

## **Elxon's Comments on Consultation Responses**

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### **Issue 101: Consultation on the framework for the enduring governance, funding and operation of the Data Integration Platform**

This Interim Issue Consultation was issued on 14 June 2023 to seek industry feedback on the proposed framework and Business Requirements for the Data Integration Platform (DIP), with responses invited by 12 July 2023. Elxon has reviewed the responses, and discussed the responses with several respondents and the Issue 101 Workgroup. This document presents Elxon's comments. Some responses have been edited for clarity, particularly where subsequent discussions have occurred. Responses with no rationale provided, and those highlighting simple errors such as typos, are not displayed here. The full consultation responses can be viewed in the consultation response document.

The DIP Rules are in the process of being drafted and shared with the Issue 101 Workgroup, as per the Issue 101 plan, prior to another industry consultation on the full draft DIP Rules in 2024.

## Question 1: Do you agree with the proposed framework for governance, operations management, and service management?

Consultation Response	Elxon comments
<p>It misleadingly seems as if the DIP Change Advisory Board (DCAB) only has a role in DIP change management, and not any other aspects of the DIP. Calling it the DIP Change <b>AND</b> Advisory Board may mitigate this.</p>	<p>DIP Change is the only area that the DCAB will have any decision making power, under the current proposal, but it is correct that DCAB will be expected to offer advice on a wider range of topics. Elxon will ensure that this is clear within the legal text and subsidiary documents.</p>
<p>An assumption should be included under the high level governance section to reflect the approach to managing access for non BSC Parties e.g. that Non Party DIP Users will be required to comply with any requirements through the signing of a legally binding access agreement.</p>	<p>This has already been added to the DIP Rules in DSD002, and the business requirements have been updated to include this also.</p>
<p>Under assumption A-G10 there is a reference to the transfer of responsibility from the MHHS Programme to the DIP Manager. If this transfer in responsibility does not align with the introduction of the MHHS arrangements (M11/M12), then there should be the assumption that the MHHS Programme will operate in accordance with the enduring governance arrangements e.g. the current Programme governance will no longer be in effect.</p>	<p>The DIP Manager will assume responsibility at M10. We will code this in due course as we work through the transition plan. We have also added an assumption in the BRs specifying that if the handover of responsibility from MHHS to DIP Manager does not coincide with MHHS implementation, then the arrangements implemented by the BRs shall take precedence in relation to the Governance of the DIP.</p>
<p>Assumption A-Q3 requires an obligation to be included in the REC requiring parties to comply with DIP User requirements. RECCo intend to meet this requirement by placing an obligation on Qualified Suppliers, DNOs and MEMs to be DIP Users. Any requirement on DIP Users to comply with DIP User requirements should then be captured in the DIP Subsidiary Documents.</p>	<p>The requirement for DIP Users to comply with DIP User requirements is captured in the DIP Subsidiary Documents within DSD002.</p>
<p>Assumption A-M8 refers to the EMAR. From a code drafting perspective this should reference the Energy Market Data Specification which we believe is already a BSC defined term. Same comment applies to the business requirements.</p>	<p>Elxon will confirm this and ensure the correct reference is used within the business requirements and the DIP Rules.</p>
<p>There may need to be enduring requirements for DIP Users to support testing or stand up test environments. There should also be a requirement for the DIP Provider to make a DIP Simulator available on an enduring basis.</p>	<p>Environments can be built in a day by DIP Service Provider. We will include in the DIP Rules that DIP environments will be made available under DIP Manager's control.</p>
<p>There should be an additional operational management assumption that the E2E Non Functional Requirements baselined through the MHHS design will be incorporated within the DIP documentation as DIP User Requirements e.g. the SLAs for responding to DIP messages and requirements associated with scheduling maintenance.</p>	<p>Agreed, an assumption that the E2E Non Functional Requirements will be included within the DIP Rules as DIP User requirements, and the relevant Service Level Agreements (SLAs) will be included in assurance DSD.</p>
<p>There are no specific DIP User requirements to support incident resolution, particularly in Business Continuity Disaster Recovery (BCDR) scenarios and believe this is an area that requires further consideration.</p>	<p>This has been noted and further consideration of incident resolution requirements will occur during drafting of the DIP Rules.</p>
<p>We would expect SLAs in relation to the DIP Service Provider to be clearly set out within the DIP Subsidiary documents.</p>	<p>Elxon will clarify what can be published in the DSD when it is drafted, but the DIP Service Provider SLAs will be published.</p>

Consultation Response	Elexon comments
<p>The Transmission Licence should not be changed to reflect Elexon’s role in delivering the DIP enduring solution, as the Ofgem conclusion was that BSCCo should govern the MHHS DIP through the BSC, not Elexon.</p>	<p>The Transmission Licence establishes the scope of what can be included in the BSC. Currently, this is limited to balancing and settlement, EMR and the Warm Homes Discount Scheme (which Elexon is no longer involved in). The DIP proposal will involve the BSC being adapted to include a number of provisions that do not relate to these, so we believe that the Licence needs to be amended so that the correct legal framework is in place in order for the BSC to include the DIP arrangements. The proposed amendment to the Licence would be an enabling amendment only. It will not mandate that the rules relating to the DIP have to be in the BSC, or that BSCCo has to perform the DIP manager role. Additionally, the proposals for the governance of changes to the DIP and the DIP Rules differ from the BSC change processes. Since most of the BSC modification process is set out in some detail in the Licence, the Licence will therefore need to permit the DIP change processes to differ from the BSC change processes.</p>
<p>We disagree with the proposed role of current BSC Panel. The role of the BSC Panel is to govern the BSC and ensure that all Parties comply with the code rules, for which the DIP governance is to be supplementary to, so the reason given that the “Panel will have no role in the management of the DIP, as it is not a BSC Settlement System” seems to be unjustified and a direct conflict with how the DIP governance will be enacted, as the BSC panel vires extends to governance of all BSC rules, and not just systems and processes within it.</p>	<p>While the DIP arrangements will be a supplement to the BSC, and therefore could be seen as under the purview of the BSC Panel, Elexon and the Issue 101 Workgroup believe that decisions around DIP arrangements will require different expertise and consideration by roles that are not represented within the BSC Panel. This is why it is proposed that the DCAB undertake this role rather than the BSC Panel.</p>
<p>BSCCo’s own representation, that influenced the outcome of Ofgem’s decision to award BSCCo the DIP Manager role, continually pointed towards the BSC Applicable Objectives and BSC Panel. This is a significant reversal of previous positions made by BSCCo to suggest the BSC Panel should play no role in the DIP governance.</p>	<p>The thinking surrounding the DIP arrangements have evolved based on discussion with Issue 101 Workgroup and Ofgem. One of the major influences on the proposals was the need for portability requested by Ofgem, to allow the DIP arrangements to be moved to another code, and the DIP Manager position to be awarded to another company.</p>
<p>It remains very unclear what routes will be open to a party who disagrees with DCAB decision and wishes to raise an appeal against such a decision.</p>	<p>There will be an appeals route via Ofgem, full details of which will be included within the DIP Rules.</p>

## Question 2: Do you agree with the proposed DIP Change Advisory Board (DCAB) membership?

Consultation Response	Elexon comments
The DCAB membership should include Metering Services. They should have the same representation as Data Services as they will be required to use the DIP to deliver their code services.	Metering Service has been added to the DCAB Membership.
Thought should be given to the balance of membership, particularly in the service provider area, and should include those Data Service and Metering Service providers who are independent, and not those who are part of Supplier organisations who are separately represented.	The DCAB membership has been updated so that one Data Service representative and one Metering Service representative has to be independent. This is similar to the split in Suppliers and independent Network Operators. Details will be included in the DIP Rules drafting.
The requirements relating to 2 year terms should apply to the Consumer, BSC or REC representative as representation will be determined by the relevant organisation.	The 2 year term only applies to the constituent members. We will make this more explicit in the business requirements and ensure it is clear in the DSD also.
We question the approach to voting in elections for representatives based on one vote per MPO. We believe votes should be allocated at a corporate group level rather than the specific legal entities to avoid bias based on the approach to registering organisations. This would reflect the existing approach within the BSC.	Elexon agree that this approach is better and the Business Requirements have been amended to reflect this. Details of the voting process will be included within the DIP Rules.
The representation of Suppliers on the DCAB looks very light bearing in mind Suppliers are funding the DIP and will be the largest users of the DIP.	The membership of DCAB was discussed during Issue 101 and it was agreed that Suppliers should not have a greater representation. The reason Suppliers are funding DIP is to avoid through costs, they will not be using it any more than other users.
There should be a DCUSA rep as there will be DCUSA Interfaces.	DCUSA will 'own' interfaces (DIP message formats) and the change of Interface contents will be subject to DCUSA's own change process – details to follow in the change management DSD. DCAB will not be deciding on whether interface contents need to change. DCUSA will also not be a DIP User.
DCAB membership appears to be very rigid and would not cater for new users to become members and represent their expertise for their market roles. The DIP is very much expected to expand and facilitate future innovation in products and services that go beyond the “core functions” under development via the MHHSP.	The DIP Rules will specify that where a new DIP User type is created we will have to consider DCAB membership.
Membership does not include iDNO representation	iDNO membership has been added.
There should clarity on how decisions will reached within the DCAB.	The BRs specify that DCAB decisions shall be by majority of the voting members present, with abstentions not counting towards determining majority.
The DCAB membership requirements need provisions for mid-period changes.	Details of this will be included in the DIP Rules. Where a mid-period change in DCAB membership occurs there will be an election. Time between mid-period election and next round will not count to the ‘two year, two term’ rules. We have also added provisions in the BRs to remove DCAB Members if they are disruptive.
It is suggested that Ofgem could be the “innovation representative”, however such a role is not detailed in DCAB membership. In addition, the Ofgem representative is a non-voting member, but the innovation representative should hold voting rights.	We have suggested the Ofgem representative could double as an innovation representative, but we are open to suggestion on what an ‘innovation representative’ means and why they should have voting rights.

### Question 3: Do you agree that the DCAB members should act as an expert in their role, rather than be required to consult their constituents?

#### Consultation Response

The rationale provided for supporting the DCAB members acting as experts in their role, without the need for consulting with their constituents was:

- This aligns to the current REC and BSC models, where decision making bodies comprise of individuals with the relevant expertise to assess the impact of change and determine the appropriate solution.
- DCAB members should be able to act in the best interests of their constituent group, and also given their role in the hearing of appeals we believe that this is the best interests of the industry.
- DCAB members should be in a position to fulfil that responsibility.
- They should act as experts in their role and not be required to consult with their constituents in order for speed up any changes.
- DCAB members should have the necessary knowledge to represent their constituents and may not have the time or opportunity to consult their constituents before making decisions.
- This aligns with other group's terms of reference, e.g. the DTS User Group.

The rationale provided in support of DCAB members consulting with constituents was:

- The risk without consultation is that commercial interests overtake good governance, and the DCAB becomes its own echo chamber.
- Views expressed by members should be representative of their constituents.
- DCAB members should provide constituents views when discussing change. This model aligns with the SEC Change Board and ensures change is only approved where a majority of the users of the DIP are in agreement.
- A consultative approach allows constituents to represent the interests of themselves and their customers.
- The representative may not be an expert in all matters pertaining to their role, therefore, we would expect them to be able to consult where appropriate.
- Industry consultations (where required) and representations made should be considered within the DCAB decision making process.

Comments received about DCAB members carrying out constituent consultation were:

- This could be subject to specific time limits. Where there is no consensus, the member should be required to present all views within their constituency.
- For significant items that are open for vote, suitable notice should be provided such that constituents can be consulted with if deemed necessary.

#### Elexon comments

The views were split between DCAB members acting as experts in their role, and DCAB members voting based on consultation with their constituents.

Elexon has proposed that, during member nomination, a DIP User could indicate if they want to be consulted for DCAB decisions. The DIP Manager will facilitate voting. The business requirements have been amended to include this, and further details will be provided in the DIP Rules when drafted.

## Question 4: Do you agree with the proposed framework for on-boarding and off-boarding?

Consultation Response	Elexon comments
<p>The on-boarding arrangements are overly complex and over-step the mark by going beyond just a DIP connection and its use, into the realms of industry testing and market participant's data management policies. DIP On-boarding should be limited to getting a DIP connection and the administrative/technical processes around that.</p>	<p>Elexon are aware of the potential for overlap with Code Qualification but there is no intention for On-boarding to involve duplicated effort. We are in discussions with Code Bodies and are working together to streamline the process. Details of how this will work are covered in the DIP Rules in DSD002.</p>
<p>It is not clear the circumstances where a DIP User would apply directly to the DIP portal rather than being referred through from either the BSC or REC, unless it is becoming a DIP User in a role other than a party to the codes.</p>	<p>A DIP User would have to apply directly to the DIP portal where they are not intending to undergo Code Qualification. This will be clarified in the DIP Rules.</p>
<p>It should be explicitly stated that the DIP Manager will check the information from the organisation tallies with Companies House data.</p>	<p>This is covered in BR-Q1 – The DIP will check (via APIs) that the company number, name and nominating person tally with Companies House website</p>
<p>There may be additional code qualification testing requirements to be undertaken in parallel with the DIP onboarding activities to ensure business validation requirements are being met, rather than just the sending and receiving of DIP interfaces. It is important that the approach to this testing is agreed with code bodies as soon as possible. Other considerations such as the timing of the provision of ISD relating to Market Participant Ids and the management of test data needs to be considered.</p>	<p>Conversations with Code Bodies relating to testing are still ongoing and will be reflected in the DIP Rules as they are drafted.</p>
<p>The Code of Connection document is being developed as an MHHS Programme Design Artefact. Clarity is required on the approach to translating the MHHS owned Code of Connection into the enduring baselined code drafting, and whether it will become part of future Issue 101 consultations.</p> <p>We would not expect Issue 101 to amend the core security requirements, but we believe information on assurance and On-Boarding that has been included in the Code of Connection would be better placed under Issue 101 governance and subject to Issue 101 consultation.</p>	<p>The Code of Connection document is being developed by the MHHS Programme and any issues relating to it should be raised with the Programme design team. Issue 101 will not directly impact the Code of Connection document, but the internal Issue 101 team have been involved in reviews of the document to ensure consistency between the Programme documents and the intended enduring processes. The intention is for the Code of Connection document to become part of the DIP Rules as DSD007 when responsibility for the DIP is handed over to the DIP Manager. From that point onwards it will be changed via the DIP change process defined in the DIP Rules.</p>
<p>The On-Boarding process references site visits. We do not see any rationale for the DIP Manager to carry out site visits of DIP Users on the basis that there is not requirement to install physical equipment to interface with the DIP and therefore no dependency on the physical environment of the user.</p>	<p>Elexon agrees in principle that there is unlikely to be any need for site visits, however, we feel it is sensible to retain the ability the need arise. We will ensure that this is clear in both the On-Boarding and Assurance DSD.</p>
<p>The SOLR process has not been defined.</p>	<p>At the time of publishing the framework consultation the SOLR process was still under development but it has now been incorporated into DSD002.</p>
<p>The scenarios for invoking the Off-Boarding process in an unplanned manner may need further clarity.</p>	<p>The Off-Boarding process has been further developed in DSD002.</p>
<p>It is proposed that Industry Codes be informed, but perhaps Industry Codes should be consulted, as the DIP User may have sub-standard performance in other areas.</p>	<p>Agreed, the intention was for the discussions to go both ways. This has been reflected in DSD002.</p>
<p>Can a DIP User be a collection of affiliated users e.g. a supplier and MEM?</p>	<p>Yes, this is now covered better in DSD002.</p>

## Question 5: Do you agree with the proposed framework for assurance and reporting?

Consultation Response	Elexon comments
<p>The assurance arrangements proposed are overly complex and burdensome. The boundaries with other industry audit regimes involving DIP Users needs to be carefully considered. There appears to be replication/overlap with the existing BSC and REC audits.</p>	<p>We recognise that there is overlap and are working with Code Bodies to achieve synergies. The intention is that if the DIP Manager requires something assured that a Code Body also requires, then the DIP Manager can accept their assurance. This is the reason for BR-A24 and we have agreed this principle with Code Bodies. Further details will be provided in DSD003.</p>
<p>There is no mention of audits of the DIP Service Provider, which we recommend.</p>	<p>There will be audits of the DIP Service Provider. BR-A18 states that the DIP Manager may carry out an audit of the DIP Service Provider.</p>
<p>There is a lack of detail on the scope of assurance activities and the controls that are required to ensure that any assurance is proportionate and cost effective. Both the BSC and REC have comprehensive performance assurance frameworks in place, overseen by a performance assurance board.</p>	<p>The lack of detail is intentional, as assurance will be risk based. The DIP Manager will have a framework of options, and each year will share the priorities and intent for consultation. A DIP Risk Register will also be shared with industry that will feed into the Annual Assurance Strategy. This approach means that audits may not be carried out every DIP year i.e. there may only be DIP User audits if there is evidence to suggest the requirements may not be being met. The DIP Risk Register and priorities will be shared prior to 'go-live' for review.</p>
<p>The End to End non-functional requirements included in the design baseline should also be clearly stated within the assurance DSD as SLAs.</p>	<p>We will ensure these are included in DSD003.</p>
<p>There is no rationale provided for the DIP Manager's audit being set at two yearly when others are proposed as annual.</p>	<p>The proposal is that the DIP Manager's Audit be carried out at least once every two years, but more frequently if required. There will be a risk based approach taken, so the frequency of all audits will depend on the Risk Register.</p>
<p>We believe the DIP Service Provider audit should be carried out after one year, with the two yearly audit after that.</p>	<p>The frequency of all audits will depend on the Risk Register. The DIP Manager and DCAB will consider this as part of the first Annual Assurance Strategy.</p>
<p>There should be monthly reporting by the DIP Service Provider against SLAs to ensure operational delivery is maintained in accordance with code requirements and contractual requirements.</p>	<p>This is the intention, further details will be covered in DSD003.</p>
<p>The assurance applied to DIP Users should be documented separately, focused on clear and transparent DIP User requirements.</p>	<p>All of the DIP User requirements, and therefore what is auditable, will be in the DSDs. Following the legal text drafting, we will collect the DIP User requirements into a L3 document for DIP user Guidance.</p>
<p>There must be clear rights of appeal for parties to DCAB in relation to the scope of assurance activities.</p>	<p>The Annual Assurance Strategy will be published for consultation each year, with industry invited to provide comments. The route of appeal to DCAB will be detailed in DSD003.</p>
<p>DIP Manager's and DIP Service Provider's Audit Scope should be set by DCAB, rather than solely by the DIP Manager, to avoid the DIP Manager deciding how to audit itself.</p>	<p>Agreed that this would reduce any perceived risks of the DIP Manager deciding the scope of their own audit. The DIP Manager will agree the scope with DCAB and share scope with DIP Users ahead of an audit happening. The Business Plan will also include details of the audit plans for each year.</p>

Consultation Response	Elexon comments
<p>There needs to be confirmation that the assurance and audit approach is proportionate and cost effective. Additionally, the DIP should be subject to an annual cost efficiency audit to provide DIP Users with confidence that they are receiving value for money and that the DIP is being provided in the most efficient manner possible.</p>	<p>An audit of the DIP controls will be done as part of the DIP Manager Audit. The annual consultation on the Business Plan will include the DIP budget, and the cost efficiency will be reviewed as part of that.</p>
<p>It is unclear why an annual audit cycle is required for a data transfer service provision.</p>	<p>This is why we are primarily proposing a risk based approach. If the risk is low, as this response suggests, then annual audits will not be deemed necessary. This will be made clear in DSD003.</p>



## Question 6: Do you agree with the proposed framework for change management and document management?

Consultation Response	Elexon comments
<p>There is no reference to DIP changes that may be required to support changes to the MHHS processes post go-live, which are initiated and delivered via BSC or REC Change Management. The decision-making process is unclear and thus presents a concern that the DCAB/DIP Manager could reject a change which is supported under the Code Bodies Change Management processes.</p>	<p>We have discussed Change in more detail with Code Bodies since this consultation and have a more comprehensive structure that will be detailed in the change management DSD.</p>
<p>There is no reference to consideration of impact on other parties, including timescale requirements, when determining implementation dates. It should be ensured that relevant industry parties and their software providers have adequate time to assess the potential impact and subsequently undertake DBT activities for approved changes.</p>	<p>We will consider wider implications when deciding implementation dates. Details of the process of deciding implementation dates will be included within the DSD. This will include Code Body and service provider Impact Assessments, as well as industry consultation where applicable.</p>
<p>Clear obligations should be included in the DIP Subsidiary Documents requiring the DIP Service Provider to impact assess changes to DIP interfaces being progressed by code bodies, within clearly defined timescales and to support testing and delivery of changes in line with the standard REC change process.</p>	<p>We have had further discussions with RECCo on this topic, and further details will be included within the DSD.</p>
<p>The change management process needs to be absolutely clear in terms of the process contained in the documentation, as there are cross code changes involved.</p>	<p>We have had further discussions on cross-code change since the consultation, and have engaged with CCSG Chair regarding DIP Manager inclusion. Further details will be included in the DSD.</p>
<p>Full impact assessments should be undertaken to minimise the extent of costs that will be passed on to the customer. Where changes are deemed not core to the operation of the service for all users, we view this should be funded by the party/parties that are raising the change, as if they were elective services.</p>	<p>This is the intention, as covered in the Business Requirements for funding. If there are undue costs from a DIP change, we will be able to pass these on to the proposer.</p>
<p>More thought should be given to the proposed Code Governance reforms and whether these proposals meet the objectives of the reforms being proposed.</p>	<p>Elexon will continue to consider how the DIP proposals meet the objectives of the proposed Code Governance reforms.</p>
<p>Further clarity is required the ownership of the DIP message formats.</p>	<p>The ownership of the message formats is detailed in MHHSP-DES196 and will be captured in EMAR.</p>
<p>We are concerned with the level of discretion that the DIP manager may hold, in so far as it could enable discretionary outcomes to the favour of the DIP manager or certain DIP market roles. We are not clear what instances the DIP manager may veto, or what the appeals route would be if the DIP manager rejected beyond that of the DCAB.</p>	<p>All DIP Manager decisions will be published on the DIP website for transparency, with rationale based on criteria which will be detailed within the DSD. DIP Manager decisions can be appealed to DCAB. Further details on the appeals process will be provided in the DIP Rules.</p>
<p>The change management process does need to work better than demonstrated thus far through the MHHS programme.</p>	<p>The DIP change process will be a newly designed process, separate to the MHHSP change process. In designing the process, learnings from the MHHSP change process as well as Code Body change processes have and will continue to be taken into account.</p>

## Question 7: Do you agree with the proposed DIP Applicable Objectives?

Consultation Response	Elexon comments
In relation to the innovation objective, it should be emphasised, in any legal text, that providing data to facilitate innovation should not distort competition in any area, or for any category of DIP User, as per the Ofgem requirements.	This comment refers to the objective “Facilitate innovation in the energy sector and efficient delivery of services”. Elexon has considered this in the revised DIP Applicable Objectives.
An objective that singles out and attempts to protect the central balancing and settlement systems is inappropriate. Elexon is just a DIP User along with any other party and should not have an objective specifically to protect itself. The objective should be adjusted to include any DIP User.	These comments refers to the objective “ensure the ongoing efficacy of central balancing and settlement systems”, which was added during Issue 101, and “provide accurate and timely support for the settlement process” which was provided by Ofgem in its decision document. The intention was to support the settlement process overall within industry, not the Elexon Settlement systems, so specifically mentioning the central balancing and settlement systems was not appropriate. Elexon has considered this in the revised DIP Applicable Objectives.
The objective to ensure efficacy of the settlement systems is discriminatory as it favours the central systems in the BSC over the REC, and sets them above other DIP Users.	
There are two objectives that are very settlement focussed.	
A further DIP objective should be added to facilitate market competition and to not hamper or damage existing competition.	Elexon has considered this in the revised DIP Applicable Objectives.
The objectives should include ensuring costs are kept to a minimum.	Elexon has considered this in the revised DIP Applicable Objectives.
The objectives should ensure that implemented changes do not have detrimental impacts on industry processes.	Elexon has considered this in the revised DIP Applicable Objectives.

Elexon’s proposed revised DIP Applicable Objectives are:

1. Provide accurate and timely support for the sharing of applicable market data;
2. Further consumers’ interests through the appropriately governed sharing of data; and
3. Facilitate competitive change and innovation through the efficient and economic delivery of reliable and adaptable services.

**Question 8: Do you have any comments on the criteria that should be used to determine if a change is material?**

Consultation Response	Elexon comments	
<p>A change should be considered material if:</p> <ul style="list-style-type: none"><li>• The change has material impact on the rights or obligations, or systems and processes of DIP Users;</li><li>• The change would require participants to develop their own systems and/or processes;</li><li>• The change is potentially discriminatory in its effects between users, types of users, or market sector;</li></ul>	<p>It should be noted that change materiality will determine whether a change is Tier One, and should be assessed by the DCAB. Even changes that are not considered Tier One will still be able to be issues for industry consultation if deemed appropriate. Elexon has considered these points, and the self-governance criteria of other codes, in preparing the proposed materiality criteria. We have also built in a business requirement that necessitates industry consultation on materiality if the DIP Manager is unsure whether there will be a Material Impact.</p>	
<p>It should be noted that what may appear to be a minor change to the DIP Manager could have knock on impacts to DIP Users, therefore DIP User views on impacts should be a key consideration.</p>		
<p>The criteria should be consistent with other codes.</p>		

## Question 9: Do you agree that the relevant Code Body should make decisions on DIP Message Format changes?

Consultation Response	Elexon comments
<p>The rationale provided for supporting the relevant Code Body making decisions on DIP Message Format changes was:</p> <ul style="list-style-type: none"><li>• The relevant code bodies will have the necessary expertise and knowledge to make these decisions.</li></ul>	<p>The majority of respondents agreed that the relevant Code Bodies should make decisions on DIP Message Format changes. Messages will be owned by Code Bodies who will liaise with CCSG regarding changes to formats. Further detail will be captured in the DIP Rules in the Change Management DSD.</p>
<p>The rationale provided for disagreeing that the relevant Code Body making decisions on DIP Message Format changes was:</p> <ul style="list-style-type: none"><li>• We are comfortable with the position that BSCCo will make decisions regarding BSC message formats, but would not expect a change to the REC decision making arrangements to be made via Issue 101 and the subsequent code modification. Therefore we would expect any changes to REC owned messages to proceed through the standard REC change process.</li></ul>	

## Question 10: Do you agree with the proposed framework for funding and budget?

Consultation Response	Elexon comments
<p>There seems little incentive to make the DIP Service Provider and DIP Manager efficient and maintain good value for money. Monopoly provisions of such services in the Industry always seem to have problems with escalating costs. There should be protections in place to prevent this.</p>	<p>The annual budget and consultation on the budget should mitigate this risk, and will provide opportunity for industry to comment on the cost efficiency of the DIP Manager and Service Provider.</p>
<p>The reference to core services suggests that these are limited to activities related to settlement. We believe more clarity is needed regarding the scope of core services as parties may have DIP obligations that are not obviously linked to settlement.</p>	<p>All of the DIP messages relate to 'settlement' as an adverb, not 'Settlement' which is a BSC responsibility. We have amended the BRs to remove ambiguity and this will be carried forward into the legal text.</p>
<p>The proposals developed appear to have made the decision that suppliers will fund without considering other options.</p>	<p>Two Issue Group meetings were spent discussing the funding arrangements. In the first, six different funding options were discussed, including an option that was not solely funded by Suppliers. The reason for Suppliers funding the DIP is to avoid pass-through costs plus mark-up, which would ultimately have a larger impact on Suppliers.</p>
<p>Specifically, Virtual Lead Parties (VLPs) and Non-Physical Traders (NPTs) are not included in Funding arrangements, but they are direct competitors to Suppliers.</p>	<p>VLPs and NPTs are not included in Funding arrangements as they will not be DIP Users. The legal text will make it clear that, if a new DIP User type is created, then the funding arrangements will have to be re-considered.</p>
<p>Whilst we note the Ofgem principles for the funding of the DIP, the DIP processes go well beyond the provision of accurate and timely settlements. As such we recommend the funding approach is reconsidered and should be spread across industry parties. Usage by other parties could increase significantly, driving up Supplier costs. There are many other participants who will be using the DIP, and it will be fairer and more equitable to ensure the costs are spread by usage across all parties.</p>	<p>While it is true that other parties will use the DIP, they will pass their DIP costs on to Suppliers via Agent fees, DNUoS Charges, Connection fees, for example. This would be less efficient than Suppliers funding the DIP, and other parties could include mark-ups which would increase the impact on Suppliers.</p>
<p>Will DIP funding be recoverable in the price cap or future funding mechanisms that replace the price cap?</p>	<p>The Ofgem decision stated that the default tariff cap includes an allowance for operating costs, and a headroom allowance for residual uncertainties. If a Supplier subsequently considers that the cap level is proving insufficient to take into account the costs of MHHS, it may make representations to the price cap team.</p>
<p>The full definition of 'core' and 'non-core' services needs to be explained, and the 'non-core' charging arrangements need to be developed further.</p>	<p>This will be detailed further within the draft DIP Rules. The BRs have been updated to define core services as those relating to the sharing of settlement related data and related obligations within Industry Codes as envisaged by the MHHS E2E Functionality, but may be expanded by appropriate change post MHHS Implementation to cover other services. Charging for non-core services will be 'pay-per-user'</p>
<p>The Business Requirements state that non-core services could include charges for one-off on-boarding, change or data release. Further clarity is required on what the charges relating to a non-core "data release" could be that parties would be responsible for funding.</p>	<p>This will be covered in more detail in the DIP Rules, under the Data Management section. A non-core data release refers to a data request made by a party that is unrelated to settlement and/or would only benefit that party, and thus would be paid for by the party themselves rather than being covered by the core DIP funding.</p>
<p>There are no details of when the budget consultation period will be.</p>	<p>The DIP budget will be consulted on as part of the Elexon business plan.</p>

## Question 11: Do you agree that there should be no credit arrangements for the DIP?

Consultation Response	Elexon comments
<p>Comments in support of there being no credit arrangements for the DIP were:</p> <ul style="list-style-type: none"><li>• Implementing complex credit arrangements would not be efficient when compared to the risk.</li><li>• We agree there should be no credit arrangements for the DIP.</li><li>• Credit arrangements would add a further level of complexity that is unnecessary for the likely amounts involved.</li><li>• We agree there should be no credit arrangements for the DIP and a mutualisation mechanism is likely to be the best way forward to recover/credit funding parties.</li></ul>	<p>All respondents agreed with our proposal not to have credit arrangements in place due to the relatively low volumes per Supplier that would be mutualised.</p>
<p>There are no details on what funding amounts will be, and how the position that amounts involved will be relatively small particularly when compared to risk has been reached.</p>	<p>Details on funding amounts will follow through the Elexon business plan process.</p>

## Question 12: Do you agree with the proposed framework for information security and data management?

Consultation Response	Elexon comments
<p>The proposed arrangements around information security and data management appear to overlap with other code bodies areas of responsibility, which will lead to inefficiency and duplication.</p>	<p>Agreed, which is why we are working with other Codes during on-boarding/qualification and auditing to reduce duplication.</p>
<p>The security requirements are captured in the DIP Code of Connection and Security Policy. If the expectation is that this will be baselined as a level two document then consideration should be given to the change approach to be applied.</p>	<p>Elexon agree that the Code of Connection requirements need to be baselined and subject to version control and consultation. This will be discussed with the DIP delivery team as part of transition planning, and the plan will be shared in due course.</p>
<p>ISO accreditation is referenced within the proposed DIP BRs, but is not an explicit requirement in the Code of Connection. Section 2 of the Code of Connection refers to compliance evidence including, but not being limited to, statements of Applicability demonstrating that all applicable ISO/IEC 27001 controls have been applied, where appropriate. We question whether this will be a blocker for new entrants to be ISO 27001 compliant.</p>	<p>We note that not all DIP users will already be ISO 27001 accredited and it is not reasonable to expect it of them. However, we will expect them to adhere to the requirements applicable to them and their business. Alternatives to ISO will be accepted on a case-by-case basis.</p>
<p>Data Best Practice Guidance refers to International Standards (ISO 27001 and ISO 27002), but it should be amended to add “or higher”.</p>	<p>Agreed, we will rephrase.</p>
<p>We are of the view that the data controller is the party that is determining the purposes of the processing, which mean that this feels more of a joint controller relationship with the DIP manager rather than a controller to processor relationship and this likely needs further discussion.</p>	<p>Elexon have sought specialist legal advice on whether the DIP Manager would be considered a data controller or data processor, and that the DIP Manager will act as a Processor or Sub-processor. This will be covered in the DIP Rules for Data Management and Information Security.</p>
<p>Clarity is required on if the use of live data for testing will be the ongoing assumption for any future testing, both during the implementation of MHHS and post ‘Go-Live for future changes.</p>	<p>Further details on testing will be included in the DIP Rules.</p>
<p>In relation to the DIP there seems to be a general lack of accountability around data protection requirements, and we would want to see more detail. There is no reference to the requirement for the DIP to undergo any due diligence in line with industry parties’ internal due diligence processes. There is also no reference to the ability for the DIP to demonstrate their adherence to the security controls mentioned.</p>	<p>The DIP will not contain data, so data protection is not as much of an issue as it is for DIP Users and their systems. However, there will be more detail regarding the DIP Manger’s role in the legal text. The DIP Manager and DIP Service Provider will be ISO27001 compliant – we can share the details of this.</p>
<p>The consultation references the DIP being open to all. As defined, the DIP allows messages to be sent between market participants with DIP Ids and security certificates. More detail is needed on how the DIP data will be accessed by wider organisations, particularly as the DIP is not storing data for reporting etc.</p>	<p>This will be covered in the DIP Rules in DSD006.</p>

### Question 13: Do you have any further comments regarding the proposed framework and Business Requirements for the DIP arrangements?

Consultation Response	Elexon comments
<p>The consultation refers to changes to the BSC and REC to reflect the obligations in the consultation being made via the DIP SCR. We do not believe there is explicitly a DIP SCR. Instead we are expecting these changes to be made to the BSC via a separate DIP Modification as part of the wider settlement reform SCR.</p>	<p>We recognize there is only one Significant Code Review and that Ofgem will use their SCR Powers to direct changes to Industry Codes to implement the MHHS design. There will be a separate change directed by Ofgem to give effect to the DIP. As short hand we have referred to this change as “the DIP SCR” instead of the Authority Directed SCR Modification to give effect to the DIP - we recognise the confusion this has caused and will be careful with the wording used in future.</p>
<p>Further consideration is required to whether the equivalent REC changes will be included in the MHHS text to be baselined through the Programme CCAG process or whether a separate DIP modification is required. Clarification from the DIP Manager / Ofgem on this latter point is required as soon as possible, but no later than end of September 2023.</p>	<p>We will resolve to answer this by end of September 2023 with CCAG and Ofgem.</p>
<p>The business requirements need to include arrangements for Disaster Recovery and Management</p>	<p>The Business Requirements do already cover Disaster Recovery and Management in the Data Management section, but further details will be included in the DIP Rules.</p>
<p>There do not appear to be any published SLAs referenced for change management, document management or DIP message format changes.</p>	<p>There will be SLAs for change management, and further details will be provided in the DIP Rules, in the change management DSD.</p>



## Business Requirements

Location	Comment	Elexon comments
BR-A17	BR-A17 refers to a DIP MPAN Address Maintenance Service. Please could you confirm what this service is and how this is expected to interact with the Address Management Service under REC governance, introduced via the Switching Programme.	These are two different things, the DIP MPAN Address Maintenance Service is something built into the DIP that will be used for routing of messages. We will ensure this is clear within the DIP Rules.
A-S1	Outlines that “Primary communication on all such issue will be via the ServiceNow portal”, there is no other reference to ServiceNow portal within the consultation document and we do not know what this is, how it its accessed etc. Therefore we cannot agree this part of the service management framework without further information being provided.	ServiceNow is the platform that will be used for the Service desk. Agree that there needs to be more information on the Service Desk functionality. As we have clarity on the design, we will share this.
A-S6	Ok with assumption, but who will The DIP Service Provider discuss performance and operational issues with – code bodies?	The DIP Service Provider will discuss performance and operational issues with the DIP Manager. This has been clarified in the BRs.
BR-A6	We disagree with this assumption – this should be landed on as either DIP manager auditing or a 3rd party auditing, not a choice for the DIP manager to make. We recommend this is always a 3rd party auditor to assure that DIP manager is performing it’s functions correctly as well as 3rd parties.	This is standard practice for other Code/Scheme providers, the power to audit is given to the Service Manager, and may be delegated.
BR-A7	We disagree with this, what’s the rationale for annual audits? Does this need to happen on any cycle? The DIP is a data transfer function so is comparable to the DTSA, and that has managed the DTN audits for 20+ years on a “time to time” basis so is ad hoc, as per clause 21.6 of the DTSA.	The intention of this BR was no to suggest that audits will occur annually, but rather that the scope will be published annually, and, using the Risk Register, the DIP Manager will determine how many, if any, DIP Users need to be audited the following year. For example, if there is no indication that there is any risk, the DIP Manager will not carry out full scale audits and instead may ask a sample of DIP Users to provide some desk-top evidence e.g. answer a few questions and share some processes to see version history and review dates etc. The sending and receiving of information and data protection etc. is carried out by multiple Code Bodies – we are proposing that we check this and then share with the Code Bodies to achieve cross-industry synergies
BR-C11	Why is this not being managed within the realms of BSCCo – i.e., why is Authority responsible and not the BSC panel, then onto Ofgem? We suspect that this is over engineering the DIP Managers function, essentially it appears that it is being developed as a standalone code.	The Authority is responsible for all BSC changes and delegate authority to the BSC Panel. This BR is similarly delegating authority to the DCAB and DIP Manager.
BR-C16	Expectation is that urgent changes will be very tightly defined so that changes are only progressed as urgent where the criteria is met.	There will be ‘Urgency Criteria’ similar to those in other Codes.
BR-C35	Whilst we are supportive of this requirement, clarity is required in what context, i.e., is this by extension of a role under the BSC or is the intent for the DIP to be a standalone, in which case what vires is the DIP Manager able to be a member of the CCSG	We are exploring the vires and discussing with the Chair of CCSG, who is happy that the DIP Manager should be able to attend as either a Code Body or a Service Provider. We are creating a legal text that allows for CCSG membership.

Location	Comment	Elexon comments
BR-F6	This suggests that suppliers pay for any onboarding or any change. Why should suppliers fund changes not relevant to core services?	Suppliers should not be expected to fund changes that are not relevant to core services. We have proposed a provision where the proposer would pay in that situation. Similarly, if a user were to ask for data from the DIP Manager that would not benefit any other DIP Users, the costs should be recovered from the requester rather than asking everyone else to pay for it.
BR-F18	This suggests that either credits (because of over recovery of DIP funds) or debits (under recovery) will be pinned to final settlement run (RF), seems to be self-perpetuating because of charging based being based on MPAN count (as proposed) for which may change, but would not change if based on DIP usage as Ofgem intended, so the requirement is adding complexity that would not be there if charging was usage based.	Charging will be based on MPAN count at a specific date, so while the MPAN count may change, that change would not impact the charges for previous months. This will be explained clearly within the DIP Rules.
A-Q12	Should the Marketwide Data Service (MDS) be in this section as well?	This is covered by Elexon CSS.
A-Q14	Don't believe it's a requirement of Registration Services to ensure that data in other participant systems is correctly managed and maintained	No, but it is their responsibility to ensure that the data entering other participants systems is accurate. We have now removed this assumption as it is a statement from MHHSP and belongs in the cover text, not assumptions.
A-O2	Presumably this is only possible under normal circumstances where the DIP User has "run down" any existing settlement commitment	Yes, this is covered off further in the BRs.
A-O3	Will there be any further communication from DIP Manager to the wider industry of this happening, or is that captured in another process elsewhere?	Yes there will be – this is captured in the BRs, but will also be communicated through ISD updates as well as BSCCo and RECCo communications.
A-F1	Are there any defined criteria about when a connection fee may be incurred?	This will be detailed in the legal text.
A-F10	What does "FSS" stand for? This acronym isn't defined elsewhere in the document	FSS stands for Financial Services System which is in internal Elexon acronym. This has been amend for clarity.
BR-G3	There's no particular recognition of DCAB representatives needing to leave DCAB outside of the formal elected 2 year period (e.g. they have left their company) and the process for filling their vacancies	This is a good point, we have updated the BRs to include this and further details will be included in the DIP Rules.
BR-G5	If nominators can't be within the same Company, how will any candidates ever get nominated?	We would expect the nominators to be from other companies, much like they are under existing Code arrangements. This means people will be nominated as they are known to have good knowledge, rather than risk a company trying to get their interests represented at DCAB. We will make it clear that we expect DCAB members not to represent their companies, but their constituents.
BR-M13	Is there a defined process and timescale for this expiry notification? Presumably enough notice needs to be given for the DIP User to have time to undertake the recertification process	The Digital Certificates need to be renewed annually as per the CoCo – this will be clarified in the DIP Rules.
BR-O16	In point 4, is there an agreed process for a "dynamic" data publication of ISD? Are there any other triggers for this outside of SoLR events as described?	We have updated the BRs to remove the reference to dynamic. We do not believe there are any other triggers outside of SoLR.

Location	Comment	Elexon comments
BR-O16	In points 6 and 7, presumably the Supplier's MPID will remain the same as before. Does this just affect the population of data in ISD Entity M16 Market Participant to DIP Participant Mapping?	This will be explained more clearly in the legal text.
BR-I8	Will the self-assessments been done against a published standard?	We will publish a Self-Assessment Document (SAD), this will be explained within the DIP Rules.
BR-G7	Currently there are concerns on the voting mechanisms in MHHS DAG where there is a mis-alignment between the parties representation which can skew voting	We have noted this concern and will take it into account when drafting the voting rules.
BR-F6	"This can include one-off on-boarding, change or <u>data release</u> ". What would be the charges relating to "data release" and which parties will be responsible for this funding? Further clarity is required on how this will work.	This is related to BR-D13 and will be further clarified within the legal text, but essentially, we will assess costs when triaging request and discuss with the applicant.
DIP Service Provider Assurance	The Business Requirements are silent on planned maintenance/downtime. Will this be published? How will this be communicated? How much notice will be provided?	See BR-M5, but further details will be included within the DIP Rules.
DIP Service Provider Assurance	The Business Requirements are silent on incident management.	BR-19 and BR-110 relate to incident management, but further details will be include within the DP Rules.
DIP Message Format Changes	Will there be scheduled releases as currently with Codes or would any DIP changes be implemented ad hoc?	This is covered by BR-C28; 29; 31; and 33. DIP changes will not be limited to standard release dates, but implementation dates will be mindful of other industry releases and impacts. Details of the process of deciding implementation dates will be included within the DSD.
Patching and upgrades	Any potential downtime for patching and upgrades would need to be scheduled and communicated out to industry parties to ensure SLAs for messages are unaffected or mitigated.	This is covered under BR-M5 – the DIP Manager will publish in advance when DIP may not be available for maintenance and updates.
DIP Subsidiary Documents	Where will these be hosted?	All DIP Documents shall be published on the DIP website, as stated in A-D7.