

# MHHS IPA

## Consequential Change Assurance Approach

July 2024

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### Consequential Change Initial Assessment - March 2024

To enable effective functioning of the electricity market following transition to the new settlement arrangements, Programme Participants need to make DBT2 or “consequential changes” to their systems and processes impacted by MHHS. Given the potential risks to the market and consumers if these changes are not successfully delivered, in March 2024 the IPA performed an initial assessment to:

- Understand the scope of the consequential changes to form a preliminary view of the associated industry and consumers risk; and
- Recommend a level, nature and timing of assurance required to build confidence in their delivery proportionate to the risk.

As part of the exercise we interviewed selected Participant stakeholders as agreed with the Programme (Appendix A has a list of those that we interviewed). The exercise did not seek to define the full scope of consequential changes or provide guidance on how they should be delivered.

The consequential changes that were communicated to the IPA by the interviewed Participants broadly fell across the following areas:

- Changes in relation to an individual Participant’s internal systems and back-office processes as a result of MHHS; and
- Changes to industry processes such as DUoS billing.

These changes may have a material impact to the anticipated MHHS benefits and the consumer, as they are linked in key areas such as consumer bills accuracy, charging arrangements and contract pricing. We noted that some Participants have commenced change impact assessment, including developing design, build and and test plans, whereas others are yet to start.

### Overall Consequential Change Assurance Recommendation - May 2024

The outcome of the initial assessment was presented at PSG on 1 May 2025 along with the overall recommendation for assurance activities to be performed over consequential change, as follows:

- Participants should impact assess consequential changes and submit the progress, completion status and self-assessment via Programme Readiness Assessments which will be subject to independent assurance via sample based reviews.

### Purpose of this document

The purpose of this document is to set out the detailed approach for consequential change assurance to enable understanding across the Programme and Participants.

### Examples of the Consequential Changes

- Industry billing processes (e.g. DUoS)
- Reconciliation processes (due to links to DUoS)
- Supplier billing systems
- Back-office processes, such as hedging strategy, demand forecasting, contracts pricing, and charging arrangements
- Customer tariffs
- Meter point administration



## Overall Assurance Objective

The objective of consequential change assurance is to assess whether consequential change is being delivered at an overall industry level in line with overall MHHS milestones and Participant migration timelines. This is focused on assessing whether consequential change is being delivered to support effective operation of MHHS and to minimise any potential negative consumer impacts.

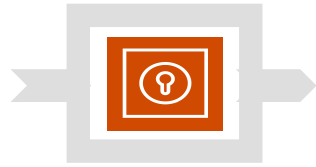
## Key Principles / Assumptions

- Programme Participants are responsible for impact assessing, planning, delivering and testing their consequential change, as a result of MHHS. The definition of consequential change has been provided by the Code Bodies via Qualification Advisory Group.
- It is acknowledged that the delivery timelines for consequential change will vary from Participant to Participant depending on a number of factors. For example, the planned migration window or extent of consequential change to be delivered. As such, the IPA assurance activities will seek to perform assurance over whether Participants are on track with the delivery of their their own individual plans
- It is assumed that Participants will need to complete delivery of their consequential change activity prior to commencing their migration of MPANs. Where consequential change is planned to be delivered following commencement of migration, rationale and evidence will be required to be provided through the Programme Readiness Assessments as to why this will not have an impact on the effective operation of MHHS or consumers.
- Assurance activities will be sample-based in line with the overall objective being to assess whether consequential change is being appropriately delivered at an overall industry level.
- The consequential change assurance activity will be integrated into the current "Assurance Period" approach adopted for sample-based IPA activities already underway in relation to testing, qualification and migration to minimise disruption on Programme Participants.

## Out of scope

- The IPA will not provide a formal confirmation over individual Participant readiness to commence migration activities, both in relation to completion of consequential change or more broadly.
- Consequential change is defined as changes in Participants' systems, functionality and activities that are not in scope of BSC and REC Qualification and these specific assurance activities will only cover consequential change.

# Overview of Consequential Change Assurance Approach



## Participant consequential change impact assessment\* and delivery plan

Participants to **assess the impact of MHHS on their downstream systems, process and people** and develop their individual plans to deliver consequential change in line with the overall MHHS milestones and their own planned migration window. The Participants' implementation should plan for **the consequential changes to be completed ahead of the start of migration**, or where it extends beyond migration, the rationale why it will not impact MHHS operation or consumers.

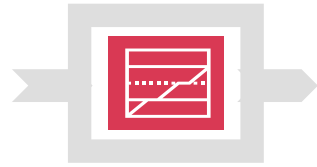
\*Guidance around Impact Assessment is provided in Appendix A



## Participants' report progress through Readiness Assessments

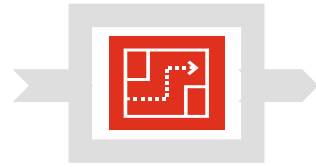
Assessments

In order to minimise the impact on participants, the IPA will utilise the Programme's existing Readiness Assessment approach to ask questions about parties progress on consequential changes. Participants will **self-assess the status of their consequential change delivery** as part of their Readiness Assessment submissions. They will need to answer a set of questions and also submit evidence of their plans for consequential changes and the progress of their implementation.



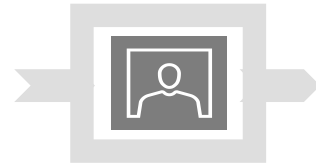
## IPA sample-based assurance over consequential change delivery

During each "Assurance Period", the IPA currently selects a sample of Participants to assess progress and readiness across a number of areas such as testing, qualification and migration. As part of this process, **the IPA will assess progress and completion of consequential change activities by reviewing the evidence** to assess whether that evidence supports the sampled Participants own self-assessment.



## IPA reporting to provide industry level view of consequential change delivery

As part of "Assurance Period" reporting the **IPA will report on consequential change progress and completion at an industry level, highlighting any thematic risks and issues** in terms of delivery and associated recommendations. Updates will be provided via Migration Cutover Advisory Group (MCAG) in the first instance and Programme Steering Group (PSG), as required



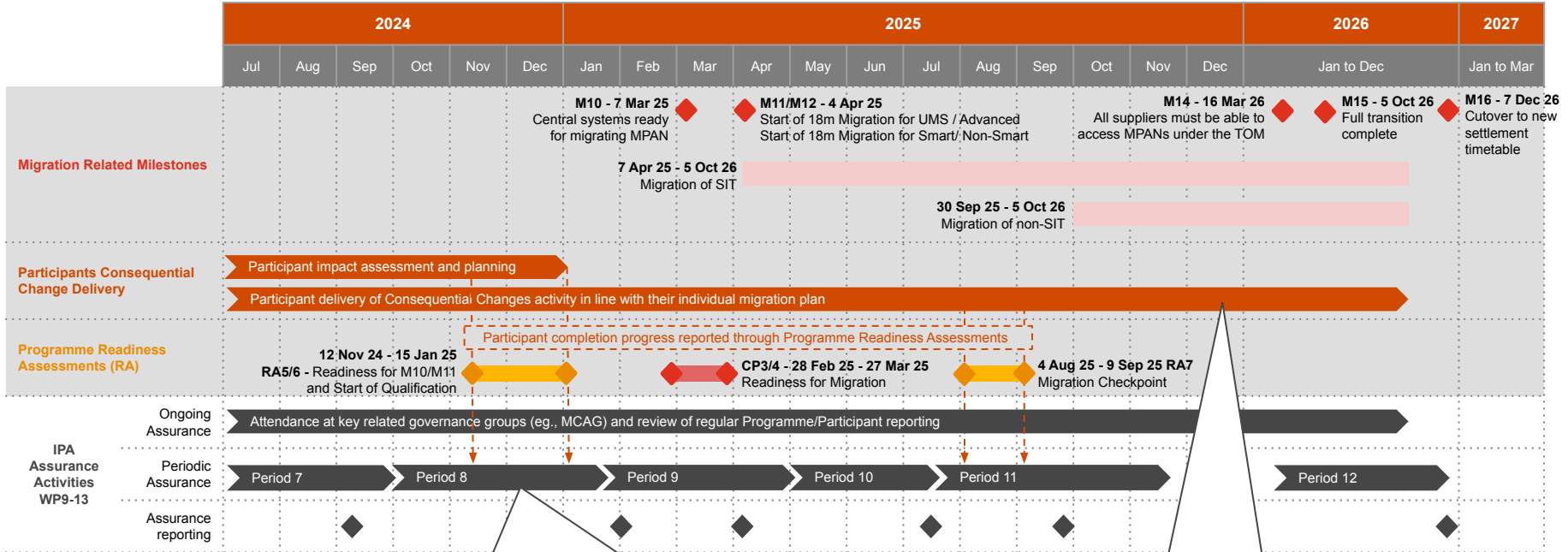
## Participant self-certification of consequential change compilation

As part of self-certification of readiness to commence their migration, **Participants will be required to self-certify completion of their consequential change delivery**. Where this is incomplete, Participants will need to provide rationale and evidence as to why this is will not have an impact on the effective operation of MHHS or consumer and a plan for its completion.

**Note:** The self-certification process and criteria is currently being developed by the Programme

# Consequential Change Assurance Plan On a Page

Consequential change assurance activities will be incorporated into the existing 'Assurance Periods' sample-based assurance approach to minimise impact on Participants. The IPA will review evidence provided by Participants to validate their self-assessed status as reported through Programme Readiness Assessments.



During each "Assurance Period", the IPA currently selects a sample of Participants to assess progress and readiness across a number of areas such as testing, qualification and migration. As part of this process, the IPA will also assess progress and completion of consequential change activities by reviewing the evidence to assess whether it supports the sampled Participants own self-assessment.

Participants' are responsible for impact assessing, planning and delivering their consequential change activity. Progress, including supporting evidence, will be reported through the Programme Readiness Assessments and used as a key input into the IPA assurance activity

# Readiness Assessment Submissions

Below, we have set out the proposed questions that will be included in the Programme Readiness Assessments to ask the Participants to self-assess their progress of implementation of the consequential changes.

Readiness Assessment(s)	Focus of consequential change assessment	Proposed Questions	Proposed Answer Options	Evidence to be submitted*
<p><b>RA5/6</b> - Readiness for M10/M11 and Start of Qualification <b>12 Nov 24 - 1 Jan 25</b></p>	<p>At this stage, it would be expected that Participants will have completed their readiness assessments and documented their consequential change delivery plan.</p> <p>The IPA will review evidence that the impact assessment has been completed and a delivery plan is in place.</p>	<p>1. Please confirm completion of the impact assessment of consequential changes that will be required in your internal systems, functionality and activities that are outside of the scope of MHSP</p> <p>2. Please confirm that implementation plans for consequential changes have been created and baselined</p> <p>3. Please state the status of the progress of the implementation of the consequential changes against your individual plan</p> <p>4. Are you planning on completing implementing consequential changes before the start of migration of your MPANs to the new arrangements?</p>	<p>a. Confirm - Please provide evidence of the impact assessment b. Do not confirm - Please provide a date by when you are planning on completing the impact assessment c. N/A - there are no consequential changes that will be required</p> <p>a. Confirm - Please provide evidence of the implementation plans b. Do not confirm - Provide a date by when the plans are going to be completed c. N/A - there are no consequential changes that will be required</p> <p>a. Started and on track b. In progress but planned delivery date at risk c. In progress but original planned delivery date will not be met - estimate the delay, reason and an updated completion date/implementation plan d. Not started in line with plan e. Not started and delayed - Estimate the delay, reason and an updated completion date/implementation plan. f. N/A - there are no consequential changes that will be required</p> <p>a. Yes - Please provide the date by when the implementation will be complete b. No - Please provide the date and rationale as to why this does not have an impact on the effective operation of MHHS and consumers c. N/A</p>	<ul style="list-style-type: none"> <li>• Documented impact assessment</li> <li>• Implementation plan</li> <li>• Delivery status report (if delivery underway)</li> </ul>

# Readiness Assessment Submissions

Below, we have proposed the questions that could be included in the Programme Readiness Assessments to ask the Participants to self-assess their progress of implementation of the consequential changes.

Readiness Assessment(s)	Focus of consequential change assessment	Proposed Questions	Proposed Answers	Evidence to be submitted*
<p><b>RA7 - Migration Checkpoint</b> <b>4 Aug 25 - 9 Sep 25</b></p>	<p>At these readiness assessments, we expect Participants to be progressing and completing their consequential change delivery in line with the overall MHHS milestones and the Participants own delivery plan.</p> <p>The IPA will review evidence that Participants are on track against their consequential change delivery plan.</p>	<p>1. Please provide the status of the progress of the implementation of the consequential changes against your individual plan</p> <p>2. Are you planning on completing implementing consequential changes before the start of migration of your MPANs to the new arrangements?</p>	<p>a. Started and on track            b. Started and delayed- Estimate the delay, reason and an updated completion date/implementation plan.            c. Not started in line with plan            d. Not started and delayed - Estimate the delay, reason and an updated completion date/implementation plan.            e. N/A - there are no consequential changes that will be required</p> <p>a. Yes - Please provide the date            b. No - Please provide the date and rationale            c. N/A</p>	<ul style="list-style-type: none"> <li>• Delivery status report (if complete)</li> <li>• Completion report</li> </ul>

\*Guideline evidence requirements

# Appendix A



# Proposed Guidance for Impact Assessment

Participants will **assess the impact of MHHS on their downstream systems, process and people** and develop their individual plans to deliver consequential change in line with the overall MHHSP milestones and their own planned migration window. The Participants' implementation should plan for **the consequential changes to be completed ahead of the start of migration**, or where it extends beyond migration, the risks are understood and mitigating actions are in place.

We propose a set of criteria (not exhaustive) as a guideline for Participants to consider when completing their Impact Assessments, which is included on the right-hand side of this page. Based on the criteria, each change can be assessed having high, medium or low risk.

This can then be used to determine which components of consequential change will have to be implemented by the time a Participant enters their migration window, or changes that can be implemented in parallel or upon completion of migration.

## Proposed Assessment Criteria:

### *Impact of change:*

- What processes and systems are impacted by the MHHS?
- Does the change impact key industry processes or payments?
- How many participants are impacted by the change (either directly or indirectly)?
- What is the impact on the market/consumers if the change is not successfully delivered on time?

### *Delivery of change:*

- What is the complexity and pervasiveness (ie., extent of systems/processes affected) of the change both within an organisation and across industry?
- What is the effort required to deliver the change?
- Does the participant(s) have prior experience/a track record of delivering the type of change required (eg., is it a routine BAU change or otherwise)?
- Is the change on the MHHS Programme critical path and at what point does the change need to be delivered to avoid impact on market/consumers?
- Is a third-party contracted to deliver the change and are there appropriate mechanisms in place to monitor the progress of the implementation?

# Thank you