

MHHS Programme Steering Group (PSG) Minutes and Actions

Issue date: 14/09/2022

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|----------------|------------------------------------|----------------|---------------------------|
| Meeting Number | PSG 012 | Venue | Virtual – MS Teams |
| Date and Time | 07 September 2022 1000-1200 | Classification | Public |

Attendees

Chair

Chris Welby (CW) MHHS IM SRO

Industry Representatives

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| Andrew Campbell (AC) | Small Supplier Representative |
| Chris Price (CP) | DNO Representative |
| Ed Rees (ER) | Consumer Representative |
| Gareth Evans (GE) | I&C Supplier Representative |
| Graham Wood (GW) | Large Supplier Representative |
| Jonathan Hawkins (JH) | RECCo Representative |
| Jenny Rawlinson (JR) | iDNO Representative |
| Joel Stark (JS) | Supplier Agent (Independent) Representative |
| Lee Northall (LN) | Elexon Representative (Central Systems Provider) |
| Neil Dewar (ND) as alternate to Karen Thompson-Lilley | National Grid ESO Representative |
| Paul Akrill (PA) | Supplier Agent Representative |
| Robbie McMillan (RM) as alternate to Charlotte Semp | DCC Representative (Smart Meter Central System provider) |
| Vladimir Black (VB) | Medium Supplier Representative |

MHHS IM

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|------------------------|-----------------------|
| Andrew Margan (AM) | Governance Manager |
| Chris Harden (CH) | Programme Director |
| Fraser Matthieson (FM) | PMO Governance Lead |
| Giles Clayden (GC) | Deputy Programme Lead |
| Jason Brogden (JB) | Industry SME |
| Keith Clark (KC) | Programme Manager |
| Martin Cranfield (MC) | PMO Governance Lead |
| Warren Fulton (WF) | Separation Lead |

Other Attendees

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|------------------------|---------------------|
| Andy MacFaul (AMF) | Ofgem (as observer) |
| David Gandee (DG) | MHHS IPA Lead |
| Jenny Boothe (JB) | Ofgem (as observer) |
| Rachel Clark (RC) | Ofgem Sponsor |
| Rhiannon Harrison (RH) | MHHS IPA Lead |

Actions

| Area | Action Ref | Action | Owner | Due |
|------|------------|--------|-------|-----|
|------|------------|--------|-------|-----|

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|----------------------------------|----------|--|----------------------------------|----------|
| Migration | PSG12-01 | Ensure commercial and operational impacts on the market are included in the assessment of migration options being considered in the Migration Working Group (MWG) | Programme (Jason Brogden) | 05/10/22 |
| Readiness for M3 and DBT | PSG12-02 | Engage with constituents to determine if they are going to be ready for M3 as per the criteria in CR009 (see key discussion items in the PSG headline report for full detail on the ask to constituents). Provide a summary at October PSG | PSG constituency representatives | 05/10/22 |
| Design progress | PSG12-03 | Include the transition design in design reporting to PSG | Programme (Warren Fulton) | 05/10/22 |
| Industry change dashboard | PSG12-04 | Provide an indication of the magnitude of items reported in the industry change dashboard (e.g. scale and risk) | Programme PMO | 05/10/22 |

Decisions

| Area | Dec Ref | Decision |
|---------------------------|-----------|---|
| Minutes and action | PSG-DEC19 | The PSG approved the minutes of the PSG meeting 10 August 2022 |
| Programme re-plan | PSG-DEC20 | The PSG agreed that the round 2 re-plan consultation window would be shortened by one week and that the content of the consultation would include guidance on evidence requirements, draft dates, and targeted questions directing required evidence from respondents |
| Control Point 1 | PSG-DEC21 | The PSG agreed to move Control Point 1 to December PSG |

RAID Items

| RAID area | Description |
|-----------------------------|---|
| Key Programme Issues | The PSG discussed two Key Programme Issues: MP162 and Migration. Please see key discussion items for full detail. |

Minutes

1. Welcome

CW welcomed all to the meeting and presented the meeting agenda.

2. Minutes and Actions Review

DECISION PSG-DEC19: Minutes of PSG 10 August 2022 were approved

CW updated on the actions as per the actions slide. CW invited comments. None received.

3. Programme re-plan progress

KC introduced the item noting the majority of the slides were summarising feedback from round 1 of the re-plan consultation. This content had been developed quickly by the Programme following the end of round 1. The slides were similar to those that were presented to the open day. KC explained that round 2 consultation was planned to start on 12 September 2022 and would contain dates built using the outputs of round 1. Round 1 feedback had improved confidence in planning assumptions and dependencies. KC noted that round 2 should not be considered as the default

final plan, and dates should only be used to set better context on the outputs of related RAID items. The Programme was working to build evidence to back-up the dates and particularly any timeline changes to the existing Ofgem Transition Timetable, as evidence would be required to demonstrate the necessity for any delays.

KC highlighted a proposal to shorten the round 2 consultation to three weeks (instead of four) to allow more time for alignment of stakeholders on any changes to the Transition Timetable and to allow the Programme more time to digest any consultation responses (given the Programme's experience so far was most responses come at the end of any consultation window) ahead of round 3. KC asked for decisions from PSG on these two areas: the plan to be shared in the round 2 consultation on this basis and for a shorter round 2 consultation window.

LN queried the date of the consultation closing. KC clarified this would be 30 September and that the Programme would aim to reduce and make questions more targeted, as well as provide guidance on what good evidence may look like to justify any timeline changes.

CP questioned if the plan and steps within it were predicated on a non-reverse migration approach and what assumptions Programme Participants should make regarding migration activity in their consultation responses. KC responded that recent communication via the Migration Working Group (MWG) and planning groups was that the Programme was seriously considering a migration approach accounting for reverse migration. This approach would allow for participants who wish to progress more quickly to do so. This conversation was ongoing with senior stakeholders (e.g. Ofgem). Without further work via the MWG and an agreement on approach, the Programme would not be able to evidence how reverse migration would help faster moving participants (particularly as this was not a universally accepted approach across Programme Participants). Hence the round 2 consultation would contain assumptions (these would be clearly shown) and would be used to get further feedback.

CP queried if the Programme would like respondents to feed back on the implications of changes to the assumption on migration. KC responded that the Programme would be clear in the round 2 consultation questions on the ask of participants, noting different perspectives were important for making informed decisions. Shortening round 2 would allow for further discussion on issues (such as this) after the consultation and hence reduce risk on the timeline for the full baseline plan to be delivered. KC added that a shorter round 2 consultation would also allow for some feedback from round 2 to come to next PSG in October for discussion.

CH added that there was an MWG on 08 September where there would be further discussion on what the revolving door design was. CP noted that Programme Participants needed to see this thinking as part of the re-plan. CH encouraged attendance at the MWG as the MWG would help inform Programme Participants on the assumptions behind round 2 of the plan. KC added that a revolving door would be a change to the Target Operation Model (TOM) and at this stage it would be an assumption upon which to base round 2 of the plan.

JH queried if the plan would be the full draft proposal in round 2, and how clear the documents and questions would be in showing the likely areas of change for round 3 (given round 3 was supposed to be a short ratification) - were there likely to be material changes between round 2 and round 3? KC agreed there was a risk of change following round 2, which was why extra discussion time before round 3 would be beneficial, and that the Programme needed to define the assumptions and dependencies as best as possible. KC added there was still a lot of work to do to develop a plan that PSG could confidently recommend to Ofgem. Round 1 was far from a full proposed plan and this needed to come through from round 2, with questions targeted at the areas of uncertainty and phrased to generate the evidence required.

LN queried a date on the migration approach, given the approach could fundamentally change the solution, timelines and cost. CH proposed covering this under the key issues items but noted four migration options (two with revolving door) that the MWG would work out with Programme and industry parties. The outcome would not be known until mid-October, at which point the Programme would need to explore the impacts on governance, design and timelines. LN queried if this was separate from re-plan and would be a separate Change Request. CH confirmed if the agreed option was a change to the TOM, it would require a Change Request and be separate from the re-plan Change Request.

RC added that the round 2 plan would not be a plan that had been agreed by Ofgem given the lack of evidence for timelines, and that the content needed to be challenged by Ofgem and Programme Participants. Round 2 would have dates but these should not be seen as a change to the existing baseline.

4. Key Programme Issues

MP162

JB noted the slide was drafted just after Ofgem's direction to DCC on MP162 capacity issue and prior to the letter going to the SEC panel to reconsider the MDR element. This meant information discussed at PSG would now be more up to date.

JB explained that Ofgem's direction to DCC for resolving the capacity issue had a deadline for response and the Programme was talking proactively to DCC and SECAS to ensure requirements for the settlement timetables were met in the solutions being considered. JB noted the Programme understood DCC solutions were currently being considered in advance of going out to impact assessment, and that SECAS were considering the approach to resolving the MDR element. The Programme would continue to stay close to any progress and was confident that the current approach was going to help in delivery of settlement. The Programme would also be making some assumptions in the Programme re-plan, with work continuing with DCC to refine some of this content.

JS queried the send back process, focussing on MDR being considered by SECAS, and asked if there was a more specific date and process. RC responded that the send back date was 31 October, and SECAS had indicated this was achievable but that they needed further work to understand what was required to deliver. JS highlighted that Ofgem had given DCC until 07 October to respond on options, and queried how this would be communicated to Programme Participants through MHHS and more broadly. RC responded that this needed to be a transparent and inclusive process with input from all relevant parties. While Ofgem had triggered this work, the actions needed to be delivered by DCC and the Programme.

RM added that the revised elements of MP162 had been sent to service providers on 06 September and that they were working daily to determine updates required. Responding to JS, RM noted DCC were working closely with SECAS via the normal channels to communicate to industry.

JS highlighted that the contentious point for some constituents was the discriminatory approach to managing service traffic and queried that, if the DCC proposed a similar message going forward, how this would be communicated and consulted on with industry. Ofgem had committed to transparency and DCC to communication, but what was the detailed approach. RC responded that the reason for separating traffic management from technical implementation was that this was not covered by the SEC, and that the requirement for scheduled reads was expected to stay in legal text. The activity in the 24hrs was the main area to be agreed. These were currently informal agreements to be changed at the discretion of DCC. This would not give a transparent forum for Programme Participants. RC noted Ofgem were asking the MHHS Programme to lead on this element and provide sight to all impacted parties so any impacted parties could see and input into a fair, acceptable, and appropriate response. RC added that Ofgem would stay involved but would not be leading.

RM highlighted that the DCC were more than happy to engage with participants as required. JB added that the Programme and DCC needed to work together on how best to communicate any options and action being taken with the service providers, to ensure this is transparent. The Programme and DCC intended to follow up further in the following days, and that this was an active discussion still to be defined. JS summarised the responsibility to communicate sat with the Programme.

Migration

CH summarised activity and next steps relating to migration. The Programme was looking to revisit the migration approach, given the TOM did not support the concept of a revolving door. The Programme and Ofgem (and now via the MWG) were looking at four options for migration that were a combination of phasing and revolving door. The pros and cons of the options were being analysed to present to industry via the MWG, and hence to Ofgem. The first step was to determine if the revolving door concept was feasible (i.e. can it be done technically and what does that do to timescale for impacted parties). The design team were exploring the revolving door design and had a potential technical solution. The key impacted parties were Helix and the networks (primarily St Clements) - the Programme was having initial discussions with these to determine if the technical solution was possible. The high-level design would be reviewed at MWG on 08 September and CH invited participants to provide any concerns via this forum (specifically if revolving door was feasible, as this would narrow down the options).

CH reinforced messaging from the recent open day on a need to deliver the Programme in the fastest timescales, and that the revolving door could be a key enabler to this. CH added that the Programme would like to be in a position by mid-October to know if the Programme could proceed with a revolving door, and in parallel the Programme was working through a plan to develop and deliver the transition design, and any implications on governance.

CW noted the debate on the technical elements of the options should take place via the MWG but invited questions.

GE highlighted that changes of this level would fundamentally impact the market and queried where the commercial and operational impacts on the market would be discussed. GE noted a very clear view on this impact would be

required, as the technical solution may have large implications such as on issues at cut-over for members in the market where some organisations may not be able to operate. CH agreed this was an important point to explore, following learnings from Nexus, and that this was not just about the technical solution but also about commercial and operational impacts for all of the migration options (not just revolving door). CH agreed this needed to be part of the MWG discussion. JB noted the MWG was building detail on the distinction between options and the complexity in running two transition arrangements running in parallel. There was complexity in running two arrangements and the Programme needed to make sure not to conflate the complexity of running transition arrangements with any incremental complexity of running migration processes.

ACTION PSG12-01: Programme to ensure commercial and operational impacts on the market are included in the assessment of migration options being considered in the Migration Working Group (MWG)

RC noted Ofgem would be looking in particular at the consumer impacts to ensure there was no consumer detriment and ensure consumer implications were considered. JB added this was an essential part of the migration options assessment criteria at the MWG.

JH queried if the MWG were looking at the overall delivery of MHHS e.g. revolving door may allow some Programme Participants to go early but delay later elements of the plan – could early movers become counterproductive? CH responded that the MWG was considering this and this was a combination of both the outputs of MWG and from the re-plan. CH noted there was a range of Design, Build and Test (DBT) timescales for Programme Participants, and a change to the migration approach may change this.

5. Consequential change process

JB explained the Programme had been making good progress in the Consequential Change Impact Assessment Group (CCIAG) and that the Programme wanted to show PSG the formalisation of the process behind consequential change. The key was that the Programme were allowing a transparent discussion with industry and following a structured process to categorise and resolve items raised.

JB provided an overview of the process for raising consequential change items as per the slides. JB noted the process was working well through the CCIAG, with outputs so far including issues that had been brought into the scope of the TOM (e.g. EACs) as well as some items that did not sit within the scope of the Programme but were beneficial to discuss under the CCIAG banner (e.g. changes to supply numbers).

JB provided an overview of the consequential change log, noting this was being populated and would be socialised through the CCIAG.

CP highlighted the definition of consequential change in the slides and queried if it included party billing and settlement processes, and therefore if this was automatically included in the Programme (the Faster Switching Programme (FSP) had had a stricter definition). JB responded that the approach to categorising items and allocating actions was important to review alongside the definition, as this would inform how the items noted by CP would be considered by the Programme. The purpose of the CCIAG was for anyone to raise these types of items to the CCIAG for discussion, and the categorisation and assessment via the CCIAG would be where this would be defined. JB added Ofgem had highlighted a lesson learned from FSP was to ensure the Programme did not expand its scope.

AC approved of the recent improvements to consequential change processes, noting this was simple and significant progress and was very rapid. AC thanked the Programme.

JH agreed there had been some good progress, but that there were a couple more areas to be ironed out. This included tightening the definition of consequential change, with two types of consequential change that required slightly different ways to address them. The open CCIAG forum was noted as important. JH requested clarification on if action that was allocated outside of the Programme would still be progressed and discussed via CCIAG (even if this was not a Programme resource/responsibility). JB agreed the CCIAG needed to be structured to ensure that the appropriate people led discussion in their areas and owned relevant actions.

6. Control Point 1

KC provided overview of control points, noting it was best practice to have a point between programme phases to take a step back and ensure the programme was ready to move to the next phase. The Programme wanted this to be a higher-level review and more than a check point. KC provided an overview of the control point assessment as per the slides. KC noted an intention to have a control point review meeting ahead of communication to the PSG.

KC noted Control Point 1 would be different to later control points as it would be likely that not all baselines would be in place. KC noted an argument for a decision at December PSG given some elements of the Programme may not be ready for November PSG and the November PSG may already have a large agenda (e.g. RA2, M5/M3). KC added that some elements of control point governance were still being worked through.

RC added that 'Amber' and 'Red' decisions would need to be a sponsor decision if they affected Level 1 milestones, and that output decisions would need to follow existing governance.

KC invited views on a December date for Control Point 1. PA responded that they had no issues with the timeline and queried what would constitute a 'Red' or 'Amber' decision, such as if there were specific criteria. KC responded that there were a large number of items being assessed through the review and so it would be difficult to set specific thresholds. The Programme would therefore make a decision on the totality of information. JR queried if a December control point would capture the rebaselined plan and, if so, it would make sense to move the control point. KC confirmed it would. GW supported a December control point decision.

DECISION PSG-DEC21: The PSG agreed to move Control Point 1 to December PSG

7. CR009 decision

CW provided an update on CR009, noting previous decision and action from the PSG to recommend approval of CR009 to Ofgem. CW highlighted that Ofgem had now approved CR009 and that the updated interim plan had now been published (as agreed at PSG).

8. Management response to IPA Baseline Health Check

CW explained that the IPA had presented their first baselined health check at the PSG in August. The Programme had since been through in detail with the IPA and responded to their recommendations. The detailed response was in the appendix of the meeting papers. All recommendations had been accepted except for one on a pre-readiness assessment readiness assessment. This was because the programme did not feel this was best use of Programme or participant resource. All other recommendations were accepted or in progress. KC added that a pre-check on readiness was that the Programme wanted to get an update from representatives at next PSG on their constituent's progress toward M3 as a proxy for the IPA's recommendation for a formal review. The Programme felt this was a better way to deliver this recommendation. KC asked representatives to source feedback from their constituents and provide an update on their behalf at the next PSG.

DG noted that there were a number of actions in progress by the Programme and that the IPA would be revisiting these actions over time to ensure they were delivered by the Programme.

Regarding the ask of PSG representatives, GW noted some views of suppliers may be sensitive and so these may need to be fed back outside of PSG. KC suggested providing an anonymised, general view.

Several PSG members asked for clarity on the 'exam question', as this would ensure all representatives were asking the same question. These members also noted that it may be difficult for them to source information from all of their constituents, given the level of engagement from some constituents. One representative highlighted the challenges they had in finding time to deliver the constituency representative role. KC responded that the ask was for a view of Participants readiness for M3 as per the criteria in CR009, noting that it would be useful to get the constituency representative's view given their proximity to constituents (better in some cases than Programme bi-laterals). Constituency representatives were asked to draw out any themes to discuss at the next PSG. KC added the Programme was also working through PPC channels to develop a consistent view.

JR queried how this related to RA2. KC noted this was an IPA ask to be delivered ahead of RA2, with RA2 outputs to be delivered in November PSG.

ACTION PSG12-02: PSG Constituency Representatives to engage with constituents to determine if they are going to be ready for M3 as per the criteria in CR009 (see key discussion items in the PSG headline report for full detail on the ask to constituents). Provide a summary at October PSG

9. Design progress

WF provided an update on the design as per the slides. WF noted three comment logs had been received so far and that the response to the design had been positive. WF highlighted that informally some parties had confirmed the design was sufficient to now begin their Design, Build and Test (DBT). WF encouraged PSG representatives to engage with constituents and ask them to provide comments in advance of the deadline. WF noted that ~1600 total attendees

had joined the design playback sessions (total number of attendants, not unique individuals). WF explained that a code drafting prototyping exercise was planned to be completed next week. Regular communications on the design would continue to go out via the Clock and the design newsletter. WF added information was soon to be shared on the next steps for the design from mid-September to mid-October (the activity following the design comments process).

LN requested that the transition design was included in PSG reporting. WF agreed and noted further comms would be coming on this element of the design.

ACTION PSG12-03: Programme to include the transition design in design reporting to PSG

10. Delivery dashboards

CW opened the item noting the dashboards as read. CW highlighted a new industry change dashboard. One item of feedback had been received on this that the Programme would address for next PSG.

ACTION PSG12-04: Programme to provide an indication of the magnitude of items reported in the industry change dashboard (e.g. scale and risk)

11. Summary and Next Steps

CW moved to close the meeting. MC summarised actions as per the table above.

JR queried if KC had received an answer on shortening the deadline for the round 2 re-plan consultation. KC noted no objections and some positive comments, and they took this as an agreement. KC invited comments. None received.

DECISION PSG-DEC20: The PSG agreed that the round 2 re-plan consultation window would be shortened by one week and that the content of the consultation would include guidance on evidence requirements, draft dates, and targeted questions directing required evidence from respondents

CW noted as per the IPA proposal for in-person meetings, the October PSG meeting would be in person. CW queried if any members could not attend. JH responded that they could not attend and that Sarah Jones would join as their alternate. CW noted dial in details would also be provided. CP responded that they would not be able to join in person.

CW ran through the planned agenda items for next month. CW highlighted an item of AOB that had come via the Programme Party Coordinator (PPC) for a two-way flow of information via constituency reps from all Level 2-3 governance meetings, as this was important for ensuring views were represented and shared. GE queried if the representative had had this fed back to them directly, as this was important for representatives to hear. CW responded that it had been fed back to the constituent to raise to their representative themselves. JR echoed that it would be useful for the PSG representative to be advised on any complaints such as this. AC agreed and added that contact lists needed to be up to date.

CW closed the meeting.

Date of next PSG: 05 October 2022