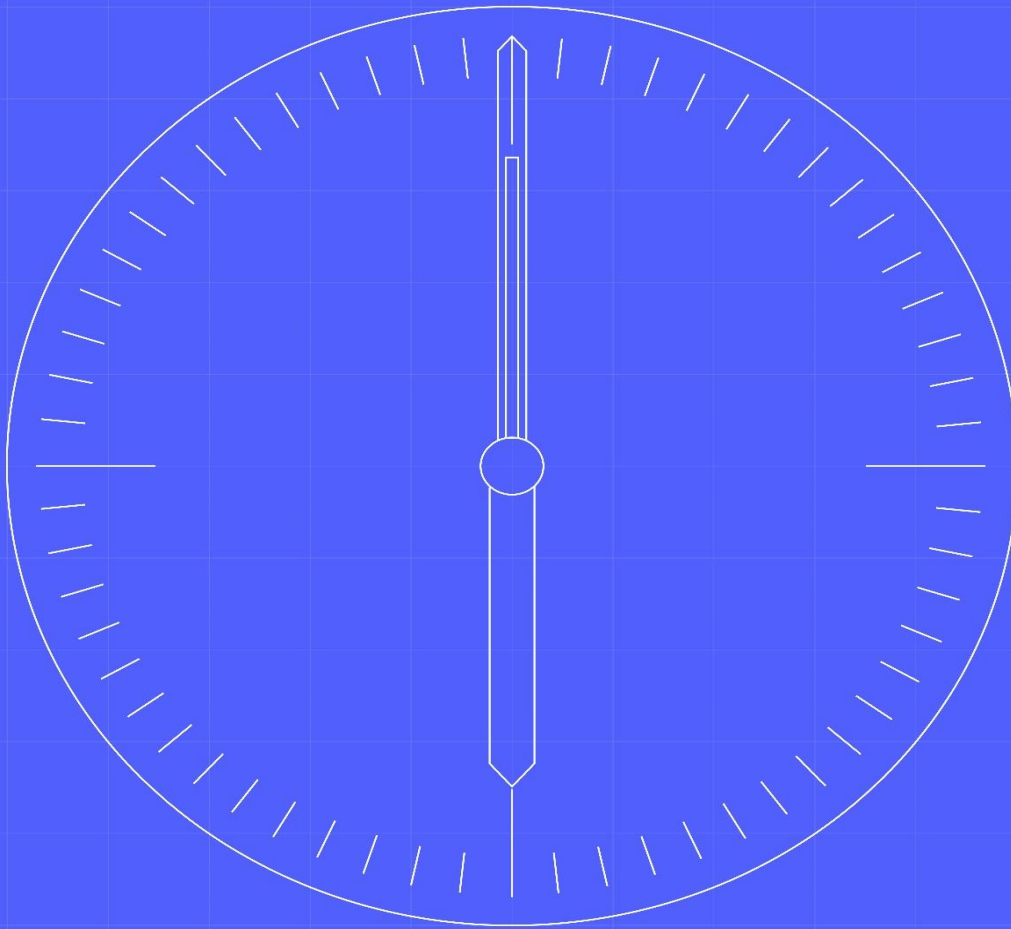


MHHS Placing Reliance Policy



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1.1 Change Record

Date	Author	Version	Change Detail
01 March 2023	Dominic Mooney	0.1	Draft issued for LDP/SRO Review
08 March 2023	Dominic Mooney	0.2	Updated following LDP/SRO Review
08 March 2023	Dominic Mooney	0.3	Minor updates following v0.2 review by BSC and REC code delivery bodies
08 March 2023	Dominic Mooney	0.4	Version issued out for industry comment
22 March 2023	Dominic Mooney	0.5	2 nd iteration addressing industry consultation comments.
18 April 2023	Dominic Mooney	0.6	Minor wording changes in response to some v0.5 industry comments. With special note is a change to timing expectations for SIT PP Stage 1 proposals.
27 April 2023	Dominic Mooney	1.0	No changes since the v0.6. Document baselined at v1.0 following approvals from TMAG, REC PAB and BSC PAB

1.2 Reviewers

Reviewer	Role
Kate Goodman	LDP Test Architect
Nigel Hunt	LDP Test Manager
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Adrian Ackroyd	SRO Client Test Programme Manager
BSCCo	Various
RECCo	Various

1.3 References

Reference	Document/Link	Publisher	Published	Additional Information
REF-01	MHHS-DEL315 E2E Testing & Integration Strategy	SI Testing	April 2022	
REF-02	MHHS-DEL852 Pre-Integration Testing Guidance	SI Testing	March 2023	

1.4 Terminology

Term	Description
	For terminology, see Programme glossary on the MHHS portal: Programme Glossary (sharepoint.com)

2 Executive Summary

The MHHS E2E Testing & Integration Strategy [REF-01] describes the two Industry testing routes that Market participants can take to Qualify in the new MHHS arrangements; 1) Systems Integration Test (SIT), and 2. non-SIT Qualification Testing (UIT).

#	Route	Entry Requirement-	MHHS Qualification		
1	SIT Participants	PIT DBT1* completion (Assured by MHHSP)	SIT (Assured by MHHSP)	Security and Organisational Controls Evidence (Developed by Code Bodies)	DBT 2 PIT* if required for Code assurance (Code Bodies, if required)
2	Non-SIT Participants	PIT DBT 1 completion (Assured by Code Bodies)	Qualification Testing (accountability of Code Bodies but dependent on SIT testing development)	Security and Organisational Controls Evidence (Developed by Code Bodies)	DBT 2 PIT if required for Code assurance (Code Bodies, if required)

*Please refer to the MHHS Pre-Integration Guidance [REF-02] for details of DBT1 PIT and DBT2 PIT.

The MHHS Programme acknowledges that there is precedent on previous similar Energy industry programmes where Market participants met their industry testing requirements by 'placing reliance' on testing that had already been executed and passed by other Market participants, on condition that it could be determined that the Market participant placing reliance used the same functionality from the same 3rd-party software or service provider in the same way.

As a principle, the MHHS Programme intends to ensure that there is no unnecessary duplication of effort for Market participants in achieving the Programme testing objectives, and ultimately qualifying in the new MHHS arrangements. This document is supplementary to the MHHS E2E Testing & Integration Strategy [REF-01], setting out the MHHS 'Placing Reliance' policy with the intention to aid Programme participant planning by outlining the criteria and scenarios where this approach could be adopted by Market participants, and how this will be managed and assured. Please note the policy does not apply for Central Parties.

The Programme is maintaining a principle of 'equivalence' between the industry testing requirements for Market participants proceeding down the SIT or non-SIT routes; the MHHS 'Placing Reliance' policy seeks to maintain this equivalence principle whilst ensuring sufficient test coverage, confidence and risk mitigation to enable market qualification – to this end this policy has been developed in consultation with the Elexon and REC Code Delivery Bodies.

Please note that the MHHS Qualification Approach and Plan (QA&P) is currently under joint development by the Elexon and REC Code Delivery Bodies via the Qualification Working Group (QWG) and is due to be published in May 2023, however the MHHS 'Placing Reliance' policy is being defined earlier with the intent to provide clarity and confidence for Programme participant planning and therefore governance approval for the policy will be sought via the Programme Testing and Migration Advisory Group (TMAG) and BSC and REC Performance Assurance Boards.

3 Introduction

The following MHHS principles and definitions are key to the 'placing reliance' policy.

Principles:

1. We expect any Programme participant engaging in MHHS industry testing (i.e. SIT and UIT including Qualification Testing) to do so as a defined BSC and/or REC governed MHHS Role. Apart from the Central Parties, the MHHS Roles are as follows:
 - Supplier
 - Metering Service Smart (MSS)
 - Metering Service Advanced (MSA)
 - Smart Data Service (SDS)
 - Advanced Data Service (ADS)
 - UMS Data Service (UMSDS)
 - Registration Service
 - UMSSO
 - Network Operations Service
2. Organisations in each participating Role are accountable for executing (or organising the execution of) and evidencing their own completion of MHHS Programme industry testing (this applies to PIT, SIT and Qualification Testing). For instance in the case of a partnership with a 3rd-party software provider or IT service provider (not currently defined BSC or REC roles) or other 3rd-party testing provider, the accountability remains with the Code defined organisation to declare, organise the execution of and evidence their completed test coverage. For example, in the case of a role like SDS it is the Code defined organisation that is accountable for declaring, and organising the execution and evidencing of their completed test coverage, however this has been achieved.
3. Where a Participant has successfully completed market role testing with one MPID, other MPIDs belonging to the same organisation will by default be deemed to have passed for the same role and requirements, providing it is demonstrated to the Programme, and Code Delivery Bodies, that the other MPIDs for that role are served by the same technology stack/operational processes and controls and there are no deviations from role/requirements previously tested for the other MPID. For any MPID/roles served by different technology stack/operational processes and controls, then separate testing will be required to successfully exit Qualification for that MPID/role. Please note this policy allows for parties to place reliance on the testing of other organisations operating in the same role under the conditions set out in definition 4 below.

Definitions:

1. **'Qualification Testing'** [1] - Testing of Role-based scenarios specified by the Code Delivery Bodies, within an integrated industry test environment (UIT), to be completed by organisations that follow the non-SIT route to Qualification. Qualification Testing and SIT should execute similar coverage of the design baseline as the level of confidence required is similar.
2. **'Equivalence'** [2] - Where an organisation has successfully exited SIT, the SIT exit evidence is considered "equivalent" to that required for Qualification Testing. The SIT exit evidence will form part of that required for BSC / REC market Qualification. The Programme is currently assuming that these organisations will not be required to undertake any further industry-wide Qualification Testing, however this will be dependent on whether the SIT coverage is sufficient to align with the Code requirements and risk areas. Please note - there may however be additional PIT evidence that will be required to achieve Qualification (for DBT2 / 'Consequential Change' functionality). Full Qualification requirements will be defined by the BSC and REC Code Delivery Bodies.
3. **'Testing on behalf of'** [3] – where an MHHS participant organisation elects to delegate some or all of its Industry-wide testing to a 3rd-party software provider or IT service provider, or other 3rd-party testing

provider with which they are contractually aligned, for execution “on their behalf”. This might be an option some participants choose to adopt during SIT or Qualification Testing in order to meet their test coverage requirements. Where a participant organisation, which has acceded to the code, chooses to opt for this, they also accept the associated risks and remain accountable for meeting code requirements.

4. **‘Placing Reliance’** [4] – An organisation choosing to Qualify via the non-SIT route may, where appropriate, “place reliance” on MHHS industry testing already successfully undertaken by another organisation/MPID acting in the same role (i.e. met via [1], [2] or a combination of [2] and [3]). To do this, the organisation/MPID wishing to “place reliance” must demonstrate to the satisfaction of the Programme, and Code Delivery Bodies that the system/service/features on which they are placing reliance is identical to that already tested by another organisation/MPID acting in the same role. This option may also be adopted within SIT where 2 (or more) active SIT participant role organisations, that can demonstrate are operating in the same system/service/features arrangements and market role, propose to meet the full SIT coverage requirement by forming a SIT test exit group, and then place reliance on the SIT role/feature testing, and/or SIT stage-based testing being undertaken by another SIT participant member in the same group. Where a participant organisation which is governed by BSC and/or REC, and chooses to opt for this, they also accept the associated risks and remain accountable for meeting Code requirements.

This policy document is concerned with defining the approach, criteria, and operation of [3] and [4].

4 Approach & Criteria

4.1 Approach

The Programme expects that there are various existing commercial arrangements that Programme participants (PPs) have with 3rd-party software and IT service providers, or plan to procure to deliver MHHS; we assume these will likely fall into the following example categories:

- PPs hosting their own software and using a 3rd-party adaptor service;
- PPs hosting their own systems and connecting into a 3rd-party IT provider who provides software and adaptor on a single code and instance;
- 3rd-party IT provider providing the solution for the PP software and adaptor and providing a service on behalf of the PP or a variation of this where PPs additionally use other software (either their own or a separate 3rd-party solution)

However the programme acknowledges these listed categories may not cover all arrangements, and with there being such a large degree of potential variations of arrangements within the industry, prior to any testing activity the Programme and Code Bodies will therefore require assistance from Programme participants to indicate:

- a) What Roles (and MPIDs) you plan to Qualify in;
- b) Which route through industry testing to Qualification you are planning to take for each Role and MPID i.e. SIT or non-SIT;
- c) Details of any 3rd party IT/Software arrangements planned, or in place;
- d) If you are proposing to delegate any of your testing to a 3rd-party [3];
- e) If you plan to “place reliance” on any testing [4].

All participants will be subject to assurance, but in the case where you are electing to adopt either [3] or [4] we will also ask you, using the process set out in section 5 of this document (in conjunction with your software/service provider) to provide a clear statement of the architecture of the software that demonstrates all the features that you use and how you therefore propose to approach DBT1 PIT and SIT or Qualification industry testing coverage.

This information will be used to determine the validity of your proposal on a case-by-case basis, and following reviews of the submitted information, in conjunction with any discussions that are deemed appropriate, to identify if any additional testing may be required to satisfy Qualification requirements.

In the case of Participants electing to adopt [4], we will expect you, with the support of your software/service provider to identify which testing you plan to “place reliance” on and to demonstrate that this has been agreed with

the organisation(s) undertaking that testing. You will need to submit details and evidence it is the same systems and service features that you are placing reliance on; and the identification of any tests that might be required for systems and services that are not identical, including connectivity, or where any of the requirements of the role are covered outside of the system that reliance is being placed on.

The agreed adoption of [3] or [4] will then be validated as being in line with the agreement via the assurance of PIT completion, and the SIT or Qualification Test completion assurance, with the testing evidence forming part of that required for BSC / REC market Qualification (subject to the arrangements continuing to be that which will be used in production).

4.2 Assurance Criteria

Assurance of your declared approach will include such things as:

- The degree of commonality of the software and its equivalent configuration;
- The services the 3rd-party provider supports for each Programme participant,
- That the agreement of the 3rd party has been sought and obtained by the participant;
- That the participant expects to continue to use the 3rd-party provider for ongoing MHHS live operations (should this change during or after testing, then the participant will need to notify the Code Delivery Bodies and will be required to test and Qualify under the new arrangement).

Depending on the extent to which an organisation is intending to use [3] or [4] the MHHS Programme, working with the Code Delivery Bodies, may in some cases require additional testing to satisfy Qualification, this may take the form of basic connectivity testing via your software / service provider to the DIP and execution of Operational Service Management tests and validation of modelled exceptions handling scenarios.

5 Process & Operation

5.1 SIT Participants Process

Stage 1 – Initial proposal

1. Programme participants that intend to Qualify via the SIT route and are volunteers for SIT will be requested to provide their proposal for how they will meet their DBT1 and SIT coverage requirements, specifying:
 - a. What Roles (and MPIDs) you plan to Qualify via SIT;
 - b. If you are proposing to delegate any of your testing to a 3rd party [3];
 - c. If you are adopting [3], we will ask you to provide:
 - i. A system and software architecture diagram, accompanied by an overview in writing clearly identifying the business features delivered by each component, demonstrating which are provided by a 3rd party, and setting out boundary lines to show the areas of responsibility between parties for both the systems and operations;
 - ii. Details of where and how the system/software is hosted;
 - iii. How you operate the business functionality e.g. yourself, or if it is a service/process/feature operated by the 3rd party on your behalf;
 - iv. details of which processes and features you are proposing to delegate within your testing;
 - v. to what extent this approach will apply within your DBT1 PIT and SIT test stage coverage,
 - vi. What will be the approach to data used for the testing, and;
 - vii. evidence that this has been agreed with any contracted partners to whom you are proposing to delegate to.

- d. If you intend to enter and exit SIT as a group and wish to place reliance within that group (Please note, as this may be a complex proposal, it will therefore need to be carefully detailed and evidenced as per the requirements when adopting [3], with the addition to evidence of the bi-lateral agreement with the party who's testing you will be placing reliance on and how evidence will be shared between parties).
2. The programme requires that proposals are submitted by the Code defined role organisation that will ultimately Qualify, but where options [3] or [4] are elected it is assumed that the proposal will involve the support of 3rd parties or other members within a SIT participant grouping. The Programme will review the SIT candidate proposal and will likely schedule an assurance review meeting with the proposal originator, or group of originators, and associated 3rd parties where applicable, in order to address any queries. We will also begin to assess, subject to Code Delivery Body agreement, if any additional testing will be required in order to meet Qualification.
 3. The outcome of this assurance review, alongside a PIT delivery plan that meets the SIT timelines, will determine assurance validation of the 'SIT participants agreed' milestone (T2-TE-0150) - Please see programme plan for dates. Where participants are planning to adopt either options [3] or [4] it is recommended to commence a dialogue with the programme as soon as possible to enable time for the programme to review proposals and schedule any required assurance meetings with you, and subsequently validate the proposal with the Code Delivery Bodies (please allow a period of 20 working days from submission date for this assurance process). It is acknowledged that some parties may need more time to form their proposals due to ongoing procurement discussions, so proposals will be accepted up until close of business the day before the T2-TE-0150 milestone, however any proposals received closer to this date will be accepted with the caveat that assurance will be ongoing after the milestone.

Stage 2 – when the SI-specified SIT Scenarios and Test Cases have been confirmed for each SIT test stage (i.e. CIT, Functional Test, Migration Test, NFT and Operational Test), if you have elected to adopt options [3] or [4], we will ask you to confirm the specific SIT tests where option [3] or [4] is being adopted:

1. As part of the SIT readiness requirement for each SIT test stage, and no later than 2 months ahead of test stage execution, we will ask the Qualifying SIT-participating organisation to provide a declaration of which of the SI specified scenarios/test cases will be delegated to a 3rd party [3], or other SIT participant organisation within your SIT group [4], to execute during the SIT stage. At this point we will also require a related confirmation of your planned SIT stage related PIT coverage for all the requirements for your role in the market.
2. The programme will assure the declaration and, in consultation and subject to agreement with the Code Delivery Bodies, will confirm that this still meets the requirement to Qualify (subject to the provision of evidence). If any additional testing is required to Qualify, this will be formally confirmed to the participant within 20 working days.
3. The declaration will also be used by the programme to inform the DBT1 PIT assurance for the SIT stage.

Stage 3 – SIT test execution:

1. The SIT-participant organisation will no longer be required to complete the SIT scenario/test case delegated to their 3rd party or other member within the SIT participant group, and their successful exit from SIT will become dependent on the delegated 3rd party or SIT group member completing and evidencing the SIT test. Accountability for overall SIT completion will remain with the individual Qualifying SIT-participant organisation.
2. The programme will assure all SIT execution evidence to verify completion.

5.2 Non-SIT Participant Process

At the time of writing, the Code Delivery Bodies are expecting to align with the principles outlined in this policy and both BSC and REC PAB approval of this policy document is also being sought to further validate that position. The policy operation and process for participants Qualifying down the non-SIT route is expected to be similar, with participants confirming their approach within their individual Qualification Assessment Document submission. The

process for validating and assuring will be detailed by the Code Delivery Bodies within the MHHS Qualification Approach and Plan (QA&P).