits with five Participants and submissions show this will be resolved by M15. Two of these Suppliers expect to complete ahead of time (within 2026) but have added contingency within their submission”. We further note and acknowledge that, where there is “primary residual risk”, these risk areas²⁸ will be “subject to enhanced monitoring” by MHHS Programme, and that MHHS Programme will be “completing regular progress reviews with Participants to ensure that the overall risk to M15 remains low”.

Ofgem welcomes the high degree of Supplier and Agent engagement with the PPIR and concludes from the responses that there are no reasonable grounds for concluding that ‘troublesome’ MPANs will delay migration beyond the M15 date.

²⁶ The Migration Working Group (MWG) is an MHHS governance group which supports the MCAG.

²⁷ For more details on the PPIR, see the [slides](#) presented by MHHS Programme to the MWG and the MCAG. ‘External Change’ includes the changes to code or related documentation that are required for certain categories of ‘troublesome MPAN’ to migrate successfully.

²⁸ The MHHS Programme’s [slides](#) state that primary risk areas relate to traditional meters installed on a Current Transformer connection, Linked and Related MPANs where multiple Suppliers are involved, and a data synchronisation issue between the CSS and the EES.

Other matters Ofgem has taken into account

MHHS Programme has stated that there are other grounds for optimism in relation to M15. These are that:

- migration has so far been executed according to plan. While a deviation from plan has occurred over the last month primarily due to one Supplier, the underlying reasons have been understood, and a recovery plan has been reviewed and approved by the MCC in accordance with the Migration Framework. At the same time, other Suppliers currently migrating have, according to MHHS Programme, demonstrated sustained delivery against their plans. MHHS Programme’s position, therefore, as reported to the MHHS Programme Steering Group on 1 April 2026, is that “the reduced number of migrations does not pose a risk to M15 and that there is sufficient unused migration capacity to recover lost volumes. No central issues are impacting migration progress and exception volumes remain low”²⁹
- MHHS Programme re-baselines the migration forecast approximately every eight weeks. As part of this process, all Suppliers resubmit their Migration plans, which are then validated and formally baselined by the MCC. There have been three baselining exercises since MHHS go-live in September 2025. The latest migration forecast to M15, conducted in March 2026, remains stable and shows no slippage. With respect to the number of MPANs forecast to be migrated in the final ‘sprint’³⁰, this number “has remained stable and manageable”
- MHHS Programme is currently working on proposals to enhance the controls for the final two migration sprints (from February to May 2027) with a view to incorporating them into the Migration Framework.

Ofgem welcomes these developments. Based on all the above evidence, Ofgem considers that the likelihood of widespread Supplier failure to miss M15 for reasons within their control is low and that, therefore, approving this modification is unlikely to have negative impacts on competition and consumers. Instead, we consider that it will provide an enhanced incentive

²⁹ As stated in the [MHHS-DEL4482 PSG 01 April 2026 Headline Report](#).

³⁰ MHHS Migration is being delivered in nine sprints. Each sprint has a Planning, Execution and Retrospective Phase. For more details, including the sprint cycle dates, see the [Migration Sprints](#) page of the MHHS Programme website.

for Suppliers to complete their migration by M15 and, in so doing, enable the early realisation of MHHS benefits such as dynamic tariffs and flexibility services. For this reason, we consider that P487 better facilitates BSC Objective (c). It also promotes the earliest possible realisation of the administrative efficiencies described immediately below.

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

We note that the BSC Panel agreed by majority that P487 did not better facilitate BSC Objective (d). We do not agree with this view. We note that all BSC Parties fund the settlement system and process. Completing migration on time would allow legacy systems and processes to be shut down earlier, reducing costs for all BSC Parties. P487 increases the incentive for Suppliers to put appropriate resources in place to complete migration by the M15 deadline. The modification therefore promotes the timely elimination of legacy administrative costs and, as such, better facilitates BSC Objective (d).

Further remarks

Ofgem considers that the revised proposed legal text and the suite of proposed revisions to the MHHS Migration Framework provide a transparent and coherent view of how the M15 incentive would operate. The proposal would not restrict suppliers who meet the deadline and would not prevent non-compliant suppliers from continuing to serve existing customers. We consider that the proposals are fair and reasonable and make a clear distinction between delays that are within Suppliers' control and those that are not. We also consider that the proposals are wholly proportionate, in that any restriction on new registrations would last only as long it takes for the Supplier to complete migration. Taken as a whole, Ofgem considers that the proposals satisfactorily address the requirements of our Send Back letter dated 22 August 2025.

While the modification could have a temporary restrictive effect on competition by preventing non-compliant Suppliers from acquiring new customers, this effect is limited in duration, applies only where Suppliers fail to meet known obligations within their control, and serves a legitimate and necessary incentive function to secure timely compliance. This incentive effect supports effective market functioning and mitigates longer-term risks to competition arising from non-compliance.

Appeals to Ofgem

MHHS Programme’s proposals set out a role for the MHHS Independent Assurance Provider (‘the IPA’) if a Supplier wishes to challenge a MHHS SRO decision about an application for an exemption from a customer acquisition restriction after M15. Ofgem considers that the proposed grounds for appeal and the associated IPA processes³¹ are appropriate. The proposals do not specify an appeal role for Ofgem. However, the existing MHHS Governance Framework already provides for the escalation of MHHS SRO decisions to Ofgem when they could significantly affect competition, market stability or consumers.³² Accordingly, any Supplier that remained aggrieved, after the IPA had validated a decision by the MHHS SRO, could make representations to Ofgem. In considering those representations, Ofgem would have regard to its principal objective and statutory duties.

Other potential regulatory changes relating to timely MHHS delivery

When Ofgem approved MHHS Programme Change Request ‘CR055’ in November 2024³³, we stated that we were “determined that there should be no further delays in the delivery of this vital programme” and that “to mitigate this risk...we will, early in 2025, be taking forward a package of regulatory measures intended to expedite the delivery of MHHS”. As part of the package, we stated that we were “minded to include licence modifications in relation to the migration period”.

At that time, there were no proposals to modify the BSC to enhance the incentives on Suppliers to meet the M15 deadline. Once P487 had been raised, some suppliers suggested there was a potential for a so-called ‘double jeopardy’ if there were to be new regulatory measures in both the supply licence and the BSC relating to the timely completion of MHHS migration. On 30 October 2025, MHHS Programme presented a paper to the PAB asking it to recommend that the BSC Panel raise a modification to introduce a post-M15 ‘MHHS Implementation Management Charge’ for Suppliers that missed the M15 deadline for reasons within their control. The PAB rejected that proposal by majority. At the P487 Workgroup meeting on 27 November 2005, we clarified that we were not actively considering any licence changes in relation to M15 and would reflect on the need for any further action

³¹ See annex 1 for details.

³² See page 15 of the [MHHS Governance Framework](#), May 2025.

³³ Ofgem decided to approve the MHHS SRO’s recommendation in [MHHS Change Request CR055 'Amendments to M10 and corresponding milestones'](#) thereby delaying MHHS go-live by 6.5 months from early March to late September 2025.

once a decision had been taken on this modification proposal. Given that Ofgem has now decided to approve P487, we do not intend to pursue any further regulatory measures in relation to the M15 deadline.

Next steps

We require Suppliers and other Programme Participants to take all the actions necessary to complete the delivery of MHHS in line with the existing MHHS Implementation Timetable.

As noted on pages 39-40 of the RFMR, we expect that the relevant code bodies will now consider if there is a need for any further changes as a result of implementing P487. This should include consideration of whether a new process needs to be developed to allow the efficient return to a Supplier (that is for a period of time restricted from registering customers after M15) of any customers that have been erroneously transferred away from that Supplier.

Finally, we expect that MHHS Programme will promptly raise a Programme Change Request to revise the MHHS Migration Framework substantially³⁴ in line with the draft documentation provided to the BSC Panel in December 2025. We note that any responses from Programme Participants must, as with any other consultation, be considered by the MHHS SRO in coming to a decision on re-baselining the MHHS Migration Framework.

Decision Notice

In accordance with Condition E1 of the Electricity System Operator Licence, the Authority hereby directs that modification proposal BSC P487: 'Incentive on BSC Supplier Parties to meet the M15 MHHS Milestone' be made.



Charlotte Friel

Director – Retail Pricing & Systems

Signed on behalf of the Authority and authorised for that purpose

³⁴ As stated in the Revised Final Modification Report (RFMR) and footnote 3 above, the 'notified changes' to the Migration Framework will be the changes included as Annex G to the RFMR (or any additional changes to those documents that are substantially the same).

Annex 1 Draft revisions to the MHHS Migration Framework

MHHS Programme has drafted a suite of amendments to the MHHS Migration Framework providing supporting detail relating to the exemption process now referred to in the legal text:

- a new Migration Principle ‘MCP-08’, set out in the Programme document *Migration Framework – Principles and Guidelines*³⁵, which states that “the Migration Control Centre (MCC) will ensure that the Migration Schedule takes account of the ability of a Supplier, taking all reasonable steps, to react to circumstances outside their control”³⁶. Further to MCP-08, “the Migration Plan does not require Suppliers to achieve results that are not possible due wholly to circumstances outside their control”. Instead, the MCC will “take account of any circumstances outside the control of Suppliers, including any Supplier of Last Resort process” and, where it is not possible to produce a Migration Plan that complies with M15, some MPANs may be planned to migrate³⁷ after M15. Finally, “where this is the case and the Supplier is complying with the Migration Plan”, MCP-08 states that “the MHHS SRO will exempt any MPANs scheduled to migrate after M15 from the customer acquisition ban until their scheduled [migration] date”
- a new paragraph on circumstances beyond Suppliers’ control in the Programme document *Migration Framework Foundations*³⁸ reiterates points made in MCP-08 but also makes clear that Suppliers are expected to take all reasonable steps to ensure that they have completed migration by M15, and that Suppliers are responsible for their own readiness and for the performance of agents and third party service providers with whom they have a contractual relationship
- a new sub-section in Section 6 (‘Migration Schedule Compliance’) of the *Migration Framework Foundations* states that where Suppliers are “impacted by circumstances outside of their control, potentially including acquisition via a Supplier of Last Resort process, after M14 they may apply for application of the Migration Schedule Fairness

³⁵ [MHHS-DEL2427 Migration Framework Principles and Guidelines redline v2](#).

³⁶ The Migration Control Centre is a dedicated unit within MHHS Programme responsible for managing the MHHS migration phase. Its functions include close monitoring of suppliers’ adherence to the Migration Schedules that the suppliers have agreed with the MCC.

³⁷ Technically, each MPAN must be in an “Acceptable State” by M15. For details see [MHHS-DEL1792 - M15 Acceptance Criteria v2.0](#).

³⁸ [MHHS-DEL2426 Migration Framework Foundations redline v2](#).

principle. The same process as for ‘Lost Migration Days’ [before M14] will apply.³⁹ Where exceptionally, the MCC is unable to create a new Migration Schedule in relation to the impacted MPANs that fairly takes account of circumstances wholly outside of the Supplier’s control that completes by the baselined date of M15, the MCC may submit a schedule to the MCAG that allows for migration of some MPANs beyond the M15 baselined date. MCC would take that schedule to MCAG for a recommendation to the MHHS SRO”. The MHHS SRO “may provide for an exemption for the Supplier from the M15 customer acquisition ban in respect of any MPANs scheduled to migrate after the M15 date until the date on which they are scheduled to be migrated”

- the *Migration Requirements and Processes* document now includes a proposed stipulation at 9.3.1 that the MCC will, after a migration incident or issue, “consider if...the Migration Schedule Fairness process needs to be triggered”. According to the *Migration Terminology and Glossary* document, the new term ‘Migration Schedule Fairness’ would mean that “a Supplier will not be unfairly held to account at M15 for migration delays resulting from circumstances wholly outside of the Supplier’s control”⁴⁰
- there is a draft proposed process⁴¹ setting out the steps to be followed by the relevant code bodies when activating and rescinding any customer acquisition ban
- and finally, new Appendix 2 of the *Migration Framework Foundations* sets out the proposed ‘M15 SRO Exemption Process’, the issues that the MHHS SRO will consider when deciding whether to issue exemptions, and the grounds and process for appeal.

The proposed M15 exemption decision-making process

Appendix 2 of the *Migration Framework Foundations* sets out that a Supplier may make an application for an exemption “where a situation beyond their control, including natural disasters or other outages beyond their ability or their agents’ ability to resolve, has had the effect of making it impossible for them to comply with their Migration Plan”. It also lists the

³⁹ Section 6.6 of the *Migration Framework Foundations* document already contains provisions relating to ‘Lost Migration Days’. A Supplier can claim for additional ‘Core Migration Window’ migration days where the Supplier’s ability to migrate has been affected by issues beyond their control, such as an unscheduled central systems outage. The MCC assesses any such requests according to criteria set out therein. Under the current proposal, Suppliers could after M14 similarly request the replanning of affected MPANs where migration cannot be completed due to uncontrollable factors.

⁴⁰ See [MHHS-DEL2430 Migration Requirements and Process redline v2](#) and [MHHS-DEL3359 Terminology and Glossary redline v2](#).

⁴¹ [DETAILED PROCESS FOR M15 CUSTOMER ACQUISITION BAN V3](#).

information a Supplier must include in its exemption application and provides that the Supplier must submit its application “as soon as they are aware of a risk that they may not be able to complete migration according to the Migration Schedule, or by M15”. It is proposed that the MCC will evaluate whether:

- an existing incident covers the issue (if central-party related)
- sufficient evidence supports the claim in relation to both whether the event is outside of the control of the Supplier and its agents and the impact of the event on the Supplier’s ability to comply with their Migration Plan
- the Supplier has raised the issue as soon as they were aware of it, and whether
- the impact is material enough to justify application of an exemption.

Where, exceptionally, the MCC cannot agree a new schedule that fairly takes account of circumstances wholly outside the Supplier’s control that completes by M15, it is proposed that the MCC may submit a schedule to the MCAG that allows for migration of some MPANs beyond the M15 date and recommend an exemption from the M15 customer acquisition ban. The MCAG would consider this and make a recommendation to the MHHS SRO. In deciding whether to approve the application, the MHHS SRO would consider the following factors:

- whether the event is wholly outside the control of the Supplier and its agents
- the extent to which the Supplier has taken all reasonable steps to mitigate the impact of the event on its ability to complete migration by M15, including prompt notification to the MCC
- the extent to which the Supplier has cooperated with the MCC in defining a revised migration schedule
- whether the Supplier is delivering in accordance with the new migration schedule.

Appendix 2 of the *Migration Framework Foundations* makes clear that if, based on the available evidence, it “appears to the MHHS SRO that the Supplier has been impacted by an event wholly outside their control and that of their agents, that they have taken all reasonable

steps to mitigate the impact of the event on their ability to complete migration by M15, that they have fully cooperated with the MCC in defining a revised schedule and that they are on track against that new schedule, the MHHS SRO will issue an exemption from the M15 customer acquisition ban”. If issued, it is proposed that the exemption will relate only to any MPANs scheduled for migration after M15 and will cease to apply, in respect of each MPAN, on the day after the date on which it is scheduled to migrate.

The proposed M15 exemption appeals process

Appendix 2 of the *Migration Framework Foundations* states that, if a Supplier applies for an exemption which is not granted, or which is not granted in full, the Supplier may appeal to the IPA. The proposed grounds for appeal are that:

- the process set out in Appendix 2 was not properly followed in material ways that could have impacted the MHHS SRO’s decision
- the evidence presented to the MHHSO SRO did not include all the evidence provided by the Supplier or was misrepresented, or
- the evidence provided was not properly interpreted.

It is proposed that an appeal “may not be made in relation to the exercise of the MHHS SRO’s judgement, for example on whether an issue was sufficiently outside the Supplier’s control, whether the Supplier has taken sufficient steps to mitigate the impact, or whether the Supplier has sufficiently cooperated with the MCC”. It is also proposed that a Supplier must send a notice of appeal to the IPA within five working days of receiving the MHHS SRO’s decision on the exemption application⁴² and that the IPA will provide a ruling within five working days of receiving the Supplier’s notice of appeal.

These draft revisions to the MHHS Migration Framework are subject to MHHS programme Change Request governance procedures rather than to the BSC modification process.

⁴² MHHS Programme confirmed this aspect of the proposals after the Workgroup meeting on 27 November 2025 (see page 39 of the RFMR).