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## Change Request Form

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### Change Request details

Change Request details			
Change Request Title	RECCo membership inclusion of Level 2 and 3 governance groups		
Change Request Number	CR008		
Originating Advisory / Working Group	N/A		
Risk/issue reference	N/A		
Change Raiser	Jonathan Hawkins / RECCo	Date raised:	06/05/2022



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## Part A – Description of proposed change

**Guidance** – *This section should be completed by the Change Raiser when raising the Change Request.*

### Part A – Description of proposed change

#### Issue statement:

The Retail Energy Code Company (RECCo) is responsible for the efficient and effective running of the retail energy market, including its systems and processes. The Retail Energy Code (REC) governs the end-to-end retail energy market, having successfully consolidated previous retail provisions into a simplified set of market arrangements. This includes governance of switching and registration systems, metering services, enquiry services and data exchange services which are significantly impacted by the MHHS Programme.

As well as delivering the required changes to the Retail Energy Code, which is being managed through the Cross Code Advisory Group (CCAG) and engagement with Level 4 Working Groups, RECCo is also responsible for ensuring the required changes to central systems provided by REC Service Providers are delivered in accordance with MHHS programme requirements. This will include changes required to the Electricity Enquiry Service (EES), Secure Data Exchange Service (SDES) and Central Switching Service (CSS). This represents a similar role to the role of Elexon as a Central Service Provider for the BSC, and the DCC as a Central Service Provider for the SEC, which is recognised in MHHS governance and represented on all Level 2-3 governance groups.

Currently, RECCo is not represented in MHHS programme governance outside of the CCAG. The MHHS Programme has stated that these groups will ensure appropriate representation of different Programme participants, to enable transparency for all impacted constituency groups and stakeholders involved in the Programme. We are concerned that, while there is a significant role in the programme for RECCo, there is no representation for RECCo in programme decision making.

#### Description of change:

This change proposes that the Terms of Reference for the Programme Steering Group (PSG), Design Advisory Group (DAG) and Testing and Migration Advisory Group (TMAG) are amended to add RECCo as a representative on each of these governance groups. The MHHS Programme Governance Framework would also need to be updated to reflect these changes.

#### Justification for change:

Part of the role of the Level 2 and Level 3 groups is to ensure different programme participant perspectives are appropriately represented during decision making, and to enable programme transparency for all impacted constituency groups and stakeholders. As RECCo is a materially impacted programme participant, responsible for delivery of programme requirements outside of the activity in the CCAG and has no representation in decision making and no constituency group, we do not believe that these groups are meeting their Terms of Reference with the current representation.

Unlike other Code Bodies, RECCo is directly responsible for the delivery of parts of the MHHS Target Operating Model. Our role in the programme goes beyond simply updating the text in the REC off the back of the design artefacts produced. We will be responsible for designing the lower-level processes, interactions and obligations on the Metering Service and the upstream impacts of the Registration Service and maintaining future design changes to these areas throughout the life of the programme. This is similar to the role of Elexon in delivering changes to BSC Central Systems for the BSC, and the DCC in delivering changes to Smart DSP for the SEC, where these roles are directly impacted by the MHHS TOM. There is no difference between these roles and RECCo's role in delivering changes to REC Service Provider systems.

The REC does not operate in the same way as other codes, where industry parties are responsible for ensuring the code delivers as expected. RECCo is responsible for delivering the requirements of the REC independently and autonomously without reliance on, or the oversight of, industry parties. Therefore, it is not appropriate for a constituency (or set of constituencies) representing industry parties to represent the position of RECCo. This

presents a risk to RECCo as a delivery body responsible for ensuring the delivery of central industry systems, and to the MHHS Programme if risks and impacts are not appropriately considered when making decisions that impact the design, implementation plan and testing requirements of these systems. It should also be noted that while the DCC has representation within the programme as the Smart DSP provider under the SEC, this does not represent their role as the CSS Provider. The REC operates very differently to the SEC, and changes required to the CSS service must be managed through RECCo, and not directly with the DCC. The scope, design and delivery approach of any changes to the CSS must be approved and managed by RECCo.

For these reasons, there is not appropriate current representation in the current membership of the PSG, DAG and TMAG to understand and represent the views of RECCo in its capacity outside of the CCAG activities. Without sufficient RECCo involvement in the discussion and decisions in these groups, there is a significant risk of issues being created for industry and the MHHS Programme due to oversights not captured until after decisions have been made. We consider that RECCo can work far more effectively and efficiently with the MHHS Programme through early engagement with these governance groups, to complement the existing representation and skillset, and mitigate programme delivery and design risks for everyone.

RECCo has formally launched its internal MHHS Programme and has dedicated project resources to deliver the requirements of this. This includes relevant programme delivery, programme design and testing resources allocated to the programme, who would be the primary contacts for engaging with these groups as the most relevant representatives with the appropriate skills and experience for each of these groups. These resources are separate to those provided by the REC Code Manager, so there will be no impact in the day-to-day operation of the REC, or engagement with programme governance as a result of the other. Engagement with Level 2 and 3 governance groups would also not impact RECCo's continued engagement with existing Level 4 working groups, which will continue throughout the life of the programme.

#### **Consequences of no change:**

RECCo is responsible for delivering both core components of the MHHS Target Operating Model, and wider consequential impacts of the end-to-end design. Currently, the scope and understanding of this role is not well understood or represented in programme governance and decision making, meaning impacts to REC design and REC services are not appropriately understood, represented or considered. This creates risks that decisions will be made that conflict with or materially impact programme requirements being delivered through RECCo, or assumptions are made that are not communicated or agreed with RECCo, resulting in issues with the testing, migration and implementation of the new settlement arrangements later in the programme. Issues being identified at this stage, due to poor communication or engagement, can have significant impacts on the costs, timescales and benefits case of the programme. RECCo wants to ensure that we proactively engage and contribute to programme decision making to ensure the end-to-end scope, design, testing, migration and implementation requirements are considered throughout the programme, minimising this risk.

A recent example identified was the lack of engagement in the Testing and Migration Advisory Group (TMAG) in the development of the E2E Testing and Integration Strategy. The initial development of the strategy did not appropriately consider the requirements of RECCo and REC Service Providers, which RECCo has since flagged to the MHHS Programme and are in discussions to clarify these requirements. Had we been engaged with the TMAG in the development of the strategy from the onset, these requirements could have been considered in the initial development of the strategy rather than needing to be flagged by RECCo after the strategy had been published.

#### **Alternative options:**

The Terms of Reference for these groups already include membership for "Any other provider of a central system required for MHHS implementation (e.g., communications provider)". While we consider this could apply to RECCo in its role as a Service Provider, through discussions with the MHHS Programme we have been advised that a Change Request to clearly set out the case and justification for a change in membership was preferable to provide transparency.

#### **Risks associated with potential change:**

There is no risk to the programme through the implementation of this change. This change is intended to mitigate risks faced by the programme and will strengthen the current representation and capability of the MHHS Governance Framework. Implementation of the change will mean that RECCo needs to ensure adequate, and sufficiently skilled, resources are engaged in each of the relevant governance groups, including actions taken from

these groups, to ensure this effectively supports the MHHS Programme. RECCo have set aside dedicated resources to support this to ensure that this change will deliver benefit and mitigate programme risk, without creating any additional risk for the programme.

**Stakeholders consulted on the potential change:**

RECCo has been engaging with the MHHS Programme team and Ofgem to discuss the requirement and benefit of RECCo being formally represented in programme governance. These discussions have been productive and resulted in the raising of the Change Request. We have also informally discussed this with some REC parties in our engagement who have been supportive of the proposal in these discussions.

**Target date by which a decision is required:**

8<sup>th</sup> June 2022 (PSG meeting)

## Part B – Initial Impact of proposed change

**Guidance** – this section should be completed by the Change Raiser before being submitted to the MHHS PMO. You will need to provide a classification for necessity of change, rationale of change, expected change impact, expected lead time for the change to be implemented and an expected implementation window.

**Note** – this is an initial assessment to help planning and prioritisation and will be validated and superseded by the more detailed impact assessment (IA) completed at the IA stage.

What benefits does the change bring
<p><i>(list the benefits of the change and how this improves the business case)</i></p> <ul style="list-style-type: none"> <li>• Closes a gap in the current representation of programme participants in Level 2 and Level 3 working groups, enabling these groups to better achieve their terms of reference.</li> <li>• Supports early engagement and representation of programme impacts to REC Service Provider systems and processes, and the wider end-to-end design in decision making.</li> <li>• Reduces risk of decision being made without appropriate representation or understanding of impacts to the retail energy market and its systems.</li> <li>• Provides better ways of working between RECCo, the MHHS Programme and Programme Participants through formal constituency representation.</li> <li>• Ensures programme design, testing, migration and implementation requirements for REC Services are captured at an early stage, reducing the risk of additional programme change, testing defects or incidents being identified at a later date.</li> </ul>

Programme Objective	Benefit to delivery of the programme objective
To deliver the Design Working Group's Target Operating Model (TOM) covering the 'Meter to Bank' process for all Supplier Volume Allocation Settlement meters	The Target Operating Model is not an island. Implementation of this is dependent on relevant "upstream" impacts which RECCo are responsible for delivering. Having representation of these requirements inside of formal programme governance will enable smarter decision making and support the overall delivery of the TOM.
To deliver services to support the revised Settlement Timetable in line with the Design Working Group's recommendation	As above
To implement all related Code changes identified under Ofgem's Significant Code Review (SCR)	RECCo is responsible for delivering the changes required to the REC to support this objective. There are dependencies between delivering the code drafting for the REC, and the changes required to REC Services. Ensuring appropriate engagement with the programme in relation to REC Service requirements will support the efficient delivery of REC code drafting, specifically in relation to the REC Technical Specification.
To implement MHHS in accordance with the MHHS Implementation Timetable	Identifying and considering all relevant impacts to the delivery of the programme is vital to achieve the milestones set out in the implementation timetable. Any gaps, omissions, oversights or invalid assumptions can result in issues being identified later in the programme which may cause delays to the successful testing, migration and implementation of the new settlement arrangements.

To deliver programme capabilities and outcomes to enable the realisation of benefits in compliance with Ofgem's Full Business Case	As above, in the event that issues are identified later in the programme that cause delays to the successful testing, migration and implementation of the new settlement arrangements, this will likely have an impact on the overall costs and benefits of the programme set out in Ofgem's Full Business Case.
To prove and provide a model for future such industry-led change programmes	We consider that the principle of ensuring appropriate programme participant engagement and representation in programme governance supports this model, but that RECCo not being included in this was an oversight at the point this was written. Ensuring representation from an appropriate breadth of impacted participants to assist well-informed programme decision making is a sound principle for any industry-led change programme.

**Guidance – Please document the known programme parties, deliverables and milestones that may be impacted by the proposed change**

Impacted areas	Impacted items
Impacted Parties	Programme Steering Group (PSG), Design Advisory Group (DAG), Testing and Migration Advisory Group (TMAG), RECCo
Impacted Deliverables	PSG Terms of Reference, DAG Terms of Reference, TMAG Terms of Reference, MHHS Programme Governance Framework
Impacted Milestones	None

Initial assessment			
Necessity of change	Important Change	Expected lead time	1 - <5 working days
Rationale of change	Programme	Expected implementation window	Imminent
Expected change impact	Very Low		

## Part C – Summary of impact assessment and recommendation

CR008 Impact Assessment Report & Recommendations was presented to PSG in June 2022. The report can be found via the MHHS Website [here](#).

**Note** – This section will be completed initially by the Change Raiser and then by Programme Participants as part of the full Impact Assessment.

All Impact Assessment responses will be considered public and non-confidential unless otherwise marked. If there are any specific elements of responses (e.g. costs) that are confidential, please can you mark those specific sections as confidential rather than the response as a whole.

**Guidance** – Programme Participants are required to:

1) Indicate whether they agree or disagree with the Change Raiser’s impact assessment, or whether it not applicable. If the respondent agrees, they can provide additional evidence to further support the assessment. If the respondent disagrees, or thinks it is not applicable, they should provide a detailed rationale as to why.

2) Respondents can add any additional effects that have not already been identified. In doing so, they should provide as much detail as possible to allow a robust assessment to be made.

Part C – Summary of impact assessment and recommendation (complete as appropriate)
<p><b><u>Effect on benefits</u></b></p> <p><i>Early engagement with RECCo in programme decision making impacting REC Services will minimise the risk of additional change, testing defects or incidents being identified at a later date. This will prevent potential delays to the successful testing, migration and implementation of the new arrangements which could increase the costs and reduce the benefits of the programme.</i></p>
<p><i>Impact Assessment respondents to add supporting commentary to support their selection.</i></p> <p><i>Impact Assessment respondents should consider and provide detail of any additional effect e.g. whether there will be an impact on when a benefit will be realised; who will realise the benefit; the extent to which the benefit will be realised.</i></p> <p><i>Where possible, contextual information should be included e.g. the benefit will be delayed by X weeks; the change means Y population will also realise the benefit.</i></p>
<p>&lt;Delete as appropriate&gt;: <b>Agree</b>   <b>Disagree</b>   <b>Not applicable</b></p>
<p><b><u>Effect on consumers</u></b></p> <p><i>RECCo has been established to facilitate efficiency, better service and innovation in the retail energy market to drive positive consumer outcomes and make the market work more effectively. We are responsible for ensuring that positive consumer outcomes are at the centre of REC arrangements and decision making. By ensuring that there is appropriate representation and consideration of the end-to-end design and impacts of MHHS in decision making, and working closely with the programme, this will reduce the risk of design or delivery issues resulting in a negative consumer experience.</i></p>
<p><i>Impact Assessment respondents to add supporting commentary to support their selection.</i></p> <p><i>Impact Assessment respondents should consider and provide detail of any additional effect e.g. whether there will be an impact on service delivery to consumers; will there be a cost impact to consumers; will there be a choice impact to consumers?</i></p> <p><i>Where possible, contextual information should be included e.g. what is the scale of the effect? Will the effect be permanent?</i></p>
<p>&lt;Delete as appropriate&gt;: <b>Agree</b>   <b>Disagree</b>   <b>Not applicable</b></p>
<p><b><u>Effect on schedule</u></b></p> <p><i>Early engagement with RECCo in programme decision making impacting REC Services will minimise the risk of additional change, testing defects or incidents being identified at a later date. This will prevent potential delays to the</i></p>

<p>successful testing, migration and implementation of the new arrangements which could increase the costs and reduce the benefits of the programme.</p>
<p><i>Impact Assessment respondents to add supporting commentary to support their selection.</i></p> <p><i>Impact Assessment respondents should consider and provide detail of any additional effect e.g. will the schedule/milestones be directly impacted; will the schedule/milestones be indirectly impacted.</i></p> <p><i>Where possible, contextual information should be included e.g. the change will delay the project by X days; the change will require additional resource to complete (though detail resource in resource section); the delay can/cannot be recovered by condensing Y activity.</i></p>
<p>&lt;Delete as appropriate&gt;: <b>Agree</b> <b>Disagree</b> <b>Not applicable</b></p>
<p><b><u>Effect on costs</u></b></p> <p>Early engagement with RECCo in programme decision making impacting REC Services will minimise the risk of additional change, testing defects or incidents being identified at a later date. This will prevent potential delays to the successful testing, migration and implementation of the new arrangements which could increase the costs and reduce the benefits of the programme.</p>
<p><i>Impact Assessment respondents to add supporting commentary to support their selection.</i></p> <p><i>Impact Assessment respondents should consider and provide detail of any additional effect e.g. will the change cause a loss of income; will the change cause additional cost; will the change cause a reprofiling of cost?</i></p> <p><i>Where possible, contextual information should be included e.g. whether it is capital or operating expenditure that will be affected; what period costs will be affected in; what the rough order of magnitude of the cost impact will be and if organisation will be able to absorb it?</i></p>
<p>&lt;Delete as appropriate&gt;: <b>Agree</b> <b>Disagree</b> <b>Not applicable</b></p>
<p><b><u>Effect on resources</u></b></p> <p>There will be no impact on programme resources or those of other programme participants. RECCo has dedicated, and sufficiently skilled, MHHS Programme resources to engage with the programme and manage RECCo's requirements within the programme.</p>
<p><i>Impact Assessment respondents to add supporting commentary to support their selection.</i></p> <p><i>Impact Assessment respondents should consider and provide detail of any additional effect e.g. will there be an impact on tools or equipment; will there be an impact on staff capacity; will there be an impact on staff skills or capability?</i></p> <p><i>Where possible, contextual information should be included e.g. the change will require X additional staff for Y period of time; the change requires Z training or support.</i></p>
<p>&lt;Delete as appropriate&gt;: <b>Agree</b> <b>Disagree</b> <b>Not applicable</b></p>
<p><b><u>Effect on contracts</u></b></p> <p>We do not consider there is any commercial impacts as a result of this change.</p>
<p><i>Impact Assessment respondents to add supporting commentary to support their selection.</i></p> <p><i>Impact Assessment respondents should consider and provide detail of any additional effect e.g. whether there will be an impact on contracts with sub-contractors; whether there will be an impact on contracts with vendors; whether there will be an impact on contracts with regulators/ESO.</i></p> <p><i>Where possible, contextual information should be included e.g. the changes will require new contracts to be created; the changes will variations to existing contracts; the changes will affect ability to meet contract requirements.</i></p>
<p>&lt;Delete as appropriate&gt;: <b>Agree</b> <b>Disagree</b> <b>Not applicable</b></p>
<p><b><u>Risks</u></b></p> <p>Early engagement with RECCo in programme decision making impacting REC Services will minimise the risk of additional change, testing defects or incidents being identified at a later date. This will prevent potential delays to the successful testing, migration and implementation of the new arrangements which could increase the costs and reduce the benefits of the programme</p>

<p><i>Impact Assessment respondents to add supporting commentary to support their selection.</i></p> <p><i>Impact Assessment respondents should consider and provide detail of any additional effect e.g. will existing risks be affected; will new risks be created?</i></p> <p><i>Where possible, contextual information should be included e.g. the change will affect the likelihood of a risk occurring, the change will affect the impact the risk would have, the change will require additional controls and mitigation.</i></p>
<p><i>&lt;Delete as appropriate&gt;</i>: <b>Agree</b>   <b>Disagree</b>   <b>Not applicable</b></p>
<p><b><u>Recommendation</u></b></p> <p><b>It is recommended by the Change Raiser the change is approved.</b></p>
<p><i>Impact Assessment respondents to add supporting commentary to support their selection.</i></p>
<p><i>&lt;Delete as appropriate&gt;</i>: <b>Recommend</b>   <b>Not recommend</b>   <b>Not applicable</b></p>

**Impact assessment done by:** <Name>

**Guidance:** *If you are a third party responding on behalf of another Programme Participant, please state this in your response.*

**Impact assessment completed on behalf of:** <Name>

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## Part D – Change approval and decision

**Guidance:** *The approvals section will be completed by the MHHS PMO once the Impact Assessment has been reviewed.*

Approvals	
<b>Decision authority level</b>	
	Programme Steering Group

**Guidance** - *This section will be completed by the MHHS PMO following the review of the impact assessment and decision reached by the SRO.*

Part D – Change decision			
Decision:	Approved	Date	08/06/22
Approvers:	Programme Steering Group		
Change Owner:	Jason Brogden		
Action:	A1: Updated MHHS Governance Framework		
Changed Items	Pre-change version	Revised version	
<b>A1</b>	MHHS Governance Framework 2.5	MHHS Governance Framework 2.6	

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## Part E – Implementation completion

**Guidance** - This section will be completed by the MHHS PMO at the end of the post-implementation process.

Part E – Implementation completion			
Comment	MHHS Governance Framework updated	Date	10 June 2022

**Guidance** – The Closure Checklist in MHHS DEL175 Change Log must also be completed by MHHS PMO at this stage.

Checklist Completed	Completed by
Yes	Alex Whiteman

**Guidance** – This section will be completed by the MHHS PMO at the end of the post-implementation process and should be used to add any appropriate references of the change once it has been completed.

References		
Ref	Document number	Description
MHHS DEL030 MHHS	Governance Framework v2.5	This paper sets out the MHHS Programme governance structure