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**

© MHHS Programme 2021

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)

We support these objectives. However

1. The concept of being 'appropriately communicated with' is subjective and is, therefore, open to a wide degree of interpretation. We consider that the objective here should be clearer. For example: "The programme will operate transparently with all programme participants – providing access to all governance/decision-making forum materials and minutes, etc., to provide a fair opportunity to input into the programme and the decision-making process"
2. Whilst we agree that achieving decisions through consensus is the correct objective, it is inevitable that this will not always be possible, as acknowledged in Section 3.6. However, Section 3.6 implies that the SRO has full discretion to make such decisions, and we consider that an appropriate decision-making framework needs to develop to acknowledge how decisions will be taken where consensus is not possible.

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?

© MHHS Programme 2021

In principle, we agree with the proposed governance structure, but would highlight the benefits – consistent with the Ofgem Switching Programme – of clear programme materials that set out the terms of reference for each group, and of easy access to industry participants to sign-up and access materials.

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 consider that the Ofgem Switching Programme governance model, which includes a separate Implementation Group, has demonstrated value. We would, therefore, continue to support this being a separate group. However, we consider that constituency representatives and members of the Ofgem Switching Programme Implementation Group are likely to be in a better position to offer views on the relative merits of this structure.

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)

We consider that it is likely to be beneficial if the same constituency representative can attend all meetings within the governance framework. This is comparable to the Ofgem Switching Programme and ensures there is a clear feedback mechanism for market participants and avoids any potential pitfalls where different constituency representatives are unclear on their respective remits (i.e. it would prevent anything falling between gaps). In circumstances where the constituency representative considers that they do not possess the requisite experience for a given discussion, it would be appropriate for the constituency to nominate a member within that constituency to provide additional subject matter expertise.

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)

Yes. However, as noted above (and subject to our response to Question 9), we consider that it would be beneficial to – first – consider whether one individual could fulfil this role across all meetings before running individual nomination / election processes.

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

Yes, we agree.

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)

We would not expect there to be any formal nomination process expected for Level 4 groups, leaving it to market participants to determine how best to support such groups (noting that market participants should take into account any relevant expertise recommended to join such groups).

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)

© MHHS Programme 2021

We would suggest that it would be best to divide this category into a representative for DCs, and a separate representative for MOPs.

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 agree that it would be beneficial to also include other programme participant representatives. We do not consider that this would need to be the same constituency representative for the other Level 2 / 3 groups.

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?

We consider that it will be appropriate, in some circumstances, for decisions to be delegated. However, we think it is essential that market participants are provided with sufficient notice of any proposals to delegate decision making authority so that can be afforded the opportunity to discuss the implications of this with their constituency representative ahead of any decision on this proposal being made by the relevant group.

We also recognise that decisions will need to be escalated. Where decisions are escalated, it is essential that programme participants are notified of this promptly, given the potential implications such escalations could have on the programmes of market participants.

In this context it is, therefore, critical that there is effective transparency of programme materials on a timely basis. We would recommend that the approach of the Ofgem Switching Programme is replicated here – e.g. a website for Programme materials, and clear/obvious mailing list sign-ups and timely dissemination of programme materials ahead of meetings and minutes/records of key decisions promptly after such meetings.

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?

We would recommend that the Programme develops a MAD (Milestones, Assumptions, Dependencies) log, comparable to the Ofgem Switching Programme, that sets out the decision making authority for each of the milestones, the market participants responsible / impacted and any dependencies, etc.

© MHHS Programme 2021

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?

Our overarching view is that the objective should be to issue meeting papers with as much notice as possible, whilst post meeting papers should be issued in the shortest lead time possible. Whilst we recognise that this is challenging, it is critical that industry participants have sufficient time to review materials, to canvass relevant subject matter experts internally, and then to have the time to discuss this at constituency forums ahead of their representatives joining programme meetings. A period of 5 working days is a short window to achieve this and can lead to decisions potentially being made based on incomplete information. We would, therefore, recommend that this target is increased or, alternatively, that the programme notes that the target is to issue these at the earliest opportunity but, failing that, to issue them no later than 5 clear (i.e. not including the day of the meeting) working days ahead of the meeting. In recognition of this limitation, we would also recommend that the programme teams offer webinar 'walkthroughs' of programme materials within 24 hours of these being issued. This mirrors the approach taken in the Ofgem Switching Programme.

Equally, market participants need to be able to plan and manage their own internal programmes and, in cases of critical decisions, cannot wait 10 working days for the post-meeting papers to be released. Whilst, in such cases, it is often possible to receive confirmation of decisions from constituency representatives, we recognise that many market participants will wish to receive confirmation of decisions in writing ahead of making any firm commitments. We would recommend a shorter timeframe for post meeting papers and/or a clear commitment to communicate decisions/escalations made within, say, 3 working days with a further commitment to issue formal post meeting papers within 10 working days.

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?

We think it is important that all change is initiated using the same process to provide consistency of approach. However, we recognise that not all change will have the same impact and it might, therefore, be appropriate for there to be different routes according to impact. We consider it is important that this is refined further and subject to appropriate consultation. This might offer an opportunity to benchmark this against the Switching Programme and to highlight similarities / differences, and the rationale.

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?

© MHHS Programme 2021