MHHS PROGRAMME

Market-wide Half Hourly Settlement (MHHS) Programme Governance Framework

Consultation Questions

Document owner	Document number	Version Number	Date
Andrew Margan	**MHHS_DEL032**	**Version 1.0**	**30 July 2021**

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Market-Wide Half Hourly Settlement – Programme Governance Consultation Questions

Introduction

It is anticipated that the high-level Programme governance structure will be directed by Ofgem in autumn 2021 through their SCR powers. Ofgem's proposed direction will place programme governance arrangements under the BSC. All programme governance documents will sit below this overarching framework.

The MHHS Programme is consulting on a proposed governance framework because:

1. Programme governance arrangements are likely required before autumn 2021.
2. MHHS Programme documentation needs to be more detailed than the overarching BSC framework.
3. The MHHS Programme wishes to be transparent and build a stronger framework through consulting with programme participants.

To support the Governance Framework we would be grateful if responders can provide their views of the proposed framework and the questions below. All comments received will be assessed by the MHHS Programme and used to feed into an amended MHHS Governance Framework documentation. Outstanding issues will be noted and taken to an appropriate programme decision group for discussion and action.

Feedback and comments should be sent to SRO@mhhsprogramme.co.uk.

MHHS Programme Governance Framework Questions

A - Programme Objectives

We have proposed programme governance framework objectives.

1) Do you support the proposed MHHS Governance Framework objectives as set out in 3.4? (Please can you give reasons for your answer)

Broadly we are supportive of the governance framework objectives. We have the following comments.

- Objective C should reference transparency and that the basis of any decisions made/deferred etc.. are well documented and widely available to support this transparency.
- Perhaps for later versions of this framework but consensus needs to be defined e.g. overall majority vs. 100% agreement, and how this work with constituency representation and quoracy of meetings.

B - Governance Structure

The MHHS Programme has created a four level governance framework model. Ofgem are the highest decision maker at Level 1. PSG are proposed to be the primary programme decision maker at Level 2. Other decision making groups will be at Level 3. It is proposed this will include Implementation, Design and Cross Code decision groups. Workgroups and subgroups will be at Level 4.

2) What are your views on the proposed governance structure, including decision levels, decision groups and workgroups in sections 3.5 & 3.6?

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- We are supportive of the proposed governance structure.
- We are supportive of the proposed decision-making criteria, however as per our response to Q1, 'consensus' must be better defined.
- Interactions between the programme governance structure and the Cross Code Steering Group (CCSG) that is being established under the REC should be defined. It is our expectation that all cross code matters relating to the implementation of MHHS should be part of the programme and decisions should be made within programme governance.

3) Do you agree that PSG and the Implementation Advisory Group (IAG) should be separate or would it be better if the IAG role is part of PSG? (Please can you give reasons for your answer)

We do not have strong views on whether the IAG should be separate from the PSG or part of the PSG itself. That said, the IAG responsibilities are a significant part of the programme and would perhaps be better part of the PSG as the programme initiates. The group should retain the option of forming and delegating to the ISG subgroup if this is required to free up the PSG for other matters. In practice, the same industry members are likely to sit on both groups.

The Level 2 and Level 3 decision groups will have nominated and elected constituency representatives, empowered by their constituency members to make decisions on their behalf.

4) Are the proposed constituency representatives at Level 2 and Level 3 correct? (Please can you give reasons for your answer)

Yes, although non-members should be allowed to observe and participate on invitation.

5) For your constituency group, would you support the MHHS Programme running a constituency member nomination and election process for all Level 2 and Level 3 meetings? (Please can you give reasons for your answer)

N/A.

6) Do you agree with attendee requirements as set out in section 3.11? (Please can you give reasons for your answer)

Yes.

- The attendee requirements seem appropriate, however there should be an option to send an alternate if required.
- Meeting agenda topics and decisions will need to be clearly defined in advance of the meeting as it may be that attendees do not wish to participate where matters do not impact participant area of interest.

7) Do you agree level 4 groups should be open for all parties to nominate members who have the relevant expertise? (Please can you give reasons for your answer)

Yes, this is likely to add to flexibility and incentivise the correct skillset to be made available.

8) Specifically for Supplier Agents, should this constituency category be split into two sub-constituency groups and if so what would be the best way to divide them? (Please can you give reasons for your answer)

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N/A

9) Specifically for the CCAG, should the constituency representatives include the Code Bodies only or should it also include other programme participant representatives? (Please can you give reasons for your answer)

We would suggest code bodies only, with the option to invite guests as needed.

The governance structure has a general principle of higher decision groups being able to delegate decisions to groups below them and for lower level groups being able to escalate to a group above them

10) What are your views regarding how decisions should be delegated or escalated?

This should be by census decision within the group promoting the delegation or escalation and this should be recorded as a formal decision of the group.

11) When the Programme Plan is fully developed it is likely to contain Level 1, 2 and 3 milestones. How should milestones be linked to the proposed governance framework?

N/A

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C – Meeting Management

We propose meeting papers are issued at least 5 working days in advance of a meeting and post meeting papers are issued no later than 10 working days after a meeting.

12) Are the proposed 5 working days and 10 working days timescales appropriate?

Yes, we are supportive.

D – Change Control

We have proposed high-level change control principles and a high-level change control process in section 8. We will consult upon a detailed change process in the future.

13) Should all changes follow the same change control process or should there be different routes depending on the impact?

It is unclear what is meant by 'change request'. Does this relate to programme framework changes or industry code change? If the former we are supportive of the proposed process, however the latter will need to take into account existing industry code change processes and understand how this best fits into the Ofgem SCR.

E – General feedback

Please share any further thoughts you have regarding our proposal.

14) Is there anything further you think we should include in the MHHS Programme Governance Framework?

In April 2021 Ofgem formally wrote to DCC, requesting DCC raise a modification to the SEC that implements the changes needed to deliver the MHHS TOM. The driver for this request was to support the Ofgem timetable, published alongside the Market Wide HH Settlement Final Business Case (FBC).

DCC have raised this modification (MP162) and have worked alongside SEC parties and MHHS interested parties to shape this change, which will be entering the Refinement Consultation phase in mid-October 21 leading up to industry consultation in Q1 2022. This timing raises the below considerations for the proposed framework arrangements and may need to be reflected within the arrangements to ensure MHHS impacted parties are fully informed.

- By late October 2021 we expect the solution to be largely developed and therefore change to requirements at this stage may impact the Ofgem programme timetable for implementation.
- DCC expectation is that the smart metering solution for MHHS will be developed and implemented under the SEC, however there will be dependencies that other codes will need to be modified (presumably by the SCR arrangements), which will be needed to support the SEC solution e.g. REC, BSC.

If the proposed framework governance arrangements could be implemented earlier than October, even in a limited way, there may be more opportunity to work collaboratively and provide support to the live SEC modification. We look forward to working with the programme to ensure that dependencies of the SEC modification on other industry codes are defined and captured.

DCC would be happy to provide an update on MP162 progress as required.

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