
Change Request Form

Change Request details

For guidance on how to complete this document please see the supporting Change Request guidance document

Change Request details			
Change Request Title	MHHS Design Phase Re-plan - Proposal to extend full detailed design to November 2022		
Change Request Number	CR002		
Originating Advisory / Working Group	Design Advisory Group & Programme Steering Group		
Risk/issue reference	I005, R022, R029		
Change Raiser	Emily Wells, Corona Energy	Date raised:	10/03/2022

Part A – Description of proposed change

Guidance – This section should be completed by the Change Raiser when raising the Change Request.

Part A – Description of proposed change

Issue statement:

(what is the issue that needs to be resolved by the change)

The ongoing volatile and hostile market conditions are compounding existing resource challenges faced by the energy sector, in particular for Licensees.

Suppliers have had to devote significant resources to all of these critical issues simultaneously and have been expressing concern since November 2021 that the current MHHS Design timetable is not fit for purpose, under these unexpected¹, unprecedented market conditions. Suppliers believe there is a need for a reassessment of the design phase timetable, to better facilitate the opportunity for inclusive design development and consultation.

Suppliers continue to focus on concurrently managing, amongst other things, short term stability (including servicing customers and keeping the lights on; SoLR activity; and supplier resilience-market interventions. Whilst also managing industry code change programmes including Faster More Reliable Switching, Access and Forward-Looking Charges and REC Assurance and Reporting requirements – some of which have suffered delays as a result of COVID-19.

Working together all MHHS Supplier Constituencies developed a proposal to request a design reassessment and replan, providing an illustrative view, extending design work in the autumn 2022. To improve the chances of a key MHHS Party constituency being able to review and assess the new process, data, security, and testing proposal being developed.

The key proposal under this MHHS Programme Change is to delay M5 and replan activity for Supplier review and sign-off this autumn 2022.

Description of change:

(what is the change you are proposing)

We believe suppliers should have the chance to assess the proposed changes, mitigating design stability issues later (once suppliers start to engage or when the full code legal text is impact assessed), with the need to raise MHHS programme change requests, leading to further cost and programme delays.

Suppliers are proposing that design development, assessment and finalisation, extends to November 2022, move the baseline M5 date from 30th April 2022 to 30th November 2022. We propose to deliver this in accordance with a revised delivery plan illustrated here:

Joint response to MHHS Programme PSG Action PSG02-03 on behalf of three Supplier Constituencies (I&C, Medium & Large Supplier)												
11th March 2022	2022											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	
Process design												
Supplier design review, feedback, baselined									M5			
Process Design	Assumes that there is no programme cessation of design activity and that this continues to a revised schedule without detailed Supplier engagement. Opportunity for low level of Supplier engagement up to the end of August. Requirement to prioritise design elements that are critical for Supplier consideration/input.											
	There is an immediate requirement (and opportunity due to the amended timeline) to review and revise the approach to the Design activity. Currently Suppliers have little insight into the people that should engage, the artefacts that will be delivered and the level and detail of these.											
Supplier design review, feedback, baselined	Assumes that Suppliers are able to properly engage in Design activity/review from 1 September (after Switching Go-Live (18 July) plus a 6 week post-implementation period).											
	The ability to fully engage from 1 September assumes a successful implementation of the new switching arrangements.											
	A ~12 week period to consider and provide comments on the design artefacts developed during the extended process design period.											
	At the end of this ~12 week period, approval of Physical Baseline (M5 Milestone)											

¹ Unanticipated by Ofgem in spring 2021 when they determined the Programme timetable and milestones.

Justification for change:

(please attach any evidence to support your justification)

The MHHS Programme Plan was developed by Ofgem in spring 2021, against the prevailing market conditions at that time, and anticipated programme of work. It was mandated in summer and passed to the newly designated MHHS Programme to enact.

During Autumn/Winter the programme has been establishing the programme to scale; setting up the team, ways of working, expectations and internal processes to manage the Governance Framework. Standing up working groups to try to meet the plan they had been given, with limited, high-level information visible for MHHS participants to see.

Supplier concerns were raised at the 2nd PSG, confirming compounded resource constraints and an inability to see the programme approach and plan design work details, to understand what was needed, when and by whom. Suppliers believe there is merit in their involvement with the design work and consultation to avoid design instability and unnecessary change later.

Full Supplier engagement is currently impossible in light of the unprecedented demands placed upon them by COVID-19, the collapse of the domestic supplier market, the war in Ukraine and other wholesale supply issue creating extremely volatile market conditions, as well the need to deliver the Switching Programme and at least 7 other mandatory industry changes within the next 6-12 months.

The impacts on the British economy and the war in Ukraine are publicly available. As evidence of the scale of the Supplier of Last Resort activities currently being undertaken, the list of suppliers who have collapsed since August 2021 is below:

	Old supplier	Domestic	Non-Domestic	New supplier
18/02/2022	Whoop Energy	50	212	<u>Yü Energy Retail</u>
18/02/2022	Xcel Power		274	<u>Yü Energy Retail</u>
08/01/2022	Together Energy Retail Ltd	176,000	1	<u>British Gas</u>
01/12/2021	Zog Energy Limited	11,700		<u>EDF</u>
25/11/2021	Entice Energy	5,400		<u>Scottish Power</u>
25/11/2021	Orbit Energy Limited	65,000		<u>Scottish Power</u>
16/11/2021	Neon Reef Limited	30,000		<u>British Gas</u>
16/11/2021	Social Energy Supply Ltd	5,500		<u>British Gas</u>
03/11/2021	CNG Energy		41,000	<u>Pozitive Energy</u>
02/11/2021	Omni Energy	6,000		<u>Utilita</u>
02/11/2021	MA Energy		300	<u>SmartestEnergy</u>
02/11/2021	Zebra Power	14,800		<u>British Gas</u>
02/11/2021	Ampoweruk	600	2,000	<u>Yü Energy</u>
01/11/2021	Bluegreen Energy Services	5,900		<u>British Gas</u>
18/10/2021	GOTO Energy	22,000		<u>Shell Energy</u>
14/10/2021	Daligas	9,000		<u>Shell Energy</u>
13/10/2021	Pure Planet	235,000		<u>Shell Energy</u>
13/10/2021	Colorado Energy	15,000		<u>Shell Energy</u>
29/09/2021	ENSTROGA	6,000		<u>E.ON Next</u>
29/09/2021	Igloo Energy	179,000		<u>E.ON Next</u>
29/09/2021	Symbio Energy	48,000		<u>E.ON Next</u>

22/09/2021	Avro Energy	580,000		<u>Octopus Energy</u>
22/09/2021	Green Supplier	255,000		<u>Shell Energy</u>
14/09/2021	People's Energy	350,000	1,000	<u>British Gas</u>
14/09/2021	Utility Point	220,000		<u>EDF</u>
07/09/2021	PFP Energy	82,000	5,600	<u>British Gas</u>
07/09/2021	MoneyPlus Energy	9,000		<u>British Gas</u>
09/08/2021	Hub Energy	6,000	9,000	<u>E.ON Next</u>

Please find attached letter from ICoSS setting out in detail related industry change pressures in the non-domestic market.

The programme itself has acknowledged they are unable to complete the full, complete End to End MHHS Design by the approved date (currently April 2022 milestone on the MHHS Programme Plan). We agree that given the work to be completed it seems unlikely they will be able to produce a full End to End detailed, robust design by this date. Further, we believe it would be prudent to extend the design work (development, review, adjustment, consultation, decision) to November 2022, the current planned date where the full End to End MHHS Design will be set out in the suite of code changes required to deliver the programme (in particular for BSC, SEC, REC).

Consequences of no change:

(what is the consequence of no change)

Without approval of this change there will be minimal involvement of suppliers in assessing the design of the MHHS solution, so the design will be:

- more likely to be subject to later Change Requests
- less stable to provide the baseline for the programme replan

Target date by which a decision is required:

6th April 2022

Part B – Initial Impact of proposed change

Guidance – *this section should be completed by the Change Raiser before being submitted to the MHHS PMO.*

Guidance – *Please document the benefits of the change and to delivery of the programme objectives*

What benefits does the change bring
<p><i>(list the benefits of the change and how this improves the business case)</i></p> <p>As per the justification above, this change will give suppliers the opportunity to meaningfully engage in the programme prior to the completion of M5.</p> <p>This change improves the Business Case as it reduces the risk of design issues being raised later in the programme which will incur cost. Issue resolution becomes more expensive to resolve the later in the programme as issues are identified.</p> <p>This change reduces the risk to the programme end date as the delay in design gives the opportunity for a firmer baseline to take into the replanning exercise after M5.</p>

Programme Objective	Benefit to delivery of the programme objective
To deliver the Design Working Group's Target Operating Model (TOM) covering the 'Meter to Bank' process for all Supplier Volume Allocation Settlement meters	Without approval of the change, there is little opportunity for Supplier Party input to the design, therefore the design is more likely to be subject to later Change Requests
To deliver services to support the revised Settlement Timetable in line with the Design Working Group's recommendation	Without approval of the change, there is little opportunity for Supplier Party input to the design, therefore the design is more likely to be subject to later Change Requests.
To implement all related Code changes identified under Ofgem's Significant Code Review (SCR)	This change aims to provide stability to the baseline design approved. A stable, robust, detailed design is key to prompt, clear, unambiguous code change establishment; setting clearly MHHS Participant rights and requirements. Without approval of the change, there is little opportunity for Supplier Party input to the design, therefore the design is more likely to be subject to later Change Requests
To implement MHHS in accordance with the MHHS Implementation Timetable	This change, by its nature, is promoting a MHHS Implementation Timetable replan moving milestone 5. The proposer believes the impact overall mitigates future replan or rework later as a result of design issues giving the opportunity for a firmer baseline as the programme moves into the build, test, implementation replanning exercise, providing greater confidence in the replan.
To deliver programme capabilities and outcomes to enable the realisation of benefits in compliance with Ofgem's Full Business Case	There is a risk that Supplier Party and therefore consumer benefits will be lost without Supplier Party and consumer representative input. This change gives more confidence in the programme replan, reducing the risk of delayed implementation and therefore delayed benefits.
To prove and provide a model for future such industry-led change programmes	This demonstrates the opportunities to allow for more industry input through the process and shows the adaptability of the programme to be able to replan effectively and efficiently.

Guidance – *Please document the known programme parties and programme deliverables that may be impacted by the proposed change*

Impacted areas	Impacted items
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Impacted Parties	Changes to the timeline will impact all parties and may increase running costs for some parties in the short-term. Overall, we believe that the cost in delivering the programme will be reduced as this change reduces the risk of design issues being raised later in the programme which will incur cost and possible delay to delivery.
Impacted Deliverables	All design artefacts for M5 and any other programme deliverables tied to M5

Initial assessment			
Necessity of change	1 - Critical Change	Expected lead time	1 - <5 working days
Rationale of change	Programme	Expected implementation window	1 - Imminent
Expected change impact	Low		

Part C – Summary of impact assessment and recommendation

CR002 Impact Assessment Report & Recommendations was presented to PSG in April 2022. The report can be found via the MHHS Website [here](#).

Guidance – This section should be completed by the Change Raiser. Note, this is before impacted parties complete a full Impact Assessment.

Part C – Summary of impact assessment and recommendation (complete as appropriate)
<p>Effect on benefits</p> <p>This is expected to better facilitate the benefits by an improved design.</p> <p>There is a high risk that Programme Party and therefore consumer benefits will be lost without supplier input.</p> <p>This change gives more confidence in the programme replan, reducing the risk of delayed implementation and therefore delayed benefits</p> <p>Impact Assessment respondents to confirm the above and identify any further effects.</p>
<p>Effect on consumers</p> <p>Changes to the timeline will impact all parties and may increase running costs for some parties in the short-term, potentially increasing consumer costs. Overall, we believe that the cost in delivering the programme will be reduced as this change as it reduces the risk of design issues being raised later in the programme which will incur cost and possible delay to delivery.</p> <p>Impact Assessment respondents to identify any cost or other effects to be passed on to consumers further effects.</p>
<p>Effect on schedule</p> <p>Extension of M5 from April 2022 to November 2022 will result in a more stable design baseline to feed into a more certain replanning exercise beyond then.</p> <p>It is not appropriate to assess the impact beyond M5 as this is the purpose of the replanning exercise.</p> <p>Impact Assessment respondents to confirm the above and identify any further effects.</p>
<p>Effect on resources</p> <p>Increased run costs for mobilised Programme Parties, as above.</p> <p>Reduced risk of increased costs later through design change.</p> <p>Impact Assessment respondents to quantify their cost impacts (specific costs to be identified as confidential only where necessary and aggregated by the MHHS Programme if confidential costs provided) and to provide an indication of potential future cost impacts from design risk</p>
<p>Effect on cost</p> <p>A realistic delivery timescale will allow suppliers to dedicate resource to the programme.</p> <p>Impact Assessment respondents to identify the effects for them.</p>
<p>Effect on contract</p> <p>Any contract impacts for programme parties will need to be assessed by those parties.</p> <p>Impact Assessment respondents to identify and quantify any effects on their contracted parties.</p>
<p>Risks</p> <p>The risk of not implementing this change is that the Programme will need to develop alternate changes after M5 to address identified issues.</p> <p>Reduced risk on delivery of other industry programmes as mandated by BEIS and Ofgem, such as the Switching Programme.</p>

Impact Assessment respondents to confirm the above and identify any further effects.

Recommendation

It is recommended the change is **approved**

Impact Assessment respondents that do not agree that this change is approved must provide supporting evidence to justify why they do not support this change

Impact assessment done by: <Name>

Guidance: *The approvals section will be completed by the MHHS PMO once the Impact Assessment has been reviewed.*

Approvals (to be completed by MHHS PMO)
Rachel Clark, Ofgem

Part D – Change decision

Guidance - *This section will be completed by the MHHS PMO following the review of the impact assessment and decision reached by the SRO.*

Part D – Change decision			
Decision:	Rejected	Date	21 April 2022
Contact:	Rachel Clark, Ofgem		
Change Owner:	N/a		
Action:	N/a		
Changed Items	Pre-change version	Revised version	
N/a	N/a	N/a	

Part E – Implementation completion

Guidance - *This section will be completed by the MHHS PMO at the end of the post-implementation process.*

Part E – Implementation completion			
Comment	No further action required	Date	21 April 2022

Guidance – *This section will be completed by the MHHS PMO at the end of the post-implementation process and should be used to add any appropriate references of the change once it has been completed.*

References		
Ref	Document number	Description
N/a	N/a	N/a