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Dear Steve,

Decision to approve Market-wide Half Hourly Settlement (MHHS) Change Request CR067 ('Splitting the M15 Milestone into M15a and M15b')

Thank you for your email of 4 November 2026, in which you formally submitted a recommendation to Ofgem, with supporting paperwork, that we approve CR067. After considering this information, and the position of the MHHS Independent Programme Assurance Provider ('the IPA'), we have decided to approve it. We set out below a summary of the proposal, stakeholder responses to it, and the reasons for our decision.

Background

Under the current MHHS Implementation Plan[1], the M15 Milestone is defined as 'Full Transition Complete' and is described as "the completion of implementation activities and the conclusion of the 18-month migration period". This description incorporates two distinct elements, namely the deadline for individual suppliers to complete the migration of their MPANs to MHHS, and the overall migration of all MPANs when 100% of energy is settled under the new MHHS arrangements.

On 30 April 2026, Ofgem approved Balancing and Settlement Code Modification P487 ('Incentive on BSC Supplier Parties to meet the M15 MHHS Milestone')[2]. This modification provided that any failure by a supplier to complete its MHHS migration by M15 would result in that supplier being restricted from registering new customers until it had completed its MHHS migration, unless the MHHS Senior Responsible Owner ('the SRO') had granted that supplier an exemption. Following this decision, MHHS Programme ('the Programme') proposed Change Request CR065 ('Alignment of Migration Baseline Documents to Mod P487') to amend the MHHS Migration Framework, amongst other things, to introduce a process whereby suppliers could seek an exemption from the SRO. Following consultation with MHHS Programme Participants and discussion at the MHHS Programme Steering Group (the PSG) on 1 July 2026, the SRO decided to approve CR065.[3]

[1] See MHHS Programme Plan and complementary documents.
[2] See our decision to approve BSC Modification P487.
[3] The Headline Report is available at Programme Steering Group - MHHS Programme.

P487 and CR065 make provisions for suppliers, under certain conditions[4], to migrate after the baselined date with an SRO exemption or whilst subject to registration restrictions. Consequently, while the Programme is still planning on the basis that all suppliers will have completed their migration by 7 May 2027, this "can no longer be assumed as certain". At present, the M15 definition and baselined date of 7 May 2027 assume this will happen. To "remove this ambiguity", the Programme considers that a change is required "so the Programme has a clear and robust basis for managing [the] two distinct M15 outcomes: the supplier-level compliance deadline and the industry-level transition completion point. This must include managing the risk that these two outcomes occur on different dates".[5]

Change Request CR067

Change Request CR067 proposes to split MHHS Milestone M15 into separate Tier 1 milestones, one for each of the two outcomes. The proposal would introduce milestones

- 15a as the 'Programme and Supplier Compliance Deadline', marking completion of the 18-month migration period and triggering registration restrictions for suppliers where applicable
- 15b as 'Full Transition Complete', representing the point at which all suppliers have completed migration and 100% of energy is settled under MHHS arrangements.

The proposal would retain the existing M15 baseline date of 7 May 2027 for both milestones.

MHHS Programme Participants' views

The Programme published the proposal on 28 September 2026 for assessment by MHHS Programme Participants. The deadline for responses was 9 October 2026. There were 18 responses, of which 17 supported the proposal. Respondents generally supported the separation of M15 into 15a and 15b as providing greater clarity between compliance by individual suppliers and the overall migration of all MPANs to the MHHS arrangements. They also supported retention of the existing completion date for both milestones.

Some of these respondents sought clarification from the Programme about the consequential dependencies of implementing CR067. These included

- the need for a clear evidence basis when assessing the M15 Acceptance Criteria and appropriate consideration of any unresolved Programme-driven migration defects, process gaps and data quality issues before supplier compliance is assessed
- the monitoring and reporting arrangements relating to M15b where suppliers remain subject to an SRO exemption or registration ban, and the relationship between M15b and the M16 milestone for cutting over to the reduced Settlement Timetable.

One small supplier did not support CR067 on the basis that splitting M15 while retaining the same date for both milestones did not sufficiently remove the ambiguity between the

[4] For details see in particular the Migration Baselined Documents Repository - MHHS Programme.
[5] See papers presented to the MHHS Programme Steering Group meeting, 4 November 2026.

individual supplier compliance outcome and the completion of migration by all suppliers.

The IPA's position

On 2 November 2026, Ofgem received a submission from the IPA about CR067.

The submission stated that CR067 "provides greater clarity over what M15 is measuring, strengthens the Programme's ability to hold Suppliers to account and enables more transparent milestone reporting. Importantly, the proposed split retains clear accountability for migration completion. M15a continues to hold each Supplier to the required migration completion date, meaning a delay or exemption for one Supplier does not provide a basis for others to delay their own migration. M15b then separately tracks completion by Suppliers that do not meet M15a and the point at which full market transition is achieved".

The IPA's submission also noted that the "main feedback from industry relates to the need for further clarity on governance, reporting and the consequences if M15b is not achieved by 7 May 2027, rather than a broader challenge to the rationale for separating the two outcomes".

The IPA therefore supported the proposed change to split M15 into M15a and M15b.

Recommendation by the MHHS SRO

The PSG discussed CR067 at its meeting on 4 November 2026. The PSG noted the widespread support for the proposal and agreed that it would provide greater clarity between supplier compliance with the migration deadline and industry-wide completion, whilst retaining the existing baseline date of 7 May 2027.

The Programme summarised the points of clarification sought by Programme Participants about the knock-on effects if M15a and M15b are not achieved on the same baseline date. These included, as noted above, the need for a clear evidence basis when assessing the M15 Acceptance Criteria, the monitoring and reporting arrangements for M15b where suppliers remain subject to an SRO exemption or registration ban, and the relationship between a delayed M15b and the M16 milestone. The Programme stated that these matters would be addressed through discussion with Programme Participants via the relevant Programme governance groups.

The Programme confirmed that, if Ofgem were to approve CR067, consequential changes would need to be made to the M15 Acceptance Criteria document and to the MHHS Migration Framework document to reflect the split in the M15 milestone and the new definitions for milestones M15a and M15b.

In light of the discussion, the SRO decided to recommend that Ofgem should approve CR067. Following the PSG meeting, the SRO submitted a formal recommendation to Ofgem to that effect along with supporting documentation.

Ofgem's decision

Ofgem has considered the SRO's recommendation, the IPA's position and the views of Programme Participants. Ofgem agrees that the Change Request would establish a clear distinction between the compliance deadline for individual suppliers and the overall completion of MHHS migration at industry level. This would provide a sound basis for monitoring and reporting progress against all scenarios, including where one or more suppliers are subject to SRO exemptions or registration restrictions. On that basis, we have decided to approve CR067.

We look forward to seeing the detailed consequential changes to the M15 Acceptance Criteria document and the MHHS Migration Framework document that are necessary to support the revised M15 milestone split and definitions introduced by CRO67.

Finally, in approving this Change Request, Ofgem wishes to underline that 7 May 2027 remains the compliance deadline for each supplier to migrate its own portfolio of MPANs. We expect all suppliers to ensure that they allocate the resources necessary to achieve this and so facilitate the timely completion of MHHS migration at industry level.

Yours sincerely



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