








DCUSA Change Report		At what stage is this document in the process?
<h2>DCP 456:</h2> <h3>MHHS Incremental Changes for Go Live</h3> <p><b>Date Raised:</b> 4 June 2025</p> <p><b>Proposer Name:</b> Andrew MacFaul</p> <p><b>Company Name:</b> Ofgem</p> <p><b>Party Category:</b> N/A</p>	<p><b>Purpose of Change Proposal:</b></p> <p>MHHS Programme changes affecting DCUSA that have been identified post M6 (catered for by DCP445) and required by M8 (code implementation date).</p>	01 – Change Proposal
		02 – Consultation
		03 – Change Report
		04 – Change Declaration
	<p><b>Governance:</b></p> <p>This document is issued in accordance with Clause 11.20 of the DCUSA, and details DCP 456 ‘MHHS Incremental Changes for Go Live’. Parties are invited to consider the proposed amendment (Attachment 1) and submit their votes <b>by 08 August 2025</b> using either:</p> <ul style="list-style-type: none"> <li>the manual voting form (Attachment 2) and sending to <a href="mailto:dcusa@electralink.co.uk">dcusa@electralink.co.uk</a>; or</li> <li>via the online voting form which will be available on the following page of the DCUSA website: <ul style="list-style-type: none"> <li><a href="#">DCP 456 ‘MHHS Incremental Changes for Go Live’</a></li> </ul> </li> </ul> <p>The voting process for the proposed variation and the timetable of the progression of the Change Proposal (CP) through the DCUSA Change Control Process is set out in this document.</p> <p>If you have any questions about this paper or the DCUSA Change Process, please contact us by email: <a href="mailto:dcusa@electralink.co.uk">dcusa@electralink.co.uk</a> or telephone: 02074323011.</p>	
	 <p><b>Impacted Parties:</b> Suppliers / DNOs / IDNOs</p>	
	 <p><b>Impacted Clauses:</b> Schedule 16; Schedule 32; and DCUSA owned Market Messages/data items in the Energy Market Data Specification within the Retail Energy Code.</p>	

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Timeline		 DCUSA@electralink.co.uk
The timetable for DCP 456 is as follows:		 020 7432 3011
Initial Assessment Report	18 June 2025	Proposer:
Change Report Approved by Panel	16 July 2025	Jenny Boothe
Change Report issued for Voting	17 July 2025	 jenny.boothe@ofgem.gov.uk
Party Voting Closes	08 August 2025	
Change Declaration Issued to Parties	12 August 2025	
Change Declaration Issued to Authority	12 August 2025	
Authority Decision	5 September 2025	

## 1 Summary

### What?

- 1.1 [DCP445 - Implementation of Market-wide Half Hourly Settlement \(MHHS\) Arrangements](#) was approved by the Authority with an implementation date set at the Programme M8 milestone (currently September 2025). The code changes made reflected the Programme position at the M6 milestone (August 2024). Incremental design changes have been made by the Programme since M6 together with errors and omissions identified post approval of DCP445 and DCUSA approved changes between M6 and M8 that have a consequential impact now need to be considered.

### Why?

- 1.2 It is critical to the implementation of MHHS that these changes and approved by the MHHS Programme are reflected in the DCUSA MHHS Code Drafting.

### How?

- 1.3 The changes identified are contained within the MHHS Programme's 'M8 Change Control Log' on the Pre-M8 Change page of the MHHS Collaboration Base. This is the central repository for all change being considered for inclusion in industry Change Proposals and Modifications for implementation at M8.
- 1.4 Progression and alignment between the Code Bodies has been coordinated through the MHHS Programme Code Workstream which included a review by the Code Development Working Group (CDWG) reporting to the Cross-Code Advisory Group (CCAG). The CCAG endorsed the proposed legal text at its meeting on 28 May 2025. The Chair of the CCAG then wrote to Ofgem, on behalf of the MHHS Senior Responsible Owner, to request that Ofgem use its Significant Code Review powers to raise an Authority-led Change Proposal to the DCUSA.

## 2 Governance

### Justification for Part 1 and Part 2 Matter

- 2.1 This is an Authority-led Change Proposal and as such is a Part 1 Matter.

### Requested Next Steps

- 2.2 This is an Authority-Led Change Proposal. It will not follow the standard DCUSA change process. Instead, it will follow the timetable set by the Authority and the Authority-Led Change Proposal procedure as detailed in Clause 11.9A of the DCUSA – see page 2 above.
- 2.3 The Panel considered that the Proposer has carried out the level of analysis required to enable Parties to understand the impact of the proposed amendment and to vote on DCP 456.
- 2.4 The DCUSA Panel recommends that this CP:
  - be issued to Parties for voting.

### 3 Why Change?

- 3.1 The Electricity Settlement Reform SCR has considered the benefits that a successful introduction of MHHS would bring to the energy market. Ofgem published [our decision and a Full Business Case](#) for proceeding with MHHS in April 2021.
- 3.2 We estimate that MHHS will bring net benefits for consumers of £1.6bn-£4.5bn over the period 2021-2045. We believe that MHHS will play a strategic role in supporting the transition to a net zero carbon electricity system. It will also deliver benefits that we expect to see but cannot quantify, notably increased competition amongst retailers and innovation in new products and services.
- 3.3 Industry change proposals/Modifications including DCP445 was approved by the Authority to cater for changes made by the MHHS Programme up to M6 (August 2024). With the implementation of this change being at M8 (currently Sept 2025) additional amendments have been identified by the MHHS Programme from a number of sources including system testing resulting in the need for further change proposals/Modification by the industry to accommodate them. This was expected by the MHHS Programme due to the implementation date being over twelve months since the M6 changes.

### 4 Solution and Legal Text

#### Solution Overview

- 4.1 The changes identified within the MHHS Programme's 'M8 Change Control Log' on the Pre-M8 Change page of the MHHS Collaboration Base that affect DCUSA cover the following:
  - DCUSA Market message ownership omitted from DCP445;
  - DIN releases made to design documents made post M6 and required by M8 that affect the DCP445 legal text;
  - DCP445 comment in the change declaration issued to the Authority;
  - Review of DCUSA owned amendments to the Energy Market Data Specification (EMDS) raised by the REC;
  - Impact of DCP433 - Limitation for backdating of rebates/charges under Schedule 32 change proposal on DCP445; and
  - Review of DCUSA owned data items in the EMDS.

#### **DCUSA Market message ownership omitted from DCP445 and DIN Releases**

- 4.2 The MHHS Programme amended and created data messages/data items and are contained with the EMDS governed by the Retail Energy Code. These data messages are owned by the industry codes and needs their approval for the creation of or amendment to those data message/items.
- 4.3 Clause 10.28 of DCUSA states that “the Secretariat shall ensure that the meta data for all relevant Market Messages and Data Items utilised under this Agreement are defined within the Energy Market Data Specification”. The approval of the data messages and data items owned by the DCUSA was omitted from DCP445.
- 4.4 In addition, the DIN releases also contained data message/data items owned by DCUSA that required further amendment and approval resulting in an update to the EMDS.

#### **DCP445 comment in the change declaration issued to the Authority**

- 4.5 Within the change declaration associated with DCP445 there was a comment raised relating to an error in a data message. The comment stated that:

*“In re Schedule 16, paragraph 128 there is a reference to “REP-002” which should be to “REP-002B” to align with the definition of “Supercustomer DUoS Report”.*

This was omitted when the message was split into REP-002, REP-002A and REP-002B. In the definition of “Supercustomer DUoS Report” it refers to REP-002B.

- 4.6 There was no time to address this for DCP445, so it is included here.

#### **Review of DCUSA owned amendments to the EMDS raise by the REC**

- 4.7 Errors have been identified within the EMDS that was contained within the Authority approved REC change proposal R0209 – Implementation of MHHS Arrangements. Some of these errors affect market messages owned by DCUSA.

#### **Impact of DCP433 change proposal on DCP445.**

- 4.8 DCP433 has been approved and was implemented in the November 2024 release. The legal text contained within Schedule 32 impacts DCP445. This was consulted on during the review of the MHHS consistency check in case it was approved pre M6 however this was not the case.

#### **Review of DCUSA owned data items in the EDMS**

- 4.9 Industry participants identified a difference between the design documentation and the EMDS relating to the notes in the design documentation not being represented within the EMDS structure for each data item. In some instances, these refer to a defined list of values to be used. Without capturing such values may be lost and could affect new entrants to the market. A review of all the DCUSA data items has been undertaken.

## Legal Text

4.10 The legal text amendments were drafted and discussed by the DCUSA Stakeholder Group formed to review legal text changes to DCUSA due to the MHHS Programme. As noted above, these have also been reviewed by the MHHS Programme under the governance of the CDWG and CCAG. Ofgem has also reviewed the legal text.

## Text Commentary

4.11 The DCUSA legal text is contained within Attachment 1.

4.12 The DCUSA changes are minor:

- Amend Schedule 16 Paragraph 128 to refer to the correct variant of the REP-002 data message; and
- Amend Schedule 32 Paragraph 6.10. DCP445 had an amendment to this paragraph but DCP433 (implemented post DCP445) re-phrased the sentence and relocated LLFC Id within it making the amendment by DCP445 having to be re-located within the Paragraph.
- DCP433 introduced a new paragraph which contains reference to LLFC. The alternative MHHS term has been added.

4.13 Following a review by DCUSA Ltd.'s legal advisors, several small additional points were raised, and these were as follow

- An existing error is being corrected which relates to the use of the defined term 'Settlement Class' which in Paragraph 128 of Schedule 16 was written as 'Settlements Classes' and so it was suggested and agreed that it is sensible to make this update now by removing the 's' from the end of 'Settlements';
- An error that would otherwise be introduced by DCP 445 within the final part of Paragraph 128 of Schedule 16 was identified as being the plural of the acronym MPAN which read 'MPANS' and where it was agreed that the 'S' should be a small 's' at the end of 'MPANS'; and
- Inconsistencies in the baseline text used for Paragraph 6.10 of Schedule 32 were identified and corrected in the final version of the legal text attached to this Change Report and it should be noted that that these are not shown as tracked changes.

4.14 The approval of this change proposal will also approve the changes owned by DCUSA contained with the amendment to the EMDS. All amendments to the EMDS for each code are in the [Web Data Specification - 1.4](#).

## 5 Code Specific Matters

### Reference Documents

5.1 The Ofgem decision and business case on the Electricity Retail Market-wide Half-Hourly settlement is provided via a link within this document.

## 6 Relevant Objectives

### Assessment Against the DCUSA Objectives

- 6.1 For a DCUSA Change Proposal to be approved it must be demonstrated that it better facilitates the DCUSA Objectives. There are five General Objectives and six Charging Objectives. The full list of objectives is documented in the DCUSA.
- 6.2 The Proposer considers that the following DCUSA General Objectives are better facilitated by this CP.

	DCUSA General Objectives	Identified impact
<input checked="" type="checkbox"/>	1. The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks	Positive
<input checked="" type="checkbox"/>	2. The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of electricity	Positive
<input type="checkbox"/>	3. The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences	Neutral
<input checked="" type="checkbox"/>	4. The promotion of efficiency in the implementation and administration of the DCUSA	Positive
<input type="checkbox"/>	5. Compliance with the EU Internal Market Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

- 6.3 This change proposal forms part of the suite of change proposals/Modifications associated with the MHHS Programme. The same rationale made in DCP445 is therefore still relevant and is provided below.
- 6.4 This Change Proposal will better facilitate DCUSA General Objective (1). The successful implementation of MHHS will ensure that charges to suppliers for wholesale electricity more accurately match actual consumption, rather than relying on estimates of consumer usage. This will incentivise suppliers to offer new tariffs and products that encourage a more flexible use of energy and help consumers to lower their bills, for example through time of use tariffs, automation, vehicle to grid solutions and battery storage. It will help to reduce costs to current and future consumers, through reducing the need for infrastructure investment and facilitating more efficient use of generation and network assets. This change proposal provides the framework within DCUSA, alongside the changes to other affected industry codes for MHHS to be successfully implemented.



- 6.5 This Change Proposal would, if implemented, better facilitate DCUSA General Objective (2). This is because the CP contributes to the successful implementation of MHHS, which in turn will ensure that electricity suppliers and other retailers face the true costs of serving all of their customers, incentivising the development and offering of new tariffs and services encouraging customer behaviour which contributes to a more cost-effective electricity system. This, alongside reduced barriers to entry from faster and more efficient settlement processes, will increase competition and facilitate new and disruptive business models in the energy market. This change proposal provides the framework within DCUSA, alongside the changes to other affected industry codes for MHHS to be successfully implemented.
- 6.6 This Change Proposal would, if implemented, better facilitate DCUSA General Objective (4) by ensuring that the DCUSA aligns with the changes made to other codes associated with the MHHS Programme. Failure to ensure this would create risks for the successful delivery of Ofgem's MHHS Programme as well as adverse impacts for DCUSA Parties, who would be unable to use the DCUSA processes needed to support the new MHHS arrangements. This in turn would create adverse effects for consumers.

## 7 Impacts & Other Considerations

- 7.1 The Electricity Settlement Reform SCR has considered the benefits that a successful introduction of MHHS would bring to the energy market. We published our decision and a Full Business Case for proceeding with MHHS in April 2021.
- 7.2 The successful introduction of MHHS is a key component of our work to facilitate a cost-effective transition to a net zero carbon decarbonisation and a smarter, more flexible energy sector. It will capitalise on smart metering infrastructure and previous work on half-hourly settlement (HHS) to encourage innovative products and services that would enable consumers to benefit from the energy system transition.
- 7.3 Ofgem's Final IA estimated quantified net benefits to GB energy consumers of £1.6bn to £4.5bn over the period 2021-45. The Final IA also noted that implementing MHHS (including third party access to HH consumption data) will also deliver benefits that we expect to see but cannot quantify, notably increased competition amongst retailers and innovation in new products and services.
- 7.4 As part of the Final IA, Ofgem sought to estimate the costs of implementing and operating under the new MHHS arrangements. Our central cost estimate was £541.3m over the period 2021-2045. To facilitate an assessment of the impact of the MHHS-related code modifications expected to be baselined at the M6 milestone, Ofgem asked MHHS Programme to seek information on a voluntary basis from Programme Participants about the costs of implementing and operating under the new MHHS arrangements. On 24 May 2024, MHHS Programme issued a Programme Participant Information Request (PPIR). The deadline for responses was 5 July 2024. There were 16 responses, mainly from suppliers and network businesses. We reviewed the responses and also took into consideration Elexon's included and planned Programme Management costs, all of which are recovered from suppliers.



7.5 The responses effectively represented a small ‘sample’ of the industry. Extrapolating from those responses to estimate costs for the whole market was and is very difficult and risks not being statistically valid. However, based on the limited data we received then, it appeared that the costs to the network businesses of implementing and operating under MHHS were significantly greater than previously estimated. Network costs, though, are only a small proportion of the total costs of implementing MHHS. In addition, costs to suppliers - which represent a much larger proportion of total implementation costs - did not seem to have changed significantly. After taking actual and potential increases into account, total implementation costs still appeared to remain an order of magnitude lower than the quantified benefits that we estimated would result from introducing MHHS (to which the benefits we could not quantify would be added). Ofgem therefore remained – and in 2025 remains - of the view that MHHS can be expected to deliver significant net benefits to energy consumers in Britain.

## Impacts on any Significant Code Review (SCR) or other Significant industry change projects

7.6 This Authority-led Change Proposal is raised pursuant to Ofgem’s Electricity Settlement Reform SCR.

### Impact other Codes?

BSC...	<input checked="" type="checkbox"/>	REC.....	<input checked="" type="checkbox"/>	Grid Code...	<input type="checkbox"/>	None.....	<input type="checkbox"/>
SEC...	<input type="checkbox"/>	CUSC...	<input type="checkbox"/>	Distribution Code..	<input type="checkbox"/>		

7.7 In parallel to this change proposal, we are separately using our SCR powers to progress modifications to the BSC and the REC.

7.8 Progression of this Change Proposal does not restrict Ofgem’s ability to deliver further changes via additional Change Proposals under the same SCR.

## Consumer Impacts

7.9 This change proposal is being progressed as part of Ofgem’s Electricity Settlement Reform SCR. The proposal has been developed in consultation with industry and was consulted on in April 2021. The April 2021 consultation was supported by the MHHS decision and Full Business Case, which laid out the strategic, economic, commercial, financial and management cases for this change; a Data Protection Impact Assessment; a Transition Timetable; and a Final Impact Assessment, which provides additional detail on economic and consumer impacts.

## Environmental Impacts

7.10 In accordance with DCUSA Clause 10.4.5A, the Proposer assessed whether there would be a material impact on greenhouse gas emissions if this CP were implemented. This CP contributes to the implementation of MHHS. Ofgem considers that implementing MHHS will lead to substantial carbon emission savings. For the detail of our assessment, see pages 82-86 of our Final Impact Assessment<sup>1</sup>

## 8 Implementation

### Proposed Implementation Date

8.1 The Implementation Date for this Change Proposal will be the date determined by the Authority in line with **the MHHS Programme milestone, M8 'Code changes delivered'**.

## 9 Recommendations

### Panel's Recommendation

- 9.1 The Panel approved this Change Report on 16 July 2025. The Panel considered that the Proposer has carried out the level of analysis required to enable Parties to understand the impact of the proposed amendment and to vote on DCP 456.
- 9.2 The Panel have recommended this report be issued for voting and DCUSA Parties should consider whether they wish to submit views regarding this Change Proposal. The voting form acts as Attachment 2 to this Change Report or can be completed via the online voting form which will be available on the following page of the DCUSA website:

- [DCP 456 'MHHS Incremental Changes for Go Live'](#)

## 10 Attachments

- Attachment 1 – DCP 456 Legal Text
- Attachment 2 – DCP 456 Voting Form

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<sup>1</sup> [Electricity Retail Market-wide Half-hourly Settlement: Decision and Full Business Case | Ofgem.](#)