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Market-Wide Half-Hourly Settlement Implementation

Dear Ro,

As you may be aware, we have now published our Decision and Full Business Case on Market-Wide Half-Hourly Settlement (MHHS).¹ In this we have said MHHS will be introduced for both import and export related MPANs and on the basis of the Design Working Groups Target Operating Model (TOM). We have said that transition should be completed over a period of 4 years and 6 months and that industry will be responsible for implementing MHHS.

As we now move into implementation, there is a need for changes to be made to the Smart Energy Code (SEC) and the Data Communications Company (DCC) systems in order to implement the MHHS TOM. In order to enable a timely transition, and in line with the transition timetable set out in our decision, the process to progress these changes now needs to start. Although the majority of code changes being made to the impacted codes are being managed by the Code Change and Development Group (CCDG), chaired by Elexon, we recognise that the changes required for the SEC and the DCC systems are technical in nature and therefore should progress under the governance of a SEC code modification, to allow proper scrutiny of the different options and costs by the SEC Panel, sub-committees and industry.

Between us we have agreed that DCC is willing and able to raise a modification to the SEC to implement the changes needed to deliver the MHHS TOM. I am therefore writing to formally confirm this agreement with you and to set out the roles and responsibilities of Ofgem and DCC in this process.

DCC roles and responsibilities:

- Raise the modification(s) for the SEC to introduce the changes required to implement the MHHS TOM.
- In partnership with SECAS, maintain responsibility and management of the modification(s) through to completion, and to the best of DCC's ability, ensure the modification process keeps to the MHHS programme timelines to meet the overall transition plan (as currently set out in the MHHS Decision Document).
- Lead the development work required to enable the modification(s), whilst ensuring a collaborative development process takes place by seeking the input required from impacted parties.
- Keep the CCDG updated on the progress of the SEC modification(s) and highlight any interaction with other code changes being made to enable a quick resolution across the codes.

¹ The Decision and Full Business Case can be found on the [Ofgem website](#).

- Implement changes to DCC Systems in line with the approved implementation timetable.

Ofgem roles and responsibilities:

- Provide the high-level MHHS requirements for DCC to raise the initial SEC modification(s).
- Provide integrated and dedicated resource to work with DCC and SEC modification group.
- Retain programme sponsorship and ultimate decision making authority on the SEC code changes for MHHS, including providing feedback during the modification process on the extent to which the modification(s) meets the MHHS requirements.
- Make the final decision as to whether or not to approve MHHS SEC modification proposal(s).

If you are happy with the above roles and responsibilities please proceed to raise the SEC modification(s) to enable MHHS at your earliest opportunity.

If you would like to discuss anything in this letter further, please get in touch with myself or Jasmine Killen.

Kind regards,



Rachel Clark
Deputy Director, Retail