ELEXON

# Issue Report

## Issue 101: Ongoing Governance, Funding and Operation of the Market-wide Half Hourly Settlement (MHHS) Data Integration Platform (DIP) by BSCCo

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## About This Document

You can find the definitions of the terms and acronyms used in this document in the DIP Glossary included as a subsidiary document in Attachment C.

This document is the Issue 101 Group's Report to the BSC Panel. Elexon will present this report at the Panel's meeting on 14 March 2024. The draft legal text, subsidiary documents and supporting business requirements have been developed through Issue 101 and will be shared with Ofgem to form the basis of an Authority-led Significant Code Review (SCR) Modification as part of Ofgem's electricity settlement reform SCR.

There are six parts to this document:

- This is the main document. It provides details on the background of the DIP, the proposed solution for the DIP arrangements, and details of how the proposed arrangements have been developed – via Issue Group discussions and consultation responses;
- Attachment A contains the draft business requirements and traceability matrix;
- Attachment B contains the draft legal text;
- Attachment C contains the draft subsidiary documents;
- Attachment D contains the responses to the Interim Issue 101 Consultation on the proposed framework and business requirements; and
- Attachment E contains the responses to the Issue 101 Consultation on the proposed arrangements and legal text.




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# 1. Summary

## Background

The Market-wide Half Hourly Settlement (MHHS) Programme[1] will result in an increase in the volume of data being sent and received across the retail electricity industry. In order to facilitate this, Ofgem determined that the DIP should be designed to provide an improved architecture for industry data transfer. Ofgem selected Elexon to govern the DIP through the Balancing and Settlement Code (BSC) as the DIP Manager, and to develop and consult upon the arrangements. Issue 101 'Ongoing Governance, Funding and Operation of the MHHS DIP by BSCCo'[2] was raised to gather industry input into Elexon's proposal for the enduring operation, funding and governance of the DIP.

## Proposed DIP Arrangements

The proposed DIP arrangements have been developed in collaboration with the Issue 101 Issue Group, made up of impartial industry volunteers, and the MHHS Programme who are responsible for the design and build of the DIP. The principles of the DIP arrangements were designed considering the Code Manager approach suggested by the Code Review[3], industry best practice, and future ability to transfer the DIP, should the DIP Manager role be reassigned. The proposed arrangements are summarised below:

- General – The DIP legal text (detailing the high level obligations for DIP Users) and the subsidiary documents (covering procedures and detailed arrangements) will form the DIP Rules. The DIP legal text will be a Supplement to the BSC.
- Governance – The DIP Manager will make all decisions about DIP, other than where the decision sits with the DIP Change and Advisory Board (DCAB).
- DCAB – The DCAB will act as a specialist user group to advise the DIP Manager. Additionally, they will be asked to determine whether to implement changes with material impact and changes to the DIP Supplement, as well as hearing appeals against the DIP Manager's determinations. Appeals of DCAB decisions will be made to Ofgem.
- DIP On-Boarding and Off-Boarding – DIP connection processes will be administered by the DIP Manager, including communication with Code Bodies where appropriate.
- Assurance – The DIP Manager will arrange risk-based assurance of DIP Participants. Audits will only be performed where significant risk is identified or where there is evidence of underperformance.
- Change management – The DIP Manager will determine whether DIP Change Requests (CRs) should be raised, change progression routes, timetables, and whether changes should be implemented (other than where the decision sits with the DCAB).
- Cost recovery – DIP Core Services (related to sharing of data required by Industry Codes) will be funded by Suppliers only based on MPAN share. A Standing Charge will recover a fixed amount each month. DIP Non-Core Services will be paid for by the beneficiaries at the DIP Manager's discretion. This can include one-off DIP On-Boarding, change or data release costs.
- Data Management – All DIP Participants will be subject to the Data Protection legislation and Ofgem's data best practice. The DIP Manager will check provisions are in place as part of DIP On-Boarding and assurance activity, but will not be responsible for confirming adherence.
- Data Sharing – The DIP Manager will have an open data model for sharing DIP data.

[1] https://www.mhhsprogramme.co.uk/
[2] https://www.elexon.co.uk/smg-issue/issue-101/
[3] https://www.ofgem.gov.uk/publications/energy-codes-review

**Not sure where to start?**

We suggest reading the following sections:

- Have 5 minutes? Read section 1;
- Have 20 minutes? Read sections 1 and 3;
- Have 45 minutes? Read all sections;
- Have longer? Read all sections and attachments.


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## 2. Background

The introduction of MHHS[4] will result in a significant increase in the volume and frequency of data feeding into Settlement, due to the additional Meter readings available from smart and advanced meters.

As part of the earlier work under the Electricity Settlement Reform Significant Code Review[5] (SCR), the Architecture Working Group[6] (AWG) was established to develop, consult on and recommend solutions for the future system architecture design. The AWG recommended[7] to Ofgem that 'event driven' reference architecture be developed to support MHHS implementation. In December 2021, Ofgem published its decision[8] supporting the AWG's recommendation. The decision requires industry to develop a hybrid architecture comprising the existing Data Transfer Service (DTS) and a new EDA platform.

EDA is a type of software where components generate and react to events, where an event is something of business significance. The software publishes an event when a significant event happens, such as registration information being updated or new Meter data becoming available. Authorised interested parties are notified that the business event has occurred, and can retrieve the content. This software design allows a single event to be consumed by many parties, and is ideal for high-volume, real-time systems. EDA is already used effectively across multiple different economic sectors.

The MHHS EDA based system, known as the DIP, will be a key component to support delivery of the MHHS Target Operating Model (TOM)[9] and will be able to respond to the increase in volume and frequency of data more quickly than the current arrangements.

In January 2022, Ofgem issued a consultation on the ongoing governance, funding and operation of the EDA for MHHS[10], seeking views on whether Retail Energy Code Company (RECCo) or Balancing and Settlement Code Company (BSCCo) would be best placed to undertake this responsibility.

Ofgem published the Decision on the governance, funding and operation of an EDA for MHHS[11] on 21 April 2022, which determined that BSCCo should govern the EDA through the BSC. A modification to the BSC is required to give effect to this decision.

**Data Transfer Service (DTS)**

The DTS, operated by ElectraLink, provides a managed file transfer service that allows Market Participants to share data via industry-created data flows. Currently, the DTS facilitates a wide range of business-critical processes including change of Supplier, metering, and Settlement.

## Issue 101 Objectives

Following the April 2022 decision, Ofgem asked Elexon (outside its role as MHHS Programme Manager) to develop the DIP Code drafting in collaboration with industry, building on the steer that Ofgem provided in their decision document on the governance, funding and operation of an EDA for MHHS and the relevant industry views that were shared as part of the consultation responses.

[4] https://www.ofgem.gov.uk/publications/electricity-retail-market-wide-half-hourly-settlement-decision-and-full-business-case
[5] https://www.ofgem.gov.uk/publications/electricity-settlement-reform-significant-code-review-launch-statement-revised-timetable-and-request-applications-membership-target-operating-model-design-working-group
[6] https://www.elexon.co.uk/group/architecture-working-group-awg/
[7] https://www.elexon.co.uk/article/architecture-working-group-makes-recommendation-on-reference-architecture-to-support-mhhs/
[8] https://www.ofgem.gov.uk/publications/decision-reference-architecture-market-wide-half-hourly-settlement-target-operating-model
[9] https://www.ofgem.gov.uk/sites/default/files/docs/2019/02/dwg_mhhs_tomv1.1_attachment_b_tom_development.pdf
[10] https://www.ofgem.gov.uk/publications/market-wide-half-hourly-settlement-mhhs-consultation-governance-funding-and-operation-event-driven-architecture
[11] https://www.ofgem.gov.uk/publications/decision-governance-funding-and-operation-event-driven-architecture-market-wide-half-hourly-settlement


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Issue 101 has been established by Elexon to seek industry input to help develop the proposed enduring arrangements for the operation of the DIP.

Issue 101's aim is to define the enduring DIP arrangements through the development of three key deliverables:

1. Principles for the enduring DIP arrangements – detailed in this document;
2. Assumptions and business requirements – in Attachment A; and
3. Code drafting – in Attachment B and C.

## What is the Data Integration Platform (DIP)?

The DIP is a vital technical component of the transition to MHHS, providing market participants with the platform that will be used to share data including Half-Hourly consumption information, meter technical details and registration information. It will be a cloud hosted middleware service to process messages to and from DIP Users using event driven architecture that will provide the resilience, availability and scalability required to enable market participants to move to Half-Hourly Settlement.

DIP Users will share Messages using standard formats via Application Programming Interfaces (APIs) to download data and web-hooks to upload. The DIP will validate the Messages and rules within the DIP will ensure that Messages will only be received by those entitled to view them. Messages will be addressed and routed primarily using Meter Point Administration Numbers (MPANs).

DIP Message validation will look at the construction of messages but not actual message content i.e. examining whether the message headers been used, but not examining the text in the message itself. The only exception would be if Message content was required for regulatory and/or Industry Code assurance purposes. Due to the data protection implications this would only occur in extraordinary situations, as detailed in the proposed legal text.

The DIP will not store sent data but will be have a replay process, for example to resend a message where information was missing. Consumption data sent via DIP will be stored in Elexon's Data Acquisition Hub (DAH), which is being developed outside of Issue 101 as part of Elexon's MHHS implementation project (known as Helix[12] and separate from the MHHS Programme) shown in Figure 1.

The DIP will interact with various industry systems by receiving and sending data, as shown in Figure 2.

**What is middleware?**

Middleware is a type of software that connects applications together to enable communication between them.

**What are APIs and web-hooks?**

APIs are software intermediaries that allows two applications to talk to each other.

Webhooks are event triggered callbacks that allow communication between APIs and allow web applications to share information.

[12] https://www.elexon.co.uk/operational/market-wide-half-hourly-settlement/


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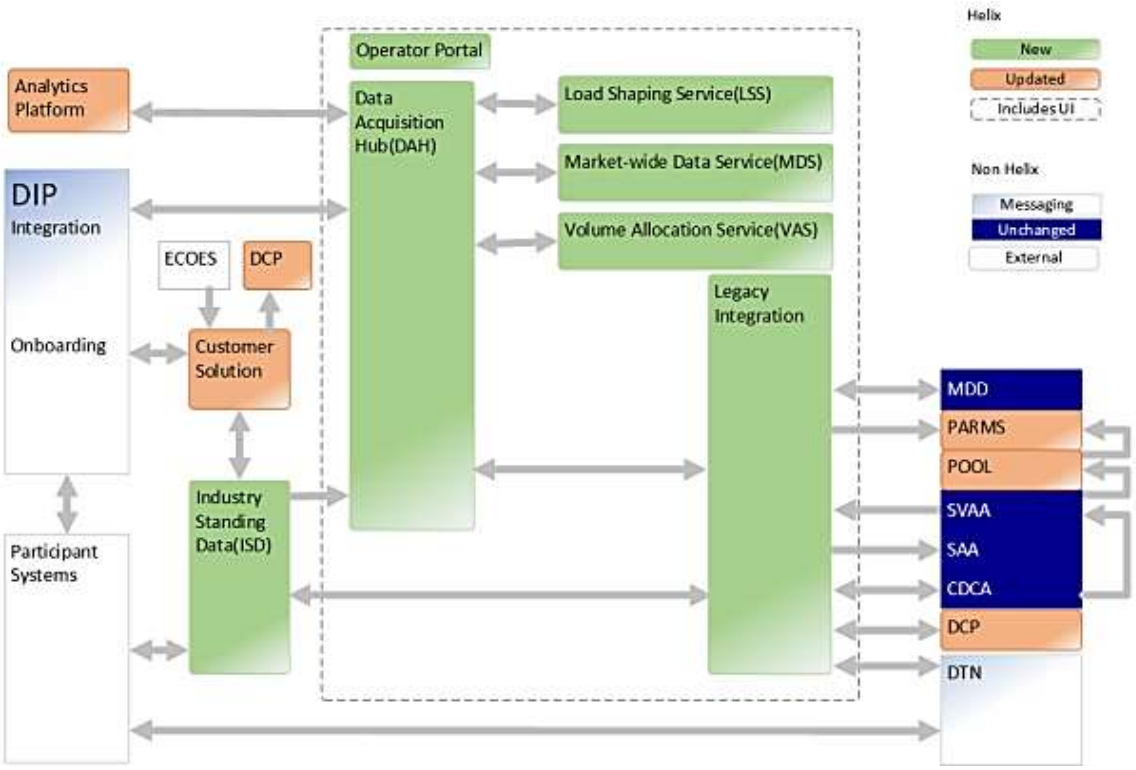


*Figure 1 – Diagram illustrating the interaction between the DIP and BSC systems*

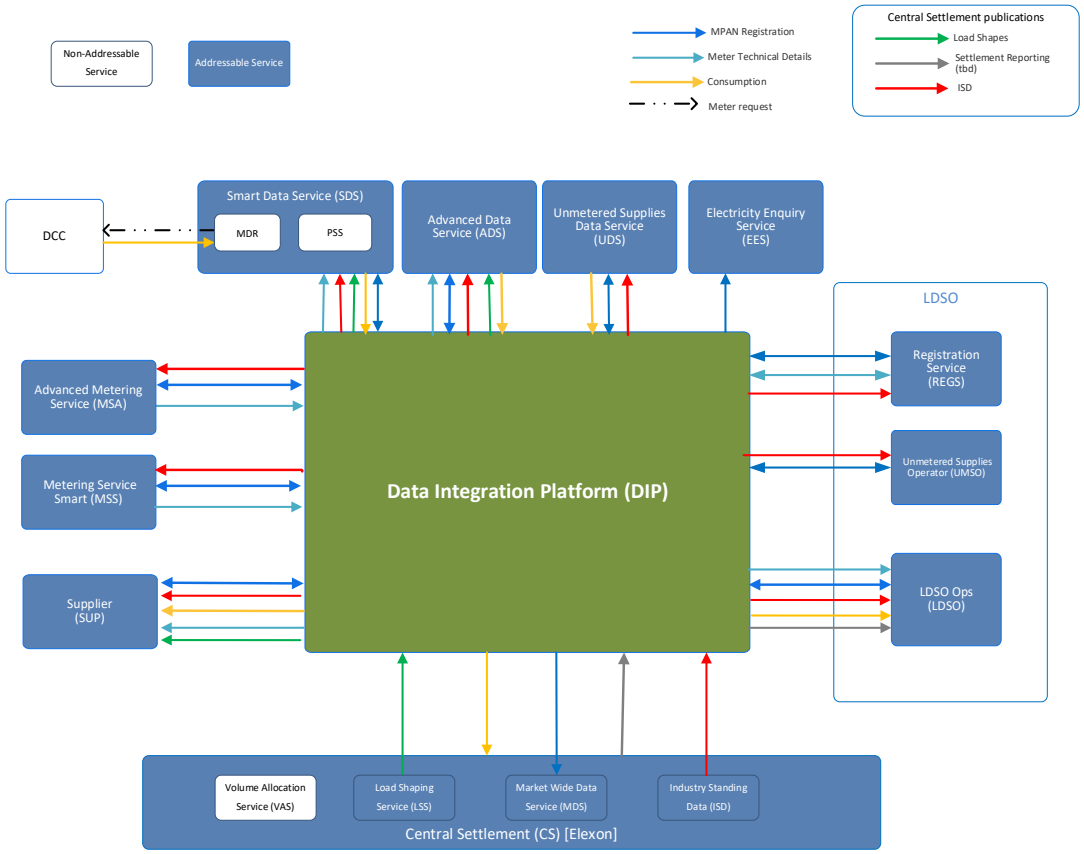


*Figure 2 - Diagram illustrating the interaction between DIP and wider industry*




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## Key DIP Participants

DIP Participants is the collective term for the DIP Manager, DIP Service Provider and DIP Users. Several important DIP Participants are referenced throughout this document and the attachments. These are defined below.

### DIP Manager

The DIP Manager is the organisation tasked with delivery of the DIP including its ongoing governance, funding and operation. Ofgem has appointed Elexon as the DIP Manager. The DIP Manager will assume responsibility for the DIP at the MHHS Programme's Milestone Ten (M10), according to the Programme Plan[13].

### DIP Service Provider

The DIP Service Provider has worked with the MHHS Programme personnel on behalf of Elexon to design the DIP's architecture and has built and tested the DIP. They are now supporting industry-wide End-to-End Industry Systems Integration Testing (SIT)[14] and associated testing phases. The management and oversight of the DIP Service Provider sits with the MHHS Programme personnel on behalf of Elexon.

Responsibility for oversight and management of the DIP Service Provider will pass to the DIP Manager at M10. Following M10 the DIP Service Provider will continue to support Elexon's support to MHHS testing and integration ahead of new MHHS systems taking over from existing systems (including a period of dual running).

The DIP Manager will be responsible for ensuring the DIP remains operational, addressing issues, making patches and updates, and implementing changes and the DIP Service Provider will support the DIP Manager in delivering these responsibilities.

### DIP Users

DIP Users are organisations that have completed DIP On-Boarding and fulfil one of the DIP Roles as listed below. There will be two distinct DIP User types:

- Market Participant Organisations (MPO) – DIP Users that send and receive messages via the DIP as part of their operation in the wholesale energy markets;
- DIP Connection Providers (DCP) – DIP Users that send and receive messages via the DIP on behalf of MPOs; and

MPOs will be able to nominate DCPs to act on their behalf. This would allow smaller Market Participants to access the DIP without updating their technology. MPOs will encompass different roles, as identified in the MHHS End-to-End Solution Architecture:

- Supplier;
- Metering Services Smart (MSS);
- Metering Services Advanced (MSA);
- Smart Data Services (SDS);
- Advanced Data Service (ADS);
- Unmetered Supplies Data Service (UMSDS);
- Electricity Enquiry Service (EES);
- Registration Service (REGS);
- Unmetered Supplies Operator (UMSO);

[13] https://www.mhhsprogramme.co.uk/planning/programme-plan-complementary-documents
[14] https://www.mhhsprogramme.co.uk/testing/systems-integration-testing-sit


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- Distributor (DNO/iDNO);
- The BSC Data Acquisition Hub (DAH); and
- Meter Data Recorders (MDR) where they 'opt-in' to the DIP.

Each DIP User may have multiple people who are able to access the DIP, with different permissions for interacting with the DIP.

Those with a need to see what is being sent via the DIP but that do not need to send messages themselves will not be DIP Users and will instead need to request data via Elexon (or other organisations if not available via Elexon). This may include Code Bodies that need to view data for assurance and/or compliance purposes, and academic institutions accessing DIP messages for research purposes.

### Roles of Elexon relating to DIP

Elexon[15] has several different roles within the electricity industry. Some of these roles are not relevant to Issue 101, but can be seen in Figure 3, such as the Electricity Market Reform Settlement Services Provider (operated by EMRS[16]) and Capacity Market Advisory Group (CMAG[17]) secretariat. Elexon's different roles in relation to the DIP are summarised below.

### MHHS Programme Manager

Ofgem appointed Elexon as the MHHS Programme Manager in their Electricity Retail MHHS Decision[18]. This role involves co-ordinating the development, testing, integration and transition activities to implement MHHS. The MHHS Programme manages the development of the DIP.

The MHHS Programme has been separated from Elexon's other BSC activities, meaning that the Programme has separate decision-making processes, reporting and resources. Colleagues within Elexon must adhere to strict separation agreements and rules[19].

### DIP Manager

Elexon, as the DIP Manager, will assume responsibility for the DIP from the Programme once a set of pre-approved criteria are met at M10.

The DIP Manager shall include:

- The Elexon Board[20] (will exercise oversight of Elexon's delivery of DIP Services);
- Members of Elexon's Executive (responsibility for provision of resource and day-to-day leadership and direction); and
- Elexon staff employed in the delivery of the DIP Manager services.

DIP Manager services shall be separate to work carried out for the provision of the BSC, EMRS or CMAG, as applicable.

[15] https://www.elexon.co.uk/about/about-elexon/
[16] https://www.emrsettlement.co.uk/
[17] https://cmag.elexon.co.uk/
[18] https://www.ofgem.gov.uk/publications/electricity-retail-market-wide-half-hourly-settlement-decision-and-full-business-case
[19] https://www.ofgem.gov.uk/publications/elexon-mhhs-business-separation-plan
[20] https://www.elexon.co.uk/about/who-we-are/


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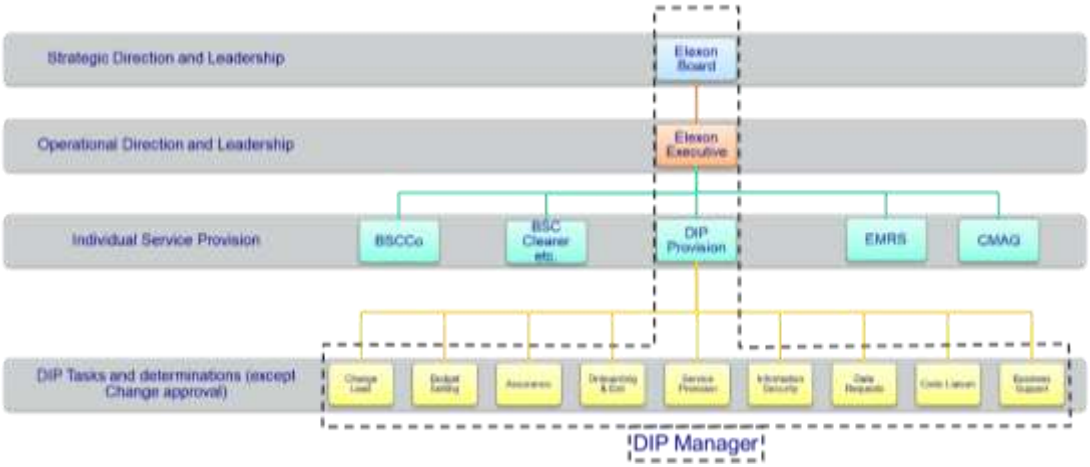


*Figure 3 - Diagram illustrating the makeup of the DIP Manager*

## The Balancing and Settlement Code Company (BSCCo)

BSCCo oversees the strategic operation and day-to-day management of the Balancing and Settlement Code. BSCCo will be a DIP User, as the DAH (see Figure 1) will utilise DIP data will utilise DIP data. At an operational level, there will be no interaction between DIP and BSCCo, other than where BSCCo is a DIP User.

BSCCo, as an MHHS Programme Participant, is treated the same as any other MHHS Programme Participant, and does not have any undue or unfair influence on the central programme, including DIP Design or the enduring DIP arrangements established pursuant to Issue 101.

## DIP Glossary

For the purposes of the proposed drafting and this Issue Report document, capitalised terms shall have the meanings set out in the DIP Glossary included as a subsidiary document in Attachment C (DSD007 ‘DIP Glossary’). It should be noted that the DIP defined terms do not align with BSC defined terms. This is because the DIP defined terms align with those used in the DIP design and specifically the DIP Roles.


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## 3. Issue 101 Process

The progression timetable for Issue 101 was as follows:

| Issue 101 Progression Timetable | |
|---|---|
| Activity | Indicative Date |
| Issue 101 raised | 13 July 2022 |
| Initial assessment (eight Issue Group meetings) | July 2022 – June 2023 |
| Interim Issue Consultation on business requirements | 14 June – 12 July 2023 (20 WD) |
| Development of legal text, subsidiary documents, and Issue Group reviews (five Issue Group meetings) | May 2023 – December 2023 |
| Industry Consultation on legal text and subsidiary documents | 24 January 2024 – 21 February 2024 (20 WD) |
| Issue Group meeting to discuss consultation responses | 29 February 2024 |
| Present Issue Report to BSC Panel for comment | 14 March 2024 |
| Share Final Issue Report with Ofgem | March 2024 |

The principles, assumptions and business requirements developed by Elexon and the Issue Group were consulted on in the Interim Issue 101 Consultation[21]. Issue Group considerations, consultation responses and the amendments made to the proposed DIP arrangements as a result are summarised in Section 5 of this document. The full consultation responses is in Attachment D.

The proposed arrangements and code drafting were then developed with the intention of delivering the principles and business requirements. Consideration was given to the feedback from the consultation and the Issue Group. The code drafting was also reviewed and discussed with the Issue Group. The proposed arrangements, legal text and subsidiary documents were consulted on in the Issue 101 Consultation[22]. Consultation responses and the amendments made to the proposed DIP arrangements as a result are summarised in Section 6 of this report. The full consultation responses are in Attachment E.

Detail of industry engagement with Issue 101 are included in Appendix 1 and 2.

## Next Steps

The Issue 101 Issue Report and proposed DIP code drafting will be shared with Ofgem for review and inclusion in an Authority-led SCR Modification. The SCR Modification is expected to be raised in 2024 and implemented in line with MHHS Programme Milestones.

[21] https://www.elexon.co.uk/consultation/issue-101-consultation-on-the-framework-for-the-enduring-dip-governance-funding-and-operation/
[22] https://www.elexon.co.uk/consultation/issue-101-consultation/


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## Implementation and Transition

Following Ofgem review of the draft DIP legal text, Ofgem will raise an Authority-led SCR Modification that will implement changes for the ongoing governance, funding and operation of the DIP into the BSC. There will be at least two BSC Authority-led SCR Modifications arising from the Ofgem Electricity settlement reform SCR[23] – one to implement the DIP legal text and a separate SCR Modification to implement the wider MHHS arrangements.

Updates relating to the DIP required to other Industry Codes will be implemented as part of the Authority-led SCR changes to implement the MHHS legal text for each Industry Code. For example, this may include references to using the DIP to share data and obligations to comply with the DIP Rules. Elexon have been engaging with Code Bodies to ensure that references to the DIP within the code drafting are sufficient and correct.

The timings of the SCR Modification to implement the DIP Rules are to be confirmed by Ofgem, but it is expected to be raised in 2024 and implemented in September 2024, in line with the DIP Transition Plan that is being developed by the DIP Manager and MHHS Programme.

It will be necessary to handover responsibility for the DIP from the development teams to the DIP Manager. It is proposed that the handover is staggered to ensure the Market Participant experience and continuity of service provision is not effected and as such the DIP Transition Plan will align with the wider MHHS Implementation plan.

At the moment decisions about the DIP design are made solely by the Programme, and DIP Rules reflect the Programme's latest position. During the Transition, it is proposed that there be a period where the Programme and the DIP Manager will be expected to agree any changes to the DIP design (expected between October 2024 and M10). Prior to this the DIP Manager will have to be formally consulted, and between M10 and M16 the DIP Manager will formally consult the MHHS Programme for their knowledge and experience. However, Ofgem will determine and direct the interim governance arrangements as part of the SCR Modification.

The DIP Transition Plan will be published once it is agreed, and overall responsibility for the DIP Transition Plan will sit with the DIP delivery project team.

The DIP Rules will need to come into effect in a staggered manner to reflect the graduated handover of responsibility to the DIP Manager. To allow this, it is proposed that the Authority-led SCR Modification uses a similar approach to that employed by P344 'Project TERRE implementation into GB market arrangements'[24], where sections of the legal text came into effect from the date of a notice rather than from the Implementation Date itself. This would involve the creation of terms defining the dates at which the chapters of the DIP Supplement and DSDs come into effect, in line with the DIP Transition Plan.

The proposed Implementation approach is that the Authority-led SCR Modification would be implemented in late September 2024. This is necessary so that the governance and change management arrangements (chapter 2 and 5 of the DIP Supplement and DSD001 and DSD004) would be live for the dual running portion of the DIP Transition Plan. All other chapters and subsidiary documents would come into effect at M10.

**What is an Authority Led SCR Modification?**

The Significant Code Review (SCR) process provides a tool for Ofgem (the Authority) to initiate extensive change and to implement reform. An Authority Led SCR Modification is one of the routes available to the Authority for giving effect to an SCR - a BSC change which arises from an SCR and where the process is led by the Authority. It does not follow the normal Modification process. Ofgem set the timeline and steps.

[23] https://www.ofgem.gov.uk/energy-policy-and-regulation/policy-and-regulatory-programmes/electricity-settlement-reform
[24] https://www.elexon.co.uk/mod-proposal/p344/


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# 4. Proposed DIP Arrangements

Elexon and the Issue 101 Issue Group have considered various topics across the lifecycle of DIP operations to generate the proposed solution for the DIP arrangements.

This section is subdivided by topic area, following the chapters of the legal text in the DIP Supplement:

- Chapter 1: General;
- Chapter 2: Governance;
- Chapter 3: DIP Connection and Operation;
- Chapter 4: Assurance;
- Chapter 5: Change Management;
- Chapter 6: Cost Recovery; and
- Chapter 7: Data Management.

Each sub-section summarises the proposed arrangements as they relate to that topic.

Further detail on each topic can be found in the draft business requirements document, in Attachment A, the legal text in Attachment B, and the DIP Subsidiary Documents in Attachment C.

Details of the initial solution development, including the main considerations of the Workgroup, any relevant interim consultation responses, and the amendments made can be found in Section 5 of this report.

A summary of the consultation responses from the consultation on the proposed arrangements and code drafting and the actions that have been taken as a result can be found in Section 6 of this report.

For each topic, any relevant views presented in the Ofgem decision document were also considered, to ensure that the proposed arrangements are aligned with Ofgem's 'minded to' position. A summary of Ofgem's requirements and how they have been met, with reference to specific business requirements, can be found in Section 7 of this report.

## Chapter 1: General

The DIP Rules consist of the DIP legal text and the DIP Subsidiary Documents (DSDs). The DIP legal text is presented as a supplement to the BSC, known as the DIP Supplement, and sets out:

- The governance arrangements relating to the DIP;
- The functions, duties and powers of the DIP Manager;
- The establishment, functions, duties and powers of the DIP Change and Advisory Board (DCAB); and
- The obligations and rights of DIP Users.

Although still part of the BSC legal text, utilising a supplement will allow greater flexibility and will reflect the separation of the DIP arrangements from the BSC arrangements (in reflection of the DIP being a whole-industry system and not a BSC System), and allow for transfer should the DIP Manager role be reassigned.


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The DSDs detail the procedures and detailed arrangements relating to use of the DIP. There will be seven DSDs created:

- DSD001 – DIP Governance;
  - DSD001 Annex One – DIP Rules Implementation Dates and Transition Arrangements;
- DSD002 – DIP Connection and Operation;
  - DSD002 Annex One – DIP On-Boarding Non-Functional Checks;
  - DSD002 Annex Two – Detailed DIP Operational Requirements;
  - DSD002 Annex Three – The DIP-PKI (Public Key Infrastructure) Policy;
  - DSD002 Annex Four – Access Agreement;
- DSD003 – Assurance and Reporting;
- DSD004 – DIP Change and Document Management;
- DSD005 – DIP Funding and Budget; and
- DSD006 – Data Management; and
- DSD007 – DIP Glossary.

The DIP Manager will maintain and publish guidance documents to provide information and assistance to DIP Participants and wider stakeholders to support the DIP Rules.

## DIP Applicable Objectives

The DIP will have its own Applicable Objectives that will be used by the DIP Manager, DCAB, and the Authority when making decisions relating to the DIP, including any changes. These are separate and different to the Applicable BSC Objectives[25].

The DIP Applicable Objectives shall be to:

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

## Relationship to the BSC

As the DIP legal text will be a Supplement to the BSC, DIP Users that are also BSC Parties will not have to separately accede to the DIP Rules. BSC Parties that will also be DIP Users are:

- Suppliers;
- Unmetered Supplies Operators (UMSO);
- Distributors; and
- BSCCo.

Despite the DIP legal text forming part of the BSC, the BSC Panel will have no duties or responsibilities in relation to the DIP Rules. Additionally, the DIP Rules will not be subject to the Modification Procedures in BSC Section F 'Modification Procedures'[26].

[25] https://www.elexon.co.uk/glossary/applicable-bsc-objectives/
[26] https://bscdocs.elexon.co.uk/bsc/bsc-section-f-modification-procedures


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Certain operating provisions that the BSC affords to BSCCo and the BSC Panel will apply to the DIP Manager and DCAB respectively. These provisions have been applied via reference to the relevant BSC sections for simplicity of operations and of the DIP legal text. The general provisions include:

- Liability of the DIP Manager to DIP Users;
- Capacity of the DIP Manager;
- Liability of DIP Users to each other;
- Resolution of disputes that arise under, or relate to, the DIP Rules;
- Transfers to rights or obligations under the DIP Rules;
- Waiver;
- Third party rights; and
- General governance.

## Non-Party DIP Users

Organisations that are not BSC Parties are able to become DIP Users by entering an Access Agreement between the DIP User and the DIP Manager. The Access Agreement is included as an Annex to DSD002. The Access Agreement may not grant rights to or impose obligations on other organisations beyond the rights and obligations of DIP Users generally.


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## Chapter 2: Governance

The governance rules and processes for the DIP are covered in Chapter 2 of the DIP Supplement and DSD001 'DIP Governance'. The governance rules include the establishment and governance of the DIP Manager and the DCAB.

Following the Code Manager principles suggested in the Code Review, the DIP Manager will make almost all determinations relating to the DIP and DIP Rules. The intention is to make the DIP processes as efficient as possible, but it is important for industry representation to be formally involved in the decision making process for material DIP Changes. Consequently, the DCAB will make any determinations relating to DIP Change Requests (DIP CRs) that are assessed to be material in nature.

### DIP Manager

The DIP Manager will be an organisation appointed by Ofgem, currently Elexon. The DIP Manager will be responsible for the efficient and cost-effective operation and management of the DIP, ensuring that the DIP and DIP Rules remain fit for purpose, and supporting the DCAB.

The DIP Manager internal governance shall consist of structure and processes as determined by the DIP Manager. Where the DIP Manager is part of the same organisation as a Code Body there is a requirement for arrangements to be put in place to avoid conflicts of interest. However, staff will still be able to have dual roles, e.g. working for both BSCCo and the DIP Manager.

There has to be a clear decision making process in place for DIP Manager determinations, where those undertaking the assessment and/or recommendation must not also be involved in making a determination. DIP Manager decisions will be made by an internal group consisting of at least an Executive, one SME with sufficient seniority and one other senior person. This is to avoid any one person within the DIP Manager organisation from unilaterally making decisions that impact the DIP.

The DIP Manager shall publish any determinations they make, including their reasons for that determination e.g. if they refuse to raise a change, they will need to explain why in their decision document which will be published online.

### Support to industry and government bodies

The DIP Manager will be required (by the DIP Rules) to facilitate close working relationships with Code Bodies, in order to support the Code Bodies and implement efficiencies and synergies to benefit DIP Participants.

The DIP Manager must participate in relevant cross-Code forums and consultations, and receive notifications from Code Bodies. This includes attending the Cross-Code Steering Group[27] (CCSG), attending relevant workgroups, signing-up for newsletters and responding to requests for consultation or impact assessment.

The DIP Manager will make any relevant data, subject to open data policies, available to Code Bodies when requested and content agreed.

DIP Manager will support the Authority and other government bodies so far as possible and practicable. Any support shall be made public, subject to open data restrictions.

[27] https://recportal.co.uk/documents/20121/147251566/CCSG+-+Terms+of+Reference.pdf/6616e756-87e6-e491-4272-75fc1c4a2d98?t=1649932013871&download=true

**What is the Cross-Code Steering Group?**

The Cross-Code Steering Group (CCSG) was established to support the development of change proposals that impact multiple industry codes. The CCSG assesses each change proposal referred to it, to determine whether there are cross code impacts and, where cross-code impacts are identified, determine which is the 'lead code'. The CCSG aims to remove duplication for parties affected via multiple codes, whilst ensuring that all impacted parties have the ability to engage in the change process.



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## Responsibilities of the DIP Change and Advisory Board (DCAB)

The DCAB will be a standalone group with constituency representation from across the different DIP User types (see below). The DCAB will act as a specialist advisory group and 'critical friend' to the DIP Manager.

The DCAB will be responsible for:

- Approving DIP CRs that are deemed to be material (see Chapter 5: Change Management);
- Advising the DIP Manager as required;
- Agreeing the scope of the DIP Manager's audit and review outcomes; and
- Reviewing any decisions made by the DIP Manager as part of an appeal.

Figure 4 shows the different responsibilities of the DCAB.

DCAB Members are expected to act as an expert in their role, with constituency representatives also taking into consideration the overall views of their constituents. To ensure this, constituency representatives will seek the views of their constituents prior to voting.

Sub-DCABs can be formed for specific purposes, but the DCAB should consider alternatives first, such as bringing in subject matter experts or asking the DIP Manager to undertake tasks. Any sub-DCAB formed will have specific terms, as agreed by the DCAB, but will not be decision making – sub-DCAB groups will advise DCAB.

*Figure 4 - Diagram showing the role of the DCAB*

**What is a critical friend?**

A 'critical friend' is a Code Administrator who provides support to all with an interest in the Code Modification process, but paying particular attention to under-represented parties, small market participants and consumer representatives.



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## Composition of the DCAB

The DCAB will be composed of the following positions:

| DCAB Membership | | |
|---|---|---|
| Type of membership | Mechanism for selecting member | Contribution to DCAB voting |
| DCAB Chair | Nominated by DIP Manager | Non-voting, except where the DCAB are unable to achieve a majority decision |
| DCAB Secretary | Nominated by DIP Manager | Non-voting |
| Two Supplier constituency members, one from a large or medium Supplier and one from a small Supplier | Elected via constituency | Voting |
| Two Data Services constituency members, one from an independent energy company | Elected via constituency | Voting |
| Two Meter Services constituency members, one of which shall be from an independent energy company | Elected via constituency | Voting |
| Two Distributor constituency members, one shall not be part of a wider energy company | Elected via constituency | Voting |
| Two independent electricity industry members | Elected for their general industry knowledge | Voting |
| One consumer member | Nominated by Citizen's Advice or Consumer Scotland | Voting |
| One Code Body member from each relevant Code Body | Nominated by the relevant Code Body | Voting |
| One DIP Manager member | Nominated by DIP Manager | Non-voting |
| One representative from the organisation holding the Licence which gives rise to the DIP Rules | Nominated by Licence holder | Non-voting |
| One member on behalf of the Authority | Nominated by the Authority | Non-voting |

The Supplier constituency representatives shall consist of one representative from a large or medium Supplier and one representative from a small Supplier. Supplier size will be based on total number of MPANs registered in the DIP MPAN Address Maintenance Service (DIP MAMS) per Supplier (MPS), and the determination of MPS will be made, in accordance with DSD005 'DIP Funding and Budget', at the start of the month during which the call for the DCAB Member nomination is made. The Supplier size ranges are defined as:

- A large Supplier is any Supplier with a MPS equal to or greater than 250,000;
- A medium Supplier is any Supplier with a MPS equal to or greater than 100,000 MPS, but less than 250,000 MPS; and
- A small Supplier is any Supplier that is not a Large Supplier or Medium Supplier.


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In the case of Data Service, Meter Service and Distributor constituency representatives, one representative shall represent independent DIP Users within their constituency, and the other shall represent non-independent DIP Users within their constituency. An independent DIP User shall be a DIP User that is not affiliated to another DIP User e.g. is not part of a vertically integrated company. The DCAB Secretary will confirm independence during the election process.

The two independent DCAB Members should be nominated on the basis of their general industry knowledge and act in the interest of the industry as a whole rather than on behalf of their employer or any other stakeholders.

Each Industry Code that requires parties to that Industry Code to be a DIP User shall be entitled to be represented on the DCAB by the Code Body responsible for the administration of that Industry Code. A Code Body shall not be entitled to appoint a DCAB Member solely as a result of being the 'owner' of a DIP interface in the Energy Market Design Specification (EMDS) or because the Industry Code includes a requirement to share information through the DIP.

Where the DIP Rules are given effect by virtue of a Licence issued by the Authority, either directly or otherwise, the organisation holding that Licence shall be entitled to DCAB membership.

## DCAB Elections and Terms

DCAB Elections will be organised by the DCAB Secretary. The constituency members will be elected by their constituents, and the independent industry members will be elected by all DIP Users. There will be one vote per parent/umbrella company.

DCAB candidates must be nominated by at least two people employed by DIP Users from the relevant constituency. The candidate must not be employed by the same organisation as any of the people nominating them.

Voting DCAB Members will serve two-year terms, and no more than two consecutive terms before taking a two year break. In order to avoid losing all voting DCAB Members at the same time, term times will be staggered for the founding members. Similarly, one constituency representative will change on odd years, and the other on even years.

Non-elected DCAB Members may serve for such period as the proposing organisation considers fit.

## Leaving the DCAB

DCAB Members can leave for various reasons, including resignation, expulsion for bad behaviour, and disqualification.

Bad behaviour is subjective, but DCAB Members are expected to be professional and promote efficiency of the DCAB. This includes attending meetings or nominating an Alternate, and contributing productively in DCAB meetings. Where DCAB Members are not considered to be acting appropriately then the DCAB Chair may propose expelling the DCAB Member. A DCAB Member can only be expelled where at least two-thirds of the DCAB Members are in agreement.

Where a DCAB Member leaves the DCAB mid-period, an interim election shall take place to nominate a replacement. The time between the interim election and the next DCAB election will not count towards the term time of the replacement, as detailed in the previous section.


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## DCAB Meetings

DCAB meetings will be public and open to anyone to attend by default, but can be closed, if required, due to confidentiality. Meetings may be part open and part confidential.

DCAB meetings should be held monthly, unless determined otherwise. The DCAB Chair may cancel a meeting if there is nothing on the agenda. DCAB meetings may also be held at other times as decided by DIP Chair, for example where there is an urgent need for a decision on a DIP change.

DCAB meetings will require seven DCAB Members be present to be considered quorate, excluding the DCAB Chair.

DCAB Members may appoint an Alternate in their place for a meeting if required. Alternates are able to advice and vote as if they were the DCAB Member. DCAB Members may nominate another DCAB Member to act as their Alternate, including non-voting DCAB Members. Each DCAB Member can only act as Alternate for one other DCAB Member i.e. the maximum votes that may be cast is two – one as DCAB Member and once as Alternate.

Documents for the DCAB should be published by the DIP Manager 5 Working Days before the date of the relevant DCAB meeting. In the case of urgent meetings, any documents will be published as soon as reasonably possible before that meeting.

## DCAB Determinations

The DCAB are required to make determinations relating to:

- Whether to approve material DIP CRs in accordance with DSD004;
- Any appeals where the DCAB is required to act as the Appeals Adjudicator in accordance with DSD001 ‘DIP Governance’;
- DCAB formal consultation responses; and
- Advice given by DCAB to the DIP Manager that requires majority agreement e.g. should there be different views amongst DCAB Members on what to advise the DIP Manager.

Provided that a meeting is quorate, decisions of the DCAB shall be by simple majority of those attending the meeting and entitled to vote. If the vote is tied, then the DCAB Chair shall have the deciding vote. The DCAB Chair may decide to postpone any vote for further discussion and future decision.

Absentee voting will not be allowed, as DCAB Members should be involved in the relevant discussion prior to voting. DCAB Members that are unable to attend should instead nominate an Alternate who will be able to vote on their behalf.

Constituent views should be sought by constituency DCAB Members unless otherwise agreed. The DCAB Secretary shall support DCAB Members in consulting their constituent members.

DCAB Members are required to declare any potential conflicts of interest prior to voting. The DCAB Chair may consider appointing an Alternate or excluding DCAB Members from voting where there is a conflict of interest.

Non-confidential Decisions of the DCAB shall be published after every meeting.

## Appeals

Appeals against DIP Manager decisions can be made to the DCAB, including decisions on:

- Whether to permit DIP On-Boarding;


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- Whether to carry-out DIP Off-Boarding;
- Whether to raise a DIP Change Request;
- Whether to approve a DIP Change Request; and
- Whether to permit DIP data publication and/or sharing.

Appeals should be submitted within 30 calendar days of the determination. The DCAB Secretary will check the appeal includes all required information prior to publishing the appeal request.

DCAB will hear appeals at next available DCAB meeting, provided there are 10 working days between the appeal submission and the DCAB meeting.

Appeals against any decision of the DCAB can be to the Authority. The Authority will set timescales to adjudicate appeals submitted to them.

Appeals against Authority determinations will follow the process published by the Authority, where applicable. Some Authority decisions will be final, subject only to Judicial Review.

## Annual General Meeting (AGM)

The Annual General Meeting (AGM) will be an opportunity for DIP Participants to hear from DIP Manager and the DCAB. The meeting shall take place no later than three months after the DIP Year, as determined by the DIP Manager.

The AGM content will include:

- DIP Manager's activity;
- DCAB Activity;
- DIP performance and activity based on DIP performance reports;
- Changes to DIP and/or DIP Rules;
- DIP Assurance activity;
- Support to Code Bodies, Authority and other organisations; and
- Anything further that may be relevant or of interest for DIP Participants.

The AGM will be attended by:

- DIP Manager executive management;
- Chair of the DIP Manager's Board of Directors (where the DIP Manager is organised as a company not forming part of a wider organisation);
- The person holding the senior management position amongst DIP Manager employees;
- DCAB Chair – to speak on behalf of DCAB;
- DCAB Secretary;
- DCAB Members should attend; and
- Any DIP Participant or other persons may attend the DIP AGM - The DIP Manager shall publish details of how to attend.

## DSD002 Annex One – DIP Rules Implementation Dates and Transition arrangements

This Annex lays out the process for staggered implementation and provides the details of when different parts of the DIP Rules will come into effect in accordance with the DIP Transition Plan.


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## Chapter 3: DIP Connection and Operation

DIP On-Boarding refers to the process whereby new DIP Users will be granted access to the DIP following the creation of Digital Certificates and generation of Private and Public keys. DIP Off-Boarding refers to the process by which access to DIP will be revoked. This chapter of the DIP Supplement and the processes in DSD002 'DIP Connection and Operation' set out the criteria that must be met by DIP Applicants to access the DIP, and how and when that access can be removed.

MHHS Qualification is not covered in the DIP Rules, and refers to the process by which existing market participants demonstrate their ability to meet post-MHHS implementation requirements in respect of new systems and processes. DIP Users that take part in System Integration Testing or MHHS Qualification will complete DIP On-Boarding as part of those processes. Market participants that do not undertake MHHS Qualification and/or SIT will need to complete DIP On-Boarding before the end of the MHHS Migration phase (M16).

### DIP On-Boarding

A prospective DIP User must have successfully completed DIP On-Boarding before it can use the DIP. During DIP On-boarding, a DIP Applicant will be assigned permissions for sending and receiving messages based on their DIP Role ensuring they can only send messages specific to their role.

The DIP Manager will be responsible for DIP On-Boarding and determining whether to approve a DIP Applicant, in accordance with DSD002 'DIP Connection and Operation'.

### Points of Entry

There will be three points of entry into DIP On-Boarding:

- BSC Parties, following referral from BSC Market Entry process – information will be shared with the DIP by API;
- REC Parties, following referral from REC Market Entry Process via the BSC Market Entry process; and
- The DIP front-page – primarily non Parties e.g. DCPs, but open to all.

Where applicable, Code Bodies will be involved in triggering DIP On-Boarding through referral from the Code Body's Market Entry Process. This may be manual or via an API (the intention is to use API, but manually will be an option). The details of DIP Applicants undergoing Industry Code Qualification for the BSC and/or REC will be shared with the DIP by the relevant Code Body. The details of DIP Applicants that will undertake Industry Code Qualification under both the REC and BSC will be shared with the DIP Manager by BSCCo.

DIP On-Boarding can then be undertaken in parallel with Industry Code Qualification, with information being shared between the Code Bodies and the DIP Manager. Code Bodies will inform the DIP Manager of new entrants to the Code, and of when the entrant's Code Qualification is complete.

DIP will also inform relevant Code Bodies when DIP On-Boarding is complete, and when the DIP User has been moved to the production environment.

The DIP On-boarding and revised Industry Code Qualification processes are designed in such a way that the Code Bodies and DIP Manager liaise and check with each other at the three main points in the process, namely:

- Prior to commencing DIP On-boarding;
- Once DIP –On boarding is complete but ahead of Industry Code Qualification completing; and


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- Once Industry Code Qualification has been completed so that the DIP Applicant can be moved to the production environment.

## Authorised Personnel

There are four Market Participant (MP) member roles which can be assigned during DIP On-Boarding. Any person within the DIP Applicant organisation is eligible to hold one or multiple of these roles:

- User Administrator (Admin) – provides the functions to add other internal users and manage DIP IDs. The User Admin will complete the initial application, whether via an Industry Code or otherwise;
- Certificate Administrator (Admin) – responsible for certificate management, may be multiple people at different parts of the process;
- Message Administrator (Admin) – control and own all activities relating to message processing, replay and management;
- Analytics Reader –have access to review the DIP Dashboard feature.

## DIP On-Boarding preparation

DIP Applicants will need to provide the following details for DIP On-Boarding:

- Name of MP User Admin;
- Company name and Company number;
- Company address;
- MPID and Market Roles (if known); and
- Requested DIP Role.

## DIP On-Boarding Process

The DIP On-Boarding process will be administered by the DIP Manager, including communication with Code Bodies where appropriate, as DIP access will be required for some Code Qualification.

DIP On-Boarding will be in two parts, conducted simultaneously:

- 'Functional' – meeting the technical requirements to be able to use the DIP; and
- 'Non-functional' – governance and processes around use of the DIP.

Summary of DIP On-Boarding process is as follows:

- Initial application;
- DIP Manager reviews initial application;
- Certificate Admin undergoes verification;
- Establish MPOs and/or DCP roles;
- Digital Certificate exchange;
- Message Formats assigned;
- DIP Manager's non-functional checks;
- DIP On-Boarding complete (Code Bodies informed);
- Code Qualification complete (DIP Manager informed);
- Check DIP On-Boarding criteria remains extant;
- Move to Production environment;
- Update Security Certificates; and


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- Industry Codes informed.

The DIP Manager will sense check applications, and will inform Code Bodies of direct entrants to check whether they are acceding to a Code. The DIP Manager will also ensure that DIP Applicants requiring a Data Privacy Impact Assessment (DPIA) have such in place as part of the DIP On-Boarding process. The DIP Manager will only check the DPIA exists and contains references to the relevant subjects, not that it is fit for purpose as this is outside the DIP Manager's purview.

### Testing

Message Formats will be assigned based on DIP Role, and the applicant will have to send one of each message permutation in the non-production environment and the DIP Manager will check that messages were sent and there are no issues. Additional testing (outside of DIP requirements) may be required to meet Code qualification requirements.

### DIP and DCP IDs

DIP IDs and DCP IDs will be assigned to DIP Users during DIP On-Boarding.

The DIP will send DIP IDs and DCP IDs to the Industry Standing Data (ISD) system via ISD Entity #M16. In the case of MPOs, DIP Role and DIP ID will marry with the equivalency within ISD.

MPOs will be able to have one or multiple DIP IDs, depending on how the organisation is set up. Generally, there will be one DIP IDs for each MPID-market role pair. An example can be seen in Figure 5 where DIP IDs are assigned and Figure 6 where DCPIDs are assigned.

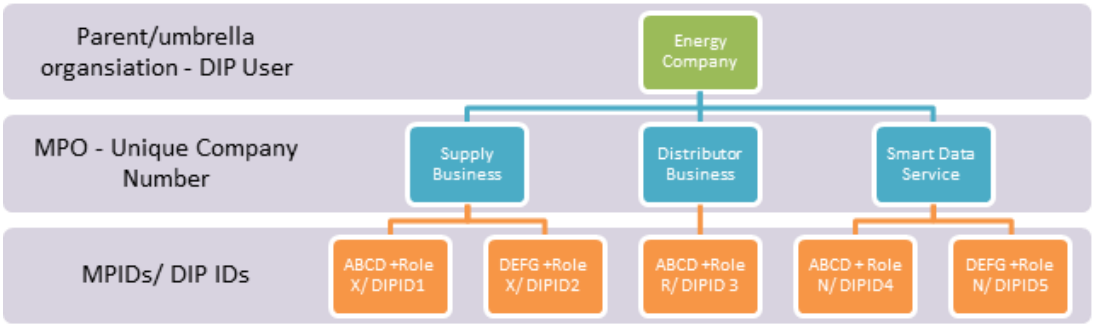


*Figure 5 - Diagram showing a hypothetical organisation with multiple DIP IDs*

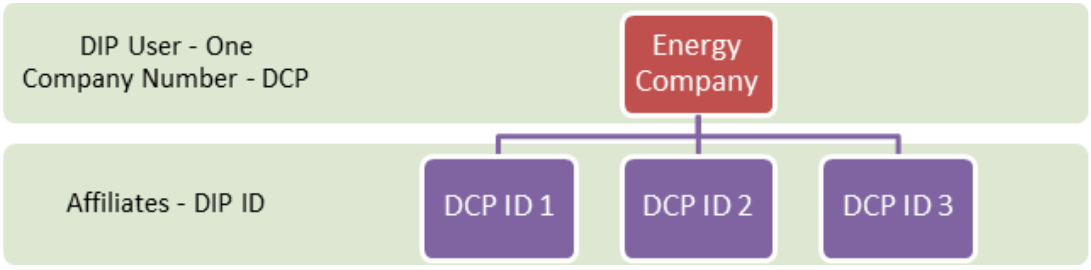


*Figure 6 - Diagram showing a company with multiple DCP roles*

### DIP Off-Boarding

DIP Off-Boarding refers to the process with which the DIP Manager and a DIP User must comply to enable the removal of a DIP User's access to the DIP. This includes:

- Revocation – permanent removal of a DIP User's access to DIP Services;
- Suspension – temporary removal of a DIP User's access to DIP Services; and


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- Voluntary cessation of access by a DIP User to DIP Services.

## Revocation

The DIP Manager may Revoke a DIP User's access to the DIP Service where:

- That DIP User is subject to an ongoing Event of Default;
- The DIP User is a party to an Industry Code that requires them to access DIP Services and that DIP User has been expelled or has otherwise ceased to be a party to that Industry Code; and/or
- The DIP User holds a Licence that has been revoked by the Authority.

Where an Industry Code intends to take action against a DIP User that is a party to their Code, the DIP Manager shall be informed, and the DIP Manager shall determine whether they need to take action in regard to the same matter. A decision by a Code may not trigger an equal decision by DIP Manager, particularly as the DIP User may still need access to the DIP for reasons outside of that Code e.g. a BSC Party could continue to use the DIP as a DCP.

The DIP Manager shall be informed by Ofgem and/or Industry Code Panels of a decision to revoke a licence and/or remove a Market Participant from their Codes.

Where a DIP User is required to exit the market, DIP Access shall not be revoked until:

- All actions to transfer responsibility from one Supplier to another (if applicable) under the BSC and/or REC have been completed;
- The BSC and/or REC Panel has advised the DIP Manager to that effect;
- DIP User mapping has been updated to reflect the change.

Each DIP User shall be entitled to initiate its own voluntary cessation of access to the DIP Service by giving notice in writing to the DIP Manager.

## Suspension

The DIP Manager may Suspend a DIP User's access to DIP Services where:

- The DIP User is in breach of the Fair Use Requirements;
- The DIP Manager reasonably believes that the Suspension is necessary as a result of an emergency business continuity event; or
- The DIP User is subject to an ongoing Event of Default where it has been determined by the DIP Manager (either in conjunction with the Authority and/or Code Bodies, or determined independently) that the severity and impact of such Event of Default does not yet warrant Revocation.

In the case of an emergency business continuity event, the DIP Manager should aim to give the DIP User as much notice as possible before the Suspension, and should restore the DIP Services as soon as reasonably practical.

Prior suspending access, the DIP Manager should inform Code Bodies and request approval from the Authority.

Where time is of the essence, the DIP Manage may suspend a DIP User first and inform BSCCo, RECCo, Ofgem and other key parties retrospectively – Emergency Suspension.

The DIP Service Provider and/or DIP Verification Service Provider may also undertake Emergency Suspension and inform the DIP Manager as soon as practicable if speed is of the essence.


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### Voluntary DIP Off-Boarding Process

Where a DIP User wishes to cease carrying out a DIP Role, and the DIP Manager determines that a DIP User shall not retain DIP access:

- The DIP Manager shall inform the DIP User and commence the process to revoke DIP Access;
- The date of DIP Access revocation will be determined by the DIP Manager (who will liaise with the BSCCo and/or RECCo if applicable); and
- DIP Access revocation will not become effective until 5 Working Days following the DIP Manager's determination to allow for an appeal to the DCAB.

Where a DIP ID is transferred to another entity, security certificates shall be revoked and re-issued as required.

### Returning

Where a DIP User leaves the DIP, but wishes to return, their DIP On-Boarding requirements will be determined by the DIP Manager based on their time away from the DIP, any changes to the DIP User's systems and/or processes and any changes to the DIP.

### Information Security Management Systems

The DIP Manager will be responsible for ensuring that they (and by extension the DIP Service Provider) have Information Security Management System (ISMS) practices and policies in place that align with industry best practice. They will also be expected to prevent unauthorised access to the DIP and the addition of any Malware.

DIP Users will have to adhere to ISO 27000 series[28], to the extent that the standards are applicable to their organisation. This means that they will not necessarily need to be certified if it is not appropriate for the DIP Users business model, but will need to show how their ISMS aligns with the ISO2700 series (this may be via equivalent certification). Compliance will be checked during DIP On-Boarding and the DIP Manager will provide guidance on which parts of the ISO27000 series are applicable to DIP Users.

DIP Participants will require Key Management processes to be in place to keep digital Certificates safe.

DIP Users will have to store messages within their own systems for at least two years and should be able to reproduce the messages when required by the DIP Manager in accordance with the DIP Rules.

DIP Participants will need to retain all audit logs of basic user activities such as logon, logoff and failed attempts, and security events for all information systems and services that interact with the DIP, for a minimum of six months. DIP Participants shall make these audit logs available for the DIP Manager (or its representative) on request.

DIP Users shall perform a DIP Code of Connection (CoCo) Self-Assessment Document (SAD) at least annually following DIP On-Boarding.

### Cyber Security

DIP Participants shall undertake Penetration Testing and vulnerability management testing routinely in accordance with industry best-practice and ISO 27001 requirements.

DIP Users will be required to maintain a Cyber Incident response plan which should be submitted to the DIP Manager for review as part of Assurance activities if required. The

[28] https://www.iso.org/standard/iso-iec-27000-family


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Cyber Incident response plans should be periodically tested in line with the ISO 27000 series requirements.

### Operations Management

DIP Users will have access to the DIP Manager via a service desk. The DIP service desk processors are being developed as part of the wider MHHS programme to align with wider-Settlement IT Service Management. This is outside of the DIP Rules and the scope of Issue 101. Guidance relating to the use of the DIP service desk will be published prior to M10.

Only the DIP Manager will engage with the DIP Service Provider directly. Changes to the DIP will be made by the DIP Service Provider, but only following direction from the DIP Manager and subject to relevant change control processes.

### DSD002 Annex One – DIP On-Boarding Non-Functional Checks

This Annex contains the Non-Functional Checks to be checked during the DIP On-Boarding and subsequently as part of the CoCo Self-Assessment Document.

### DSD002 Annex Two – Detailed DIP Operational Requirements

The purpose of this Annex is to identify any configurable parameters that will be reviewed periodically to cater for changing demand and capacity forecasts, where they have not been identified elsewhere in this DSD. This Annex also defines the operational procedures required by Market Participants and DIP Connection Providers to securely exchange metering and consumption information with the DIP using Public Key Infrastructure (PKI) Certificates. This Annex contains additional DIP CoCo requirements and a description of what DIP Users should in turn expect from the DIP in terms of performance standards and such.

### DSD002 Annex Three – The DIP-PKI (Public Key Infrastructure) Policy

This Annex contains the DIP-PKI (Public Key Infrastructure) Policy and has been created based on the PKI Policy developed by the MHHS Programme and structured in accordance with the guidelines in IETF RFC 3647[29]. The PKI Policy is a named set of rules that indicates the applicability of a Digital Certificate to the DIP.

This Annex defines a Public Key Infrastructure and, in conjunction with the PKI Disclosure Statement, specifies:

- Who can participate in the Public Key Infrastructure;
- The primary rights, obligations and liabilities of the parties governed by DIP-PKI Policy;
- The purposes for which Digital Certificates may be used; and
- Minimum requirements to be observed in the issuance, management, usage and reliance upon Digital Certificates.

### DSD002 Annex Four– Access Agreement

This Annex contains the Access Agreement which Non-Party DIP Users will be required to enter into as part on DIP On-Boarding. The Access Agreement specifies the terms and conditions applicable to each relevant DIP Role to ensure that the Non-Party DIP User is bound to comply with the DIP Supplement.

[29] https://www.ietf.org/standards/rfcs/


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# Chapter 4: Assurance

Assurance relates to how the performance against the DIP Rules will be monitored and managed, including assurance of the DIP Service Provider, the DIP Manager, and DIP Users. Reporting from the DIP may be utilised during assurance activities.

DIP Assurance will be risk based, considering the risk that DIP Users may be acting contrary to the DIP Rules and risk to the integrity of the DIP. Audits will only be performed where significant risk is identified or where there is evidence of underperformance. The DIP Manager may use third parties to carry out any Assurance and audit.

## DIP Assurance Strategy

Assurance activities will check the compliance of DIP Participants with the DIP Rules. This will include data analysis via desk top audits and potentially, AI technology. Assurance activity will be determined by intelligence and risk.

The DIP Manager shall maintain a DIP Risk Register, including mitigation plans, which shall be reviewed at least quarterly (but will be reviewed following key events/changes). The DIP Risk Register shall be published and updated following each review.

The DIP Manager will generate the DIP Assurance Strategy for the following DIP Year, which will set out the priorities for Assurance activities and include details of Assurance to be carried out.

The DCAB should advise on the DIP Assurance Strategy and may suggest alternative and/or additional prioritisation. Where DCAB makes such suggestions then the DIP Manager shall take those suggestions into account in adopting the DIP Assurance Strategy.

The DIP Assurance Strategy will be consulted on before it is finalised.

*Figure 7 - Diagram showing the cyclical DIP assurance process*

The DIP Assurance Strategy will include:

- DIP Risk Register;
- Potential for non-compliance;


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- Assurance analysis to occur per DIP User type;
- Number of audits – desktop and/or site-visit'
- DIP Service Provider Assurance activity above and beyond SLAs;
- DIP Manager planned assurance;
- Support to Code Bodies;
- Support to Authority and/or other Government bodies; and
- Anything else relevant to planned assurance activity including non-compliances in the previous year and issues with service delivery.

## DIP User Assurance

DIP User Assurance will be risk based and audits will only occur if deemed necessary. By default, audits will be desk top or virtual.

DIP Users have warning one month in advance of audits, and the DIP Manager will endeavour to co-ordinate Assurance with DIP Participants, Code Bodies, the Authority and other similar organisations in order to minimise disruption where possible.

DIP Users will be obligated by the DIP Rules to co-operate with DIP Assurance and audits. This includes providing any data requested by the DIP Manager (or any auditor appointed by it) and providing access to its premises, records and systems. DIP Users will also have to comply with any findings of Assurance.

The DIP Manager will work with DIP Participants to rectify any failings identified during Assurance as soon as possible. Findings from Assurance carried out by or on behalf of the DIP Manager may be published, subject to business confidentiality and data protection requirements.

## DIP Service Provider Assurance

DIP Service Provider Assurance will be carried out subject to the DIP Assurance Strategy but will take place at least every other year.

The DCAB will be consulted on the scope of the audit.

As a contractor to the DIP Manager, it will be the DIP Manager's responsibility to ensure the DIP Service Provider is supporting the DIP Manager by meeting the Service Level Agreements (SLAs) agreed in the contract between Elexon and the DIP Service Provider. These include:

- Percentage of uptime – 99.95% (unplanned)
- Mean Time to Recovery – 60 minutes

Further DIP Service Provider SLAs and performance shall be published prior to M10 subject to contractual restraints.

DIP Manager shall ensure that the DIP Service Provider is carrying out maintenance and spot-checks as required by their contract e.g. DIP MPAN Address Maintenance Service spot-checks.

## DIP Manager's Audit

The DIP Manager shall be audited on the delivery of its obligations in the DIP Rules at least annually. The DIP Manager Audit will take place annually, and the auditor shall alternate between an internal and an external auditor.


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The DCAB will agree the scope of the DIP Manager's Audit.

The DIP Manager shall publish a summary of the findings of the DIP Manager's Audit. Where there are findings in the DIP Manager's Audit which require rectification by the DIP Manager, the DIP Manager will publish monthly updates of its progress against any rectification plan until successfully rectified.

## Reporting

The DIP will generate reports and share reports with the DIP Manager, BSCCo, RECCo, and Other Code and Regulatory bodies if requested. DIP Users will also be able to access reports via the DIP, and they will be published, subject to Mitigation, by the DIP Manager. Note that all requests will be considered in line with the DIP open data process as laid out in DSD006 'Assurance and Reporting'.

The DIP Manager shall use the reports for Assurance, compliance and trend spotting.

Reports to be published will include:

- Number of users per demographic (Supplier, DNO, MEM, Third Party, Code Body, Regulatory Body) and changes;
- Number of MPANs per Supplier for Funding determination;
- Faults in the DIP that have been detected and whether they have been rectified;
- Unscheduled downtime;
- Number of messages held in 'Dead-Letter-Queue' and analysis by demographic (User Type etc. as above);
- Number of message errors;
- Number of Message/Event replay requests;
- API Activity – Requests, who, when and what;
- Time taken for messages to be delivered, including data latency;
- Volume of messages, including incoming and outgoing messages per message channel;
- Number of messages per business flow.

We are working with Code Bodies to determine the best way to generate reports and similarly, with the Code Bodies to determine their requirements too. The content of performance reports is outside of the DIP Rules, which is why they are not being consulted on at this time.

Message content will not be shared other than by exception, such as under Authority direction or to support wider regulatory need. The DIP is a messaging system and does not store messages, though it can reform messages if required.

**What is a Dead-Letter Queue?**

A Dead-Letter Queue is a special type of message queue that temporarily stores messages that a software system cannot process due to errors.


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## Chapter 5: Change Management

The DIP change management process will be used to introduce changes to the DIP and/or the DIP Rules in response to any concerns, problems or defects that may be identified. Under these processes, DIP CRs can be made to the DIP legal text, DSDs and to the DIP itself.

The Modification Procedures in the BSC will not apply to any change to the DIP and/or the DIP Rules, as well as to certain paragraphs of the BSC that relate to the DIP, as detailed in the DIP Rules.

### DIP Change Process

The DIP Manager will determine the progression route and timetable for each DIP CR dependent on its particular circumstances, proposal and requirements. This includes whether a Workgroup would help in developing the solution, and whether there is a need to consult. The rationale behind the selected progression route will be published for transparency against the decision criteria detailed in DSD004.

The standard process stages that should be included for all DIP CRs are:

- Submission;
- Validation (critical friend review);
- Initial assessment and raising;
- Further assessment, as required;
- Final assessment; and
- Implementation (if approved).

Steps that may be taken at the DIP Manger's discretion, as part of the further assessment may include:

- Industry workgroup assessment of the DIP CR;
- Consultation on the proposed solution to be implemented through the CR;
- DIP Service Provider Impact Assessment; and
- Code Body Impact Assessment.

The DIP change process will incorporate the Code Administration Code of Practice (CACoP) principles[30], which include cross-code coordination. DIP CRs will be considered at CCSG as required.

Proposers may withdraw a DIP CR that they have submitted at any time before the final determination is made. The DIP CR may be adopted by another person, including the DIP Manager, within 10 working days of withdrawal.

Housekeeping changes can be made by the DIP Manager without the need for further approval or consultation and are not expected to follow the standard change process.

The DIP change management process is shown in Figure 8.

DIP Users and relevant interested parties as listed in DSD004 will be notified about DIP CRs at each stage where a decision or report is published. Nominated email addresses will be registered to the mailing list as part of DIP On-Boarding, and interested parties will be able to register via the service desk.

[30] https://cacop.co.uk/


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At any point in the DIP CR process where a decision is made, an appeal may be raised against that decision in accordance with DSD001 ‘DIP Governance’.

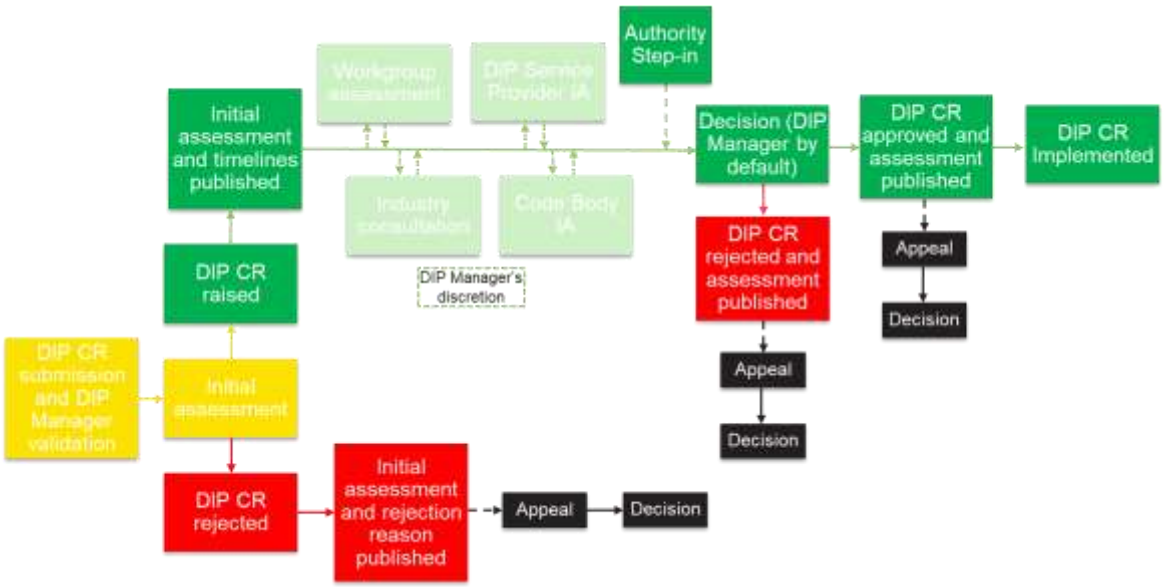


*Figure 8 - Diagram showing the DIP change process*

## DIP CR submission and validation

Any interested person may submit a DIP CR, regardless of whether or not they are a DIP User. This includes the DIP Manager, the DCAB and the Authority.

The DIP Manager will act as a ‘critical friend’ to help during the development of any DIP CR submission and/or exploring other options to address the issue raised if relevant.

Upon receipt of a DIP CR, the DIP Manager will conduct an initial validation to determine if any further information or clarity is needed and discuss this with the proposer. The DIP Manager will determine whether the DIP CR should be progressed, considering:

- If the CR proposal has been completed fully;
- Whether a similar change is already being progressed or a change that would have substantially the same effect;
- Whether the issue seeking to be addressed can be resolved without need to raise a change;
- Whether the proposed solution is viable, achievable and has a reasonable prospect of being approved; and
- Whether a better solution could be achieved elsewhere e.g. issuing new guidance, or communications to better explain existing provisions within the DIP Rules.

## DIP CR assessment

Assessment of DIP CRs will be done predominantly by the DIP Manager, but the DIP Manager will consider whether further assessment is required by the DIP Service Provider, industry workgroup or Industry Codes. The DIP Manager will also consider whether industry consultation is required.

All DIP CRs will undergo an initial assessment where the DIP Manager will assess the costs and impacts (including impacts to the DIP, DIP Core Services, DIP Rules, DIP Users, and Industry Codes and EMDS). The impacts will also be used to assess the materiality of the DIP CR, which impacts whether the DIP Manager or DCAB will make the determination on whether to implement the DIP CR (see below) – this shall include whether the DIP CR will better facilitate the DIP Objectives.


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The DIP Manager should specifically consider whether the DIP CR could impact DIP arrangements around DCAB membership, DIP cost recovery arrangements and Assurance. For example, if a DIP CR proposed addition of a new DIP Role then it may be appropriate for that role to become a DIP Payee and/or be represented on the DCAB.

The DIP Manager will also consider the urgency of each DIP CR and propose a progression timeline, including the implementation date.

The DIP Manager will publish the initial assessment, including the rationale for each decision.

Once any further assessment required has been completed and the DIP Manager has the information required to make a determination, the DIP CR Final Assessment will be prepared.

The Final Assessment should include as assessment of the DIP CR against the DIP Applicable Objectives and the DIP Manger's assessment of whether the DIP CR should be approved or rejected.

### DIP CR Decisions

There are two types of DIP CR which impacts whether the DIP Manager or DCAB will be the approval body for the DIP CR.

| Types of DIP CR | | |
|---|---|---|
| DIP CR type | Condition | Approval body |
| Tier One DIP CRs | • Material effect on how DIP Users interact with the DIP and/or how messages are shared;<br>• Amends the DIP Supplement (other than Housekeeping Changes) | Decision by DCAB |
| Tier Two DIP CRs | • Amends the DIP or DSDs but does not have a material effect on how DIP Users interact with the DIP and/or how messages are shared;<br>• Housekeeping Changes to the DIP Supplement. | Decision by DIP Manager |

When determining whether a DIP CR is material and should therefore be considered a Tier One DIP CR the DIP Manager should consider whether the DIP CR will:

- Have an implementation cost greater than £500,000 for the DIP Manager and/or £250,000 for DIP Users;
- Place new obligations on DIP Users and/or the DIP Manager that will require a change to the DIP User's business operating model; and
- Require an Implementation Date more than 24 months after the date on which the decision is made.

Before updating the criteria, the DIP Manager shall seek the views of DIP Participants, including the DCAB.

The decision to approve a DIP CR should be made with reference to the DIP Applicable Objectives, for example:


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- If the proposed DIP CR delays the sharing of market data, it may not be beneficial;
- If the proposed DIP CR potentially threatens data security or does not use data for consumer advantage, it could be problematic;
- If the proposed DIP CR inhibits innovation or competition, or results in higher costs without delivering sufficient benefits, it may not be worth implementing.

### Authority Step-in procedure

The Authority may decide that a DIP CR requires it to make the determination on whether to approve the DIP CR for:

- Changes that are likely to have a material impact on existing or future electricity consumers;
- Changes that are likely to have a material impact on competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity;
- Changes that are likely to discriminate in their effect between different classes of DIP Users; or
- Any other DIP CR which the Authority has determined that it should decide.

These criteria are equivalent to Self-Governance criteria commonly used by Industry Codes to determine when the decision to implement a change should be made by the Authority. Ofgem may also need to Step-in due to their wider statutory duties.

The DIP Manager shall inform the Authority when a determination to approve a DIP CR is due to be made no later than ten working days before such decision is due to take place, to allow the Authority to Step in as needed.

### Prioritisation of Changes

The DIP Manager may prioritise DIP CRs, if needed, taking into account the following:

- Benefits to DIP Participants;
- Urgency;
- Overlap with changes to Industry Codes;
- Effort to develop;
- Effort to implement, which shall include costs and resources; and
- Impact on DIP Users.

A prioritisation methodology should be agreed with DCAB if required, though the number of changes is not expected to require a detailed prioritisation methodology.

### Implementation of Changes

DIP CRs that that are approved will be implemented by the DIP Manager. The Implementation date for a DIP CR should consider other DIP CRs, other industry changes and stakeholder lead times.

### DCAB Change Report

The DIP Manager should prepare a report on DIP Changes for presentation to the DCAB to include:

- Breakdown of DIP CRs by progression stage;
- Brief summary of each DIP CR and any updates since the last DCAB;


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- Determinations by the DIP Manager to reject/raise/approve DIP CRs;
- DIP CRs likely to require DCAB determination;
- Authority exercising its right to ‘Step-in’;
- Pending Implementation Dates;
- Appeals received;
- Any matters on which the DIP Manager is seeking the advice of the DCAB.

## DIP Change Costs

DIP CR costs will be mutualised where majority of DIP Users will benefit from or be impacted by the DIP CR.

Where there are a small number of beneficiaries the DIP CR costs will be passed through to the specific beneficiaries only.

## DIP Message Format Change

The DIP Message Formats will be recorded in the EMDS, which is maintained by the REC Manager. DIP Message Formats will therefore be changed through the standard EMDS change process, i.e. via the change process of the Message owner. It will then be the DIP Manager’s responsibility to ensure the DIP (including the Swagger which supports the use of APIs) is updated to reflect any changes to the EMDS.

## Patching and Updates

Where there is a need to implement patches and/or critical updates, the DIP Manager will be able to approve this without need to adhere to the change process, but, in the interests of transparency, notice shall be published retrospectively. Any changes that will impact DIP Users will not be released without appropriate notification or impact assessment, as required.

## Baseline Statement

DIP Manager shall maintain and publish a record of all live DIP documents subject to formal document control. The register of controlled documents shall identify:

- All controlled DIP Documents and their type;
- The latest version of DIP Documents that are in force; and
- The DIP CR that led to the live version of each DIP Document.


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## Chapter 6: Cost Recovery

DIP will be a new service that will incur ongoing operational costs. The funding arrangements will ensure that DIP Costs are covered by DIP Payees, and that the DIP Manager will not profit from the operation of the DIP.

As per Ofgem's direction, costs for the DIP Core Services (related to sharing information required by an Industry Code) will be borne by Suppliers and based on Funding Share calculated with reference to the number of MPANs registered in the DIP MAMS. DIP Non-Core Services will be funded via a 'user pays' arrangement on a case-by-case basis to cover the costs incurred by the DIP Manager in the delivery of the service.

The DIP Rules require that where a new DIP User type is created changes to the cost recovery model (and DCAB membership) must be considered as part of the DIP Cr that creates the new DIP User type.

The DIP Manager will set the annual DIP Budget, consult with DIP Users and interested stakeholders and finalise the DIP Budget following the consultation and discussion with the DCAB.

### Funding Principles

The DIP Manager may charge interest on payments not paid within the timeframe stipulated in the invoices.

A Code Body that owns or otherwise operates the DIP Manager shall not be required to hold amounts relating to DIP Manager activities in a separate bank account or account for DIP Costs separately in its financial statements.

While Elexon is acting as the DIP Manager, DIP Costs will be included in BSC invoices to achieve efficiencies for both Elexon and BSC Parties but, DIP Costs will not be counted towards BSC Funding Share calculations.

This mechanism will also allow Elexon to invoice non-BSC Parties. However, a separate DIP calculation engine will be developed to ensure separation of cost-recovery between the BSC and the DIP.

Cost recovery shall be transparent and follow the 'zero-profit' model. An end of year reconciliation will occur, where costs are reconciled based on actual data.

**What is the BSC Funding Share?**

Funding Shares are ratios calculated for each BSC Party based on their generation or supply in the last month, and these determine what share of that remaining money they will have to pay. Parties that generate or supply more will ultimately pay a larger share of the costs.

### DIP Core Services

DIP Core Services are those related to sharing information between DIP Users as required by an Industry Code. The costs for the DIP Core Service shall include:

- DIP Service Provider costs;
- DIP Manager's operating costs;
- Costs relating to DIP On-Boarding and DIP Off-Boarding as described in DSD002 'DIP Connection and Operation';
- Costs relating to Assurance and reporting activities as described in DSD003 'Assurance and Reporting';
- Costs relating to change management and document management as described in DSD004 'Change Management';
- Costs relating to the recovery of DIP Costs as described in this DSD005 'DIP Funding and Budget'; and


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- Costs relating to the sharing of open data where it has been determined that there is industry benefit, as described in DSD006 ‘Data Management’.

DIP Core Service Costs will be payable by Suppliers relative to their Funding Share. The DIP Manager will determine each DIP Payee’s Funding Share each month, based on the number of MPANs per Supplier recorded in the DIP MAMS, and the number of Suppliers registered as a DIP User.

Funding Share will be calculated with reference to MPAN share because MPAN share is predicted to be an indicator for DIP usage (i.e. data is sent per MPAN and the volume of data per MPAN is expected to be roughly the same), while being simpler to calculate than using volume of data.

In calculating the amounts paid by DIP Payees, the costs of DIP Core Services will be split into the DIP Standing Charge (DSC) and the DIP Non-Standing Charge (DNSC). The purpose of the DSC is to give some level of certainty to DIP Payees when planning their own budgets for the forthcoming DIP Year and as such, the Annual DIP Standing Charge for the forthcoming DIP Year (a percentage of the total estimated Annual DIP Costs) will be included in the DIP Budget consultation.

The DNSC shall be recovered from DIP Payees each month by determining the DIP Costs minus the DSC and sharing the amount amongst DIP Payees based on their Funding Share. The calculations for DSC and DNSC are detailed in DSD005 ‘DIP Funding and Budget’ with examples.

### DIP Non-Core Services

Costs associated with DIP Non-Core Services will be done on a ‘user pays’ arrangement as agreed with the payee in advance. They will be determined by the DIP Manager on a case-by-case basis and should be equal to the costs incurred by the DIP Manager in the delivery of the service that the organisation has requested.

Examples of DIP Non-Core Services may include, but are not limited to:

- A DIP CR that does not benefit the majority of DIP Participants, but is implemented for the benefit of some DIP Participants;
- DIP On-Boarding of a non-standard organisation that the DIP Manager has permitted to become a DIP User;
- Any Assurance activity that the DIP Manager undertakes on behalf of an appropriate organisation that does not benefit the majority of DIP Users; and
- Any request for data in accordance with the open data process where the sharing of said data items will not benefit the majority of DIP Users.

### Invoicing

The amount to be invoiced each month shall be the DSD, DNSC and any DIP Non-Core Service Costs.

Invoices shall be issued on, or as soon after as practicable, the first working day of each month but, no later than 5 working days after the start of each month. Each DIP Payee shall pay the amounts invoiced (including VAT, if applicable) within 10 Working Days of the invoice date.

### Party default

There will be no credit arrangements for DIP Users. Instead, any bad debt will be mutualised and recovered from Suppliers. Mutualised amounts will be relatively small,


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particularly when compared to risk. This means that calculating and managing default arrangements would be disproportionately expensive for Suppliers and the DIP Manager.

### DIP Budget

The DIP Budget shall relate to the DIP Manager's operational costs, the DIP Service Provider's costs and continuous change. The DIP Manager will set the budget subject to consultation – this may form part of Elexon's Business plan consultation, or be independent at the DIP Manager's discretion depending on which is the most pragmatic approach each year.

The DCAB will review the DIP Budget and provide comments.

The DIP budget setting and funding process is shown in Figure 9.

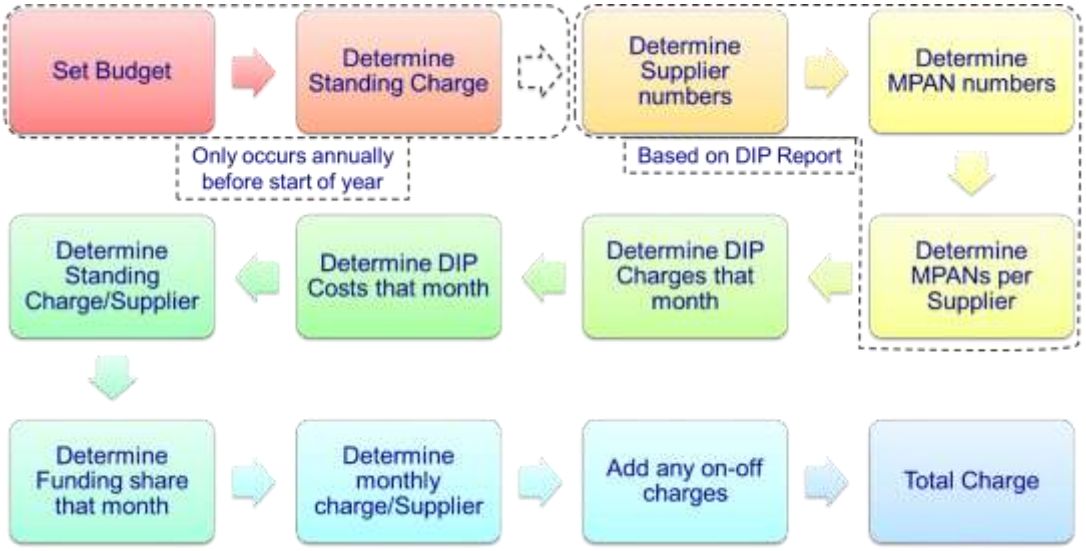


*Figure 9 - Diagram showing the DIP funding process flow*


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## Chapter 7: Data Management

Data Management ensures that the relevant legislation is adhered to with regards to the protection of data.

The DIP open data policy details how open data requests will be handled. The requirements apply to the DIP Manager primarily, but should be used as guidance/advice for DIP Users when implementing their own open data policy.

### Data Protection

DIP Participants should adhere to Ofgem's Data Best Practice Guidance[31].

Messages transferred over the DIP may contain Personally Identifiable Information (PII), therefore the Data Protection Legislation must be complied with and takes precedence over the DIP Rules. The Data Protection Legislation contains specific obligations for Controllers and Processors – a Controller makes decisions about processing activities of Personal Data, while a Processor acts on behalf of the relevant controller.

Where a DIP User is a Controller for data sent or received via the DIP, the DIP Manager will be a Processor for the purposes of providing the DIP Service. Where a DIP User is a Processor for data sent or received via the DIP, the DIP Manager will be a Sub-processor for the purposes of providing the DIP Service.

### Data Protection Assurance

The DIP Manager may undertake audits of DIP Participant's compliance with data protection obligations. DIP Participants must co-operate during audits, which includes providing information and assistance required to demonstrate adherence to the DIP Rules.

DIP Users must have data protection plans that are auditable. As part of DIP On-Boarding and Assurance activities the DIP Manager will check that data protection plans exist and that they contain the relevant topics, but not that they are fit for purpose.

### Data Breach

In the event of a data breach DIP Participants will have to follow Information Commissioner's Office (ICO) guidance, but should also inform DIP Manager. This enables the DIP Manager to co-ordinate between DIP Participants if required, as well as identifying any trends where further Assurance activity may be required.

### Open data principles

The DIP Manager will generally not access data contained within Messages and Publications. However, they will hold data relating to DIP performance and DIP Users activity.

The default shall be that all data requests shall be met. The DIP Manager will review each data request, subjecting them to, Data Triage (to determine a classification) and Mitigation to determine the actions required to release the data. The DIP Manager should also consider whether there is value in consulting industry prior to publishing the requested data.

The DIP Manager will publish all decisions regarding data requests and these decisions can be appealed to DCAB.

[31] https://www.ofgem.gov.uk/sites/default/files/2021-11/Data_Best_Practice_Guidance_v1.pdf


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DIP Users that generate and/or consume data will be primary contacts for data requests, so the DIP Manager will provide open data guidance which may be used by other DIP Participants in relation to their own open data policy.

### Data Protection Legislation

GDPR and other Data Protection Legislation must be considered by the DIP Manager and DIP Users. Data Controllers have more obligations under the UK GDPR than processors do, because they decide what personal data is collected and why, and exercise ultimate control over the data. It will be the DIP Users responsibility to comply with legislation, not the DIP Manager's responsibility to check adherence.


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## Amendments to other Industry Documentation

In addition to the creation of the DIP Rules, there will be amendments required to other Industry documents to implement the proposed DIP arrangements.

### BSC

In order to facilitate the proposed DIP arrangements it will be necessary to amend several BSC Sections. The draft legal text can be found in Attachment B and includes the following documents:

- BSC Section C 'BSCCo and its Subsidiaries'[32] to expand Elexon's authorised activities to include acting as the DIP Manager;
- BSC Section D 'BSC Cost Recovery and Participation Charges'[33] to clarify that DIP Costs will not be included as BSC Costs and to allow inclusion of DIP Costs in BSC invoicing;
- BSC Section F 'Modification Procedures'[34] to highlight that the BSC Modification procedures in Section F do not apply to the DIP or the DIP Rules; and
- Section H 'General'[35] to detail what the DIP Supplement is and that failure to comply with the DIP Rules may constitute a breach under Section H3 of the BSC.

### Other Industry Codes

Subject to drafting by other Code Bodies[36] for the Retail Energy Code[37] (REC), Distribution Connection and Use of System Agreement[38] (DCUSA) and the Smart Energy Code[39] (SEC) as part of the MHHS Code drafting workstream, there will also be references to the DIP and obligations to comply with the DIP Rules added to other Industry Codes. This would meant that, where a DIP User is also member of a Code Body, a breach of the DIP Rules shall be treated as a breach of the relevant Industry Code. For non-Code Parties, any breach of the DIP Rules will potentially lead to removal from the DIP.

Updates required to other Industry Codes relating to the DIP will be implemented as part of Authority-led SCR changes to implement the MHHS legal text for each Industry Code. Elexon are working with the MHHS Programme and other Code Bodies to ensure that there is no overlap and that nothing is missed.

### Transmission Licence

The proposal for the enduring DIP arrangements will, in Elexon's view, require amendments to NETSO's Transmission Licence[40] for the reasons explained below.

Modifications to the Transmission Licence are outside of Elexon's scope. If Ofgem agree that change to the Transmission Licence are needed, they will carry out a formal consultation on the amendments.

The Transmission Licence in Licence Condition C3 establishes the role of the BSCCo as a code administrator and authorises the incorporation of the BSC with prescribed provisions

[32] https://bscdocs.elexon.co.uk/bsc/bsc-section-c-bscco-and-its-subsidiaries
[33] https://bscdocs.elexon.co.uk/bsc/bsc-section-d-bsc-cost-recovery-and-participation-charges
[34] https://bscdocs.elexon.co.uk/bsc/bsc-section-f-modification-procedures
[35] https://bscdocs.elexon.co.uk/bsc/bsc-section-h-general
[36] https://www.mhhsprogramme.co.uk/code/code-artefacts/code-topic-mop-up-2
[37] https://recportal.co.uk/the-rec-public
[38] https://www.dcusa.co.uk/
[39] https://smartenergycodecompany.co.uk/the-smart-energy-code-2/
[40] https://epr.ofgem.gov.uk/Content/Documents/Electricity%20transmission%20full%20set%20of%20consolidated%20standard%20licence%20conditions%20-%20Current%20Version.pdf


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for the modification process. It enables Elexon to meet this role and provide and administer the balancing and settlement services at the core of the BSC.

Elexon believe that a Transmission Licence change would be required for two reasons:

- To expand the vires of the BSC to include facilitation of the DIP arrangements; and
- To enable the proposed DIP change process, which differs from the BSC Modification process stipulated in the Transmission Licence.

## Extending BSC vires

Extending the vires of the BSC may not be required if the DIP could be seen as forming part of delivering the balancing and settlement arrangements. The DIP is, in its simplest description, a messaging platform which receives and forwards data required for the balancing and settlement arrangements. It is possible to argue that the DIP contributes to Balancing and Settlement. However, this argument would not stand if the scope of the DIP were to expand in the future.

If rules or arrangements which go beyond the core provision of the Transmission Licence are to be included, then this can be achieved through a change to the Transmission Licence to include additional activities in C3 1A.

By way of background, Licence Condition C3 1D allows for the BSC to include provisions that would enable Elexon to undertake activities other than those related to the balancing and settlement arrangements. Although the wording of Condition 1D is wide, it only provides a vires extension to allow Elexon to undertake activities that are established outside of the BSC. Previous Modifications that extended Elexon's vires without a Licence change, relying solely on Condition 1D, include Elexon's ability to undertake the role as:

- Code manager for the Retail Energy Code (REC);
- Gas Performance Assurance Framework Administrator (PAFA);
- Administrator of the Energy Price Guarantee Scheme for domestic customers; and
- Administrator for the Government's Energy Bill Relief Scheme for non-domestic electricity customers.

All of these roles are governed under a different code or legislative framework, which means that the rules and procedures of those schemes are not set out in the BSC. The BSC merely contains the authority for Elexon to undertake this role whereas the detailed instructions are merely cross-referred linking it to the external code or regulations.

The DIP does not fit this interpretation. The main aim of the DIP SCR Modification will be to incorporate a standalone and fully functional set of arrangements to deliver, govern, fund and operate the DIP into the BSC. It will contain its own mechanisms, governance, information security and change processes all of which will be featured in the BSC and further detailed in subsidiary documents.

We believe that Condition C3 is not meant to authorise the governance and provision of services that are introduced as an entirely new scheme into the BSC, except to the extent that the scheme relates to the balancing and settlement arrangements described in the Transmission Licence. As noted above, this may impose a restriction on potential future uses of the DIP for processing messages where the messages fall outside the scope of the balancing and settlement arrangements defined in the licence.

There are historical precedents for the Transmission Licence to be amended in this way. Section C3 1A currently contains express authorisations to introduce arrangements for the Warm Homes Discount scheme (C3 1A (a)) and Contracts for Difference (C3 1A (b)).


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## Enable DIP change process

The Transmission Licence sets out the modification process required to change sections of the BSC, Licence Condition C3 4. The DIP Rules will set out a separate modification process, which will form part of and sit within the BSC (through the DIP Supplement). This change process will differ substantially from the change process of the wider BSC, which in turn reflects the detailed requirements listed in the Transmission Licence.

We recognise that the majority of DIP changes will involve either changes to DIP Subsidiary Documents or, most commonly to the DIP system and data flows (none of which are impacted by our analysis below because, like BSC Code Subsidiary Documents, these items are not subject to the C3 requirements). However, we are proposing a change process for the DIP Supplement, which forms part of the BSC in order to fully give effect to the DIP rules, and this is prima facie subject to the Transmission Licence.

The BSC modification process as set out in Licence Condition C3 4 differs to the proposed DIP change process in several ways. The key inconsistencies are summarised in the following table.

| Differences between the requirements in C3 4 and the proposed DIP change process | | |
|---|---|---|
| Topic | Licence Condition C3 4 | Proposed DIP process |
| Approval body for changes | Approval by the Authority or by the BSC Panel for self-governance modifications | Approval by the DCAB or by the Authority where the step-in right is exercised or a DIP User appeals a decision of the DCAB to the Authority |
| Role of BSC Panel | The BSC Panel involved in the change process including requirement for a Panel report on each change | The BSC Panel will not be involved in DIP changes |
| Assessment of proposed solution | Assessed against the BSC Objectives | Assessed against the DIP Objectives |

Therefore, in order to implement the proposed DIP change process for changing the DIP Supplement we believe it will be necessary to introduce a carve-out within the Transmission Licence to allow for this and exclude any such DIP changes from the requirements currently set out in Condition C3 4.

Ofgem are considering any Transmission Licence changes needed to facilitate the DIP arrangements and will make the amendments using powers granted to it under the Smart Energy Act, if necessary.

## Sample drafting

For illustration purposes only, we have set out sample wording to show what changes to the Transmission Licence could look like to demonstrate the extent of the drafting. However, please note that Ofgem will provide formal drafting for any amendments to the Transmission Licence.

**Changes to Licence Condition C3 1A**

1A. The BSC may also include provisions about

(a) arrangements for the operation of any reconciliation mechanism established by the Secretary of State under section 11 of the Energy Act 2010 in


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connection with a scheme for reducing fuel poverty, where the operator of the reconciliation mechanism is the BSCCo (as referred to in paragraph 1B) or an affiliate of the BSCCo; ~~and~~

(b) arrangements that facilitate the operation of contracts for difference and arrangements that facilitate the operation of a capacity market pursuant to EMR legislation; and

(c) arrangements that facilitate the operation of the Data Integration Platform.

**Changes to Licence Condition C3 4**

4. With the exclusion of changes to the arrangements referred to in paragraph 1A (c) above, t~~T~~he BSC shall include procedures for its own modification (including procedures for the modification of the modification procedures themselves), which procedures shall provide: […]

**New Licence Condition C3 13F**

13F. Changes to the DIP Supplement to the BSC (and any BSC Section or supplementary document referred to therein) shall be subject to the DIP Rules contained in the BSC.

**New definitions added to Licence Condition C1**

| | |
|---|---|
| "Data Integration Platform" | means the platform established pursuant to the Market-wide Half Hourly Settlement Arrangements to process messages between industry participants. |
| "DIP Rules" | means the DIP Supplement and any documents identified in the DIP Supplement as forming part of the DIP Rules. |
| "DIP Supplement" | means the document forming part of the BSC that establishes the rules for the governance and operation of the DIP as amended from time-to-time. |


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# 5. Initial Assessment and Interim Consultation Responses

This section details the development of the proposed DIP arrangements prior to the Issue Consultation of the proposed arrangements and code drafting.

The initial assessment was carried out by Elexon with the Issue 101 Group, over eight Issue Group meetings where the proposed framework for the DIP arrangements was agreed. The development of the framework considered the views given in the Ofgem decision letter. The business requirements were developed based on the proposed framework.

The proposed framework and business requirements were considered by industry in the Interim Issue Consultation, and responses were considered during further development of the proposal.

## Governance

### DIP Applicable Objectives

In their DIP decision letter, Ofgem suggested two DIP Objectives:

- To provide accurate and timely support for the settlement process; and
- To further consumers' interests through the appropriately controlled use of data.

During an early Issue 101 Issue Group meeting, Ofgem clarified that the suggested objectives must be included in the solution. Three further DIP Objectives were suggested:

- Facilitating innovation in the energy sector and efficient delivery of services;
- Providing a reliable service that easily adjusts to the evolving needs of the market in the most cost effective way; and/or
- Ensuring the ongoing efficacy of central balancing and settlement systems.

The Issue Group broadly supported the five DIP objectives, noting that they appeared balanced and more tangible than some objectives in other industry codes.

These initial five DIP Objectives were included in the Interim Issue 101 Consultation, where the majority of respondents agreed with the proposed DIP Applicable Objectives. However, several respondents pointed out that the inclusion of settlement within the DIP Objectives could be perceived as being discriminatory and unfairly supporting the BSC over other Industry Codes and DIP Users. Several respondents also noted that the DIP Objectives should facilitate market competition and ensure that any change does not hamper competition.

Considering the consultation responses, the proposed DIP Applicable Objectives were rewritten to the three proposed objectives:

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

The proposed objectives were supported by the Issue 101 Issue Group.


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### Relationship to the BSC

The Issue Group considered the potential involvement of the BSC Panel with the DIP, but ultimately felt that the BSC Panel did not have the specific expertise required to make decisions about the DIP and did not involve representatives across all major DIP User types. The Issue Group Members felt it important that there be constituency representation across each of the DIP User types. As such, they felt that a specific DIP group would be more appropriate (see Chapter 2: Governance). This would also support the directive from Ofgem that the DIP arrangements should be transferable, and would more easily allow for a Code Manager approach, as suggested by the Code Review.

One respondent to the Interim Issue 101 Consultation disagreed with the proposed role of current BSC Panel, as the DIP governance was to be included as a supplement to the BSC and the BSC Panel governs the BSC. They also felt that this contradicted Elexon's representation that influenced the outcome of Ofgem's decision to award BSCCo the DIP Manager role, which referenced the BSC Applicable Objectives and BSC Panel. However, Ofgem's decision document suggested that the DIP would require separate specific Applicable Objectives and should utilise a Code Manager approach, which suggests reduced reliance on industry panels. Elexon's thinking surrounding the DIP arrangements have evolved significantly since then, based on discussion with Ofgem and the Issue 101 Issue Group. One of the major influences on the proposal that there be no involvement of the BSC Panel was the need for portability requested by Ofgem. This would allow the DIP arrangements to be moved to another code, and the DIP Manager position to be awarded to another company. Taking this together with the specialist expertise and code manager approach, a separate DIP group was most appropriate.

The BSC Panel have also been kept appraised of the progress of Issue 101 and were fully briefed on the proposed arrangements on 11 January 2024. The BSC Panel were comfortable with the proposal for there to be no oversight from the BSC Panel for the DIP.

### Relationship to Industry Codes

As part of a response to the Interim Issue 101 Consultation RECCo confirmed that it intends to place an obligation on Qualified Suppliers, Distribution Network Operators (DNOs) and Meter Equipment Managers (MEMs) to be DIP Users. We have since seen and reviewed drafting to this effect. Additionally, we have seen draft DCUSA redlining to achieve the same.

### DIP Manager

A respondent to the Interim Issue 101 Consultation was 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.

The proposal for the DIP Manager to make most determinations relating to the DIP and DIP Rules came from the Ofgem decision document, which stated that a Code Manager function should be developed. The Issue Group were supportive of a Code Manager model being used for the DIP Manager as it would allow processes to be flexible and efficient.

The concerns regarding how the DIP Manager may make decisions and the proposed protections to mitigate mismanagement were discussed further with the Issue Group. Where the DIP Manager is part of the same organisation as a Code Body there is a requirement for separation and ethical walls to be in place. All DIP Manager decisions will be published on the DIP Website for transparency, with rationale based on criteria which are detailed within each relevant DSD. For example, the criteria for DIP Manager decisions regarding a DIP CR are detailed in DSD002 'DIP Connection and Operation'. Moreover, DIP Manager decisions can also be appealed to DCAB.


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The Issue Group were comfortable with these protections and felt they were sufficient, particularly as the DIP Manager would risk having the role reassigned if it were not undertaken fairly.

### Responsibilities of the DIP Change and Advisory Board (DCAB)

The DCAB as a specialist user group to advise the DIP Manager was based on the concept of a Stakeholder Advisory Forum proposal as part of Energy Code Reform (ECR).

During the Issue 101 discussions numerous members were keen for constituency representatives to seek constituents' views prior to voting, so that the constituency representatives accurately reflected the opinions of their constituents. Elexon voiced concerns that this could delay decision making and countered that DCAB Members should have sufficient expertise to be able to act as an expert within their DIP User type.

A specific question was included on this topic in the Interim Issue 101 Consultation, resulting in mixed views from respondents. The rationale provided in support of DCAB Members not seeking the views of constituents included:

- Alignment with other current models e.g. REC, BSC, and DTS;
- DCAB Members should have the necessary knowledge to represent their constituents and be able to act in their best interests; and
- Removing the need to seek views would speed up any changes.

The rationale provided in support of DCAB Members seeking the views of constituents included:

- Alignment with other current models e.g. SEC;
- Constituents views should be considered when discussing change;
- May reduce risk that DCAB Members vote in line with their individual commercial interests; and
- Representative may not be an expert in all matters pertaining to their role.

Given the support from the Issue Group and consultation responses for constituency DCAB Members seeking their constituents' views the requirement has been included. The intention is for the constituent view to be gathered via short web-based consultations to avoid elongating the change process.

### Composition of the DCAB

The Ofgem decision document stated that all parties with an interest in the DIP objectives should play an active role in governance with the right to express views on changes to the DIP Rules. All DIP User types have constituency representation on the DCAB to allow involvement with governance of the DIP. There will be a consumer representative to ensure the interests of consumers are represented at DCAB.

Ofgem also suggested that consideration should be given to including an innovation representative on the DCAB. In discussions with the Issue Group and Ofgem it was not clear who would be suitable to undertake such a role, but it was suggested that the Ofgem representative could be an 'innovation' representative from their innovation team. Even if there is no specific innovation representative on the DCAB, innovation will be considered by all DCAB Members, as innovation is included as a key aspect of the Applicable DIP Objectives. This means that innovation should be considered for all determinations.

Respondents to the Interim Issue 101 Consultation highlighted that Meter Services were not represented in DCAB. Meter Services should be represented on DCAB as they are another category of DIP User, so they have since been included.


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Several respondents believed it is important to ensure fair representation across constituencies. For example, respondents commented that representation from independent Data Services and Meter Services providers who are not part of a Supplier organisation should be included. This is to ensure that a large company cannot hold several seats at DCAB and exert undue influence over DCAB decisions. Following this feedback the caveats for each DCAB Member type were considered and updated to those proposed.

In the Interim Issue 101 Consultation BSC and REC representatives were listed and a respondent questioned whether DCUSA should have a DCAB representative, as they will own DIP interfaces also. DCUSA will not be a DIP User, and while DCUSA will 'own' Interfaces (DIP message formats), the change of Interface contents will be subject to DCUSA's own change process. DCAB will not be deciding on whether interface contents need to change. As such it was decided that there was no need for a DCUSA representative on DCAB. The proposed composition of DCAB allows for members from any relevant Code Body, which means any Industry Code that requires parties to that Industry Code to be a DIP User.

There was some disagreement over the inclusion of NGESO and whether the NGESO DCAB Member should be voting or non-voting. NGESO will not be a DIP User, but should have DCAB representation so long as NGESO are the Licence holder giving effect to the DIP Rules. However, the NGESO representative would be non-voting.

One respondent questioned the Supplier representation on DCAB, suggesting that it seemed light bearing in mind Suppliers are funding the DIP (see Chapter 5: Funding). This was also discussed during the Issue 101 Issue Groups, and it was agreed that Suppliers should not have greater representation than other DIP Users. It is important to understand that Suppliers are funding DIP to avoid the pass-through costs that would be passed onto Suppliers if funding was provided by other Market Participants. Suppliers will not be using the DIP more than other DIP Users and all DIP User types should have an equal voice when it comes to the DIP.

A respondent commented that the DCAB membership appeared to be very rigid and would not cater for new DIP User types. We have now ensured that the DIP Rules specify that for each DIP Change Request that is progressed (including creation of a new DIP User type) consideration is given to DCAB membership.

### DCAB Elections and Terms

One consultation response questioned the initially proposed approach to voting in elections for representatives based on one vote per MPO, believing that votes should be allocated at a corporate group level to avoid bias based on the approach to registering organisations. This would reflect the existing approach within the BSC. Elexon and the Issue Group agreed and so the proposal was updated to reflect this.

### Leaving the DCAB

One consultation response stated that the DCAB membership requirements need provisions for mid-period changes. This has now been clarified, and where a mid-period change in DCAB membership is required then an election can be held. Time between mid-period election and next round will not count to the 'two year, two term' rules. In practice it is likely that a DCAB member would simply allocate and send an Alternate rather than triggering an election.

As Issue Group Member questioned whether a DCAB Member would have to leave their post should they leave their present employment, as that could impact DCAB Member turnover. It was noted that in some circumstances constituents may have concerns, for example if a small Supplier representative becomes employed by a large Supplier. It is proposed that a DCAB Member would not be required to leave the DCAB upon changing


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employment, but this is subject to the DCAB Chair's discretion taking into consideration any concerns raised by constituents.

While it is unlikely that a situation would arise where a DCAB Member had to be expelled, there were concerns raised over the proposed arrangements. The requirement for two-thirds of the DCAB Members to be in agreement was added to ensure that the nominated DCAB Chair could not unilaterally remove an elected DCAB Member. Additionally, it was agreed that, where a person is removed from the DCAB, they shall be entitled to stand in the election to replace themselves. This is because DIP Users have a right to be represented by their chosen candidate. In the event that an expelled DCAB Member were re-elected, the DCAB Chair should engage with the DCAB Member to ensure the actions leading to their expulsion are not repeated.

## DIP Connection and Operation

### Points of Entry

A respondent to the Interim Issue 101 Consultation questioned when a DIP Applicant would apply directly to the DIP Website rather than being referred from an Industry Code. It has been clarified that a DIP User would have to apply directly to the DIP Website where they are not intending to undergo Industry Code Qualification (REC or BSC). This would predominately apply to DCPs and Read-only Users.

### Authorised Personnel

Since the Interim Issue 101 Consultation the authorised personnel requirements have been updated in line with the updated CoCo and PKI Policy documents developed under the MHHS Programme. This means that C-suite (executive-level management) involvement is not required for DIP access. Furthermore, the updated CoCo and PKI Policy have now been incorporated into the DIP Rules as Annexes to DSD002.

### Testing

A respondent to the Interim Issue 101 Consultation stated that the DIP On-Boarding arrangements seemed overly complex and could result in duplication with Code Bodies. They were concerned that the requirement for industry testing was over-stepping. Elexon are aware of the potential for overlap with Industry Code Qualification, but there is no intention for DIP On-Boarding to involve duplicated effort. Code Bodies have been consulted during development of these arrangements in order to streamline the process so that Industry Code Qualification and DIP On-Boarding can dovetail together neatly. The DIP testing will simply involve showing that messages can be sent and received via API and/or Web-hook. Whether a market entrant is able to do what an Industry Code requires with a message once received, or indeed whether they can send the message at the right point in a process, is for the Code Body in question to determine. The DIP Manager will support Code Bodies by ensuring the DIP non-production environment is available for Industry Code Qualification.

## Assurance and Reporting

### DIP Assurance Strategy

A respondent to the Interim Issue 101 Consultation was concerned about the controls that will be in place to ensure that the assurance included in the DIP Assurance Strategy is


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proportionate and cost effective. The proposal is for Assurance to be risk based. The DIP Manager will have a framework of assurance techniques, and each year will share the priorities and intent for consultation. A DIP Risk Register will be shared with industry that will feed into the DIP Assurance Strategy. This approach means that DIP User audits will only be carried out if there is evidence to suggest the requirements are not being met.

### DIP User Assurance

A respondent to the Interim Issue 101 Consultation felt that the proposed Assurance arrangements were overly complex and burdensome, including overlap with the existing BSC and REC audits. The potential overlap with Industry Code assurance had been identified early in the solution development, and we have worked with Code Bodies to achieve synergies. The intention is that if the DIP Manager requires assurance that a Code Body also requires then the assurance will be carried out once and utilised by both the Code Body and DIP Manager.

Another respondent questioned the frequency of DIP User Audits. The frequency of audits will depend on the risks involved. If the risk is low, as suggested by the respondent, then annual audits will not be deemed necessary.

A respondent stated that the Assurance applied to DIP Users should be documented separately, focused on clear and transparent DIP User requirements. All of the DIP User requirements, and therefore what is auditable, will be in the DIP Supplement and DSDs. The DSDs will be further supported by guidance documents for each DIP User type.

### DIP Manager's Audit

There were some concerns that if the DIP Manager were to carry out the DIP Manager's Audit it would reduce confidence in the robustness of the results. As per the Ofgem decision document, which stated that the DIP Manager should have the ability to commission independent audits of service performance, the DIP Manager is able to order an independent audit. The Issue Group considered whether an external independent audit of the DIP Manager should be required, and it was agreed that an external auditor should be used every other year.

Similarly, a response to the interim Issue 101 Consultation commented that setting the DIP Manager's and DIP Service Provider's Audit scope should involve DCAB, rather than solely by the DIP Manager, to avoid the DIP Manager deciding how to audit itself. This was considered by the Issue Group who 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 publish the scope.

## Change Management

### DIP Change Process

A respondent to the Interim Issue 101 Consultation questioned whether there would be a requirement on the DIP Service Provider to provide impact assessments for changes being progressed by Code Bodies. There is an obligation on the DIP Manager and DIP Service Provider to support Code Bodies with Industry Code changes, and the DIP Manager will attend CCSG to ensure efficient cross-code working.


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### Implementation of Changes

A respondent to the Interim Issue 101 Consultation questioned how impacts on Market Participants would be assessed and considered, including timescale requirements, when determining implementation dates. Wider implications will be considered by the DIP Manager when deciding implementation dates, as detailed in DSD004 'Change Management'. Each DIP CR will go through industry consultation, Code Body impact assessment and service provider impact assessment if required, with the DIP Manager publishing the justification if these stages are not undertaken. Industry consultation will ask participants for views on the proposed implementation approach and for their impacts and lead times to implement and operate.

### DIP Message Format Change

A respondent to the Interim Issue 101 Consultation requested further clarity regarding ownership of the DIP Message formats. The ownership of the Message formats is part of the MHHS Programme scope and is detailed in MHHSP-DES196 'D-Flow and Interface Mapping'[41]. Once the enduring arrangements are in place the ownership will be captured in EMDS. Changes to the DIP Messages will be amended via the owning Code Bodies change process, not via DIP CR.

## Cost Recovery

### Funding Principles

Initially it was proposed that DIP Costs would be recovered using the existing BSC cost recovery mechanism to achieve efficiencies for Elexon and BSC Parties. However, during Issue 101 discussions it was raised that a shortfall of DIP Costs would result in non-DIP Payees paying for the DIP. This is because using current BSC mechanisms it would not be possible to separate out the BSC and DIP shortfall, and the recovery mechanism would be via all BSC funding parties. This could result in non-DIP Payees funding the DIP and leave the DIP Manager liable. To ensure that only DIP Payees are paying for the DIP it was decided that a DIP calculation engine should be built. This would still be able to feed into the existing BSC invoice systems to provide some efficiencies.

A respondent to the Interim Issue 101 Consultation asked whether DIP funding is recoverable in the price cap or future funding mechanisms that replace the price cap. 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.

### DIP Core Services

Prior to selecting the proposed arrangement, Issue 101 considered five other funding mechanisms. The rejected arrangements and the reason for ruling them out are:

- Supplier only by Specified Charge – The charge would be calculated annually with a mid-year review, resulting in delays passing back underspend.
- Supplier only by Funding Share based on Volumes (MWh) – Apportioning costs based on energy volumes is not expected to be reflective of DIP usage and could make the funding shares more volatile and difficult to forecast.

[41] https://mhhsprogramme.co.uk/design/baselined-design-artefacts/mhhs-impacts-to-data-transfer-network-dtn-flows


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- DIP costs to be classed as an SVA cost (Generators pay 50% of DIP costs) – Contrary to the Ofgem minded-to position as Generators will not be DIP Users and it would be inefficient to require other parties to fund the DIP as they would just pass costs through to Suppliers.
- Supplier only on a pay as you use per [MB] charge – Not considered more accurate than a per MPAN basis, but there would be a delay in cost recovery because data from the service provider would be required for billing.
- Supplier only, entirely by Funding Share based on number of MPANs – This method was shortlisted by ultimately rejected as the Issue Group requested the addition of a Standing Charge to provide more certainty to Suppliers.

The proposed solution, Supplier only by way of Standing Charge, plus remainder by Funding Share based on number of MPANs was Ofgem's preferred funding method, as stated in the decision document. Number of MPANs is predicted to be a good indicator for DIP usage as the amount of data sent per MPAN will be roughly the same, and the Standing Charge will provide more certainty to Suppliers for budgeting.

A respondent to the Interim Issue 101 Consultation questioned whether consideration had been given to other Market Participants funding the DIP, such as Virtual Lead Parties (VLPs) and Non-Physical Traders (NPTs) who are direct competitors to Suppliers. VLPs and NPTs are not included in the funding arrangements as they will not be DIP Users. However, it is possible that the Market Participants using the DIP could expand in the future and so consideration of whether a DIP CR will impact DIP funding has been added to the DIP CR process in DSD004 'Change Management'.

### Party default

The Issue Group were supportive of there being no credit arrangements for the DIP, as were respondents to the Interim Issue Consultation. All respondents agreed that implementing complex credit arrangements would not be efficient when compared to the risk as the operating costs of the DIP would not justify the costs of this added complexity. One respondent commented on the lack of details provided on what the funding amounts will be, and how we had concluded that the mutualised amounts would be relatively small. Full details of funding amounts will follow through the Elexon business plan process.

## Information Security and Data Management

### Information Security Management Systems

Previously the proposed arrangements required ISO 27001 accreditation, and a respondent to the Interim Issue 101 Consultation questioned whether this requirement could be a blocker for new entrants. It was noted that not all DIP Users will already be ISO 27001 accredited and it is not reasonable to expect them to achieve this in order to use the DIP. The Issue Group agreed and decided that DIP Users will be expected to adhere to the requirements applicable to them and their business, which will be detailed in guidance. Additionally, alternatives to the ISO will be accepted on a case-by-case basis.

### Open data principles

The Ofgem decision document states that access to data for third parties must be provided on fair and non-discriminatory terms, and that use of the data itself should be available on the same basis. All DIP Users will be treated equally and fairly with allowance made for their unique circumstances where appropriate. The DIP Manager's open-data policy will adhere


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to Ofgem's Data Best Practice Guidance[42] and guidance issued by the Energy Systems Catapult[43] on behalf of Ofgem and BEIS (as was).

The decision document also indicated that the DIP Manager should also ensure that data is made available to drive innovation in a manner that does not distort competition. The Open data policy looks to remove access to data as a prohibitive cost to innovation, however, some allowances are made for resource impacts on the DIP Manager.

[42] https://www.ofgem.gov.uk/sites/default/files/2021-11/Data_Best_Practice_Guidance_v1.pdf
[43] https://es.catapult.org.uk/guide/data-best-practice-guidance/


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## 6. Issue Consultation Responses

This section summarises the responses to the Issue Consultation on the proposed arrangements and code drafting. The full responses can be found in Attachment E.

Nine responses were received, with the majority in agreement with the proposed arrangements, draft legal text, and draft subsidiary documents. Where respondents noted that they did not agree, their rationale indicated that they supported the arrangements in general but had minor issues. The issues raised and the actions taken to address them were discussed and agreed with the Issue Group at a meeting on 29 February 2024. We have summarised the comments and actions taken below.

Roles represented in the Consultation responses include Distributor, Supplier, Half Hourly Data Collector, Non-Half Hourly Data Collector, Data Aggregator, Meter Operator Agent, Code Body and Advice Body.

| Summary of P442 Report Phase Consultation Responses | | | |
|---|---|---|---|
| Question | Yes | No | Neutral/ No Comment |
| Do you agree with the proposed **general** DIP arrangements? | 8 | 0 | 1 |
| Do you agree that the draft legal text in DIP Supplement Chapter 1 delivers the intention of the proposed **general** DIP arrangements? | 8 | 0 | 1 |
| Do you agree with the proposed DIP **governance** arrangements? | 8 | 1 | 0 |
| Do you agree that the draft legal text in DIP Supplement Chapter 2 delivers the intention of the proposed DIP **governance** arrangements? | 8 | 0 | 1 |
| Do you agree that the draft subsidiary document DSD001 delivers the intention of the proposed DIP **governance** arrangements? | 7 | 1 | 1 |
| Do you agree with the proposed DIP **connection** arrangements? | 7 | 1 | 1 |
| Do you agree that the draft legal text in DIP Supplement Chapter 3 delivers the intention of the proposed DIP **connection** arrangements? | 6 | 2 | 1 |
| Do you agree that the draft subsidiary document DSD002 delivers the intention of the proposed DIP **connection** arrangements? | 5 | 3 | 1 |
| Do you agree with the proposed DIP **assurance** arrangements? | 7 | 1 | 1 |
| Do you agree that the draft legal text in DIP Supplement Chapter 4 delivers the intention of the proposed DIP **assurance** arrangements? | 7 | 1 | 1 |
| Do you agree that the draft subsidiary document DSD003 delivers the intention of the proposed DIP **assurance** arrangements? | 6 | 2 | 1 |
| Do you agree with the proposed DIP **change management** arrangements? | 6 | 2 | 1 |
| Do you agree that the draft legal text in DIP Supplement Chapter 5 delivers the intention of the proposed DIP **change management** arrangements? | 6 | 2 | 1 |
| Do you agree that the draft subsidiary document DSD004 delivers the intention of the proposed DIP **change management** arrangements? | 6 | 2 | 1 |
| Do you agree with the proposed DIP **funding and budget** arrangements? | 6 | 2 | 1 |


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| Summary of P442 Report Phase Consultation Responses | | | |
|---|---|---|---|
| Question | Yes | No | Neutral/ No Comment |
| Do you agree that the draft legal text in DIP Supplement Chapter 6 delivers the intention of the proposed DIP **funding and budget** arrangements? | 7 | 1 | 1 |
| Do you agree that the draft subsidiary document DSD005 delivers the intention of the proposed DIP **funding and budget** arrangements? | 6 | 2 | 1 |
| Do you agree with the proposed DIP **information security and data management** arrangements? | 7 | 0 | 2 |
| Do you agree that the draft legal text in DIP Supplement Chapter 7 delivers the intention of the proposed DIP **information security and data management** arrangements? | 7 | 0 | 2 |
| Do you agree that the draft subsidiary document DSD006 delivers the intention of the proposed DIP **information security and data management** arrangements? | 6 | 1 | 2 |
| Do you agree that the draft amendments to **BSC Sections** deliver the intention of the proposed DIP arrangements? | 8 | 0 | 1 |
| Do you agree with the proposed **Transmission License** changes? | 5 | 1 | 3 |
| Do you agree with the proposed **implementation and transition** approach? | 7 | 1 | 1 |
| Do you have any further comments about the proposed arrangements? | 3 | 6 | 0 |

## Consultation comments

Elexon have considered all comments and suggestions regarding the proposed arrangements and drafting. There were several comments on the proposed drafting that Elexon have considered and discussed further with the Issue Group.

The tables below detail the comments where notable updates have been made to the DIP Rules, with Elexon's responses to the comments. Comments highlighting typographical and grammatical errors have also been actioned but are not listed. The comments have been paraphrased for clarity, but full responses can be found in Appendix F.

In addition there were many positive comments, including:

- We agree with the approach taken by Elexon to develop the DIP Rules through a BSC Supplement with standalone DIP Subsidiary Documents to allow future portability.
- We support the DIP Objectives, and in particular the recent changes to extend the scope outside of settlement processes.
- Constituency representation is appreciated, and the thought for industry consultation is also.
- We agree with the proposed assurance arrangements and support the initial similarity of the arrangements that exist in the BSC PAF as a good starting point to move forward and refine based on learnings and annual review approaches as set out.
- We agree the approach set out provides levels of independent assurance (independent auditor & DCAB input) that need to be in place to ensure a fair & consistent approach to the DIP managers overall function.


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- As pointed out, the DIP Payees as they are reflected in the proposed arrangements would prevent needless alternative industry pass through costs.

| Governance - Comments on the proposed arrangements and drafting | |
|---|---|
| Comment | Elexon's Response |
| Ensure that typographical corrections to DIP Manager and DCAB Terms of Reference do not need to go to Ofgem for approval | For consistency, changes to the DCAB Terms of Reference now also require Ofgem approval, however, the wording has been amended so that housekeeping changes to the DIP Manager and DCAB Terms of Reference are now an exception to the rule and do not require Ofgem approval. |
| The DSD should detail the ability to reject appeals that are frivolous or vexatious as this is included in the DIP Supplement | This has been added. |
| The Access Agreement suggests that only DIP Users can raise DIP CRs. | Anyone can raise a DIP CR and including this as an example of what is included in membership was misleading. This has been corrected. |
| Where appointing the two Data Services representatives for DCAB, it should be ensured that all three segments are covered – ADS/SDS/UMSDS. This may also apply to Supplier and Metering Service representative. | Further detail on ensuring appropriate constituency representation has been added to DSD001 'Governance' which specifies the DIP Roles to be covered by each member. |
| Regarding appeals resolution, the applicable "Authorities' own procedures" should be detailed. It is not clear if such appeals are to follow the standard code modification appeal process as set out in the electricity act or something else. | We expect that Ofgem will deal with appeals against a DCAB decision in a similar way that they deal with an appeal against a Code Panel's decision[44], including timelines and publishing of documents. This will be for Ofgem to confirm. |
| The time between completing a DIP CR Final Assessment and the report being made should be longer as DIP CRs will be technical and it will take a lot of due diligence. | The time before decision has been increased from 5WD to 10WD to allow time for stakeholders to submit their views if they are concerned with the DIP Manager's assessments. |

[44] https://www.ofgem.gov.uk/publications/ofgem-guidance-self-governance-modification-appeals-process


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| Governance - Comments on the proposed arrangements and drafting | |
|---|---|
| Comment | Elexon's Response |
| Expected industry consultation time periods should be stated explicitly, with the flexibility to increase or decrease as required. Duration should be longer as some consultations may be quite technical in nature and require time to discuss implications with multiple internal stakeholders. | DSD004 'Change Management'now states that industry consultation will be at least 15WD unless urgency dictates otherwise (as laid out in the Initial Assessment in the case of a DIP CR). |

| Connection - Comments on the proposed arrangements and drafting | |
|---|---|
| Comment | Elexon's Response |
| The drafting is not clear on whether Suppliers, DNOs and Meter Operators have to be a DIP User prior to Code Qualification. | The DIP Supplement has been amended to make it clear that they will not move to the live production environment until after qualification i.e. DIP On-Boarding will complete, then Code Qualification will complete, then they will move to Production. |
| There needs to be more detail on DIP Read-Only Users. | Read-only Users have now been removed from the drafting. The inclusion of read-only DIP Users was considered but have not been included in the DIP design. There will be other means of organisations accessing DIP messages. |
| The use of 're-direction' in the event of SOLR is misleading as the DIP provisions define the message recipients and should be routed to the correct Supplier based on registration data received from the CSS (via the SMRS). | Messages will be 're-routed' at 2400 (cross-over time) so long as Effective To Dates and Effective From Dates are updated – to reflect this the phrase 're-directed' has been changed to re-routed. |
| The DIP On-Boarding process only refers to BSC and REC for single Code process, not SEC to reflect MDR. | SEC has now been added to recognise MDR Opt-in following CR023. Elexon are engaging with SECAS to make sure they are aware of this. |
| Code Bodies should be able to see what information the DIP Manager collects in On-Boarding to assist with their Qualification. | DSD002 'DIP Connection and Operation' has been updated to reflect this. |
| When Off-Boarding a DIP User, the DIP Manager should consider informing other DIP Users so they can assess any impacts and take mitigating actions. | DSD002 'DIP Connection and Operation' has been updated to reflect this. |


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| Assurance - Comments on the proposed arrangements and drafting | |
|---|---|
| Comment | Elexon's Response |
| Sharing the Assurance Strategy 1 month ahead with a 10-day response period is not enough time to assess any feedback. | The strategy is implicitly linked to the budget proposal cycle, which is why there is the one month requirement but, that is the worst case scenario, and the intention will be to publish sooner. Minimum consultation periods have been extended to 15WD, unless there is reason otherwise. |
| Reported security breaches and DIP Service Provider service incidents should be added to the list of considerations for the DIP Manager when determining the DIP Assurance Strategy. | These have been added. |
| A minimum period of notice of an intention to undertake an audit should be specified, e.g. 1 month. | This has been added to the DIP Rules. |
| The annual compliance report should also include details of any service incidents affecting the availability or integrity of the DIP and details of any audits of the DIP Manager and or DIP Service Provider. | This has been added. It was always the intention that the DIP Manager and DIP Service Provider would be included, so clarification has been added. |

| Change management - Comments on the proposed arrangements and drafting | |
|---|---|
| Comment | Elexon's Response |
| There should be requirements on the DIP Manager to maintain environments, test harnesses and test data to support change delivery and also Qualification activities. | The non-production environment will remain in existence at all times and can be used for testing and some changes. Additionally, it will take very little time to build a test environment, so will be included in any IA for a proposed change. This has now been clarified in the drafting. |
| Where a change to a DIP message is progressed, this is not expected to require a change to the DIP Rules. We would expect the DIP Manager to manage the contractual arrangements requiring the DIP Service Provider to make the changes to the DIP. | This is correct, a message change will not require a change to the DIP Rules but, it will require a change to the DIP which will be progressed as a system only change. This has been clarified in DSD004 'Change Management' and some paragraphs re-ordered for readability. |


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| Change management - Comments on the proposed arrangements and drafting | |
|---|---|
| Comment | Elexon's Response |
| Only the DIP Manager is involved in the decision of whether to raise a DIP CR, which does not provide for any independence or transparency and could therefore undermine the ethos of anyone being able to raise a change. | The initial assessment will be published regardless of the outcome of the validation which will allow transparency and will be appealable– DSD004 'Change Management' has been amended to make clear. |
| Housekeeping changes, where not going for approval or consultation; should be redlined so that participants can easily review and provide feedback before it is put live. | The DIP Rules have been amended to reflect this. |
| The criteria for deciding materiality to determine whether a Change is Tier One or Tier Two should be included in the DIP Rules. | The criteria for deciding materiality have now been included in DSD004 'Change Management'. |

| Funding - Comments on the proposed arrangements and drafting | |
|---|---|
| Comment | Elexon's Response |
| DIP CR costs will be mutualised where majority of DIP Users will benefit from or be impacted by the DIP CR, however there is no explanation on how the "majority" would be determined. | DSD005 'DIP Funding and Budget' has been updated to clarify that when determining whether a 'majority' will be impacted, the DIP Manager should consider the number of DIP Users impacted but, may consider other factors. The justification for consideration of 'majority' shall be included in their published decision and can be appealed. |
| It is unclear where the rationale for in year budget change threshold levels have come from, i.e. less than 10% is informed via invoicing process & 15%+ shall be consulted on. | These thresholds were selected to ensure transparency around budget changes, but to avoid unnecessary notifications and consultations for fluctuations from as estimate. It is expected, by the very nature of forecasting costs, that there will be variance and we feel that this is a good balance between keeping DIP Users informed and having to communicate too often for expected variance.<br>If the thresholds do not prove to be appropriate in practice they can be amended very easily and quickly via the DIP change process. |


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| Information security and data management - Comments on the proposed arrangements and drafting | |
|---|---|
| Comment | Elexon's Response |
| The document makes many references to the ISO 27000 series which is extremely onerous and inappropriate for many entrants. Cyber Essentials Plus would be a more appropriate standard to apply, which was created by BEIS for this purpose and is now operated by NCSC. Any non-industry standard will need to be topped up with DIP-specific controls. | DIP Users do not need ISO 2700 series Certification, but are expected to meet the requirements of ISO 27000 series to the extent that the standards are applicable to their organisation. Guidance will be provided to clarify which sections of the ISO 27000 series we expect DIP Users to adhere to.<br>Similarly, equivalent qualification or certification will be accepted in place of ISO 27000 series certification. |
| To remove ambiguity, we recommend all Information Security Management System (ISMS) requirements be captured in one document to prevent the need for DIP users to refer to multiple documents to identify requirements and also to prevent requirements from being misaligned. | As suggested, the ISMS requirements have now been moved out of DSD006 (previously 'Information Security and Data Management', now just 'Data Management') and into DSD002 'DIP Connection and Operation'. |
| Reporting on data protection incidents should be qualified so it is relevant to the DIP, not any data protection incident. The current drafting is both onerous and unnecessary. | While this was implicit as it is a requirement within the DIP Rules, this has now been made explicit. |

| General - Comments on the proposed arrangements and drafting | |
|---|---|
| Comment | Elexon's Response |
| Where referencing the Unmetered Supplies Data Service in the documentation – suggest the correct Role Code is used when abbreviating it – which is UMSDS – and not UDS as used in places throughout the documents. | This has been amended. |


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| General - Comments on the proposed arrangements and drafting | |
|---|---|
| Comment | Elexon's Response |
| There is no clear definition of the service being offered, and a service definition document should be considered. A service definition would enable the DIP Service Provider to be held to account for delivery of the service. | Service Descriptions in the BSC are used to hold BSC Agents to account, but the DIP has no equivalent to BSC Agents. The DIP Service Provider is a contractor, not an agent – the relationship is commercial, not enshrined by code legal obligation – and the DIP Manager will undertake roles and have responsibilities that would traditionally have been held by a BSC Agent. If there are failings, it is the DIP Manager that will be held to account, and the DIP Manager roles and responsibilities are set out in the DIP Rules, and in particular the Annexes to DSD002.<br>DSD002 Annex Two already lays out what the DIP Landscape looks like and how it will operate. |
| The distinction between DIP Users who need to communicate directly with the DIP and 'DIP Portal Users' who are only seeking to access reports should be clarified. | DSD002 paragraph 2.5 lays out the different levels of User – 'Analytics Reader' will be 'persons that only have access to review the DIP dashboard feature'. DSD002 A2 Chapter 3 explains how to access the DIP Portal as well as how DIP Users will access the DIP. |
| There are missing requirements relating to DIP User interactions with the DIP. The MHHS Design includes a large number of requirements. Functional requirements have been reflected within amended provisions in industry codes, whereas the expectation is that non-functional requirements and specific rules for interaction with the DIP (as set out in the E2E Solution Architecture Document would be reflected in the DIP Rules. | Elexon have been working with the MHHS Programme to ensure that all requirements are captured, all will continue to do so as the MHHS Design is finalised. Elexon are aware that there are some details of the design that are yet to be captured and will incorporate them prior to implementation. |
| A separate definitions & interruptions DSD should be developed so that users have an easily accessible document to understand what each acronym & term means. | The DIP Glossary has been removed from the DIP Supplement and a separate Glossary DSD has been created, DSD007 'DIP Glossary'. |


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| General - Comments on the proposed arrangements and drafting | |
|---|---|
| Comment | Elexon's Response |
| DIP defined terms are not consistent with BSC terminology, e.g. Meter Services. | We have reflected the terms used in MHHS design and the DIP Roles as these do not directly translate into current BSC terminology. We will add a 'translation' to relevant guidance documents in due course. |

## Transmission License

It is for Ofgem to decide if and how any changes to the Transmission License are progressed, and as such Elexon have provided no response to the comments received the consultation question on this topic.

| Comments on the proposed arrangements and drafting – Transmission License |
|---|
| Comment |
| The change proposed to the Transmission Licence are sensible. |
| We believe that there is a requirement for a review of the Transmission area in light of the implementation of the DIP. |
| Our view is and remains that if this should be considered as part of the transition of Elexon's ownership & the FSO licencing requirements/go live currently published pointing towards FSO licence go live over the course of 2024, we acknowledge this is a congested area in terms of overall change in the short term however it is better facilitated in the FSO licence and transition, leaving transmission licence requirements to Transmission Operators and required industry arrangements for the FSO. |


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## 7. Ofgem Requirements

The following table contains a summary of the requirements and suggestions detailed in the Ofgem decision document. A description of how each requirement has been met, with reference to specific assumptions and business requirements in Attachment A.

| Summary of how Ofgem requirements in their decision letter have been met | |
|---|---|
| Ofgem requirement | How they have been met |
| DIP arrangements should be bespoke. | DIP arrangements designed from scratch, are stand-alone from Industry Codes and consider the specific needs of the DIP. |
| DIP arrangements should be flexible. | Employing a Code Manager approach (A-C2) will allow for agile and flexible processes, with the DIP Manager more empowered to make decisions. |
| DIP arrangements should be in line with industry best practice. | DIP arrangements have been designed considering best practice, with input from industry experts, and will be subject to industry consultation. |
| All parties with an interest in the DIP objectives should play an active role in governance. They should have the right to propose and express views on modifications to the rules surrounding access to and use of the DIP. | The DIP change process will be open, with anyone able to propose a change (BR-C2) and engage in consultations. DIP Users will be represented on the DCAB, and there will be a consumer representative (BR-G1).<br>Changes to DIP Messages will be subject to existing open governance EMDS change control processes. |
| If there is voting on change, a consumer representative and innovation representative should be considered. | There will be a consumer representative on the DCAB, and it is suggested that the Ofgem representative could be an 'innovation' representative from their innovation team (BR-G1). However, all DCAB Members will have to consider innovation as it is included in the DIP Applicable Objectives (BR-C22). |
| It should also be ensured that there is a level playing field in contestable markets. | All DIP Users will be treated equally and fairly with allowance made for their unique circumstances where appropriate (A-G2). |
| The DIP Manager should have the ability to commission independent audits of service performance. | The DIP Manager may use a third party to carry out audits on their behalf (BR-A6). |
| Ofgem suggested two key DIP objectives relating to providing accurate and timely support for settlement, and furthering consumers' interests. | The suggested objectives have been amended following the Interim Issue Consultation but are included in the DIP Applicable Objectives (BR-C22), alongside an additional objective. |
| A dedicated Code Manager function should be developed, to prioritise and develop change | The DIP Manager will employ a Code Manager approach (A-C2). The DIP Manager will prioritise changes, if required (BR-C15). |


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| Summary of how Ofgem requirements in their decision letter have been met | |
|---|---|
| proposals independent of potentially conflicting commercial interests. | |
| Suppliers should fund core DIP Services relating to providing accurate and timely support for the Settlement process. | Costs for core (Settlement related) activities will be borne by Suppliers (A-F2). |
| The funding mechanism should be based on a connection fee and DIP usage. | The sharing of costs will be based on DIP usage and may include a connection fee (A-F1). MPAN share will be used (BR-F15), as it is predicted to be an accurate indicator for DIP usage (more so than metered volumes). |
| Non-core services should be funded on a subscription basis via reasonable and non-discriminatory access charges. | Costs for non-core services may be passed onto the applicant for data requests (BR-D13) and the Proposer for changes (BR-C37). Subscription costs will not be cost-prohibitive (A-F6). |
| DIP should be delivered in line with Ofgem's Data Best Practice Guidance. | The DIP Manager, DIP Users and DIP Service Provider shall adhere to Ofgem's Best Practice Guidelines (BR-D10). |
| Access to data for third parties must be provided on fair and non-discriminatory terms, and that use of the data itself should be available on the same basis. | All DIP Users will be treated equally and fairly with allowance made for their unique circumstances where appropriate (A-G2). The DIP Manager's open-data policy will adhere to Ofgem Best Practice Guidance and guidance issued by the Energy Systems Catapult on behalf of Ofgem and BEIS (as was). |
| The DIP Manager should also ensure that data is made available to drive innovation in a manner that does not distort competition. | Innovation is included in the DIP Applicable Objectives - Facilitate competitive change and innovation through the efficient and economic delivery of reliable and adaptable services (BR-C22). The Open data policy looks to remove access to data as a prohibitive cost to innovation, however, some allowances are made for resource impacts on the DIP Manager. |


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# 8. Appendix 1: Issue 101 Engagement

The DIP Rules were developed using an Issue Group as a way of engaging with industry. Engagement was generated at three main points in the process:

- When the Issue was raised;
- When the Interim Consultation on the business requirements was issued; and
- When the Consultation on the proposed arrangements and code drafting was issued.

At each stage industry communications were sent out via:

- Email to the BSC Change update mailing list – all BSC Parties, Party Agents and BSC Agents are added to this list as part of market entry and users are able to self-serve and add or remove themselves;
- Newscast newsletter to the BSC mailing list – Users are able to self-serve and add or remove themselves from this list;
- MHHS Clock newsletter to the MHHS mailing list – this is maintained by the MHHS Programme.

Elexon also engaged with REC so that notices could be sent to the REC change distribution list, as some future DIP Users are not BSC Parties but are REC Parties.

The engagement with the Issue 101 BSC Change update emails are summarised in the table below. The numbers are in-line with the average numbers over the last six months of BSC Change update emails (29% opened and 2% clicked).

| Engagement with BSC Change emails | | | |
|---|---|---|---|
| Email | Delivered to | Opened by | Clicked by |
| Issue 101 raised | 1,153 | 384 (33%) | 34 (3%) |
| Interim consultation issued | 1,558 | 506 (32%) | 52 (3%) |
| Interim consultation reminder | 1,598 | 497 (31%) | 20 (1%) |
| Consultation issued | 1,735 | 555 (32%) | 43 (2%) |
| Consultation issued reminder | 1,742 | 514 (30%) | 21 (1%) |

Elexon have also provided updates on Issue 101 to the BSC Panel and Issue 101 has been discussed at various cross-Code forums, including CCSG, the CACoP Forum, the MHHS Cross-Code Advisory Group (CCAG), and the MHHS Cross-Code Working Group.

There has been significant industry involvement in the Issue Group, consultations and in specific correspondence and meetings, as summarised in the following table.

| Summary of industry involvement | | | | |
|---|---|---|---|---|
| DIP User/ Stakeholder | Issue Group | Interim Consultation | Consultation | Other engagement |
| Supplier | ✓ | ✓ | ✓ | ✓ |
| MSS | ✓ | ✓ | ✓ | ✓ |
| MSA | ✓ | ✓ | ✓ | ✓ |
| SDS | ✓ | ✓ | ✓ | ✓ |


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| Summary of industry involvement | | | | |
|---|---|---|---|---|
| DIP User/ Stakeholder | Issue Group | Interim Consultation | Consultation | Other engagement |
| ADS | ✓ | ✓ | ✓ | ✓ |
| UMSDS | ✓ | ✓ | ✓ | ✓ |
| EES | ✓ | ✓ | ✓ | ✓ |
| REGS | ✓ | ✓ | ✓ | - |
| UMSO | ✓ | ✓ | ✓ | - |
| Distributor | ✓ | ✓ | ✓ | - |
| MDR ('opt-in') | - | - | - | - |
| MHHS Programme | ✓ | - | - | ✓ |
| DIP Service Provider | - | - | - | ✓ |
| BSCCo / DAH | ✓ | - | - | ✓ |
| RECCo | ✓ | ✓ | ✓ | ✓ |
| DCUSA | - | - | - | ✓ |
| SECAS | - | - | - | ✓ |
| Citizen's Advice | - | - | ✓ | ✓ |
| Ofgem | ✓ | - | - | ✓ |

Involvement in the Issue Group included attendance at Issue Group meetings, inclusion on the Issue 101 distribution list and conducting reviews of Issue 101 documents. The attendance at Issue Group meetings is detailed in Appendix 2, but there were additional interested parties on the distribution list.

Elexon noted that engagement of Issue Group members reduced once the proposed framework was finalised. After that point, the proposed solution did not change significantly, and Issue Group involvement mostly involved reviews of drafting. SharePoint was used to enable Issue Group members to easily access and review documents.

There has also been a lot of engagement via MHHS Programme SIT on-boarding, which is comparable to what they would do under enduring DIP On-Boarding and testing.

During development of the proposed solution for the enduring DIP arrangements, Elexon has worked closely with both BSCCo and RECCo. These Code Bodies are primary stakeholders as the BSC and REC will place obligations on their parties to be DIP Users.


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## 9. Appendix 2: Issue Group Details

| Issue 101 Group Attendance | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Name | Organisation | 13 Sep 2022 | 8 Nov 2022 | 13 Dec 2022 | 17 Jan 2023 | 13 Feb 2023 | 13 Mar 2023 | 12 Apr 2023 | 25 May 2023 | 16 Aug 2023 | 23 Oct 2023 | 22 Nov 2023 | 6 Dec 2023 | 19 Dec 2023 | 29 Feb 2024 |
| Lawrence Jones | Elexon (Chair) | × | ✓ | ✓ | ✓ | ✓ | ✓ | × | × | × | × | ✓ | ✓ | × | ✓ |
| Keren Kelly | Elexon (Proposer) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | × | × | × | × | × | × | × |
| Jenny Sarsfield | Elexon (Lead Analyst) | × | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Chris Wood | Elexon (Design Authority) | × | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Jonny Moore | Elexon (Design Authority) | ✓ | × | × | × | × | × | × | × | × | × | × | × | × | × |
| James Stokes | Elexon (Product Owner) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | × | ✓ | ✓ | × | ✓ | ✓ |
| Eden Ridgeway | Elexon (Legal) | ✓ | ✓ | × | × | × | × | × | × | × | × | × | × | × | × |
| Nicholas Brown | Elexon (Legal) | × | × | ✓ | × | × | × | × | ✓ | × | × | × | × | × | × |
| Robert Holmes | Elexon (Legal) | × | × | × | × | × | × | × | × | × | ✓ | ✓ | ✓ | ✓ | ✓ |
| Tina Writh | Elexon (Legal) | × | × | × | ✓ | ✓ | ✓ | ✓ | × | × | × | × | × | × | × |
| Anna Miller | Elexon (Subject Matter Expert) | × | × | × | × | ✓ | × | × | × | × | × | × | × | × | × |
| Darren Draper | Elexon (Subject Matter Expert) | × | × | × | ✓ | × | × | × | × | × | × | × | × | × | × |
| Matt Cogram | Elexon (Subject Matter Expert) | × | × | × | × | ✓ | × | × | × | × | × | × | × | × | × |
| Jason Brogden | MHHS Programme | × | × | × | × | ✓ | × | × | × | × | × | × | × | × | × |
| Kevan Gleeson | MHHS Programme | × | × | × | × | × | ✓ | × | × | × | × | × | × | × | × |
| Richard Gwatkin | MHHS Programme | × | × | × | × | × | × | ✓ | × | ✓ | ✓ | ✓ | ✓ | ✓ | × |
| Robert Golding | MHHS Programme | ✓ | ✓ | ✓ | × | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | × | ✓ |
| Simon Berry | MHHS Programme | × | × | × | × | × | × | × | ✓ | × | × | × | × | × | × |
| Andy MacFaul | Ofgem | ✓ | × | ✓ | ✓ | ✓ | ✓ | ✓ | × | × | ✓ | ✓ | ✓ | ✓ | ✓ |
| Jeff Finch | Ofgem | × | × | × | × | × | ✓ | × | × | × | × | × | × | × | × |

| Issue 101 Group Attendance | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Name | Organisation | 13 Sep 2022 | 8 Nov 2022 | 13 Dec 2022 | 17 Jan 2023 | 13 Feb 2023 | 13 Mar 2023 | 12 Apr 2023 | 25 May 2023 | 16 Aug 2023 | 23 Oct 2023 | 22 Nov 2023 | 6 Dec 2023 | 19 Dec 2023 | 29 Feb 2024 |
| Jenny Boothe | Ofgem | × | × | × | × | × | × | × | × | ✓ | × | × | × | × | × |
| Sinead Quinn | Ofgem | ✓ | × | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | × | ✓ | ✓ | ✓ | ✓ | × |
| Shazia Toqeer | British Gas | × | × | × | × | × | × | × | × | × | ✓ | × | × | × | × |
| Blanka Caen | Centrica | × | × | × | × | × | ✓ | × | × | × | × | × | × | × | × |
| Kevin Woollard | Centrica | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | × | × | ✓ | × | ✓ | ✓ |
| Niall McPherson | Correla | × | × | × | × | × | × | × | × | × | ✓ | × | × | × | × |
| Ellen Crawford | E.On / NPower | × | × | × | × | × | × | × | × | ✓ | × | × | × | × | × |
| Lee Stone | E.On / NPower | × | × | × | × | ✓ | × | × | × | × | × | × | × | × | × |
| Carolyn Burns | ESG Global | × | × | × | × | × | ✓ | × | × | × | × | × | × | × | × |
| Kerry O'Donnell | ESG Global | × | × | × | × | × | ✓ | × | ✓ | × | × | × | × | × | × |
| Nigel Roberts | ESG Global | × | × | × | × | × | × | × | × | ✓ | × | ✓ | × | ✓ | × |
| Patricia Parker | ESG Global | × | × | × | × | × | × | ✓ | ✓ | × | × | ✓ | ✓ | × | × |
| Robert Nightingale | ESG Global | × | × | × | × | × | ✓ | × | × | × | × | × | × | × | × |
| Sam Brownley | ESG Global | × | × | × | × | × | ✓ | × | ✓ | × | × | × | × | × | × |
| Simon Crouch | ESG Global | × | × | × | × | × | ✓ | × | × | × | × | × | × | × | × |
| Paul Akrill | IM Serv | ✓ | ✓ | ✓ | ✓ | × | × | × | × | × | × | × | × | × | × |
| Neil Dewar | National Grid ESO | ✓ | ✓ | × | ✓ | × | × | × | × | × | × | × | × | × | × |
| Samantha Cannons | Ovo Energy | × | × | ✓ | ✓ | ✓ | ✓ | × | ✓ | ✓ | ✓ | × | ✓ | ✓ | × |
| Andrew Wallace | Retail Energy Code | × | × | × | × | × | × | × | × | ✓ | × | × | × | × | × |
| Collette Baldwin | Retail Energy Code | × | × | ✓ | × | × | × | ✓ | ✓ | ✓ | ✓ | × | × | ✓ | × |
| Jonathan Hawkins | Retail Energy Code | ✓ | ✓ | ✓ | ✓ | × | ✓ | ✓ | ✓ | × | × | × | × | × | × |
| Sarah Jones | Retail Energy Code | × | ✓ | × | × | ✓ | × | × | × | × | ✓ | ✓ | ✓ | ✓ | ✓ |

| Issue 101 Group Attendance | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Name | Organisation | 13 Sep 2022 | 8 Nov 2022 | 13 Dec 2022 | 17 Jan 2023 | 13 Feb 2023 | 13 Mar 2023 | 12 Apr 2023 | 25 May 2023 | 16 Aug 2023 | 23 Oct 2023 | 22 Nov 2023 | 6 Dec 2023 | 19 Dec 2023 | 29 Feb 2024 |
| Stephen McLaughlin | Scottish Power | × | × | × | ✓ | × | × | × | × | × | × | × | × | × | × |
| David Bowler | Shell Energy | × | × | × | × | × | × | × | ✓ | × | × | × | × | × | × |
| Danielle Thomas | Siemens | × | × | × | × | ✓ | × | × | × | × | × | × | × | × | × |
| Mark Jones | SSE | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | × | ✓ | ✓ | ✓ | ✓ | × | × |
| James Murphy | Stark | × | × | × | ✓ | × | ✓ | × | × | × | × | × | × | × | × |
| Nik Wills | Stark | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | × | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |