MHHS PROGRAMME

Benefits Realisation Plan

24 March 2022	v0.1	Internal Only	18 May 2022	v0.5	Internal Only
30 March 2022	v0.2	Internal Only	27 May 2022	v0.6	External, approved at June 2022 PSG
4 April 2022	v0.3	Internal Only	1 Feb 2023	v0.7	Internal For SRO review
14 April 2022	v0.4	Internal Only			

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No.	Item for discussion
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4	Next Steps for Defining and Managing Programme Success
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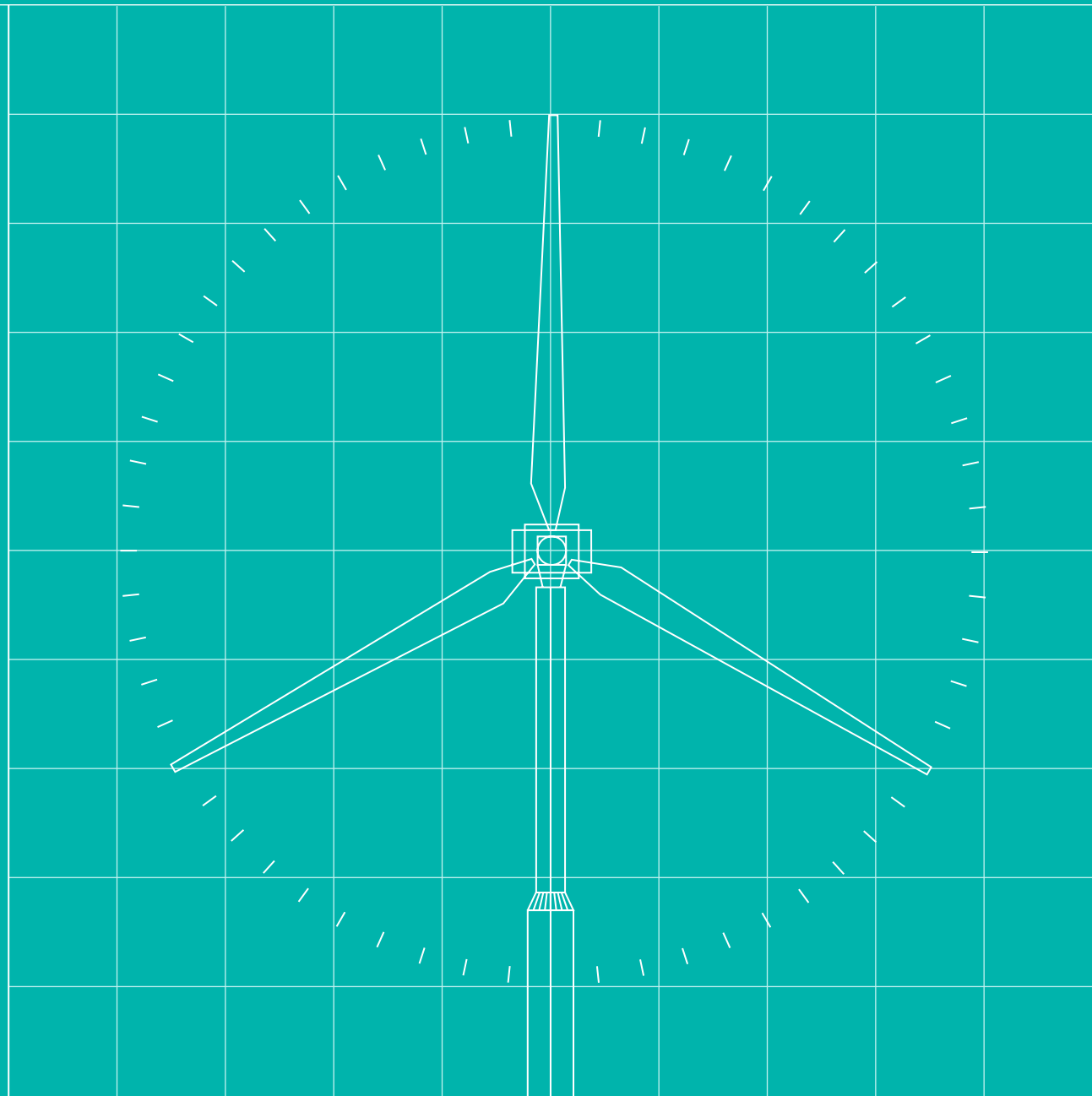
Scope and Methodology



Context, Background and Scope

- In considering how the MHHS Programme realises benefits, we started by looking at the benefits from the Ofgem Business Case and Final Impact Assessment [see Appendix] and identifying what the Programme will deliver to realise these benefits
- As set out in the Appendix, these benefits are generally expected to be realised by industry after the Programme has been successfully completed and the delivery of these benefits will need to be monitored after the Programme, which we expect to be the responsibility of Ofgem
- **The Programme must deliver the outputs, capabilities and outcomes that enable these industry benefits to be realised, and therefore in this document we have focused on identifying when and how these Key Programme Outcomes will be delivered and monitored**
- The LDP is responsible for the delivery, monitoring and reporting of Key Programme Outcomes
- The Programme Initiation Document (PID) sets out the framework and charter for the overall delivery of the Programme and includes the Key Programme Outcomes mapped to Success Criteria and Success Measures, as can be seen in the next slide. The PID establishes 10 Control Points through the Programme to maintain focus on the successful delivery of Key Programme Outcomes
- The Benefits Realisation Plan approved in the Programme Steering Group in June 2022 built on Success Measures set out in the PID and agreed an additional measure resulting in 18 Success Measures as an agreed baseline. We have enhanced these measures, defined how we will demonstrate their achievement and established interim outcomes and monitoring to build confidence of their achievement through the lifetime of the programme.
- The Programme has now established a Benefits Realisation Tracker to enable benefits to be managed to realisation on an ongoing basis. There is an initiative from Control Point 1 to continue to embody benefits realisation into the ethos of the Programme and this will continue through Change Management.
- The measurement of consumer engagement in the Programme is reflected in successful ongoing consumer representation and input into the Programme through Citizens Advice. Direct monitoring of consumer satisfaction is outside the scope of the Programme as an Ofgem responsibility
- This plan and the associated tracker will evolve as the Programme progresses and will be subject to iterative development

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Key Programme Outcomes

18

Success Measures

PID Deliverables, Outcomes, Capabilities & Benefits – How the Programme enables benefits and measures Programme success

Benefits

Success Measures (to be further quantified)	Success Criteria
1. Delivered within Programme budget 2. Ofgem escalations, and material IPA & Elexon SRO raised items resolved 3. Level 1 milestones met 4. No major Hypercare issues without agreed work-off plans 5. Programme outcomes met with low variance in costs or timing	• Business case met • Schedule met • Design requirements appropriate / met
6. MPANs moved, disincentives & contingencies in place for non-moved MPANs 7. Settlement figures reconcile 8. No adverse impact on Industry Codes	• Design proven to central parties and a critical number of industry parties • No business disruption • All parties have adopted cutover
9. Legacy systems decommissioned 10. Reduced no. of settlement runs 11. Reduced industry costs 12. Increased financial certainty for parties	• Reduced costs of systems' future changes • Modifications to the Balancing and Settlement Code implemented
13. Earlier financial certainty and reduced settlement risk from earlier final reconciliation at 4 months rather than 14 months 14. Clear and efficient qualification process	• Generators & Suppliers able to resolve financial uncertainty quicker • All market participants confident to operate within new model, supported by the Kinnect platform
15. New market services, new tariff offerings, new entrant agents 16. Elexon PAB approve use of new settlement timetable and settlement run-off plan	• New market model in place • Platform to enable innovation in energy service and business models • Reduced cost to serve
17. Positive periodic surveys and results of bilateral meetings, including Citizens Advice 18. Design captured coherently and accurately in accordance with the TOM and tested	• Parties feel represented & included • Citizens Advice successfully engaged to provide input to represent consumers • Industry-led delivery model proven to be better

Key Programme Outcomes

- **Delivered to time, cost, quality**
- **Migrated to MHHS by Oct 2025**
- **Reduced cost / improved accuracy of settlement delivery**
- **Improved experience for BSC parties**
- **More cost effective & efficient service**
- **Stakeholders engaged & satisfied**

Key Programme Outputs (Deliverables) & Capabilities

- Physical Design
- Code Changes
- Data Integration Platform
- Event-driven architecture
- Tested changes to Central Party Systems
- Tested changes to the DTN
- Tested TOM Data & Metering Services
- All MPANs migrated
- Services to support new Settlement Timetable
- Decommissioned legacy capabilities

Actions since the approval of the Benefits Realisation Plan (Jun-22)

- We have reflected the 18th Success Measure within the PID slide, following its approval as part of the Benefits Realisation Plan
- We have taken the Benefits Realisation Plan and used this as the basis for the newly developed Benefits Realisation Tracker. We developed this tracker with the aim of taking activities from the plan and bring into Programme, as part of our day-to-day activities. From Control Point 1 we have taken action to embody programme outcomes into the ethos of the Programme team (to be progressed with the Programme Change Manager)
- The Benefits Realisation Plan has been updated to reflect any adaptations within the tracker
- We updated the Programme PMO tools and processes, such as RAID items and the change control form. These documents now explicitly reference the impact on Programme Outcomes and associated Success Measures. The change request form will be updated to reference the Benefits Realisation documents, once published

Key Findings from Control Point 1 (Nov-22)

We successfully navigated Control Point 1 (CP1) assessments, obtaining an exemplar rating due to clear mapping of benefits from delivery outputs, Programme outcomes and success criteria (KPIs) through to those benefits to be realised by industry. Agreed upon next steps were as follows:

- Baseline the Benefits Realisation Tracker as planned – *Approved by SRO & baselined on 13-Jan-23*
- Include success measures in internal Product Descriptions – *action to review within the Programme*
- Build outcomes culture - socialise outcomes / KPIs across MHHS team and integrate them into ways of working – *action in progress with Programme Change Manager*
- Confirm acceptance criteria for Level 1 milestones – *action to define within the Programme, starting with Milestone 6*
- Update and re-publish Benefits Realisation Plan to incorporate recent iterations – *updated in this version published with Programme Steering Group papers*

Quantifying Achievement of Success Measures (1 of 4)

Key Programme Outcome	Success Measure	Quantified Achievement of Success Measure	Final Measurement	Interim Monitoring
Delivered to time, cost, quality	1. Delivered within programme budget	• Final programme exit approved with expenditure within agreed tolerance • Focus on delivering to cost	End of M16	• Fortnightly financial reporting, quantitively monitoring actual spend vs budget for the LDP (PMO) • •Financial Dashboard reporting to PSG on a monthly basis (Elexon SRO/IM) • •Monthly financial reporting to the Elexon Board (Elexon SRO/IM)
	2. Ofgem escalations, and material IPA and Elexon SRO raised items resolved	• No unresolved material issues raised from Elexon SRO/IM to LDP • No unresolved Ofgem escalations (material changes to TOM, >3 month delay, £5m individual cost variance or £20m cumulative cost variance) • No unresolved material issues raised from IPA to LDP • Focus on delivering to quality	End of M16	• All material issues from the Elexon SRO/IM addressed – criterion applies at all milestones • Create a log of all material issues from the Elexon SRO/IM, Ofgem, IPA • PMO to report weekly on the status of material Elexon SRO raised items Quality reporting: • Weekly catch-ups between a) LDP & IPA, plus b) LDP & SRO • Continuous improvement log in place • Quality health checks to support 2nd line of assurance (both periodic & ad-hoc) • Tracking of IPA work package actions is in place
	3. Level 1 milestones met	• 100% of level 1 milestones met with all outcomes / acceptance criteria met and deliverables approved • Focus on delivering to time and quality	End of M16	Ensure: 1. All L1 milestones have acceptance criteria defined 2. All acceptance criteria have owners 3. We are clear on how to evidence meeting acceptance criteria 4. Reporting in place for the status of acceptance criteria • PMO reports weekly on the status of every outcome and deliverable from Schedule 2 of the MSA for upcoming milestone(s), and any activities outstanding from previous milestone(s) • In line with Schedule 2 of the MSA, control points are in place to provide health indicator checks on critical areas of the programme Quality reporting: • Weekly catch-ups between a) LDP & IPA, plus b) LDP & SRO • Continuous improvement log in place • Quality health checks to support 2nd line of assurance (both periodic & ad-hoc)

Quantifying Achievement of Success Measures (2 of 4)

Key Programme Outcome	Success Measure	Quantified Achievement of Success Measure	Final Measurement	Interim Monitoring
Delivered to time, cost, quality (cont.)	4. No major Hypercare issues without agreed work-off plans	• No 'Severity 1' and 'Severity 2' hypercare incidents outstanding at the end of the programme without agreed work-off plans, with any other outstanding defects within agreed exit criteria defect mask limits • Focus on delivering to quality	End of M16	• *•E2E Test Strategy includes entry and exit criteria principles* • *•Test approach and plans to include explicit defect mask limits or similar principles for each stage of testing* • *•Test Completion Reports to report within defined defect mask limits* • *•Note that these interim monitoring activities will be used as supporting activities to build confidence throughout the programme, rather than directly measuring hypercare*
	5. Programme outcomes met with low variance in costs or timing	• Final programme exit approved with cost and timing within agreed tolerance	End of M16	• In line with Schedule 2 of the MSA, control points are in place to provide health indicator checks on critical areas of the programme
Migrated to MHHS by Oct 2025	6. MPANs moved, disincentives & contingencies in place for non-moved MPANs	• 100% of meter points migrated in line with the Migration Strategy and exit criteria from programme phases • All meter points migrated and operating under the new arrangements (existing programme outcome)	M15	• *Migration Strategy, Approach and Plan to outline the criteria for successful completion of migration activities with disincentives and contingencies* • *Successful completion of Migration Testing to exit criteria (including any Migration Testing in qualification)*
	7. Settlement figures reconcile	• No material issues exist within Settlement reconciliation (part of existing programme outcome)	M16	• *Approach to testing settlement accuracy included in Testing and Migration Strategies, and affected approaches and plans to ensure exit criteria appropriately defined (e.g., from parallel running)*
	8. No adverse impact on Industry Codes	• No material Code defects at programme exit and all outstanding changes captured in Code Modifications or Change Requests	End of M16	• *Monitoring against plan for Code delivery (as per CR003 or re-plan output)* • *Any material issues to be raised into RAID for monitoring and resolution* • *Any potential change to be raised into enduring change management process* • *Approval of Code Changes at M6 and implementation at M8*
Reduced cost / improved accuracy of settlement delivery	9. Legacy systems decommissioned	• Plan in place and agreed with Elexon to manage Settlement run-off arrangements (existing programme outcome)	M16	• *Timing of decommissioning of legacy systems to be a key criterion for approval of Settlement run-off arrangements*
	10. Reduced no. of settlement runs	• Following post implementation, new Settlement timetable working with no material issues – criteria to be defined by BSC PAB	End of M16	• Design milestone (M5) approved on time to cost and quality • *Test Completion Reports to report design defects within defined limits (zero 'Severity 1' and 'Severity 2' design defects)*

Quantifying Achievement of Success Measures (3 of 4)

Key Programme Outcome	Success Measure	Quantified Achievement of Success Measure	Final Measurement	Interim Monitoring
Reduced cost / improved accuracy of settlement delivery (cont.)	11. Reduced industry costs	• Implementation programme benefits realisation process in place (we cannot quantify this within the programme, but we can set the framework for measuring it post-programme)	M16	• No interim monitoring activities
	12. Increased financial certainty for parties	• Following post implementation, new Settlement timetable working with no material issues – criteria to be defined by BSC PAB	End of M16	Design needs to support new Settlement Timetable • Code drafting planned activities and scope includes new Settlement Timetable explicitly • *Approach to testing new Settlement Timetable to be included in Testing and Migration Strategies, and affected approaches and plans to ensure exit criteria appropriately defined* • Design milestone (M5) approved on time to cost and quality • *Test Completion Reports to report design defects within defined limits (zero 'Severity 1' and 'Severity 2' design defects)*
Improved experience for BSC parties	13. Earlier financial certainty and reduced settlement risk from earlier final reconciliation at 4 months rather than 14 months	• Following post implementation, new Settlement timetable working with no material issues – criteria to be defined by BSC PAB	End of M16	• Design needs to support new Settlement Timetable • Code drafting planned activities and scope includes new Settlement Timetable explicitly • *Approach to testing new Settlement Timetable to be included in Testing and Migration Strategies, and affected approaches and plans to ensure exit criteria appropriately defined* • Design milestone (M5) approved on time to cost and quality • *Test Completion Reports to report design defects within defined limits (zero 'Severity 1' and 'Severity 2' design defects)*
	14. Clear and efficient qualification process	• All MHHS Participants' Central Parties, Large Suppliers and at least 80% of other relevant MHHS Participants have successfully completed qualification testing, and any residual non-conformant Parties have been appropriately escalated in line with the MHHS Governance Framework (SI)	End of M14	• Gain confidence in the structure through approval of E2E Testing & Integration Strategy and Qualification Test Approach & Plan • *Approval of Code Changes at M6 and implementation at M8*
More cost effective & efficient service	15. New market services, new tariff offerings, new entrant agents	• Implementation programme benefits realisation process in place (we can't quantify this within the programme, but can set the framework for measuring it post-programme)	M16	• No interim monitoring activities
	16. Elexon PAB approve use of new settlement timetable and settlement run-off plan	• PAB approved use of new settlement timetable • Plan in place and agreed with Elexon to manage Settlement run-off arrangements (existing programme outcome)	M16	• *Suggest agreement of reporting format in advance, and populating and monitoring against target outcome in advance*

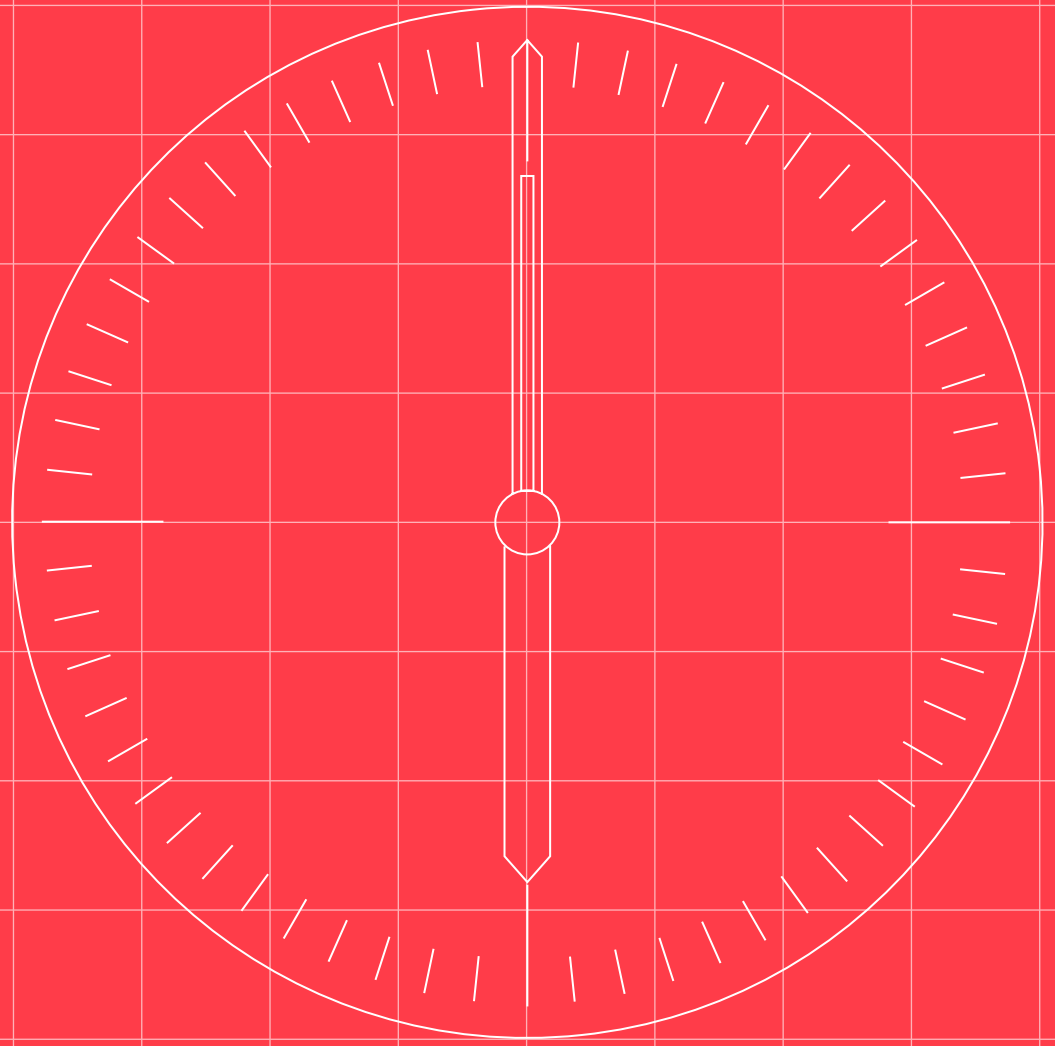
Quantifying Achievement of Success Measures (4 of 4)

Key Programme Outcome	Success Measure	Quantified Achievement of Success Measure	Final Measurement	Interim Monitoring
Stakeholders engaged & satisfied	17. Positive periodic surveys and results of bilateral meetings, including Citizens Advice	• IPA acceptance that the programme has taken reasonable endeavours to engage with programme parties, including Citizens Advice	M16	• Interim milestones contain an assessment of no outstanding IPA issues (as per Success Measure 2) • Continuous reporting from PPC on stakeholder engagement • *To consider later metrics to monitor against beyond existing PPC outcomes (e.g., surveys) and to ensure measure of Citizens Advice input included (not just attendance at meetings)*
Design captured coherently and accurately in accordance with the TOM and tested	18. Design captured coherently and accurately in accordance with the TOM and tested	• No 'Severity 1' and 'Severity 2' hypercare incidents outstanding at the end of the programme without agreed work-off plans, with any other outstanding defects within agreed exit criteria defect mask limits • No outstanding elements of the TOM undelivered (i.e. technical debt) unless outside the control of the Programme and with an Ofgem approved plan for resolution	M16	• Design milestone (M5) approved on time to cost and quality • Agreed process for enduring change • Proactive monitoring of consequential change • *Test Completion Reports to report design defects within defined limits (zero 'Severity 1' and 'Severity 2' design defects)*

Interim Monitoring Key:

Italics – Future monitoring activities to be implemented

Benefits Realisation Tracker



Benefits Realisation Tracker

Following the approval of the Benefits Realisation Plan at PSG, the MHHS Programme have adapted the plan into a Benefits Realisation Tracker. This builds upon the baselined plan and splits out each key programme outcome in order to accurately assign tracking measures. Additional columns have been included within the tracker to address the following areas of consideration;

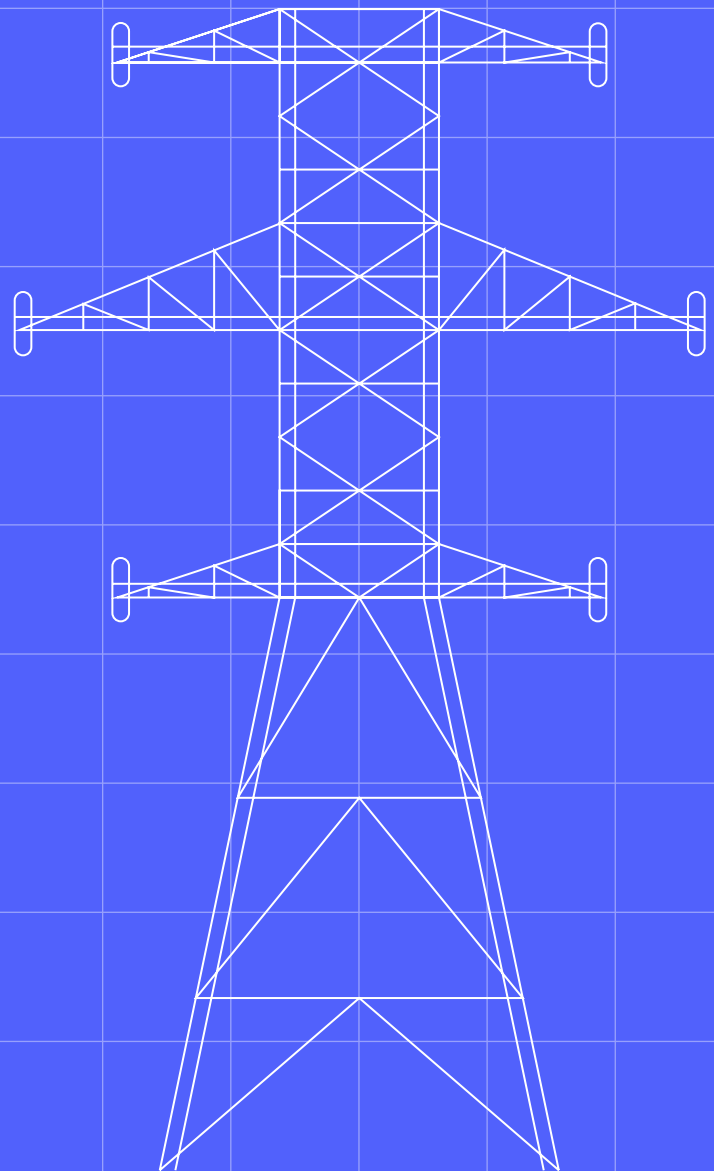
- Next action
- Basis for measurement
- Tracking measurement status
- Next measurement date
- Overall status
- **RASCI –** this section of the tracker incorporates a responsibility assignment matrix, which includes the LDP (CPT, PMO, PPC or SI teams), Elexon (SRO, IM or Elexon itself) and Ofgem

The Benefits Realisation Tracker will exist as a living document, meaning that there will be frequent iterations in line with discussions between the LDP & SRO. The next iteration will include reference to the products and deliverables under each milestone as is relevant to each of the Programme outcomes. It will also consider the milestone dates upon approval of the Programme replan.

Please see example extract from the Benefits Realisation Tracker included below.

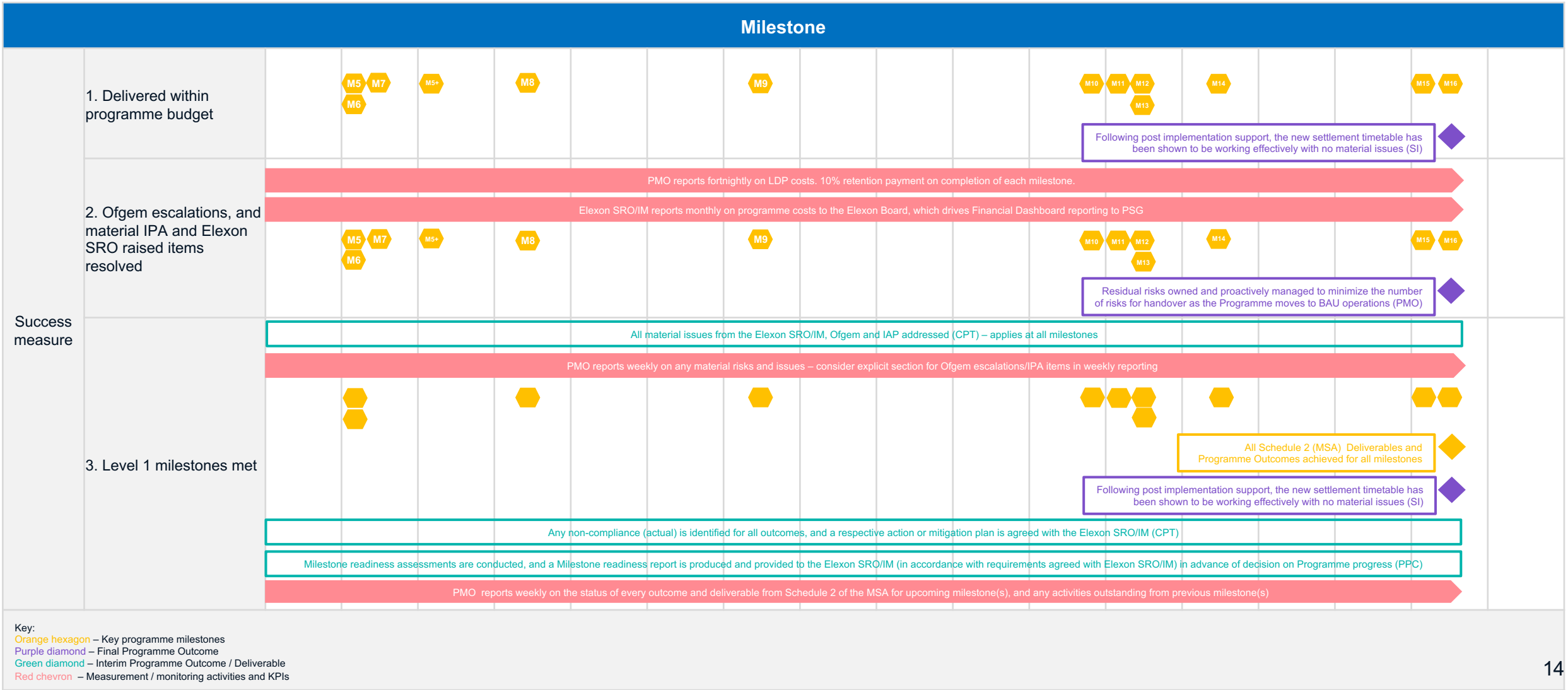
Ref	Key Programme Outcome	Success Measure		Quantified Achievement of Success Measure	Milestone	Interim Monitoring	Next action (if appropriate):	Basis for Measurement	Tracking Measurement Status	Next Measurement Date	Overall Status	RASCI					
												CPT	PMO	PPC	SI	Elexon / SRO / IM	Ofgem
1	Delivered to time, cost, quality	1. Delivered within programme budget	1.1	Final programme exit approved with expenditure within agreed tolerance	M16	•Fortnightly financial reporting, quantitively monitoring actual spend v. budget for the LDP (PMO) •Financial Dashboard reporting to PSG on a monthly basis (Elexon SRO/IM) •Monthly financial reporting to the Elexon Board (Elexon SRO/IM)	•No action required, covered with existing monitoring, reporting and controls in place	Fortnightly / monthly	Complete: procedures in place	Control Point 2	On track to achieve outcome	S (LDP costs)	R (LDP costs)	C	C	R / A	I
1	Delivered to time, cost, quality	1. Delivered within programme budget	1.2	Focus on delivering to cost	M16	•Fortnightly financial reporting, quantitively monitoring actual spend v. budget for the LDP (PMO) •Financial Dashboard reporting to PSG on a monthly basis (Elexon SRO/IM) •Monthly financial reporting to the Elexon Board (Elexon SRO/IM)	•No action required, covered with existing monitoring, reporting and controls in place	Fortnightly / monthly	Complete: procedures in place	Control Point 2	On track to achieve outcome	S (LDP costs)	R (LDP costs)	C	C	R / A	I

Roadmap of Programme Outcomes, Deliverables and Monitoring Activities



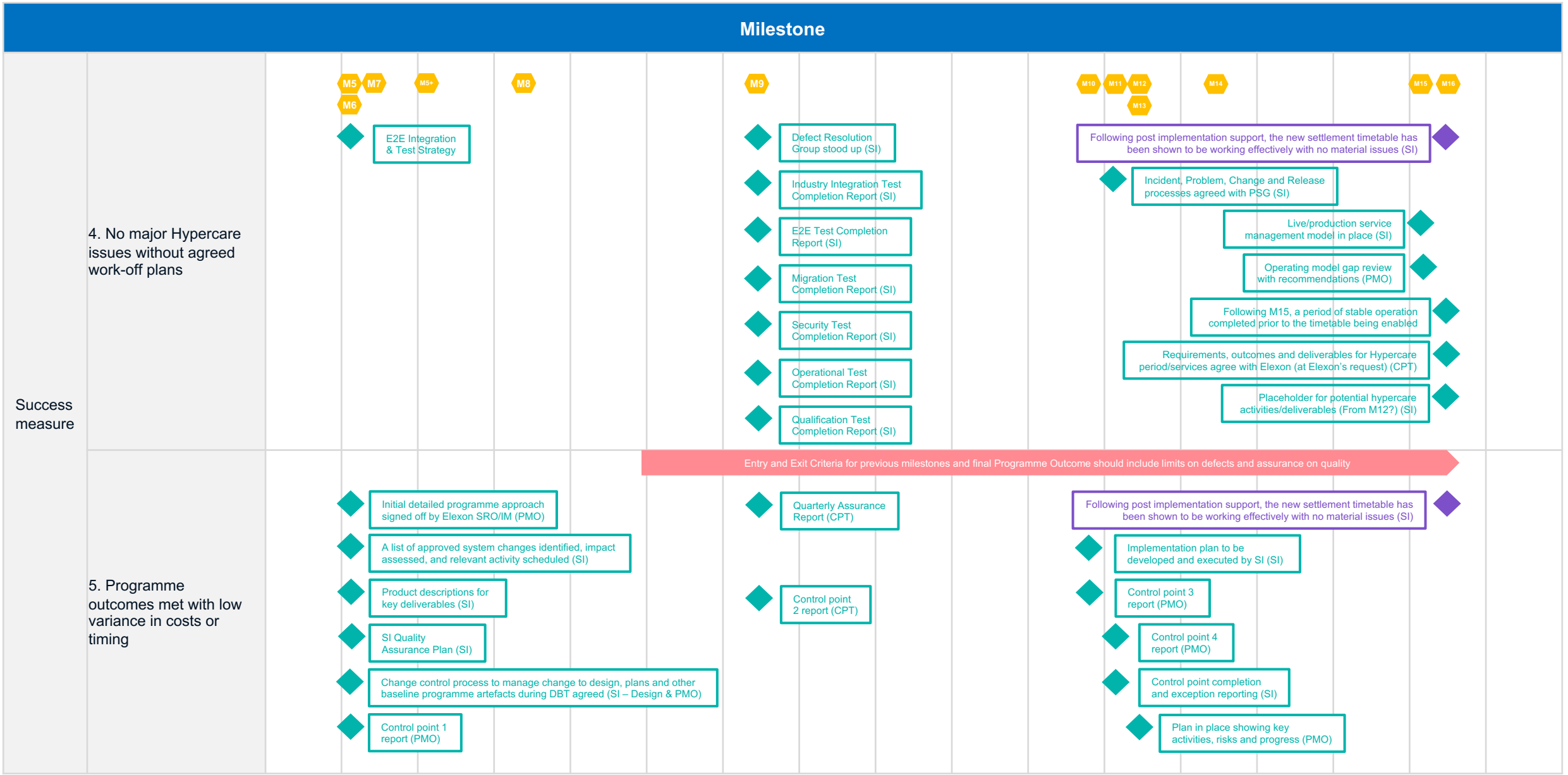
Roadmap of Programme Outcomes, Deliverables and Monitoring Activities (1 of 11)

The dates previously outlined in the Benefits Realisation Plan have been removed from the following timeline slides, on the basis that these will need to be tied to the re-plan timeline. We will capture both the dates and products within the next iteration of the benefits realisation tracker (as this will be the ongoing means for the Programme to manage benefits realisation and avoids maintaining 2 views that could become misaligned) following approval of the programme re-plan.

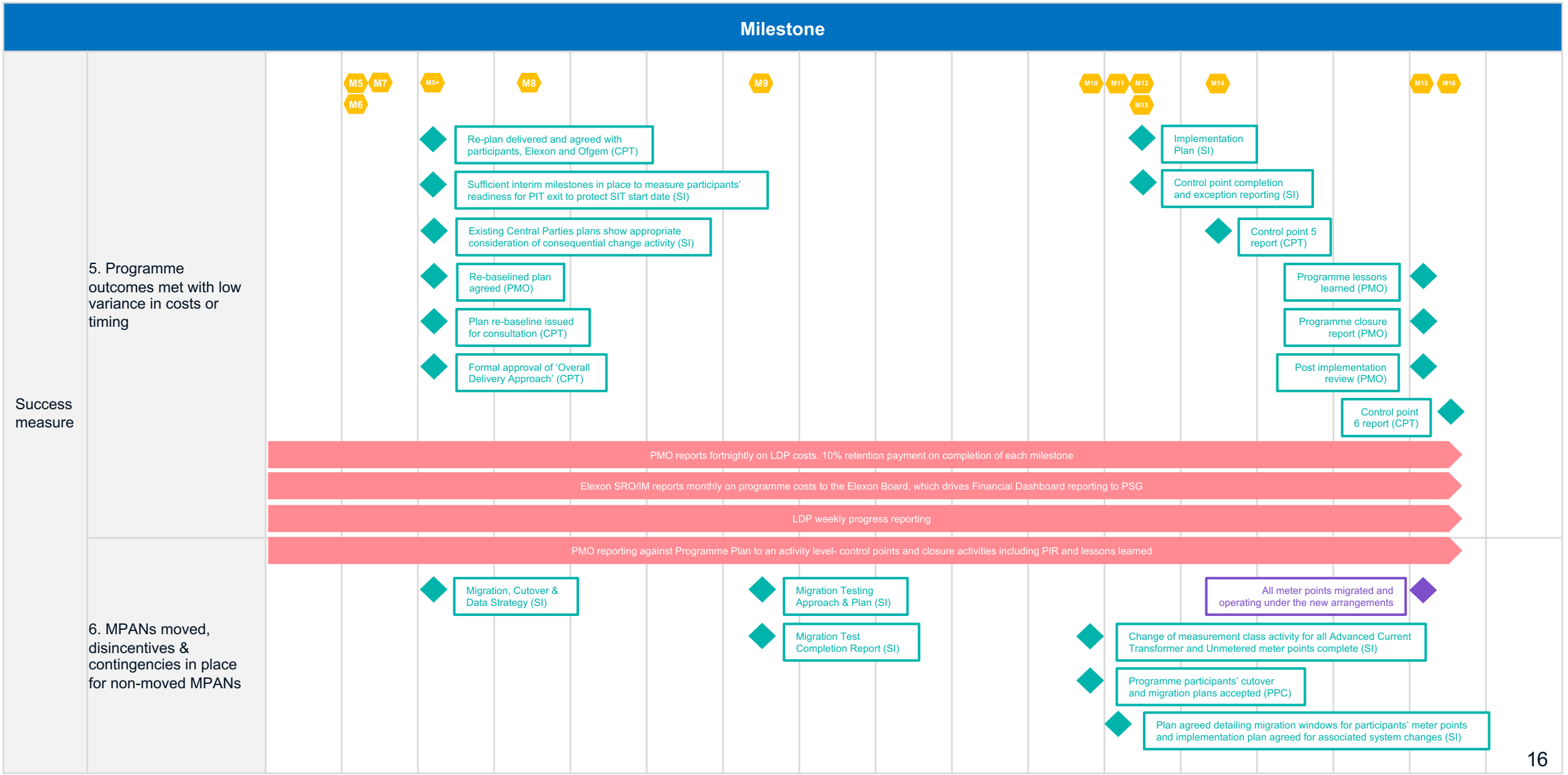


Key:
Orange hexagon – Key programme milestones
Purple diamond – Final Programme Outcome
Green diamond – Interim Programme Outcome / Deliverable
Red chevron – Measurement / monitoring activities and KPIs

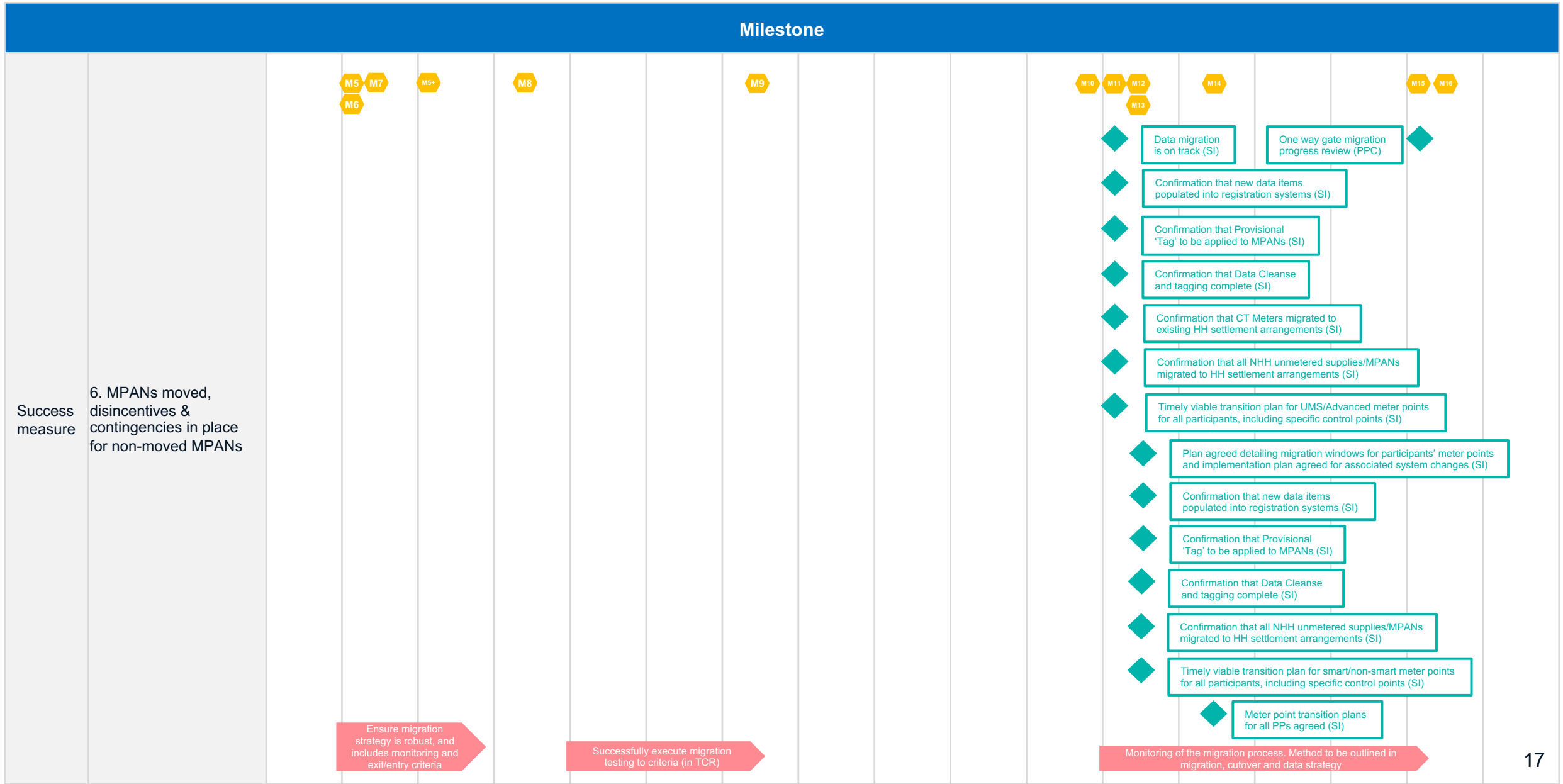
Roadmap of Programme Outcomes, Deliverables and Monitoring Activities (2 of 11)



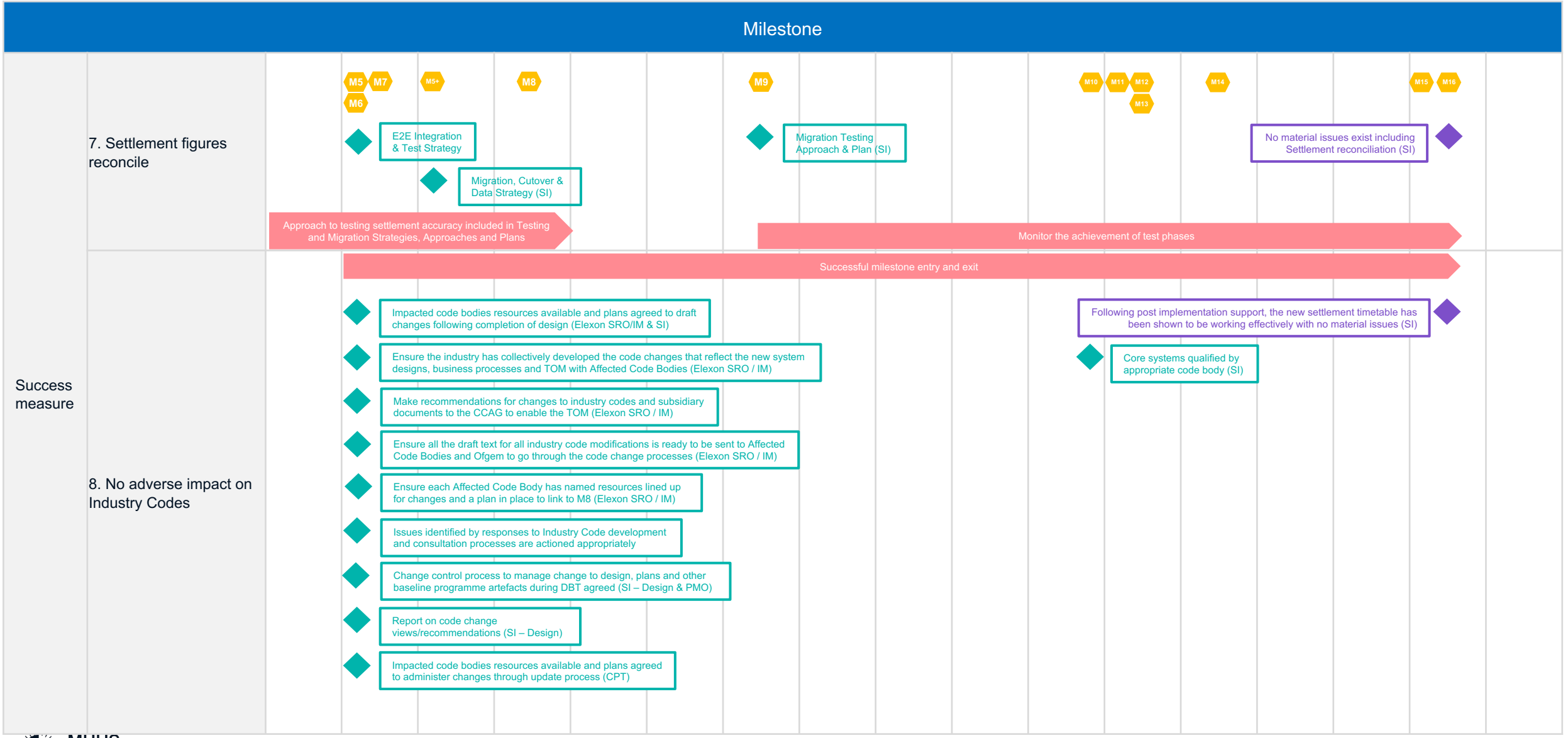
Roadmap of Programme Outcomes, Deliverables and Monitoring Activities (3 of 11)



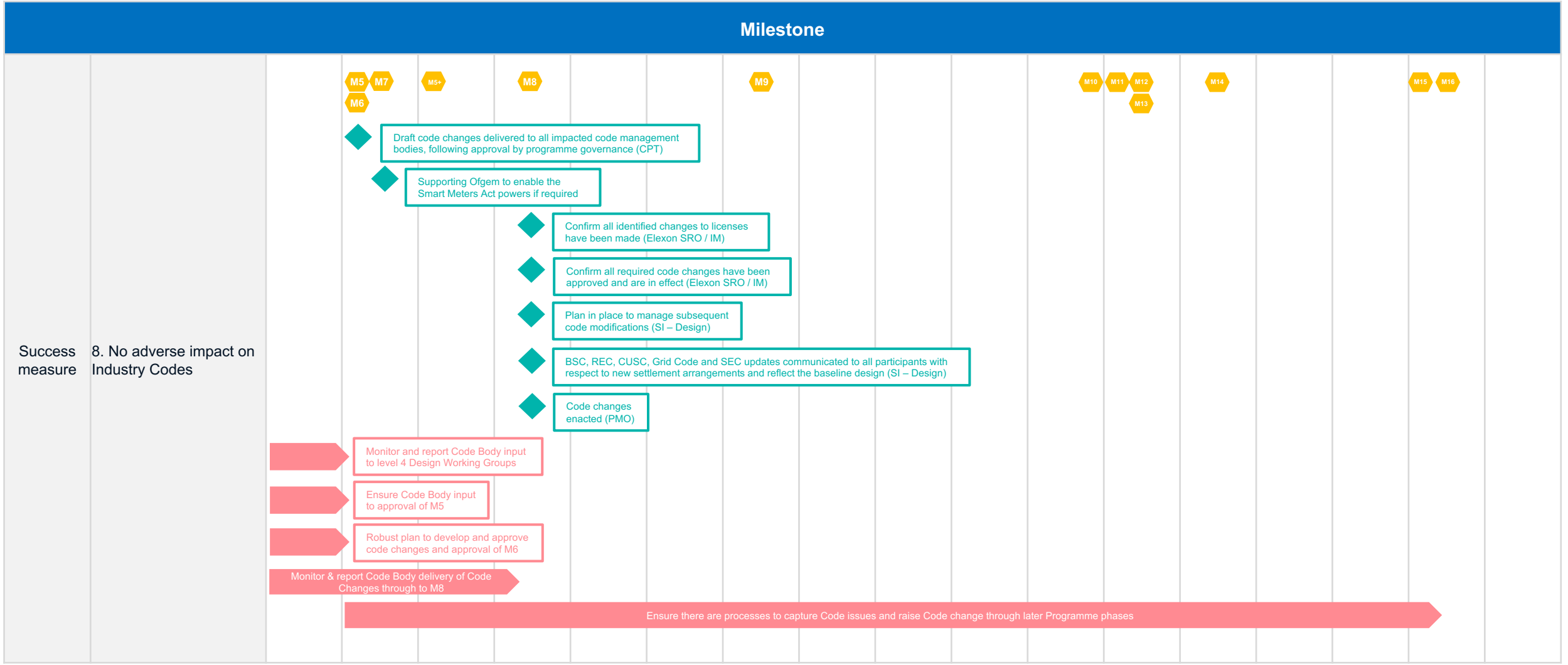
Roadmap of Programme Outcomes, Deliverables and Monitoring Activities (4 of 11)



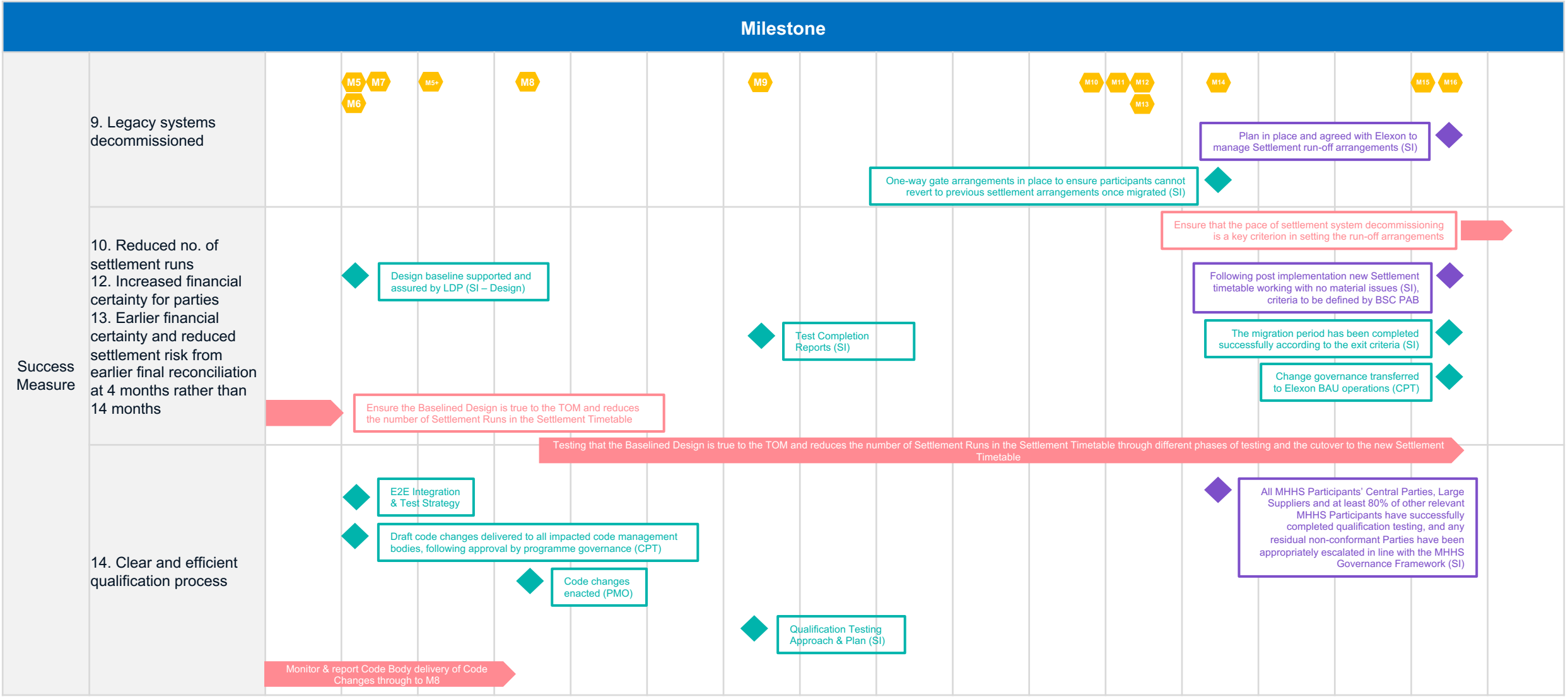
Roadmap of Programme Outcomes, Deliverables and Monitoring Activities (5 of 11)



Roadmap of Programme Outcomes, Deliverables and Monitoring Activities (6 of 11)

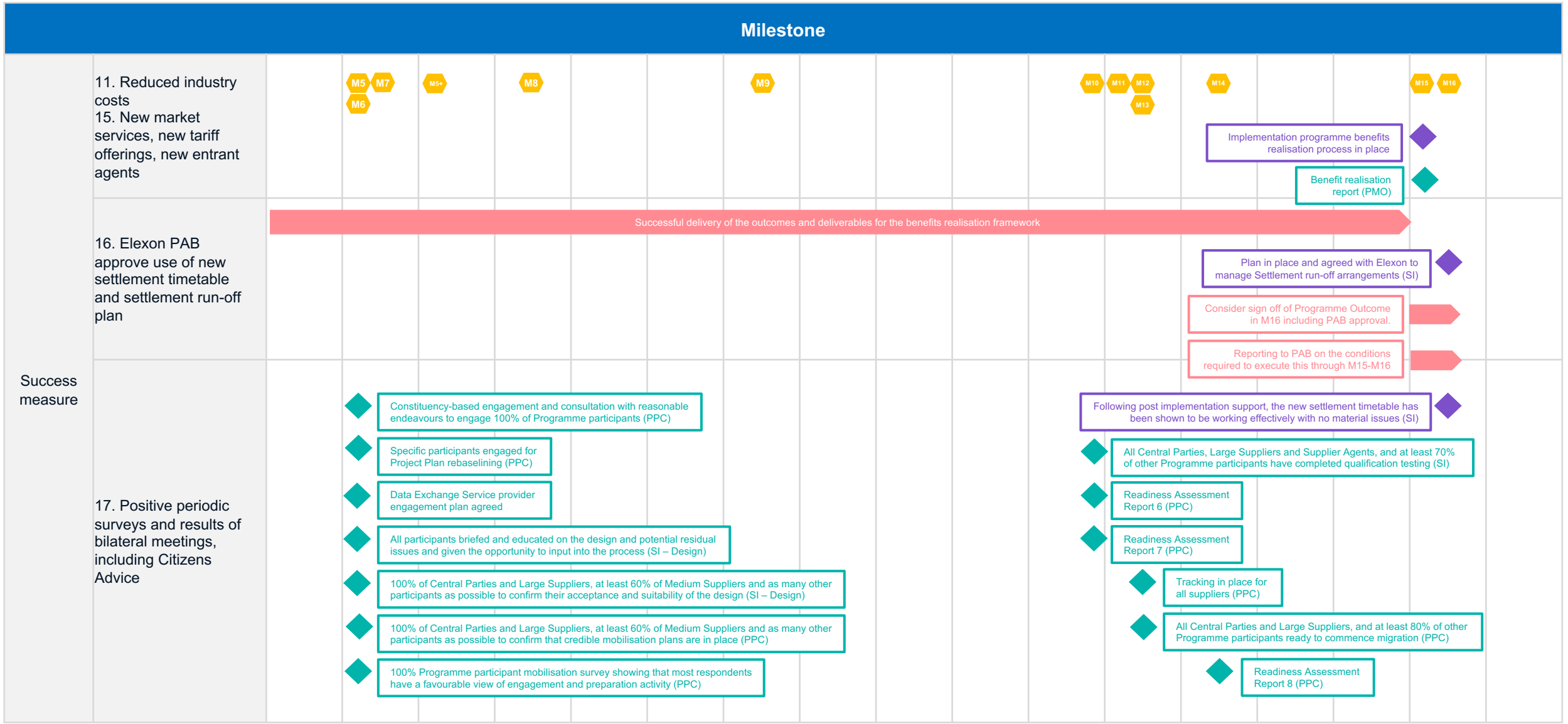


Roadmap of Programme Outcomes, Deliverables and Monitoring Activities (7 of 11)

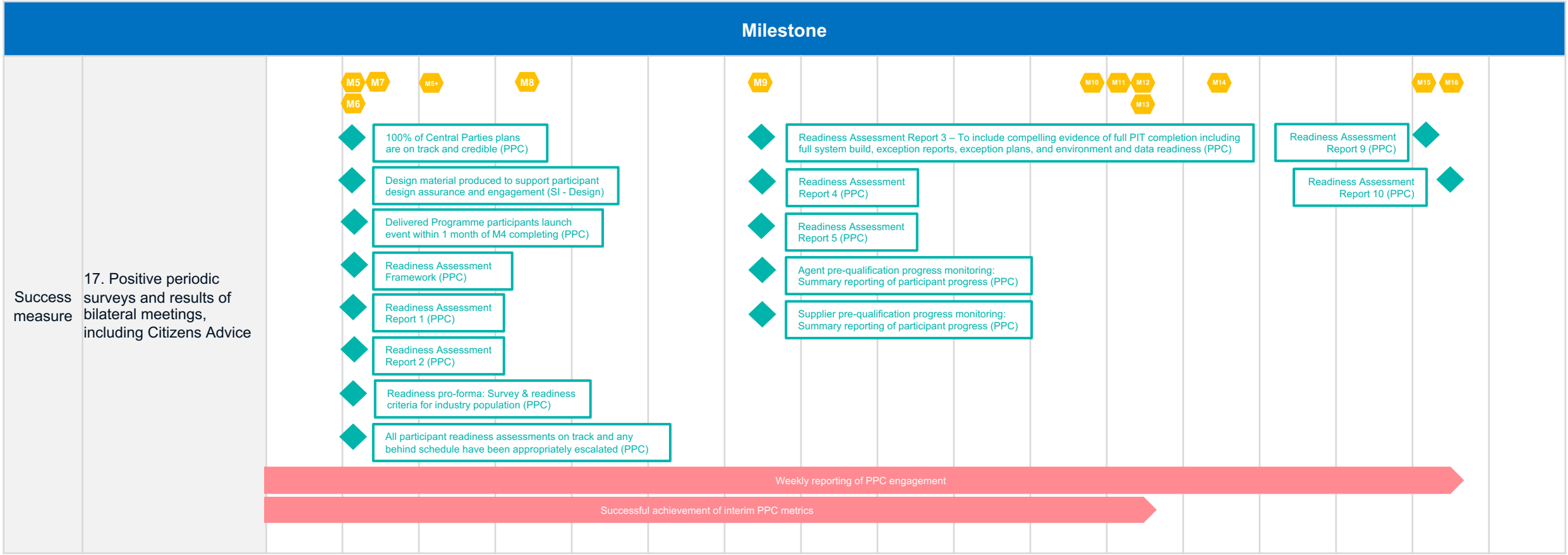


Success Measures 10, 12 and 13 have the same Final Programme Outcome, and Interim Programme Outcomes and Deliverables because they are all associated with implementing the new Settlement Timetable

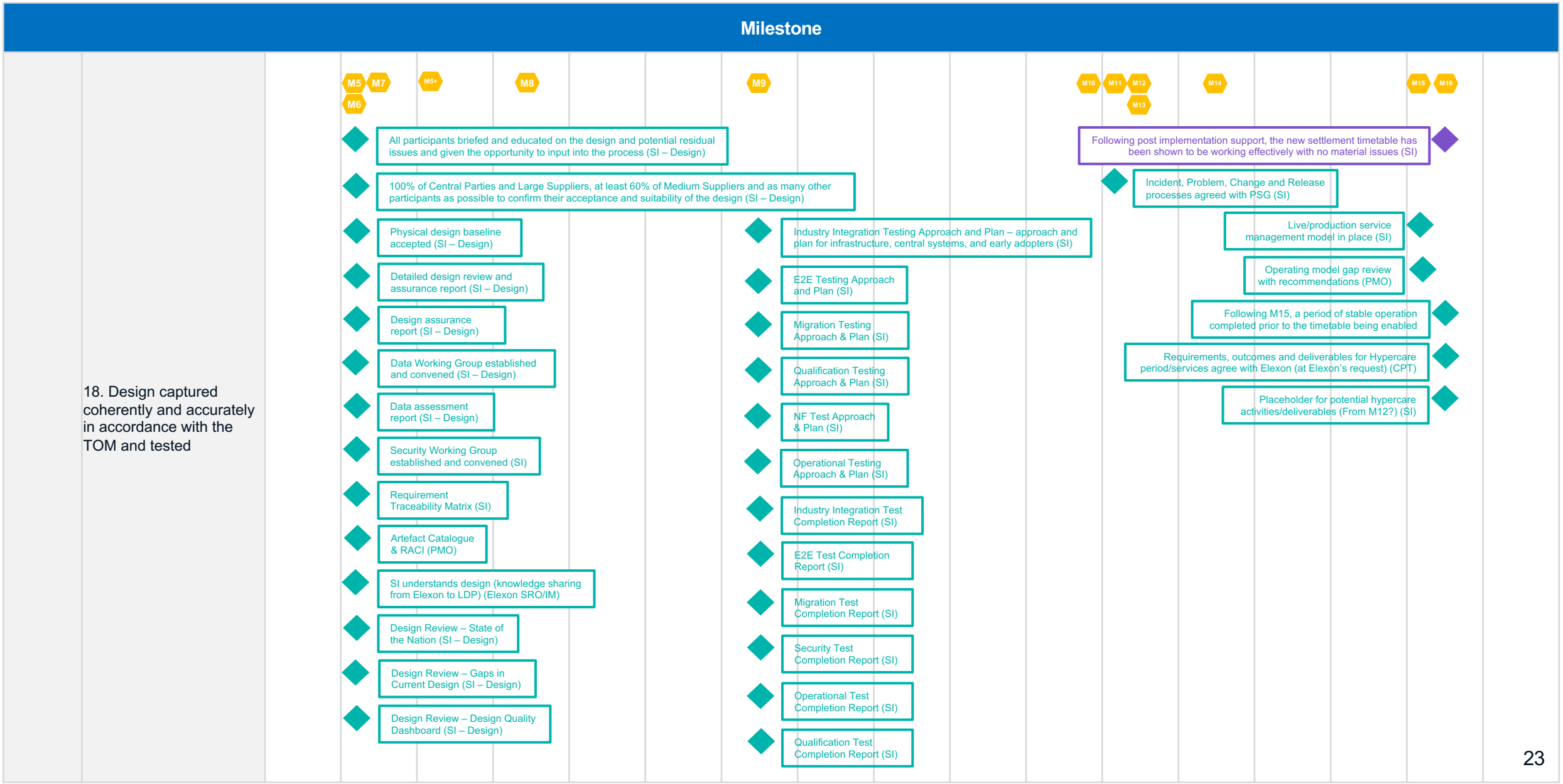
Roadmap of Programme Outcomes, Deliverables and Monitoring Activities (8 of 11)



Roadmap of Programme Outcomes, Deliverables and Monitoring Activities (9 of 11)



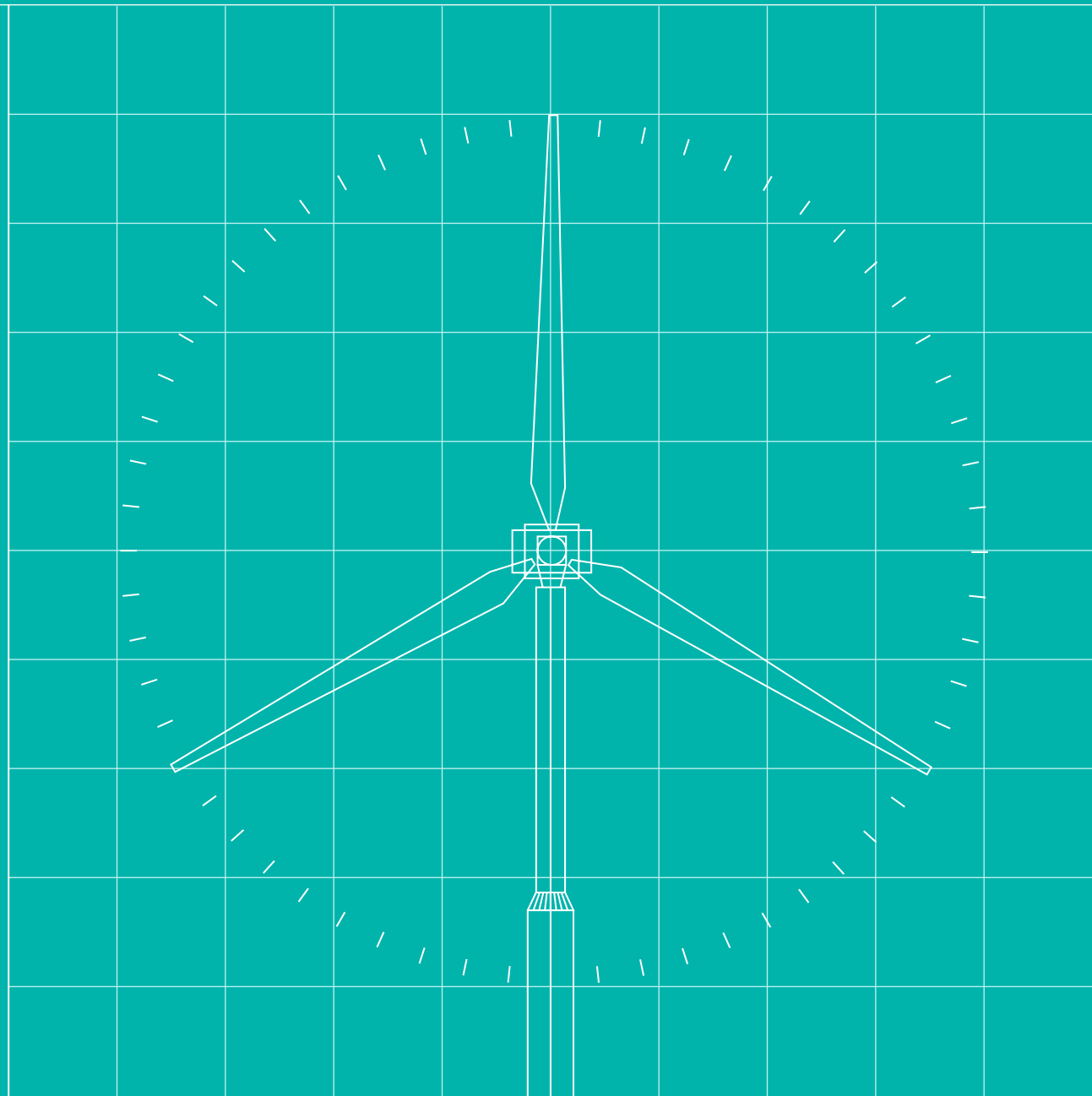
Roadmap of Programme Outcomes, Deliverables and Monitoring Activities (10 of 11)



Roadmap of Programme Outcomes, Deliverables and Monitoring Activities (11 of 11)

- Success Measure 11, ‘Reduced industry costs’, has been included in the roadmap alongside Success Measure 15, ‘New market services, new tariff offerings, new entrant agents’. However, given the nature of this Success Measure, its achievement will need to be monitored against the Ofgem Business Case and Final Impact Assessment post-programme, and therefore it has been added to the map of industry benefits [see Appendix]
- Ongoing action: To be reviewed and handed over to Ofgem for monitoring and delivery

Next Steps for Defining and Managing Programme Success



Next Steps for Defining and Managing Programme Success

The following steps are already laid out in the PID and provide the mechanism for managing successful achievement of Programme Outcomes:

- A periodic Programme Strategy Review will be conducted:
  - To happen at each identified Control Point (as a minimum and successfully delivered at Control Point 1)
  - Will be chaired by MHHS SRO function (Programme Director)
  - To include the IPA and the results of the review will be reported to Ofgem and the PSG
  - Will include a full review of the PID and the associated strategies
- Reporting on the plan for (and progress towards) achievement of Key Programme Outcomes will be provided to the Elexon Board, Ofgem and the PSG

On an ongoing basis as part of the iterative development of the Benefits Realisation Plan & Tracker, in addition to what is already set out in the PID, the MHHS Programme will:

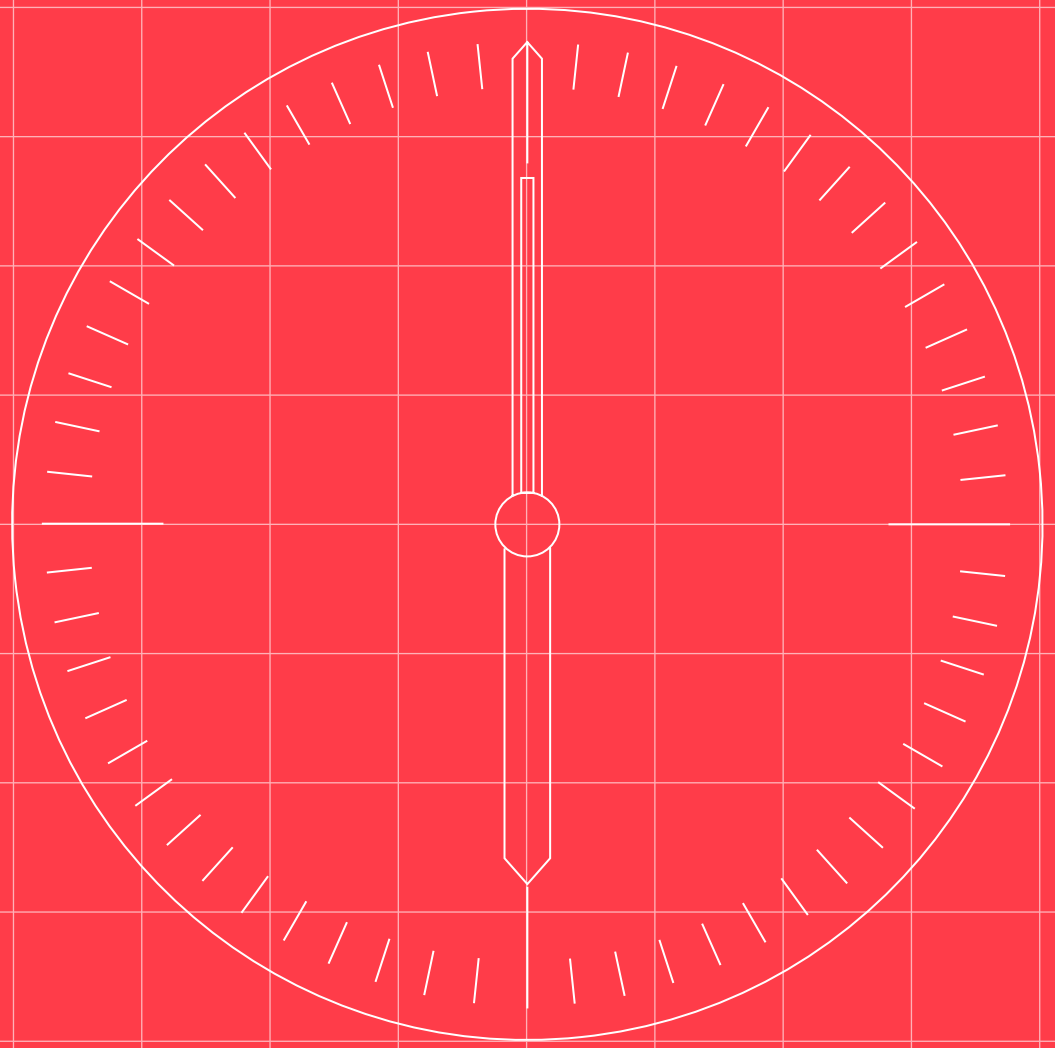
- Include a full review of the milestone acceptance criteria in the strategy review
- Ensure measure of Citizens Advice input included in monitoring (not just attendance at meetings)
- Consider how adaptability might be reflected in future programme outcome development as per the success criterion on enabling innovation
- Consider how to track change over the lifetime of the programme and how this might impact programme outcomes
- Consider what interim monitoring might be able to be put in place towards post-go live benefits realisation in Control Points

Next steps, to include outstanding CP1 actions

We successfully navigated Control Point 1 (CP1) assessments, obtaining an exemplar rating due to clear mapping of benefits from delivery outputs, programme outcomes and success criteria (KPIs) through to those benefits to be realised by industry. Agreed upon next steps were as follows:

- Continue to build upon the baselined Benefits Realisation Tracker, to incorporate products & milestones tying to each of the success measures. This will also include consideration of milestone dates upon approval of the Programme replan
- Include success measures in internal Product Descriptions
- Include reference to the Benefits Realisation Plan & Tracker within the PMO Change Documents, once published
- Build outcomes culture – socialise outcomes / KPIs across MHHS team, and integrate these into ways of working
- Confirm acceptance criteria for Level 1 milestones

Reporting



Reporting

LDP Status Reporting

- A report tracking the status of each Programme Outcome and Deliverable for relevant milestones at that point in time is shared with the SRO at the end of each week
- Each Programme Outcome / Deliverable is rated as being either blue (outcome / deliverable fully realised), green (outcome / deliverable on track to be realised), amber (outcome / deliverable realisation off track against roadmap but mitigating actions for recovery agreed) or red (outcome / deliverable realisation off track against roadmap, without mitigating actions for recovery in place and / or escalation required)

Financial Reporting

- The PMO reports on the financial position of the LDP to the SRO on a fortnightly basis
- LDP costs are invoiced at 90% on a monthly basis. The remaining 10% is not invoiced until the SRO is satisfied that all Programme Outcomes and Deliverables for the relevant milestone have been successfully achieved
- The Elexon SRO/IM reports monthly on Programme costs to the Elexon Board, which drives financial dashboard reporting to PSG

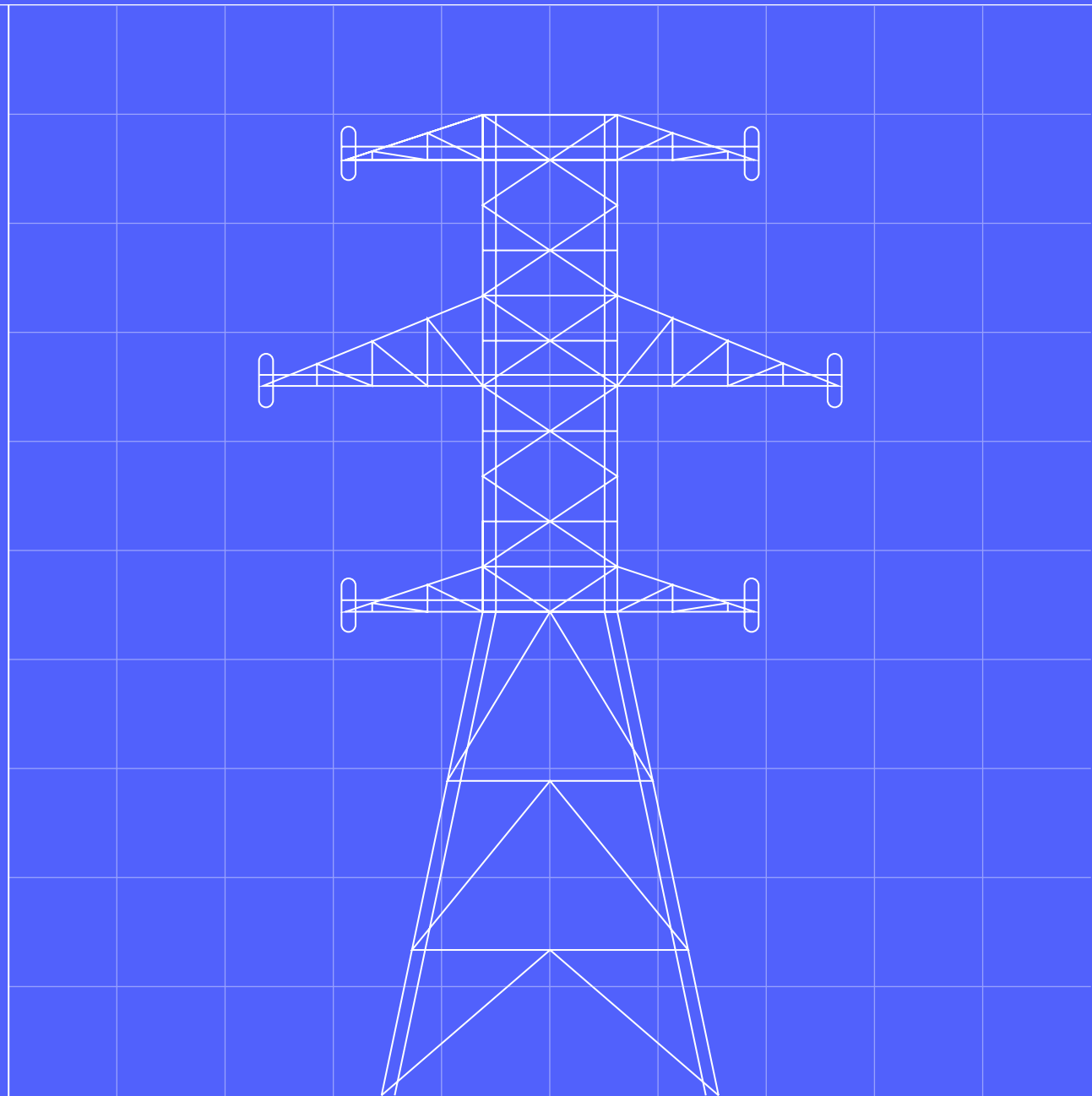
Readiness Assessment Reporting

- A report aggregating the responses from each readiness assessment submission received from industry is produced in line with the timelines set out in the MSA – Schedule 2
- Each report identifies the key themes and insights which enable the LDP to act to improve stakeholder engagement and ensure Programme participants are on track in terms of their delivery

PPC Insights Reporting

- PPC are in the process of finalising the format of a report which will be produced on a weekly and monthly basis to highlight and summarise the key stakeholder interactions the team are engaging in

Appendix



MHHS PROGRAMME

Deliverables, Outcomes, Capabilities & Benefits – Benefits that drive achievement of the vision

MHHS Vision

To develop and implement an enduring process for MHHS that delivers benefits for consumers by maximising the opportunities provided by smart metering in enabling an intelligent, flexible energy system by October 2025.

- Improve accuracy and frequency of cost information for suppliers
- Ensure future energy system is affordable for consumers
- Encourage more flexible use of energy
- Create powerful incentives for suppliers to offer new tariffs and products
- Support transition to net zero

Strategic Objectives

Source: Ofgem Outline Business Case - Market-wide Half Hourly Settlement

Benefits

Source: Ofgem Final Impact Assessment – Market-wide Half Hourly Settlement

Cost Saving Monetised Benefit | Non-Monetised Benefit

To promote an electricity system that delivers the Government's and Ofgem's objectives in a cost-effective manner, minimising the overall cost to current and future consumers of moving to a net zero carbon electricity system

- **System-wide welfare benefits from load shifting** — *£1,200m estimated cumulative direct benefits for low load shifting scenario and £3,550m for high load shifting scenario (2026-2045)*
- **Better matching of supply and demand reduces the cost of managing imbalance positions** — *£49m estimated cumulative cost saving (2026-2045)*
- **Incentivising innovation** — *Incentivise suppliers to manage the actual costs of providing energy to their customers more efficiently*
- **Increased competition** — *Exposing suppliers to the true cost of supply of their customers incentivises them to encourage load shifting, allowing for cost savings and a competitive advantage by offering new and innovative tariffs*
- **Benefits from including export-related MPANs** — *Mostly qualitative description*
- **Reduction in cost of managing imbalance positions due to improved matching of supply and demand** — *Several suppliers reported related cost savings amounting to £4.5m per year*
- **Increased competition** — *Remove barriers to entry for new market players by reducing the overall costs of the settlement process*
- **Increased competition** — *Enable new technologies and business models that capitalise on new market incentives, facilitating and incentivising load shifting and thus cost reduction*
- **More efficient qualification process for new entrants**
- **Fewer settlement errors and lower collateral requirements** — *Promote a more accurate settlement process, with better quality data and fewer settlement errors*
- **Fewer settlement errors and lower collateral requirements** — *Reduction in supplier exposure and settlement collateral requirements, reducing market entry barriers*

To develop settlement arrangements that incentivise all retailers and suppliers (current and future) to encourage customer behaviour that contributes to a more cost-effective electricity system

- **Consumer benefits (consumer surplus) from load shifting** — *£2,100m estimated cumulative direct benefits for low load shifting scenario and £5,050m for high load shifting scenario (2026-2045)*
- **Incentivising innovation** — *Incentivise consumers to find and switch to the right offering for them through digitalisation*
- **Incentivising innovation** — *Incentivise retailers to offer new energy tariff-only propositions, new third-party managed energy services, new bundled 'asset and tariff' offerings and more niche offerings that could be targeted at local communities*
- **Incentivising innovation** — *Incentivise third parties offering price comparison tools to provide a more comprehensive service, considering the electrical appliances and other assets a consumer owns and tailoring the service to the consumer's requirements*

To support Ofgem's aim to enable a future retail market that can deliver the technological and behavioural changes needed to support decarbonisation at lowest cost, while ensuring that the interests of consumers remain protected

- **Reduced carbon costs driven by a reduction in carbon emissions due to higher proportion of renewables in generation mix** — *£100m estimated cumulative carbon cost savings for low load shifting scenario and £1,250 for high load shifting scenario (2025-2045)*

Benefits enabled by the MHHS Programme are generally expected to be realised by industry

The MHHS programme must deliver capabilities and outcomes that make those benefits possible

Extracts of LDP Weekly Status Reporting

M5 Completion Tracking – Acceptance Criteria (Status as of 18-Mar-22)

Owners	M5 Acceptance Criteria	Statuses
CPT	All material programme issues raised by the Elexon SRO/IM, Ofgem and IAP have been documented and have been resolved or are being effectively managed	Expected to be met
	GONG approach and criteria agreed	Expected to be met
	Any non-compliance (actual) is identified for all outcomes, and a respective action or mitigation plan is agreed with the Elexon SRO/IM	Items marked *
PMO	Initial detailed programme approach signed off by the Elexon SRO/IM	Expected to be met
PMO, PPC	Milestone readiness assessments are conducted, and a Milestone readiness report is produced and provided to the Elexon SRO/IM (in accordance with requirements agreed with Elexon SRO/IM) in advance of decisions on MHHS Programme progress	Expected to be met

M5 Completion Tracking – Deliverables (Status as of 18-Mar-22)

Owners	Description of Deliverable(s)	Format	Exit Criteria	Acceptances and Sign-offs	Statuses
SRO	Requirements Baseline – user, NFR, technical, comms network, service management	Document	Document accepted		On Track
	SI understands Design (knowledge sharing from Elexon to LDP)	Task	M5 milestone approval	Elexon (SRO/IM)	On Track
SRO & SI	Impacted code bodies resources available and plans agreed to draft changes following completion of design	Document	Document accepted		On Track
PPC	Delivered MHHS Participants Launch event within 1 month of M4 completing	Event	Deliverable approved	Elexon (SRO/IM)	21 April 2022
	Readiness Assessment Framework	Word or PowerPoint	Document accepted	Elexon (SRO/IM)	Met
	Readiness pro-forma: Survey & readiness criteria for industry population	Survey	Criteria achieved	Elexon (SRO/IM)	Met
	Readiness Assessment Report 1	Word or PowerPoint	Document accepted	Elexon (SRO/IM)	On Track

MHHS Programme – Summary

18 March 2022, Keith Clark

RAG Status	OVERALL	Approach	Plan	Resources (People, Tools)	Budget	Stakeholders	Risk	Governing Principles	Gov & Assurance

Overall Status

- Amber status is due to challenges on the programme schedule and to delays on portal development:
  - Major supplier challenge to the current programme schedule, which is based on the original Ofgem timetable. March PSGs addressed and agreed upon possible CR options and the plan is to move towards making recommendations to Ofgem at Apr PSG
  - Portal development significantly behind schedule. Recovery actions to improve the delivery dates will emerge as additional resources arrive into the development team next week
- **CPT**: LDP initial steps in understanding the impacts of CR001 & CR002 (on LDP) were taken with the aim of reviewing with the SRO team on 22-Mar-22. Meetings with the IPA continue, to reach consensus on the IPAF and to engage with them on their current assurance on the Design plan. Programme outcomes & related KPIs progressed and peer reviewed
- **PMO**: Initial detailed Programme approach and stages has been shared with SRO. This includes a proposed M5 to M9 interim milestone schedule. The plan for code drafting plan to M8 has been developed and proposed Change Request to move M6 and M7 has been issued to CCAG for comment. No feedback has been received from IPA on Change Control documentation – PMO have requested feedback ASAP so this can be incorporated and final sign-off requested by Ofgem
- **SI**: TAG first draft E2E Test Strategy distributed, working on first draft Test Data Strategy. Quality review of RFP technical and design documents was conducted - as requested by SRO procurement team. Glossary service and workflow implemented on the Portal, and steps have been taken to over-resource the Portal development team to help recovery
- **PPC**: The Open Day plans are well underway, and the invitation was issued via The Clock on 16-Mar-22. The Readiness Assessment 1 (RA1) responses are due on 18-Mar-22 we had received 29 responses by COB 17-Mar-22. A review of the existing website has been conducted and a proposal has been issued to the SRO team regarding what content should, and should not, be migrated over to the public facing portal.

LDP Function	Status
CPT	
PMO	
PPC	
SI	

Finance Update

- No current finance issues.

Next Steps

- Finish LDP impact assessments on CR001 and CR002 alongside SRO team
- Gather CR001 / CR002 impact assessments from Programme Participants – and start to prepare papers for April PSG
- Review 2nd draft of the IPA's IPAF with the IPA team
- Review proposed programme outcomes and related KPIs with SRO team
- Progress preparations for the MHHS Open Day
- Identify Portal recovery plan actions
- Continue engagement with the IPA as they mobilise.

Risks / Issues

- M5 date is at risk. Suppliers' proposal to delay the programme by 7-10 months would increase costs significantly and negatively impact Participants who are already mobilised
- The late mobilisation of the IPA team may impact on Ofgem's stated need for the IPA to form an opinion on the Suppliers' proposal for a programme delay
- Portal delivery slippages are impacting expected improvements in engagement with Programme Participants

MHHS Programme – PPC update

18 March 2022, Lauren Nicholls

RAG Status	OVERALL	Approach	Plan	Resources (People, Tools)	Budget	Stakeholders	Risk	Governing Principles	Gov & Assurance

Overall Status

- The 101 Guides were approved on 17-Mar-22. The documents will be shared in The Clock on 23-Mar-22 and socialised more broadly amongst the different constituencies.
- The Open Day plans are well underway and the invitation was issued via The Clock on 16-Mar-22. A further invitation will be issued to Programme Participants directly on 18-Mar-22. We have guest speakers from Ofgem and Citizens Advice.
- The Internal PPC Dashboard is in the process of being updated to include insights from each of the engagement sessions that we are convening. The weekly statistics are as follows:
  - Five follow up engagements were convened this week with TMA, Callisto, SSE (Supplier Agent business), Leep Utilities and Octopus.
- The Readiness Assessment 1 (RA1) responses are due on 18-Mar-22 and a further chaser has been issued to stimulate responses. We had received 29 responses by COB 17-Mar-22.
- The Case for Change per constituency is in the process of being developed and will be first tabled at the Open Day, work on the Advocate Network has also commenced.
- A review of the existing website has been conducted and a proposal has been issued to the SRO regarding what content should, and should not, be migrated over to the public facing portal.

Deliverables	Baseline	Forecast	Status
Dummies guide to MHHS and impact to system, process and data changes by constituency	28-Jan-22	17-Mar-22	Complete
Delivered Open Day within 1 month of M4 completing	28-Feb-22	21-Apr-22	Red
Readiness Assessment Framework	29-Apr-22	24-Feb-22	Complete
Readiness pro-forma: Survey & readiness criteria for industry population (RA1)	29-Apr-22	24-Feb-22	Complete
Readiness Assessment Report 1	29-Apr-22	08-Apr-22	Green
Readiness Assessment Report 2	29-Apr-22	TBD	Red

Finance Update

- PPC is currently at 6 FTE as planned.
- We have one outstanding vacancy within the team, which will be kept under consideration.

Next Steps

- Continue plans for the Open Day, generating the required content and planning the logistics for the day
- Finalise the case for change per constituency group and socialise these amongst the SRO as well as starting to update the change impact assessments and review the RA1 submissions
- Convene follow up engagement sessions with Programme Participants, focused on their continued mobilisation and support for the Design baseline
- Support SI with the CRM implementation due on 31-Mar-22, website content migration to the Portal due on 11-Apr-22, and also the enduring Readiness Assessment Portal development that is due on 27-Mayr-22.

Risks / Issues

#	Risk or Issue	Mitigation or Resolution	Owner	RAG status
R106	There is a risk that the primary contact used for the Readiness Assessments may not be available when the RA is issued, and access has only been granted to one person	All primary contacts within a PP should be granted access to the MHHS Portal so that more than one person has the ability to populate a Readiness Assessment on behalf of their business.	Nathan Nicholson	Amber
I016	Without the enduring CRM solution, PPC operations will be challenging, and wider Programme Team engagement with industry will be difficult to track	A CRM solution is expected to go live on 31-Mar-22 and the PPC team is working with the service provider to ensure the most up-to-date information is transferred	Sonia De Laurenzy	Amber

Extracts of Fortnightly Financial Reporting

Actual Position (1 of 2)

Figure 1a. Forecast position and actual position on monthly basis (6-month view)

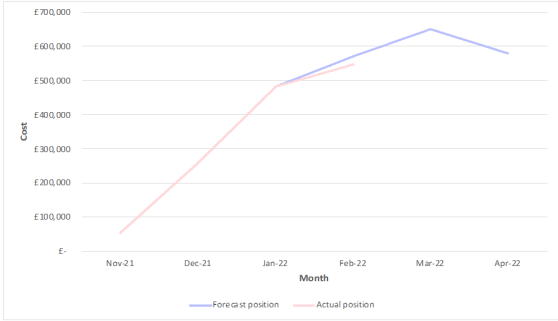


Figure 1b. Variance between forecast position and actual position to date

100% Position		Nov-21	Dec-21	Jan-22	Feb-22	Total
Forecast position	Resourcing	£ 55,000	£ 257,025	£ 483,250	£ 571,260	£ 1,366,535
Actual position	Resourcing	£ 55,000	£ 257,025	£ 483,250	£ 547,450	£ 1,342,725
Variance		£ -	£ -	£ -	£ (23,810)	£ (23,810)

90% Position		Nov-21	Dec-21	Jan-22	Feb-22	Total
Forecast position	Resourcing	£ 49,500	£ 231,323	£ 434,925	£ 514,134	£ 1,229,882
Actual position	Resourcing	£ 49,500	£ 231,323	£ 434,925	£ 492,705	£ 1,208,453
Variance		£ -	£ -	£ -	£ (21,429)	£ (21,429)

Commentary

- Overall underspend against forecast position in February 2022 of £23,810. 95.8% of the forecast budget consumed in February 2022
- Overall underspend against baseline position (BAFO) in February 2022 of £23,190. 95.9% of the baseline budget (BAFO) consumed in February 2022
- Overall position at the end of February 2022 is an underspend against baseline position (BAFO) of £221,670. 85.8% of the baseline budget (BAFO) had been consumed at this point

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Actual Position (2 of 2)

Milestone view

Figure 2. Actual position for milestones 4, 5 and 5+(3)

100% Position		Nov-21	Dec-21	Jan-22	Feb-22	Total
Milestone 4	Resourcing	£ 55,000	£ 257,025	£ 96,100	£ -	£ 408,125
Milestone 5	Resourcing	£ -	£ -	£348,400	£459,700	£ 808,100
Milestone 5+(3)	Resourcing	£ -	£ -	£ 38,750	£ 87,750	£ 126,500
Total						£1,342,725

90% Position		Nov-21	Dec-21	Jan-22	Feb-22	Total
Milestone 4	Resourcing	£ 49,500	£ 231,323	£ 86,490	£ -	£ 367,313
Milestone 5	Resourcing	£ -	£ -	£313,560	£413,730	£ 727,290
Milestone 5+(3)	Resourcing	£ -	£ -	£ 34,875	£ 78,975	£ 113,850
Total						£1,208,453

Commentary

- Invoice for February 2022 of £413,730 for milestone 5 issued on 7th March 2022 and is awaiting approval
- £78,975 of spend in February 2022 to be invoiced subject to approval of interim milestone planning currently underway
- LDP needs to complete the delivery of all milestone 4 deliverables to allow for the Milestone Achievement Certificate to be issued by the SRO. Once received, 10% invoice amounting to £40.8k for milestone 4 sign off will be issued for approval

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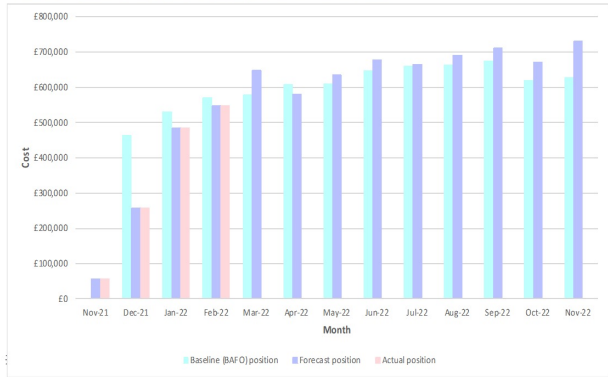
Forecast Position

Figure 3a. Baseline, forecast and actual position on monthly basis

100% Position		Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sub-total	Sep-22	Oct-22	Nov-22	Total
Baseline (BAFO) position	Resourcing	£ -	£ 464,065	£529,690	£570,640	£577,640	£607,390	£610,015	£645,890	£659,015	£663,390	£5,327,735	£673,890	£619,640	£ 628,390	£7,249,655
Forecast position		£ 55,000	£ 257,025	£483,250	£547,450	£648,525	£580,625	£634,975	£676,775	£664,075	£691,175	£5,238,875	£710,175	£671,675	£ 730,825	£7,351,550
Variance		£ 55,000	£(207,040)	£(46,440)	£(23,190)	£ 70,885	£(26,765)	£ 24,960	£ 30,885	£ 5,060	£ 27,785	£ (88,860)	£ 36,285	£ 52,035	£102,435	£ 101,895

Figure 3b. Baseline, forecast and actual position on monthly basis



Commentary

- Reforecasting exercise through to the end of November 2022 has been performed
- Annual leave, training commitments and resourcing requirements have been considered
- Forecast to be £88.8k underspent by the end of August 2022:
  - CPT workstream £132.6k underspent
  - PMO workstream £41.9k overspent
  - PPC workstream £9.1k overspent
  - SI workstream £7.3k underspent
- Forecast becomes increasingly inaccurate after August 2022, the 6-month mark
- Joy Mereki's (Scrum Master) time has been forecast through until the end of June 2022. If extension needed, will need to consider the impact of this on costs

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MHHS PROGRAMME

Extracts of Readiness Assessment Reporting

Information and Timeline Relating to RA1 Reports

What is the purpose of RA1?

RA1 is an opportunity for Programme Participants to provide information to the PPC which gives an understanding of mobilisation progress to date. This facilitates more informed and data-driven decision-making across the Programme as a whole.

What information has been used to create RA1 reports?

RA1 reports have been created by using 3 inputs.

- A **self-assessment survey** sent to nearly all Participants
- **Evidence** attached by Participants to support their self-assessment
- Deep-deep **interviews** requested with 20 Participants by the PPC

What is the purpose of this report?

There are two types of report that will be created in RA1:

1. An overall report which highlights key themes across all Participants and Constituencies with anonymised content.
2. A bespoke report that is prepared for every Participant to show their answers in the self-assessment and to provide them with the findings from the PPC's evidence reviews & interviews. Recommendations for future improvements are also suggested. These reports are not anonymised but are only made available to the Participant that they concern.

Who receives these reports?

The Principal Contact(s) within each organisation can access the overall report and the bespoke report for their organisation within the MHHS Portal. It will be their responsibility to download and distribute the reports within their own organisation if they choose to do so.

Timeline

• RA Strategy published	**Friday 28th February**
• RA1 Survey sent out • PPC begins to schedule deep-dive interviews	**Friday 4th March**
	Friday 11th March
• RA1 survey closes • Evidence assessment & deep-dive interviews begin	**Friday 18th March**
	Friday 25th March
• Deep-dive Interviews and evidence assessment completed	**Friday 1st April**
	Friday 8th April
• RA1 reports published	**Thursday 14th April**

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Participant X: Summary Report

The PPC has based the following report on two sources of information: the results of the RA1 self-assessment survey and the evidence attached to support this self-assessment. Both have been used to create the 'Summary of Findings' and 'Recommended Next Steps' below.

The three pieces of evidence to be assessed relate to questions 9, 13 and 24 (see below for details).

Question No.	Topic*	Self-Assessment	PPC Assessment	Rationale for PPC Assessment
9	Six Points of Contact Provided	4/6	3/6	The same names have been used for multiple roles without a good explanation for why this is the case
13	Programme Plan Created	Yes	No	The Programme plan only covers the next 2 months and does not align to the MHHS Programme Plan
24	RAID Log Created	4/6	5/6	The RAID Log shows that proper thought has been given to risks on the Programme and that suitable mitigating actions are planned

Summary of Findings

- A
- B
- C

Recommended Next Steps

- A
- B
- C

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Extracts of PPC Insights Reporting

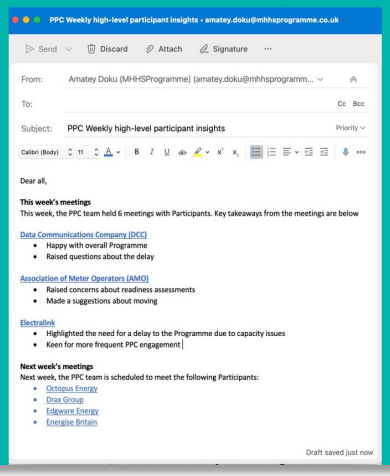
Proposed options

A weekly email to SRO and CPT teams will provide high-level Participant specific insights

Key features of this weekly report will include:

- **2-3 bullet points on the key takeaways from the week's meetings** to give recipients a quick overview on the top themes from the meeting. For readability, if a large number of meetings have taken place, the PPC team will draw insights from 5-6 key meetings and list the remaining meetings.
- **All references to Participants linking directly to the CRM** to allow the give participants the chance to read more details as required
- **Details of the meetings scheduled for the following week** to give the recipients an overview of which Participants will be soon be engaged by the PPC team.

Example email for illustrative purposes only



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Proposed options

A monthly engagement report will show engagement by constituency

Report features

- A visual, mapping out level of engagement at constituency level, and changes since previous reports
- High-level narrative and insights by constituency justifying mapping/scoring position
- Key actions that are being taken to improve constituency level scores/position
- Links to CRM where specific Participants are mentioned
- Key statistics or engagement metrics, including number of meetings held*

An annotated example report is included on the following slides

***The monthly engagement report will not duplicate the weekly report to CPT.** While the proposed monthly report will show statistics and engagement metrics, including number of meetings held, it is proposed that these are focused in this report on a select number of the most important data points to prevent duplication and to allow space for the engagement scoring and key insights.

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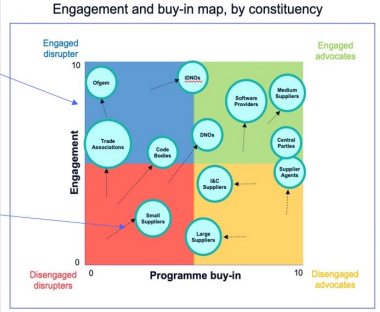
Proposed options

PPC monthly report – March 2022 EXAMPLE

Constituents scored by engagement and buy-in and placed into named quadrant

Arrows highlighting movement since last report

Engagement and buy-in map, by constituency



Key insights

Insight 1: Most Suppliers are resource constrained due to the turbulence in the industry i.e. recent number of SOLRs and also due to resources being deployed on Faster Switching.

Insight 2: Concerns have been raised within the Supplier community regarding the Programme Plan and a general consensus that a pragmatic delay is required – suggestions vary from 2 months to 12 months.

Insight 3: Very few Suppliers have started the project initiation processes internally, but expect to be more 'ready' in Q2-Q3 2022 whereas DNO / IDNO / Central Parties have already started.

3-4 of the most important Participant insights for the month

35 Intros organised (13% of total)
28 Intros held (11%)

68 SPoCs received (27%)

PPC engagement statistics

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Proposed options

PPC monthly report – March 2022 EXAMPLE

Stakeholder map insights, scoring rationale and actions

Constituents colour coded by scoring on previous page

2-3 key insights per constituency

Constituent	Key insights	Engagement score (and change)	Buy- in score (and change)	Actions
Large Suppliers	• Engagement concerningly low in comparison to their impact on the programme as current market conditions take priority • Concerns with mobilising MHHS fully now, in parallel with Faster Switching Programme	5 (+1)	3 (+2)	• Engage at next milestone
Medium Suppliers	• Fully engaged constituency; however, current market conditions are still taking priority • Concerns with mobilising MHHS fully now, in parallel with Faster Switching Programme	4 (0)	5 (-6)	• Continue to engage on a regular basis
Small Suppliers	• Much less engaged due to market volatility and price cap issues • Primary focus is on getting through the winter and surviving as a business	5 (+1)	3 (+2)	• Engage at next milestone
I&C Suppliers	• Trying to engage to ensure that their niche is represented during the design phases to ensure that the programme does not create any backwards steps for them	4 (0)	2 (-1)	• Continue to engage on a regular basis
Software Providers	• Mixed engagement across providers • Concerned about the system design being baselined in order to finalise service offer and take to market	5 (+1)	3 (+2)	• Engage at next milestone
Supplier Agents	• Very proactive – forefront of developments in the design groups thus far • Represents an opportunity for new service offerings, so Supplier Agents are commercially incentivised to engage	4 (0)	5 (-4)	• Continue to engage on a regular basis
Central Participants	• DCC: essential to engage, concerned that delays to MHHS will cause delays to DSP re-procurement activities • Elexon: Helix Programme mobilised, relationship needs to be managed carefully given separation agreement	5 (+1)	3 (+2)	• Engage at next milestone
DNOs / IDNOs	• Overall supportive • Concerns with mobilising in parallel with Faster Switching and resource conflicts	8 (0)	3 (-5)	• Continue to engage on a regular basis
Ofgem	• Engaged / interested given role as Programme Sponsor and ultimate accountability for the MHHS programme • Engagement needs to be managed carefully, as an industry-led programme with Elexon as SRO	6 (+3)	3 (+2)	• Engage at next milestone
Code Bodies	• Code bodies positively engaged and aware – required to comply	4 (0)	3 (-5)	• Continue to engage on a regular basis
Trade Assocs.	• Mid-engagement to date, need to build as key to positive industry sentiment	5 (+1)	3 (+2)	• Engage at next milestone

Key: Engaged advocates | Disengaged advocates | Engaged disruptors | Disengaged disruptors

Engagement and buy-in score and score change since last report

Actions to be taken to maintain or improve engagement scores

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Thank you

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