**Change Request Form**

## Change Request details

|  |
| --- |
| Change Request details |
| Change Request Title | Determining scope of Examination of Settlement Impacts resulting from MHHS Programme |
| Change Request Number | CR013 |
| Originating Advisory / Working Group | Programme Steering Group (PSG) |
| Risk/issue reference | N/A |
| Change Raiser | Gareth Evans, I&C Supplier Constituency Representative at PSG | Date raised: | 23.11.2022 |

***For further guidance on how to complete this document please see the supporting Change Request Form Guidance for Programme Participants. The guidance will support raising a change and responding to a change request via Impact Assessment. The Change Raiser should consider sharing the draft Change Request Form with impacted programme parties, prior to submission to PMO. The guidance, as well as other key documents are referenced below and can be found via the MHHS website.***

|  |
| --- |
| Change Request to be read in conjunction with: |
| MHHS Change Request Form Guidance for Programme Participants |
| MHHS Change Control Approach |
| MHHS Governance Framework |
| Ofgem’s MHHS Transition Timetable |

### 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:**The MHHS programme will result in a significant change to how settlement processes work in the retail electricity sector as it moves from a predominately NHH settlement regime using estimation algorithms to the use of actual consumption reads for the majority of sites. The system and operational processes to deliver this change are well understood and has been the subject of significant development. By contrast, comparatively little work has been done as to what the impact will be on settlement from this move from majority estimated to majority actual consumption. The magnitude of change to settlement that will occur as sites migrate is therefore poorly understood, but could potentially impact a large number of areas of the settlement regime, including Group Correction Factors, Line Losses, etc. |
| **Description of change:**It is proposed that a piece of work is undertaken to understand what areas the MHHS programme should look at when assessing the impact that moving HH settlement will have on the balancing regime and settlement. The scoping will potentially need to look at all areas of the balancing and settlement regime, though the focus will need to be on those processes directly related to SVA consumption. The expectation is that the MHHS programme will create a report setting out the areas it believes require detailed assessment. The work on assessing settlement impact would be progressed through another Change Request.  |
| **Justification for change:**Significant time and effort is expended by the industry in attempting to ensure that the current settlement regime is as accurate as possible, but ultimately is reliant on estimates to derive a NHH site’s consumption. Movement of a site from NHH to HH settlement status will mean a corresponding change to its settlement profile, even if the site’s behaviour does not change. This will change the settlement dynamics of the market as energy is reallocated from one settlement profile to another and is likely to have knock-on impacts on other areas such as Line Losses, etc. Without understanding the nature and scope of the changes to the market there is a risk that the market will experience unwarranted volatility as expected and actual settlement positions diverge. This will potentially increase balancing costs as imbalances positions widen. The first step of understanding and so preparing the market for this change in observed site behaviour is to identify those areas of settlement likely to be impacted.  |
| **Consequences of no change:**Without approval of this change the MHHS programme will not be able to understand what is entailed in assessing the impact on settlement of the move to HH settlement and so cannot commence work on determining the impact this change will have on the market.       |
| **Alternative options:***(What alternative options or mitigations that have been considered)*No alternative options have been considered.  |
| **Risks associated with potential change:***(what risks related to implementation of the proposed change have been identified)*There are no substantive risk with this proposals as it is simply a scoping exercise.  |
| **Stakeholders consulted on the potential change:***(Please document the stakeholders, or stakeholder groups that have been consulted to date on this change. The Change Raiser should consult with relevant programme parties in the drafting of the request, prior to submission to PMO).*MHHS Programme team. |
| **Target date by which a decision is required:** | 2023 |

### Part B – Initial Impact of proposed change

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

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

|  |
| --- |
| What benefits does the change bring |
| As per the justification above, this change will allow industry parties to understand the work required to determine the impact on the MHHS programme on the settlement regime. This will allow the MHHS programme to plan appropriately if it decides to commence a piece of work on assessing settlement changes (progressed via another Change Request). |

|  |  |
| --- | --- |
| 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 | The change gives the MHHS programme and industry parties an opportunity to determine scope of any work required to develop an understanding of the impact of the move to HH settlement. |
| To deliver services to support the revised Settlement Timetable in line with the Design Working Group’s recommendation | This change will not impact this objective. |
| To implement all related Code changes identified under Ofgem’s Significant Code Review (SCR) | This change will not impact this objective. |
| To implement MHHS in accordance with the MHHS Implementation Timetable | Give the programme and industry parties the opportunity to prepare in good time any work required to assess any material changes in settlement. |
| 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 without an understanding of the impact of the move to HH settlement the market will make inefficient balancing decisions during and immediately after transition, reducing the benefits case for the MHHS programme. The scoping exercise is the first step in addressing this.  |
| To prove and provide a model for future such industry-led change programmes | This demonstrates the need for forward planning and shows theadaptability of the programme to be able to identify and address issues 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 |
| Impacted Parties | The MHHS programme will be required to deliver this piece of scoping work.  |
| Impacted Deliverables | None. |
| Impacted Milestones | None |

**Note *– Please refer to MHHS DEL174 Change Request Guidance for Programme Participants for information on how to score the initial assessment.***

|  |
| --- |
| Initial assessment |
| Necessity of change |  | Expected lead time |  |
| Rationale of change |  | Expected implementation window |  |
| Expected change impact |  |  |  |

**Guidance *– Please include a reference and link to any additional documentation which the change relates to.***

|  |
| --- |
| Change Request to be read in conjunction with: |
| **Title** | **Reference** |
|  |  |
|  |  |

### Part C.1 – Summary of Impact Assessment

### Note – *This section will be completed initially by the Change Raiser and then by Programme Participants as part of the full Impact Assessment.*

### *All Impact Assessment responses will be considered public and non-confidential unless otherwise marked. If there are any specific elements of the response (e.g. costs) that are confidential, please mark the specific sections as confidential rather than the response as a whole. The MHHS Programme will publish all Impact Assessment responses and redact any confidential information as noted.*

**Guidance – Programme Participants are required to:**

**Respond with ‘Agree’, ‘Disagree’ or ‘Abstain’, deleting as appropriate. If the respondent agrees, they can provide additional evidence to further support the assessment. If the respondent disagrees or abstains, they should provide a detailed rationale as to why.**

**Add any additional effects that have not already been identified. In doing so, they should provide as much detail as possible to allow a robust assessment to be made.**

**Proceed to Part C.2 for Impact Assessment Recommendation response once completed.**

|  |
| --- |
| Part C.1 – Summary of Impact Assessment (complete as appropriate) |
| **Effect on benefits**This is expected to better facilitate the benefits by an increased understanding of the settlement areas impacted by the MHHS programme.This change gives industry the ability to identify and mitigate any work and impacts from changes in settlement as a result of the MHHS programme.  |
| *<Delete as appropriate>:* **Agree Disagree Abstain** |
| *Impact Assessment respondents to add supporting commentary to support their selection. Where possible, Impact Assessment respondents to identify and describe any further impacts.**Impact Assessment respondents should consider and provide detail of any additional effect e.g. whether there will be an impact on when a benefit will be realised; who will realise the benefit; the extent to which the benefit will be realised.* *Where possible, contextual information should be included e.g. the benefit will be delayed by X weeks; the change means Y population will also realise the benefit.* |
| **Effect on consumers**A better understanding of how transition will impact settlement will allow the market to plan for expected changes in market dynamics so reducing industry costs and so reducing the ultimate cost to the consumer.  |
| *<Delete as appropriate>:* **Agree Disagree Abstain** |
| *Impact Assessment respondents to add supporting commentary to support their selection. Where possible, Impact Assessment respondents to identify and describe any further impacts.**Impact Assessment respondents should consider and provide detail of any additional effect e.g. whether there will be an impact on service delivery to consumers; will there be a cost impact to consumers; will there be a choice impact to consumers?* *Where possible, contextual information should be included e.g. what is the scale of the effect? Will the effect be permanent?* |
| **Effect on schedule**It is not anticipated that this work will have a material impact on the rest of the programme timeline.  |
| *<Delete as appropriate>:* **Agree Disagree Abstain** |
| *Impact Assessment respondents to add supporting commentary to support their selection. Where possible, Impact Assessment respondents to identify and describe any further impacts.**Impact Assessment respondents should consider and provide detail of any additional effect e.g. will the schedule/milestones be directly impacted; will the schedule/milestones be indirectly impacted.* *Where possible, contextual information should be included e.g. the change will delay the project by X days; the change will require additional resource to complete (though detail resource in resource section); the delay can/cannot be recovered by condensing Y activity.* |
| **Effect on costs**A small increase in MHHS programme costs.Reduced risk of increased costs later as the work required to understand settlement impacts will be better understood.  |
| *<Delete as appropriate>:* **Agree Disagree Abstain** |
| *Impact Assessment respondents to add supporting commentary to support their selection. Where possible, Impact Assessment respondents to identify and describe any further impacts.**Impact Assessment respondents should consider and provide detail of any additional effect e.g. will the change cause a loss of income; will the change cause additional cost; will the change cause a reprofiling of cost?* *Where possible, contextual information should be included e.g. whether it is capital or operating expenditure that will be affected; what period costs will be affected in; what the rough order of magnitude of the cost impact will be and if organisation will be able to absorb it?* |
| **Effect on resources**Small increase in resource requirements from the MHHS programme. |
| *<Delete as appropriate>:* **Agree Disagree Abstain** |
| *Impact Assessment respondents to add supporting commentary to support their selection. Where possible, Impact Assessment respondents to identify and describe any further impacts.* *Impact Assessment respondents should consider and provide detail of any additional effect e.g. will there be an impact on tools or equipment; will there be an impact on staff capacity; will there be an impact on staff skills or capability?* *Where possible, contextual information should be included e.g. the change will require X additional staff for Y period of time; the change requires Z training or support.* |
| **Effect on contract**No direct impacts identified.  |
| *<Delete as appropriate>:* **Agree Disagree Abstain** |
| *Impact Assessment respondents to add supporting commentary to support their selection. Where possible, Impact Assessment respondents to identify and describe any further impacts.* *Impact Assessment respondents should consider and provide detail of any additional effect e.g. whether there will be an impact on contracts with sub-contractors; whether there will be an impact on contracts with vendors; whether there will be an impact on contracts with regulators/ESO.* *Where possible, contextual information should be included e.g. the changes will require new contracts to be created; the changes will variations to existing contracts; the changes will affect ability to meet contract requirements.* |
| **Risks**The risk of not implementing this change is that the industry will not understand the work required in identifying unanticipated settlement issues caused by the MHHS programme.  |
| *<Delete as appropriate>:* **Agree Disagree Abstain** |
| *Impact Assessment respondents to add supporting commentary to support their selection. Where possible, Impact Assessment respondents to identify and describe any further impacts.* *Impact Assessment respondents should consider and provide detail of any additional effect e.g. will existing risks be affected; will new risks be created?**Where possible, contextual information should be included e.g. the change will affect the likelihood of a risk occurring, the change will affect the impact the risk would have, the change will require additional controls and mitigation.* |

### Part C.2 – Impact Assessment Recommendation

### Note – *This section must be completed initially by the Change Raiser and then by Programme Participants as part of the full Impact Assessment.*

**Guidance – The primary reporting metric of the Impact Assessment is the recommendation response. The consolidated response will be presented to the relevant governance group(s) and decision maker(s) with the totals for ‘Agree’, ‘Disagree’ or ‘Abstain’. As such, please ensure this section is completed before the form is returned to MHHS PMO. Provide detailed rationale and evidence in the commentary field.**

|  |
| --- |
| Part C.2 – Impact Assessment Recommendation (mandatory) |
| **Recommendation****It is recommended by the Change Raiser the change is approved.** |
| *<Delete as appropriate>:* **Agree Disagree Abstain** |
| *Impact Assessment respondents to add supporting commentary to support their selection.* |

**Impact assessment done by:** <Name>

**Guidance*: If you are a third party responding on behalf of another Programme Participant, please state this in your response.***

**Impact assessment completed on behalf of:** <Name>

### Part D – Change approval and decision

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

|  |
| --- |
| Part D - Approvals |
| **Decision authority level**<Based on the impact assessment, state who is required to make a decision concerning this change> |

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

|  |
| --- |
| Part D – Change decision |
| Decision: |       | Date |       |
| Approvers: |       |  |  |
| Change Owner: |       |
| Action: |       |
| **Changed Items** | **Pre-change version** | **Revised version** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

### 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 |       | Date |       |

**Guidance *– The Closure Checklist in MHHS DEL175 Change Log must also be completed by MHHS PMO at this stage.***

|  |  |
| --- | --- |
|      Checklist Completed | Completed by      |
| Yes/No |  |

**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** |
|       |       |       |
|       |       |       |