



# Ofgem confirms a six and a half month delay to MHHS

Headline assessment	
Document:	<a href="#">Ofgem</a>
Date published:	29 November 2024
Impact classification:	High: Domestic Suppliers, Non-Domestic Suppliers, Distribution Network Operators, Metering Agents
Action if desired:	Note the delay and Ofgem's considerations for the regulatory package.

**3 December 2024**

Alex Jephson

# Author



---

**Alex Jephson**

*Analyst*

[a.jephson@cornwall-insight.com](mailto:a.jephson@cornwall-insight.com)

---

For more information about us and our services contact us on [enquiries@cornwall-insight.com](mailto:enquiries@cornwall-insight.com) or contact us on 01603 604400.

## Disclaimer

While Cornwall Insight considers the information and opinions given in this report and all other documentation are sound, all parties must rely upon their own skill and judgement when making use of it. Cornwall Insight will not assume any liability to anyone for any loss or damage arising out of the provision of this report howsoever caused.

The report makes use of information gathered from a variety of sources in the public domain and from confidential research that has not been subject to independent verification. No representation or warranty is given by Cornwall Insight as to the accuracy or completeness of the information contained in this report.

Cornwall Insight makes no warranties, whether express, implied, or statutory regarding or relating to the contents of this report and specifically disclaims all implied warranties, including, but not limited to, the implied warranties of merchantable quality and fitness for a particular purpose. Numbers may not add up due to rounding.

# 1 Assessment and Recommendation

On 29 November, Ofgem published its [decision to approve Market-wide Half Hourly Settlement \(MHHS\) Programme change request CR055](#), which delays MHHS by 6.5 months.

To expedite progression and reduce risk of further delays, Ofgem will be taking forward a package of regulatory measures in early 2025. These will potentially include licence changes for suppliers to meet programme milestones relating to qualification and migration, and for Distribution System Operators (DSOs) to incorporate performance targets for processing migrated MPANs.

*Cornwall Insight comment: Given the delays faced in System Integration Testing (SIT), this overall delay to MHHS was inevitable. Ofgem is accepting, albeit reluctantly, of the need for the delay, but remains determined that there will not be further delays to the programme. This is not the first delay to the programme, [an extension of more than a year was approved by Ofgem](#) in 2023. The potential introduction of licence conditions around migration could help keep the timeline on track but is likely to place further strain on suppliers and DSOs to meet those targets.*

## 2 Background

In August 2021, Ofgem confirmed that the MHHS Programme should review the MHHS transition timeline once the detailed design architecture had been finalised. Following that review, the programme raised [CR022](#), to revise and baseline the implementation timeline, which was [approved in June 2023](#). Under the revised plan, central parties would be ready to accept migrating MPANs in March 2025 (the M10 milestone), with migration for early MHHS adopters beginning in April 2025 (M11). This was dependent on SIT progressing at a specific pace.

SIT faced a number of delays due to the inherent complexity, high defect levels and insufficient resources and has taken longer than expected, despite attempts to increase testing execution rates. As a result, the MHHS programme raised CR055, initially proposing to delay M10 by five months. Following feedback from industry and the Independent Programme Assurance provider (IPA), this was extended to 6.5 months, to build in contingency and to better balance the risk. This was discussed at the MHHS Programme Steering Group in October 2024 and presented to Ofgem, the programme's sponsor, for decision. Ofgem approval is required for any proposal to move the milestones by 3 months or more.

## 3 Revised Timeline

The 6.5-month delay to M10 and the start of migration does not translate precisely into a 6.5-month delay for milestones M14-M16. The 7-month delay to M15 accounts for a two-week shutdown over the 2026 Christmas period, and the delay for M16 is to retain the two month gap between M15 and M16.

The new deadlines confirmed by Ofgem are set out below:

**Table 1: Revised timeline for key MHHS milestones**

Milestone	Original deadline	New deadline	Length of delay
M10	7 March 2025	24 September 2025	6.5 months
M11 - Migration start	Early April 2025	Late October 2025	6.5 months
M14 - Qualification	March 2026	October 2026	7.5 months

M15 – Migration ends	October 2026	May 2027	7 months
M16 – New settlement timetable	December 2026	July 2027	7 months

## 4 IPA Recommendations

The IPA carried out an assessment of CR055 in September 2024. Alongside its recommendation of approval, it set out a series of recommendations intended to reduce the risk of further delays to testing.

The overall recommendations for the MHHS Programme include:

1. Impact assess and address the key risks and assumptions raised in the IPA's report and in participant initial assessments.
2. Assess the impacts of risks and issues that have emerged since CR055 was published and incorporate them into the further iteration of the plan.
3. Formalise an “M10 go-live range” of two months following the planned M10 date with an early decision point of its use to assess whether delivery is on track.

Additional recommendations set out in the report include:

- The MHHS Programme is to define the test execution models for SIT Functional (Settlement), SIT Non-Functional, SIT Operational, SIT Regression and Non-SIT Licensed DSO (LDSO) testing phases and finalise and communicate the detailed scope where this remains outstanding.
- Code bodies are to review the feasibility of allowing participants to move earlier Qualification waves and then to communicate this to MHHS participants.
- Code bodies and the Programme are to work alongside each other to finalise the SIT Gap Analysis to ensure that the QT scope can be finalised and communicated to participants.
- The Programme is to develop a dashboard that provides a snapshot view of tests completed against the plan and other key performance indicators.
- The Programme is also to formalise course corrective actions at the end of each sprint to be implemented before subsequent sprints.
- Before the commencement of each test phase, the Programme is to finalise the reporting approach to enable tracking of progress against test execution models.

Ofgem endorses these recommendations, with the exception being it does not accept the continuance of a target range for M10. Ofgem required Elexon to implement all the other recommendations by 29 November.

## 5 Ofgem’s Decision

Ofgem stated it is “extremely disappointed” that the delay is necessary but has decided that it is unavoidable. It considers that carrying out remedial activity once MHHS has gone live is likely to be more time-consuming and costly to fix than it would be in SIT, thereby increasing costs borne by consumers.

Ofgem acknowledged that testing the end-to-end MHHS design is complex, especially under an approach that typically involves multi-party cohorts. However, it is “greatly concerned” at evidence of a lack of programme leadership within testing cohorts and with participants allocating insufficient resources to undertake parallel testing activities.

It therefore intends to introduce a regulatory package to address these shortcomings and expedite the delivery process without further delays. It is minded to issue directions to MHHS participants to comply in a

timely manner with any reasonable requests made by the MHHS Programme. For Elexon as a programme participant, it is minded-to issue a direction to develop, consult on and implement an operational testing plan for Helix and prepare related governance code modifications as necessary.

It is also minded-to modify supplier licences to introduce requirements to meet programme milestones relating to qualification and migration, and to modify LDSO licences to incorporate performance targets for processing migrated MPANs. Finally, it is considering modifying the MHHS Governance Framework to make Ofgem the decision-maker for any changes to Tier 1 Programme milestones.

## 6 Next Steps

This decision confirms that MHHS will be delayed by 6.5 months, with migration now commencing in late October 2025. Ofgem will develop its thinking over the coming weeks, with a view to taking forward its proposed regulatory package in 2025.



CORNWALL INSIGHT

CREATING CLARITY

Cornwall Insight  
The Atrium  
Merchant's Court, St George's Street  
Norwich, NR3 1AB

T: 01603 604400

E: [enquiries@cornwall-insight.com](mailto:enquiries@cornwall-insight.com)

[cornwall-insight.com](http://cornwall-insight.com)

