

# QUALIFICATION APPROACH & PLAN - ANNEX 5: REMOVAL OF MPIDS THAT DO NOT COMPLETE MHHS QUALIFICATION AFTER M14

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## 1. Purpose of this document

1.0 This Annex outlines the MPID Data Cleansing activity of the Legacy Settlement Arrangements, in relation to BSC Parties who have not qualified their MPIDs under the Market-wide Half-Hourly Settlement (MHHS) arrangements. BSC Parties who have not achieved MHHS Qualification will retain their Qualification within the Legacy Market until it is removed by Elexon and REC, either voluntarily or involuntarily. This document details the steps Elexon and the REC will take to facilitate the removal of Legacy Market Qualification.

1.1 Balancing and Settlement Code (BSC) Obligations for qualifying in the MHHS Arrangements BSC Section C states there is a requirement for MHHS Participants to complete MHHS Qualification. This Annex sets out the impact of this requirement on Participant Roles and provides the process Code Bodies will follow.

1.2 BSC Section C 12.12.6<sup>1</sup>:

*Those Parties and Party Agents required by the MHHS Qualification Plan to undertake MHHS Qualification must comply with the MHHS Qualification Plan. No Party or Party Agent will be able to participate in market-wide, half-hourly Settlement until it has successfully completed such MHHS Qualification. Failure to complete such MHHS Qualification by the date set out in the MHHS Qualification Plan shall result in the Party not being able to become a Registrant for Metering Systems for which it is not already a Registrant until it has completed MHHS Qualification.*

**12.12.6A** *Subject to the provisions of this paragraph 12.12.6A, where a Party has successfully completed MHHS Qualification in respect of one or more Supplier MPIDs, such Party will be considered to have completed MHHS Qualification following the date set out in the MHHS Qualification Plan, provided that the conditions set out in 12.12.6B to 12.12.6I are satisfied.*

**12.12.6B** *For the purposes of paragraph 12.12.6A:*

*(a) the Party must hold at least one Supplier MPID which has successfully completed MHHS Qualification in accordance with the MHHS Qualification Plan and which contains at least one operational Metering System Identifier ('Operational MSID'), as defined in paragraph 12.12.6J; and*

*(b) any Supplier MPID held by the Supplier which has not completed MHHS Qualification shall be deemed an unqualified MPID.*

**12.12.6C** *In respect of any unqualified MPID, the Party shall:*

*(a) provide written notice to the Performance Assurance Board (PAB) identifying such unqualified MPID(s) and confirming its intention for them; and*

*(b) submit to PAB a plan in respect of such MPID(s) and obtain PAB's written approval thereof. Such plan shall include a timetable setting out the actions to ensure all Metering Systems linked to the unqualified*

<sup>1</sup> Mod 514 proposes to amend BSC Section C so that the M14 registration-related sanction in C12.12.6 is lifted when a Supplier is live in ISD ("service activated") rather than when MHHS Qualification is confirmed by the PAB

*MPID(s) are migrated to an existing MHHS Qualified Supplier MPID or otherwise de-registered and disconnected by the M15 Milestone Date.*

*12.12.6D Upon receipt of PAB's written approval of its plan under paragraph 12.12.6C(b), the Party shall:*

- (a) implement the plan in accordance with its terms; and*
- (b) provide such evidence of compliance as PAB may reasonably request.*

*12.12.6E A Party that holds a Supplier MPID that is MHHS Qualified shall not be prevented, in respect of that Supplier MPID, from registering Metering Systems under paragraph 12.12.6 solely on the basis that the Party holding that Supplier MPID also holds unqualified MPIDs, provided that those unqualified MPIDs have complied with paragraphs 12.12.6C and 12.12.6D.*

*12.12.6F Any unqualified MPID shall, with effect from the MHHS Qualification date set out in the MHHS Qualification Plan, be suspended indefinitely from registering new Metering Systems.*

*12.12.6G In respect of any unqualified MPID with no Metering Systems registered, the Party that is the Registrant, shall submit a statement of intent to PAB confirming that the MPID is dormant and will not be used for CSS registrations unless and until MHHS Qualification is achieved.*

*12.12.6H In the event that a Party is appointed as a Supplier of Last Resort in respect of an unqualified MPID:*

- (a) the restriction in paragraph 12.12.6 shall not apply to its other Supplier MPIDs, Qualified or unqualified, for the purpose of registering Metering Systems transferred pursuant to such appointment; and*
- (b) the Party shall:*
  - (i) notify the PAB in writing within 10 Working Days of such appointment; and*
  - (ii) either agree with PAB a reasonable timetable to achieve MHHS Qualification in respect of the unqualified MPID; or*
  - (iii) agree with PAB a proposed onboarding timetable for transferring customers to an existing MHHS Qualified Supplier MPID, recognising that such timetable may be subject to uncertainty due to factors outside the Party's control;*
  - (iv) in either case, the Party shall use best endeavours to ensure that the relevant MPID(s) are compliant with the MHHS Qualification date as set out in the MHHS Qualification Plan.*

*12.12.6I BSCCo shall maintain a register of Parties and Supplier MPIDs that have invoked the provisions of this paragraph 12.12.6A. This register shall include:*

- (a) the Supplier MPID(s) covered;*
- (b) the date of the PAB's approval of the agreed plan; and*
- (c) the status of implementation of such plan.*

*This register shall be presented to the PAB under the confidential issues section of its meetings.*

*12.12.6J For the purpose of this paragraph 12.12.6A-12.12.6I, an 'operational MSID' means a Metering System Identifier which is registered in the SMRS or the CSS to a Supplier in respect of which energy consumption or export is, or is reasonably expected to be, occurring, and shall not include any Metering System which has been fully de-energised and subject to a completed disconnection process, or which is otherwise closed in SMRS or CSS.*

1.3 This provision sets out requirements for consideration by Code Bodies and Suppliers:

- 1.4 The need to set out clear timescales within the MHHS Qualification Approach and Plan and ensure participants are aware of these.
- 1.5 To ensure that participants that do not complete MHHS Qualification by Milestone 14 do not participate in MHHS until MHHS Qualification is completed.
- 1.6 To ensure Supplier MPIDs, in their role as Registrants, that do not complete MHHS Qualification by Milestone 14 do not become a Registrant for any Metering Systems they are not already responsible for.

- 1.7 The requirement for Suppliers to identify MPIDs that are not intended for MHHS Qualification and confirm intentions for those MPIDs, including a plan for all MSIDs on unqualified MPIDs, or for unqualified MPIDs with no MSIDs, provide confirmation that MPIDs are dormant and will not be used for CSS registrations.
- 1.8 Participants that are appointed as a Supplier of Last Resort must follow the requirements set out in BSC Section C 12.12.6H(b), where a party does not follow their requirements, Elexon will utilise its Performance Assurance Techniques to support the Participant in meeting their requirements.
- 1.9 The BSC goes on to state in Section C 12.12.7:
- Each MHHS Participant is responsible for ensuring that its agents, employees, service providers and other contractors (including its Party Agents) undertake the activities necessary to enable such MHHS Participant to comply with its obligations as an MHHS Participant. Lack of co-operation from such third parties shall not excuse delays or failures on the part of an MHHS Participant.*

## 2. Retail Energy Code (REC) Obligations

- 2.0 The Retail Energy Code [Schedule 9 Qualification and Maintenance](#) 1.3C states the transition arrangements apply in respect to MHHS Implementation for Meter Operator Agents (MOA).
- (a) each Meter Operator Agent that is MHHS Qualified and MHHS Activated shall be entitled to be appointed in respect of an MHHS Metering Point;*
- (b) a Meter Operator Agent that is not MHHS Qualified and MHHS Activated shall not be entitled to be appointed in respect of an MHHS Metering Point; and*
- (c) (subject to sub-paragraph (d) below) each Meter Operator Agent applicant which has not completed Qualification by the MHHS Migration Start Date will have the option to complete MHHS Qualification as part of the process for becoming a Qualified Meter Operator Agent but is not required to do so); and*
- (d) each applicant to become a Meter Operator Agent, which has not completed Qualification by the MHHS Reverse Migration End Date, shall complete the enduring process for becoming a Qualified Meter Operator Agent, as set out in the remainder of this REC Schedule (which includes enduring processes equivalent to MHHS Qualification).*

## 3. Pre-work that Elexon will do

- 3.0 Following the application of Annex 4 to Parties who have not completed MHHS Qualification or provided a plan for unqualified MPIDs, Elexon will formally notify these Parties that they remain unqualified, and that failure to complete the MHHS Qualification process, or provide a retirement plan will result in their Breach of the BSC Section C 12.12.6.
- 3.1 BSC Parties will be given the opportunity to voluntarily initiate the Withdrawal of Qualification process in the case of Suppliers, or the Surrender of Qualification process for Party Agents.
- 3.2 Code Bodies have assessed those Participants that have unqualified MPIDs and categorised them according to their circumstances. Code Bodies have engaged with these participants to support them in the next steps available to them. There are seven categories of participants that have unqualified MPIDs:
- **Participant to confirm intentions for unqualified MPID** - Code Bodies are actively seeking engagement with participant through available contacts.
  - **Participant will have at least one MHHS qualified MPID** - Code Bodies are supporting the Participant to fulfil their requirements in relation to MHHS QA&P Annex 4, and the options available to them for the unqualified MPID.
  - **Participant MPID undergoing retirement** - Participant is engaged in the process to retire their MPID.
  - **Participant MPID being expelled** - Where Participants no longer meet the conditions of their qualification, Code Bodies are expelling them from the BSC.
  - **Licence Ready Entity MPID** - Code Bodies are unable to consider the Qualification of License Ready Entities (LRE) where there is not an identified operator of the company, and where they do not yet hold an Energy Licence. Additionally, where there is a subsequent Change of Ownership at an LRE, this would likely result in the requirement for an LRE to undergo Re-Qualification. License Ready Entities are able to utilise the conditions in BSC Section C 12.12.6G, or retire the unqualified MPID.

- **Participant qualifying in Enduring Arrangements** - Participants that were unable to join the MHHS Qualification Wave Transitional Arrangements are able to join the Enduring MHHS Qualification process.
- **Unqualified MPID retired** - Code Bodies have actively supported Participants in their retirement of unqualified MPIDs in preparation for M14.

#### 4. Voluntary Surrender of Qualification - BSC

- 4.0 Any Qualified Person that does not intend to pursue MHHS Qualification may voluntarily surrender their Qualification in line with [BSC Section J 3.10 Surrender of Qualification](#). To do so, they must submit a formal written notification of their intent. This notification will be presented to the Performance Assurance Board (PAB), which will subsequently approve the removal of Qualified status. BSCCo will confirm this decision and notify all relevant Parties accordingly. In line with the Surrender date agreed by the PAB, the Qualified Person must initiate an ISD Change Request to remove the Qualified Person's information from the ISD Database in accordance with [How To Guide: Industry Standing Data – Change Requests](#).
- 4.1 Further guidance on the Surrender of Qualification Process can be found in [BSC537 Section 2.5: Surrender of Qualification Process](#) and [Market Entry Surrender of Qualification and Removal of Qualification](#)
- 4.2 Any Supplier that does not intend to pursue MHHS Qualification for one or more of their Supplier MPIDs may voluntarily remove those unqualified Supplier MPID(s). To do so, they must submit a [BSCP65/05 Request for/ Removal of Additional Supplier ID](#) form, BSCCo validates and processes the removal of the Supplier ID, and informs the Participant, BSC Agents, NETSO, of the BM Units Effective to Date.
- 4.3 If the Participant is not eligible for Kinnect Customer Portal access, requests must be completed using the relevant BSCP707 Entity Forms, accompanied by a [BSCP707/01](#) Cover Form. These forms should be submitted via [Elexon Support](#). Please see [BSCP707 Appendix 1: ISD Entity Change Request Form](#)
- 4.4 Further guidance on the retirement of MPID process can be found in [BSCP65.1.6.2 Removal of Supplier IDs](#) and [Guidance Note: Industry Standing Data](#)
- 4.5 Prior to submitting these forms, BSC Parties should engage with their Operational Account Manager under the Retail Energy Code (REC), or the [REC Service Desk](#), to inform them of these changes. The REC Code Manager will then advise whether there are any further requirements under the REC, including the need to disclose this change in a 'Change or Incident Notification' before the MPID is retired.

#### 5. Voluntary Surrender of Qualification - Retail Energy Code (REC)

- 5.0 Any Qualified Person that does not intend to pursue MHHS Qualification may voluntarily surrender their Qualification by informing the Code Manager. Additionally, if the Party is not Qualified in any other roles, they may Exit the REC in line with [Schedule 19 - Market Exit and Supplier of Last Resort](#). This Schedule outlines the requirements to Exit from each role, including no longer having any RMPs in their portfolio, and no longer having a licence. A Party can initiate their own withdrawal from the REC by giving notice in writing, known as a Withdrawal Notice, to the REC Code Manager. The Withdrawal Notice shall specify the time and date on which the Participant wishes to withdraw from this Code, known as the Withdrawal Date, being not less than 28 days after the date of the Withdrawal Notice. For further conditions on the eligible criteria for withdrawal from the REC please see Schedule 19 Section 3.3.
- 5.1 Provided the Participant meets the eligible criteria in Schedule 19 Section 3.3, with effect from the Withdrawal Date the withdrawing Participant shall cease to be a Party in accordance with Clause 17 of the main body of the REC; and the withdrawing Participant shall cease to be a REC Service User.
- 5.2 Where the Participant does not meet the eligible criteria in Schedule 19 Section 3.3, then that Participant shall not withdraw from this Code. If the Participant still wishes to withdraw, it must serve another Withdrawal Notice and the requirements of Section 3.3 will be reassessed.
- 5.3 Where a Participant withdraws from the REC in accordance with Paragraph 3.6, the REC Code Manager shall confirm the withdrawal to all REC Parties, the Code Managers of any other Energy Codes as well as OFGEM.

#### 6. Breach and Default - BSC

- 6.0 Supplier Parties will be considered in Breach of the Balancing and Settlement Code Section C 12.12.6, where they have not qualified a MPID in the MHHS arrangements and do not have a PAB accepted plan by M14. There shall

have occurred a “Default” in relation to a Participant (the “Defaulting Party”) in the following criteria, outlined in [BSC Section H 3.1.\(d\) Events of Default](#):

- a) *The Party is in Breach of any material provision of the Code in relation to code outlined above*
- b) *The Breach is capable of remedy by the Breaching Party, and;*
- c) *BSCCo has given notice of such breach to the Defaulting Party;*
- d) *Within 14 days (or such longer period as the Panel may approve) after BSCCo’s notice under paragraph (c), the Defaulting Party does not either:*
  - Remedy the breach in all material respects, where the breach is capable of remedy within such period; or*
- i) *Where the breach is not so capable of remedy, provide to BSCCo a programme (setting out the steps to be taken by the Defaulting Party and the timetable for taking such steps, in each case to be approved by BSCCo) for the remedy as soon as reasonably practicable of the breach; and*
- e) *In the case in paragraph 7.1(d)(ii), the Party does not remedy the breach in all material respects with all reasonable diligence and so far as reasonably practicable in accordance with the programme provided under that paragraph (or such revised programme as the Panel may approve)*

- 6.1 [BSC Section H 3.2 Consequences of Default](#) outlines the steps BSC Panel can undertake in relation to events of Default:

*Upon the occurrence of a Default by a Defaulting Party, the Panel may take one or more of the following steps while such Default persists and for the duration of such Default (in each case at such time as it sees fit and having regard to all the circumstances of the Default):*

- a) *notify each other Party of such Default;*
- b) *suspend one or more of the rights or take one or more of the steps referred to in paragraph 3.2.2 (subject to any prior consultation or approval as specified in paragraph 3.2.2) in respect of the Defaulting Party, either generally or progressively and either wholly or partially and for such period as the Panel considers appropriate;*
- c) *in the case of a Default by an Interconnector Error Administrator of the type referred to in paragraph 3.1.1(a), remove the registration of the Interconnector Error Administrator and require the Interconnected System Operator (with the prior approval of the Authority or, in the case an Interconnector connected to an External System outside the National Electricity Transmission System Operator Area, the Secretary of State) to assume the future responsibilities of such Interconnector Error Administrator acting in that capacity;*
- d) *with the prior approval of the Authority, require the Defaulting Party and the NETSO or the Distribution System Operator (as the case may be) to de-energise the Plant or Apparatus comprising one or more of the BM Units (other than Interconnector BM Units) for which the Defaulting Party is the Lead Party (and each Party hereby irrevocably and unconditionally consents to such de-energisation);*
- e) *expel the Party from the Code subject to and in accordance with Section A5;*
- f) *notify the FAA on behalf of the BSC Clearer to treat the Party as a Defaulting Party for the purposes of Section N; and/or*
- g) *where the Default relates to the DIP Rules, notify the DIP Manager.*

- 6.2 Further detail on the Breach and Default process can be found on the [Breach and Default page](#) on the Elexon Website.

## **7. Involuntary surrender of Qualification - BSC**

- 7.0 The BSC Panel has the authority to remove a Qualified Person if they fail to comply with the relevant requirements and/or standards for performance as described in the Code or any Code Subsidiary Document.
- 7.1 If a Party ceases to be a Party to the BSC for whatever reason, then that Party’s Qualification in relation to its role or function will be automatically terminated.
- 7.2 If a Party’s legal entity has Dissolved on Companies House then that Party’s Qualification in relation to its role or function will be investigated for Removal of Qualification.
- 7.3 BSCP537 Qualification Process for SVA Parties, SVA Party Agents and CVA MOAs does not prevent any person whose Qualification has been terminated, removed or surrendered from re-applying for Qualification at any time.



- 7.4 Following the application of Annex 4 to Parties that do not complete MHHS Qualification, Elexon will notify those Parties that remain only Qualified in the Legacy Market arrangements to provide an opportunity to voluntarily enter the Withdrawal of Qualification Process, for Suppliers, or the Surrender of Qualification process, for Party Agents.
- 7.5 Further detail on the Removal of Qualification Process can be found in [BSCP537 Section 2.3: Removal of Qualification Process](#)

## 8. Impact for Parties that do not complete MHHS Qualification after M14

| Role                                                                                   | Activities for Participant MPIDs that do not complete MHHS Qualification after M14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Supplier that does not provide a plan for their unqualified MPIDs with MPANs</b>    | Supplier MPIDs will undergo the Breach and Default Process. Where the Participant does not rectify the unqualified MPID, Elexon will utilise it's Performance Assurance Techniques in conjunction with OFGEM's enforcement regime to support Participant's compliance with their obligations whilst protecting the end consumer. Where these actions result in the BSC Panel expelling the Party from the BSC. The Supplier will no longer meet the criteria for REC Maintenance of Qualification Annual Statement and as such will be removed from the REC Arrangements. |
| <b>Supplier that does not provide a plan for their unqualified MPIDs without MPANs</b> | Supplier MPIDs will undergo the Breach and Default Process. Where the Participant does not rectify the unqualified MPID, BSC Panel will expel the Party from the BSC. The Supplier will no longer meet the criteria for REC Maintenance of Qualification Annual Statement and as such will be removed from the REC Arrangements.                                                                                                                                                                                                                                          |
| <b>Data Collectors</b>                                                                 | Data Collector MPIDs will have all MPANs migrated over to MHHS Data Services, resulting in an MPID with no MPANs at M15. Once the MPID has cycled all Settlement Data across the Settlement Runs, including Disputes Final Run (DF Run) then BSCCo will facilitate the withdrawal of the MPID, either voluntarily or involuntarily.                                                                                                                                                                                                                                       |
| <b>Data Aggregators</b>                                                                | Data Aggregator MPIDs will have all MPANs migrated over to MHHS Data Services, resulting in an MPID with no MPANs at M15. Once the MPID has cycled all Settlement Data across the Settlement Runs, including Disputes Final Run (DF Run) then BSCCo will facilitate the withdrawal of the MPID, either voluntarily or involuntarily.                                                                                                                                                                                                                                      |
| <b>Meter Operator Agents (MOAs)</b>                                                    | By M15, all MPANs will be MHHS-migrated with MHHS Smart and Advance MOAs appointed, therefore MOAs that are not MHHS-Qualified will not have any MPANs. REC Code Manager will subsequently work with the Party and BSCCo to facilitate the withdrawal of the MPID, typically 6-12 months after the MOA is de-appointed from all MPANs.                                                                                                                                                                                                                                    |

### Detailed Process

| Ref | When                                                                                                                                    | Action                                                                                                                                                                                                                                                      | From  | To                                           | Information Required                                                                                 |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|----------------------------------------------|------------------------------------------------------------------------------------------------------|
| 1   | 4 months prior to the end of the MHHS Qualification phase at M14                                                                        | Notify Suppliers of their obligation to comply with the requirements of BSC Section C 12.12.6, including Supplier obligation to provide written notice identifying unqualified MPIDs and to submit a plan for approval in relation to all associated MSIDs. | BSCCo | BSC Parties that have MHHS unqualified MPIDs | Reminder of C12.12.6 requirements by email to Parties that have not yet completed MHHS Qualification |
| 2   | At a point sufficiently in advance of M14 to allow for Code Bodies and OFGEM to prepare for the Breach and Default Process e.g. 1 Month | Provide notification to Code Bodies and OFGEM of all Parties that have unqualified MPIDs and have not provided a Plan or had a Plan accepted by the PAB                                                                                                     | BSCCo | REC OFGEM                                    | Details of all unqualified MPIDs and their Legal Owners                                              |

|   |                                                                                                                |                                                                                                                                                      |                                              |                                              |                                                                 |
|---|----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|-----------------------------------------------------------------|
| 3 | At the end of the MHHS Qualification phase at M14                                                              | Notify all Parties that do not provide a plan for their unqualified MPIDs that they are in Breach of the BSC                                         | BSCCo                                        | BSC Parties that have MHHS unqualified MPIDs | BSC Section H Breach Notification                               |
| 4 | Within 14 Days (or such longer period as the Panel may approve) of 4                                           | Participant must:<br>i) Remedy the Breach,<br>or<br>ii) Provide a plan                                                                               | BSC Parties that have MHHS unqualified MPIDs | BSCCo                                        | Notification of Participant remedy or Plan                      |
| 5 | BSCCo will manage each Participant through the Breach and Default Process in relation to their individual plan |                                                                                                                                                      |                                              |                                              |                                                                 |
| 6 | Following the conclusion of 5                                                                                  | Where the Participant remedies the Breach, Removal of the Breach notification, and confirmation of compliance with the BSC                           | BSCCo                                        | BSC Parties that remedy the Breach           | Removal of the Breach notification                              |
| 7 | Following the conclusion of 5                                                                                  | Where the Participant does not remedy the Breach, BSC Panel will initiate the process to Expel the Participant from the BSc                          | BSCCo                                        | BSC Parties that do not remedy the Breach    | Expulsion from the BSC process Guidance                         |
| 8 | Following the conclusion of 7                                                                                  | Provide notification to Code Bodies and OFGEM of all Parties that are being expelled from the BSC                                                    | BSCCo                                        | REC OFGEM                                    | Details of all Parties that are being expelled from the BSC     |
| 9 | Following the conclusion of 7                                                                                  | OFGEM will undertake the enforcement actions for all Suppliers Parties that are being Expelled from the BSC, that have MPANs on the unqualified MPID | OFGEM                                        | GB Energy Market                             | Details of enforcement actions and unqualified MPIDs with MPANs |