



**MHHS
PROGRAMME**
Industry-led, Elexon facilitated

Programme Steering Group

CR007 Impact Assessment Report & Recommendations

29 June 2022

Headlines

Objective of this session:

PSG to review the outputs of CR007 Impact Assessment and SRO to decide on next steps.

Headlines:

- **A significant majority of respondents supported the request to** move M3 to a date 2 months after the approval of M5 for parties other than Elexon's Central System and DCC in line with the IPA recommendation and as directed by Ofgem for Change Request CR001. This also defined the conditions required to be met for M3, as actioned on the MHHS Programme at the Programme Steering Group.
- The overall response rate for CR007 (18%). **In total, 21 respondents supported the change, 6 respondents rejected the change and 3 respondents abstained.**
- Specifically, **9 respondents agreed with the change with unqualified support.**
 - Several respondents noted they are already mobilised and therefore the change has no impact on their ability to deliver on the current schedule.
- **12 respondents supported the change, but highlighted the following considerations:**
 - Specific mobilisation criteria needs greater clarity to ensure sufficient for assessment at RA02
 - The wording of the criterion for programme parties providing the project plan should be reviewed to consider any dependencies on the achievement of M5+
 - An outlook on how the proposed 2-month window and playback period will be utilised should be formalised to drive more understanding and participant engagement
 - Support for the change on the assumption that there are no additional steps involved in achieving M3 as a result of the delay
 - In the event of M5 being moved again, programme parties would expect M3 to move in line with the change to M5, i.e. 2 months after M5
 - MHHS Implementation Plan should be a pre-requisite on DB readiness - in particular, being able to support consumers who are being settled HH to allow CoS.
- **6 respondents rejected the change:**
 - M3 should be moved to a date at least 3 months after the approval of M5 to provide sufficient time for parties to digest and plan activities once we have design certainty
 - As per the 'Start of Detailed Design' mobilisation criteria, the detailed design phase does not immediately follow mobilisation and additional factors would also need to be considered prior to this stage initiation e.g. consequential change
 - The proposed mobilisation criteria are too prescriptive and too focused on the start of the DBT phase, rather than on whether a party will be able to achieve M9 and readiness for SIT. The introduction of prescriptive requirements that need to be met for participants to be considered "fully mobilised" for M3 will constrain participants and remove the flexibility that alternative business models allow.

CR007 Submitted Impact Assessments

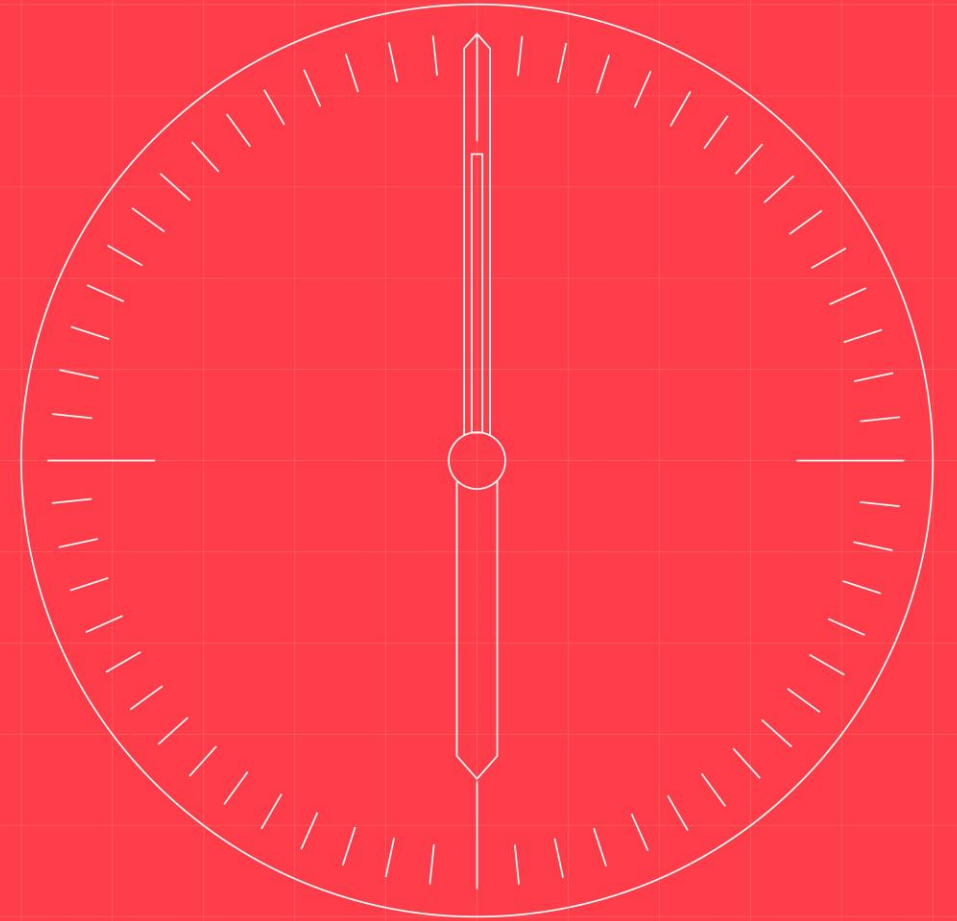
Programme Parties	CR007 Recommendations				Market Share			
	Yes	No	Abstained	Not Replied	Yes	No	Abstained	Not Replied
Large Suppliers	1	4	-	-	18%	82%	-	-
Medium Suppliers	1	-	-	5	20%	-	-	80%
Small Suppliers	1	-	-	33	0%	-	-	100%
I&C	3	1	1	36	36%	17%	0%	47%
DNOs	4	-	-	2	79%	-	-	21%
iDNOs	3	-	-	10				
Ind. Agents	2	-	-	46				
Supplier Agents	-	-	-	5				
S/W Providers	2	1	-	-				
National Grid	1	-	-	-				
Code Bodies	1	-	1	1				
Consumer	-	-	-	1				
Elexon (Helix)	-	-	-	1				
DCC	1	-	-	-				
SRO / IM & LDP	1	-	-	-				
IPA	-	-	1	-				

- Market Share information is according to the latest Meter Point Administration Number (MPAN) data held by the Programme as at June 2022. Market Share has not been provided for constituencies where MPAN data is not currently available.
- The classification of Independent and Supplier Agents is maintained by the Programme Party Coordinator and is subject to change.

Rationale for being marked down as 'abstained'

- One respondent declined to formally respond
- One respondent stated CR007 has no impact on their activities and therefore did not formally respond
- One respondent highlighted the conditions required to be met for M3 are not applicable to them.

Detailed Programme Party views



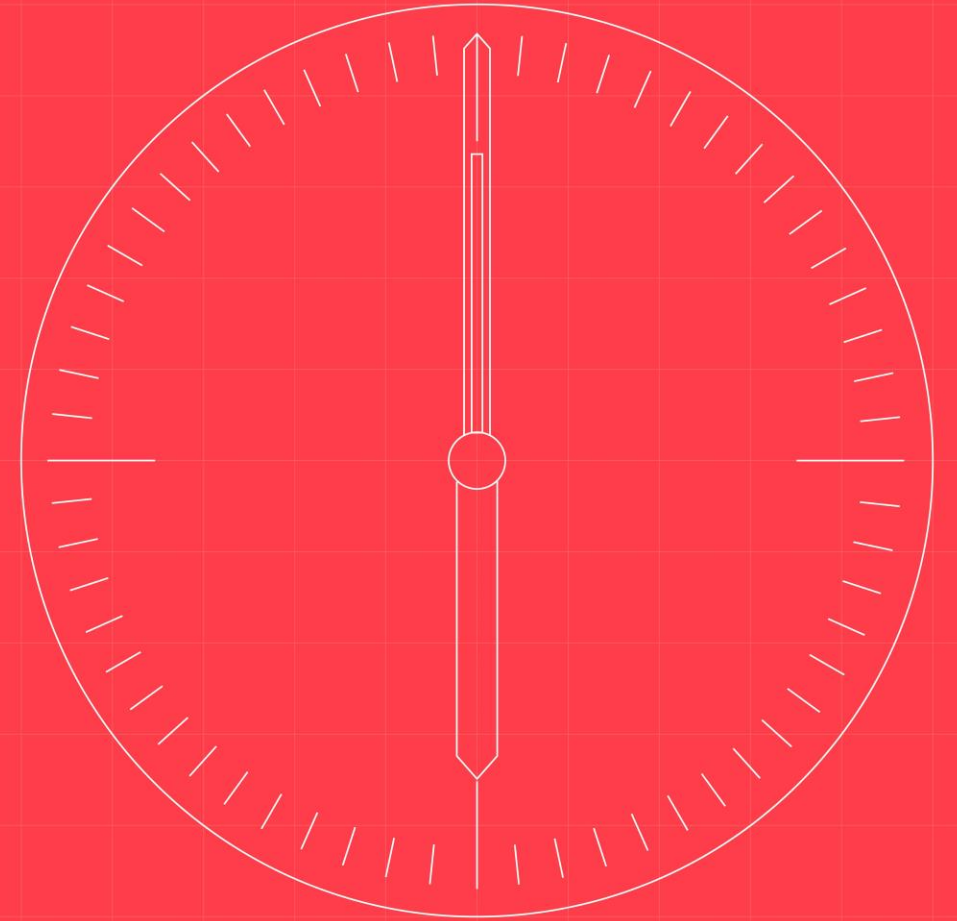
CR007 Impacts – Views on the proposed approach (Page 1)

Programme Parties	Range of respondents' views on benefits and concerns (related to the approach in CR007)
Large Suppliers	<ul style="list-style-type: none"> + Support the intent of and the need for CR007 to establish a new and appropriate date for the M3 milestone - To meet the minimum conditions as set out within CR007, M3 can take effect no sooner than M5+3 months. Otherwise, the programme must take set more realistic minimum conditions that programme parties are expected to meet at M3 - The proposed mobilisation criteria are too prescriptive, and too focused on the start of the DBT phase rather than on whether a party will be able to achieve M9 and readiness for SIT. The introduction of prescriptive requirements that need to be met for participants to be considered “fully mobilised” for M3 will constrain participants and remove the flexibility that alternative business models allow - It is not reasonable to expect parties to develop a resource plan at M3 to deliver the high-level project plan when that plan is still subject to change - Expecting parties to mobilise when the design has not been baselined or to have a delivery plan when the MHHS Programme Plan has not been approved increases the risk of ‘regret spend’ - The new M5 delivery will not include the transition and migration processes and these are not scheduled to be delivered until the end of the year. The transition changes will form a significant part of Programme Participants’ changes and it simply won’t be possible to define an appropriate resource schedule and delivery plan until the changes required to deliver the transition and migration processes are baselined
Medium Suppliers	<ul style="list-style-type: none"> + The one respondent agreed with the change with unqualified support
Small Suppliers	<ul style="list-style-type: none"> + The one respondent agreed with the change with unqualified support
I&C	<ul style="list-style-type: none"> + One respondent highlighted they are unlikely to have a full business case approved until 3 months after M5, in line with their internal approval process. However, a waterfall approach will ensure sufficient progress is made with the ‘design’ portion of the design and build phase before approval of the full business case - Not supportive of the inclusion of ‘Start of Detailed Design’ within the mobilisation criteria. The detailed design phase does not immediately follow mobilisation and additional factors would also need to be considered prior to this stage initiation e.g. consequential change
Agents	<ul style="list-style-type: none"> + Respondents unanimously supported the overall recommendation to approve the change - MHHS implementation plan should be a pre-requisite on DB readiness. This will help support consumers who are being settled HH to allow CoS. Having consumers onboard with HH settlement well ahead of the transition will only aid the programmes objectives

CR007 Impacts – Views on the proposed approach (Page 2)

Programme Parties	Range of respondents' views on benefits and concerns (related to the approach in CR007)
DNOs	<ul style="list-style-type: none"> + Respondents unanimously supported the overall recommendation to approve the change + Support the rationale to change M3 to be aligned with the recently revised M5 milestone (Physical Baseline Delivered) and the formalisation of the M3 readiness guidelines and activities – One respondent requested consideration of the possibility that M5 may move to 31-Oct-22. In the event of M5 being moved, the respondent would expect M3 to move by 2 months
iDNOs	<ul style="list-style-type: none"> + Respondents unanimously supported the overall recommendation to approve the change
SW Providers	<ul style="list-style-type: none"> + Agree in principle with the milestone and the related benefits + Support CR007 on the assumption design and build phase will continue to be at least 12 months in duration – One respondent does not believe that detailed design can commence at M3. Consequential changes will have a significant impact on the detailed design and, as yet, there is no clarity regarding when consequential changes will be defined by industry – A plan for Consequential Change is necessary and that it should be suitably reflected in the wider MHHS Programme plan
National Grid	<ul style="list-style-type: none"> + NGESO agreed with the change with unqualified support
Code Bodies	<ul style="list-style-type: none"> – The request the wording of the criterion for Programme Parties providing the project plan is reviewed to consider any dependencies on the achievement of M5+
Consumer	<ul style="list-style-type: none"> ▪ Did not respond to Impact Assessment
Elexon (Helix)	<ul style="list-style-type: none"> ▪ Excluded from Impact Assessment
DCC	<ul style="list-style-type: none"> + Supportive of CR007 on the basis that it allows the programme to maintain compliance and is aligned to the Ofgem decision on the previous change proposal, CR001. – Consideration should be given to the volume of change requests this close to the E2E replanning activity and whether they are needed
SRO / IM & LDP	<ul style="list-style-type: none"> ▪ The request for Impact Assessment of CR007 was issued on the basis that the M5 milestone date is at end of July 2022 and the M3 milestone date is at the end of September 2022. SRO / IM & LDP recognise that if the M5 milestone is to move, M5+2 would need to be revised as more activities could be delivered before M5 than currently forecast in the Interim Plan
IPA	<ul style="list-style-type: none"> ▪ Agree with the principle of moving the M3 but this should be done in conjunction with the move of the M5 milestone

Programme response and proposed next steps



Programme responses to Impact Assessment commentaries

Supportive Participants who responded with highlighted considerations	Programme team's view and / or suggested next steps
Specific mobilisation criteria needs greater clarity to ensure they are sufficient for assessment at RA02	See our proposal for next steps, which reduces and simplifies the requirements for M3
We do need to see an outlook on how the 2 months will be utilised and how the playback period will be utilised to drive more understanding and engagement	See our proposal for next steps, which provides greater clarity on how Participants' consumption of the design will be supported
Support for the change on the assumption that there are no additional steps involved in achieving M3 as a result of the delay and that there is appropriate changes made to extend the duration of the phase to reflect the existing 12-month period	See our proposal for next steps, which reduces and simplifies the requirements for M3, and leaves open the explicit opportunity to re-assess the existing 12-month period for Participant DBT
The wording of the criterion for programme parties providing the project plan should be reviewed to consider any dependencies on the achievement of M5+	<p>We do not see any specific reason why Participants' initial and high-level project planning cannot be conducted alongside any programme re-planning. In fact, Participants' own planning will provide them with a good basis for informed consultation on the proposed re-baselined programme plan</p> <p>However, we do agree that Participants should be in possession of the proposed programme plan, for the start of consultation, before Participants can complete their high-level plans - see our proposal for next steps</p>
In the event of M5 being moved again, programme parties would expect M3 to move again accordingly and in line with the change to M5, i.e. two months after M5	See our proposal for next steps, which outlines our view on the dependency between M5 and M3
MHHS implementation plan should be a pre-requisite on DB readiness - in particular, being able to support consumers who are being settled HH to allow CoS	See our proposal for next steps and our answer above. We do not agree that Participants' readiness for DBT depends on the programme plan being re-baselined. However, we do agree that Participants should be in possession of the proposed programme plan, for the start of consultation, before Participants can complete their high-level plans
Unsupportive Participants	
M3 should be moved to a date at least 3 months after the approval of M5 to provide sufficient time for parties to digest and plan activities once we have design certainty	See our proposal for next steps, which re-profiles the approach to reaching M5 and M3. Given that there is now (subject to Change Request) a further 3 months to reach M5, we believe there is opportunity to make the 'ask' for reaching M3 more realistic and achievable
As per the 'Start of Detailed Design' mobilisation criteria, the detailed design phase does not immediately follow mobilisation and additional factors would also need to be considered prior to this stage initiation e.g. consequential change	<p>See our proposal for next steps, which acknowledges that detailed design does not start immediately after M3</p> <p>Consequential change is a different matter; we expect Participants to use the CCIAG over the coming months to raise and discuss any concerns or clarifications they need, to enable them to define impact on consequentially-impacted systems and processes within their own estates</p>
The proposed mobilisation criteria are too prescriptive and too focused on the start of the DBT phase, rather than on whether a party will be able to achieve M9 and readiness for SIT. The introduction of prescriptive requirements that need to be met for participants to be considered "fully mobilised" for M3 will constrain participants and remove the flexibility that alternative business models allow	M9 and readiness for SIT will be considered via the programme re-baselining activity. It is not relevant for consideration of M9. However, see our proposal for next steps, which reduces and simplifies the requirements for M3 and acknowledges the variation of approaches within differing Participant organisations

Proposal to rescind CR007 and proposed Next Steps

Background

- CR007 was issued on the basis of M5+2
- M5 was planned as 31-Jul-22, with artefacts still being published and reviewed in July
- Suppliers were not expected to be mobilised until 01-Sep-22 (if not already mobilised) due to dependency on the Faster Switching Programme
- IPA recommendation was M5 + 2 so that suppliers could get up to speed on the design (design playbacks, etc.)
- CR007 expected that meeting M5 would require Participants to have mobilised, defined a sourcing strategy and be ready for detailed design – which (based on impact assessments) not all Participants feel is realistic

What's happened since CR007 was issued?

- M5 is expected to move to 31-Oct-22, with artefacts all being available by 31-Jul-22, or at the latest 31-Aug-22
- Suppliers are still expected to be mobilised by or before 01-Sep-22
- There is now opportunity to bring suppliers up to speed on the design before M5 – as they will have all the artefacts within August (latest), meaning that 2 months of playbacks can be done in Sept-22 and Oct-22
- Participant volunteers' views (from the Planning Working Group) are that the early DBT activities for Participants (before detailed design) must include a high-level impact assessment as a prerequisite
- The assumption upon which the IPA's recommendation was based (i.e. M5+2) can now be re-assessed

Based on the changed context, our proposal is to rescind CR007 and issue one Change Request for changes to both M5 and M3 on the following basis:

