



Making a positive difference
for energy consumers

Email: HalfHourlySettlement@ofgem.gov.uk

Date: 06 May 2021

Electricity Settlement Reform Newsletter:

April 2021 issue

Dear Colleague,

This is the thirteenth edition of our monthly newsletter, which provides a roundup of all that is happening within the Settlement Reform programme. This month we are focussing on our recent publication of our Market-Wide Half-Hourly Settlement (MHHS) decision. There is also an update on the follow up consultation on the implementation and governance arrangements and we have included the progress of the TOM industry working groups in March and April, and the recently published Architecture Working Group (AWG) Recommendation Consultation.

We continue to welcome any feedback on work being carried out, and also on any preferences you have for how we keep you updated on progress. There is a tracker [on our website](#) that links to relevant papers by topic that is updated every month when we publish the newsletter.

An archive of previous editions of this newsletter can be found under the Newsletter subheading on the [Settlement Reform webpage](#). The first edition, [March 2020](#), includes useful background information.

For any questions or feedback, please get in touch via the Half-Hourly Settlement team mailbox:

HalfHourlySettlement@ofgem.gov.uk

The Office of Gas and Electricity Markets

10 South Colonnade, Canary Wharf, London, E14 4PU Tel 020 7901 7000

www.ofgem.gov.uk

MHHS Decision and Full Business Case publication

On Tuesday 20th April 2021 we published our decision to proceed with MHHS. In this we said MHHS will be introduced for both import and export related MPANs and on the basis of the Design Working Group's Target Operating Model (TOM). We said that transition should be completed over a period of 4 years and 6 months, ending in October 2025, and that industry will be responsible for implementing MHHS. We estimate that our chosen option for MHHS will deliver net benefits to GB energy consumers in the range of £1,559m-£4,509m over the period 2021-2045. We published a suite of documents to support this. They are:

- Our Decision Document, which sets out all the decisions we have taken and the reasons for them,
- Our Full Business Case, which includes an assessment of the economic case for implementing MHHS and provides updates on how MHHS will be implemented,
- Our Final Impact Assessment, which sets out our analysis of the costs and benefits of MHHS, and
- A short addendum to our Data Protection Impact Assessment, to reflect the new data access policy decisions set out in the Decision Document.

All these documents can be found on the [Ofgem website](#).

MHHS Consultation on Implementation and Governance Arrangements

On Friday 23rd April we published a consultation on the implementation and governance arrangements for MHHS. In this [consultation document](#) we have set out further detail on a number of processes required to secure the successful implementation of MHHS. Our proposals include; the obligations we plan to place on parties, the proposed governance arrangements for implementation, the principles for the independent assurance provider, and the role of Ofgem during implementation. Alongside the consultation document we have included the draft Governance Framework and the proposed Code Changes we think are required.

The consultation will be open for 9 weeks, and will close on **Friday 25th June 2021 at 5pm**. All responses should be sent to the team at HalfHourlySettlement@ofgem.gov.uk. Please email us at HalfHourlySettlement@ofgem.gov.uk if you have any questions.

Target Operating Model Working Groups

Due to the coronavirus national emergency and the subsequent social distancing measures put in place by the Government, the CCDG and AWG meetings continue to be conducted remotely. Further information on our approach to the TOM working groups during this time can be found in the [May 2020 edition](#) of our newsletter.

Code Change and Development Group (CCDG)

CCDG15: 15th March 2021: At CCDG15 the group continued the discussion of [the responses](#) to the [detailed design and code matrix consultation](#). You can find more details in the CCDG15 headline report which will soon be published on the [Elexon website](#).

The main points of note from the above CCDG discussions are as follows:

- The group agreed not to change their approach to the appointments process, but to review this decision after the AWG consultation which might provide industry with more context of the scale of the overall changes.
- The group agreed to remove the ALCS connection data item as further discussion revealed it was unlikely to be useful.
- The group agreed the main conclusions following the detailed design and code change matrix consultation. These are available on the [Elexon website](#).

CCDG16: 20th April 2021: At CCDG16 the group continued the discussion on the Transition Deliverable to enable a consultation in July 2021. They focussed their discussion on the transition approach to smart and non-smart meters. You can find more details in the CCDG16 headline report which will soon be published on the [Elexon website](#).

The main points of note from the above CCDG discussions are as follows:

- The group agreed changes to the smart and non-smart transition approach.
- The group confirmed a recommendation to Ofgem on introducing a one-way gate for migrated MPANs.
- The group agreed to set out the pros and cons of the approach to registering unmetered supply MPANs.

Next CCDG meeting: At CCDG17 on May 18th the group plans to continue to discuss the transition approach, and what should be included in the consultation. The agenda will soon be available on the [Elexon website](#).

Architecture Working Group (AWG)

Consultation and webinar

Elexon has now published the [AWG recommendation consultation](#), where they are consulting on their preferred reference architecture which will set the framework for suitable data integration for MHHS services. The consultation will be open for 4 weeks, with **responses due by Monday 24th May 2021**. Elexon is also hosting a webinar on the AWG recommendation and consultation at 2pm on Wednesday 12 May 2021. If you are interested in joining the webinar, you can sign up [here](#).

If you are an architectural expert (or you know somebody in your company who is) the consultation will be of particular interest to you. It will be your opportunity to consider the preferred reference architecture and let Elexon and the AWG know your views. Following an AWG review of the responses, with changes being made to the recommendation as required, the AWG will submit their final recommendation to Ofgem, for approval later this summer.

AWG15: 23rd March 2021: At AWG 15 the group reviewed the changes made to the AWG recommendation document since the last meeting and discussed the questions which will form the consultation. The group also discussed the post AWG work – The Architectural Design Working Group (ADWG). The group went through the Product Description for this next phase, which includes the scope, key principles, implementation approach, product composition and artefacts.¹

AWG16: 21st April 2021: At AWG 16 the group agreed the AWG recommendation document for consultation. The group also discussed what was required for the AWG webinar on the 12th May 2021, which will include some examples of how the EDA recommendation would look against the MHHS processes. Some members volunteered to help with the setting out of this information ready for the webinar.

Next AWG meeting: At AWG 17 on June 1st, the group will review the responses to the AWG consultation and will prepare the recommendation to be submitted to Ofgem. The agenda for AWG 17 will be available on the [Elexon website](#) soon.

Sub-group updates

Code and central body sub-group:

The responses to the [CCDG consultation](#) question on the tabulations of the impacted areas of the relevant industry codes broadly agreed that the impacts were correctly identified. Some respondents noted that further detail will need to be developed as the work progresses and highlighted specific areas. The code and central bodies and the CCDG will

¹ The ADWG Product Description can be found in the AWG consultation pack->supplementary documents->Misc. This can be found on the [Elexon website](#).

address these comments as part of the legal drafting work which will begin once the CCDG completes its work on the detailed transition approach.

AWG/CCDG subgroup update: The AWG/CCDG subgroup have now completed their task to identify the business requirements for data exchange. These have now been published as part of the AWG consultation.