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)

Yes, ScottishPower Supply supports the statements in the proposed MHHS Governance Framework objectives.

We would make the following observations

1) The statements are not Objectives since achievement cannot be measured. We would like to see the measures that determine progress against the 'objectives' and whether they've been achieved.
2) On objective b) on communication: Communication needs to be clearly defined and in plain English for all parties to fully understand any impacts and requirements. There needs to be clearly defined channels of two-way communications, so parties can feedback, gain assistance and additional support if needed.

On occasion consultations can be difficult to interpret, resulting in additional time and resources.

Finally impacts are not just limited to **parties**. Elexon as Senior Responsible Owner (SRO) and MHHS Implementation Manager (IM) needs to ensure that all impacted parties get the same clear messages throughout the programme. Successful delivery will be a matter of perception so it's critically important to being all impacted parties along together with a common understanding of progress. Such impacted parties could include for example innovators, market participants and intermediaries who are not parties, consumer bodies.

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

© MHHS Programme 2021

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?

ScottishPower Supply supports the four level Governance Structure.

However we believe that quoracy should be 100% attendance. Under the proposals if a meeting is quorate despite the absence of the sole representative of a category of participants the views of those participants will not be represented and risk not being taken into account during decision-making.

This in turn could lead to decisions being taken that are not in the best interests of the programme as a whole, but only those represented at the relevant meeting. In our opinion it's paramount that an appropriately experienced and suitably briefed alternate attends where a representative is unable to attend (even if such non-attendance is under exceptional circumstances).

The Governance Framework needs to be clearly defined to ensure the representative(s) appointed are fully aware of their role, what is expected of them and the request being placed upon them.

Section 4 indicates that PSG will make decisions. Is this consistent with Ofgem proposals that SRO will make decisions. This needs to be clarified explicitly. Do PSG members have formal voting rights and decisions are based on a defined basis for majority with a casting vote (as indicated in 8.2) to the SRO? Or are PSG members acting in an advisory capacity leaving decisions to the SRO who could therefore make a decision against the PSG members majority view (a scenario considered in Ofgem's consultation).

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)

Yes, we agree they should be kept separate.

Both PSG and IAG will feed into each other throughout the programme but they have separate roles and likely dealing with different levels of detail / information.

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, we agree with the controls.

What measure will be in place to support the constituency representatives as there will be a lot of admin work as part of this role.

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, we would support the running of constituency member nomination and election process.

However, we would like clarification what would happen if there are not enough nominations or right level of expertise to fulfil a member's position.

Who will manage this process to ensure the members nominated are best suited to represent the Industry views for each constituency.

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

This should not be limited to parties and wider Industry impacts need to be taken into consideration DCC, Mops, UMSO, aggregators etc.

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, as long as the nominated member meets the criteria of the level 4 requirement.
Who will vet the member to ensure them have the right knowledge and expertise.

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)

Our opinion should be to split this out into two functions, Supplier agents (such as Meter Operators) and Data Collectors.

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)

Cross Code Advisory Group (CCAG) is a new concept within the Industry, our opinion this should include other programme representatives.

Cross Code working has been problematic in the past for the Industry Codes but appreciate this is paramount to ensure any impacted codes are fully aware of any changes as a result of the MHHS programme.

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 agree with the principle of delegation and escalation, we have no further comments.

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?

© MHHS Programme 2021

Our recommendation is the Governance Framework should mirror what has been done for the Faster Switching Programme and aligning the levels.

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?

No, we do not agree 5 working days is sufficient time for papers to be published prior to a meeting and we would propose 10 working days as a minimum.

From experience of the Faster Switching Programme 5 working days was not sufficient given the volume of documents, CRs needing to be reviewed prior to a meeting, this would allow parties adequate time to thoroughly review all documentation issued and provide a view.

We do not agree with 10 working days for post meeting papers to be published and we would propose 2 working days.

We would also like to note late papers are not acceptable, this does not provide parties sufficient time to review and make a judgement on what is being presented.

We appreciate there maybe exceptional circumstances where a late paper needs to be submitted, but this should not be a regular occurrence.

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?

Yes, we agree all changes should follow the same control process to ensure consistency.

All change requests decisions should be communicated within 10 working days of a decision, it is in our opinion 10 working days is too long and should be 5 working days.

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?

The appointment of delegates is ambiguous:
“Constituency representatives are expected to attend all meetings, although they can nominate alternates if they cannot attend for exceptional circumstances (e.g. leave, illness etc). “
is not consistent with
“PSG Members (or nominated alternatives) will attend every meeting”
ScottishPower believes the representatives or their alternate must attend, regardless of exceptional circumstances (e.g. leave, illness etc).
Furthermore we believe that quoracy for the meeting should be 100% representation (see our response to Q2 above).

We would like to see visibility of every sub working group, what they are working on, key decisions pending and made, and where they are at within the programme timelines. The reason for ”decisions pending” to be visible is so that other parties have the opportunity to engage/lobby before a decision is made.

Our recommendation is there should be one central location that holds all documents that have been circulated, published for all sub groups so all parties get the same level of information that is clear and transparent.

Following verbal assurances from Ofgem and Elexon on this last point, we would like to see provision explicitly stated in the governance framework that Elexon in its SRO role will monitor & communicate timeously to all industry participants Total industry costs. Not just the central Implementation Programme costs, but to include all those costs that will be recovered from Suppliers including such as, but not limited to, DCC and Elexon ‘Helix’. This is important to ensure that all Suppliers, for planning purposes, have a consistent view of those costs incurred and forecast that they will be expected to pay for in due course. It will also be of value to those smaller suppliers who may not have the resources to follow all elements of the programme’s

ScottishPower would like to know how Ofgem will avoid Supplier represetntation on PSG being skewed to one sector (For example Dom or I&C). Having 4 Supplier representatives provides good coverage of experience and knowledge but splitting them Large, Medium, Small and I&C runs the risk **that 3 out of 4 Supplier representatives could be I&C or Domestic**. Consider the following potential permutations:

- ⇨ Large (>90% Dom), Medium (70% Dom, 30% SME), Small (>95% Dom) or
- ⇨ Medium (>50% I&C), Small (>50% I&C), I&C (100% I&C)