

---

# Timeline for agreement of MHHS Qualification “Placing Reliance” Policy

---

## Performance Assurance Board (PAB)

---

Date of meeting **23 February 2023**

Paper number **PAB265/01**

Owner/author **Anna Millar**

Purpose of paper **For decision**

Classification **Public**

Document version **1.0**

---

Summary This paper sets out a timescale for approval of a “Placing Reliance” policy for System Integration Testing (SIT) and Qualification.

---

## 1. Introduction

- 1.1 The Qualification phase within the Market Half Hourly Settlement Programme (MHHSP) is in place to ensure that participants operating within the current arrangements that plan to operate in MHHS (and any new participants that wish to start operating at the start of MHHS) have the appropriate systems and processes in place to undertake the new MHHS requirements.
- 1.2 Elexon and the Retail Energy Code Company/REC Performance Assurance are developing the arrangements for this phase but have a dependency on the testing approaches and artefacts the MHHSP are developing. The Qualification approach and plans will be developed through the MHHSP Qualification Working Group (QWG) and a view of the information provided to that group so far is set out in Attachment 1.

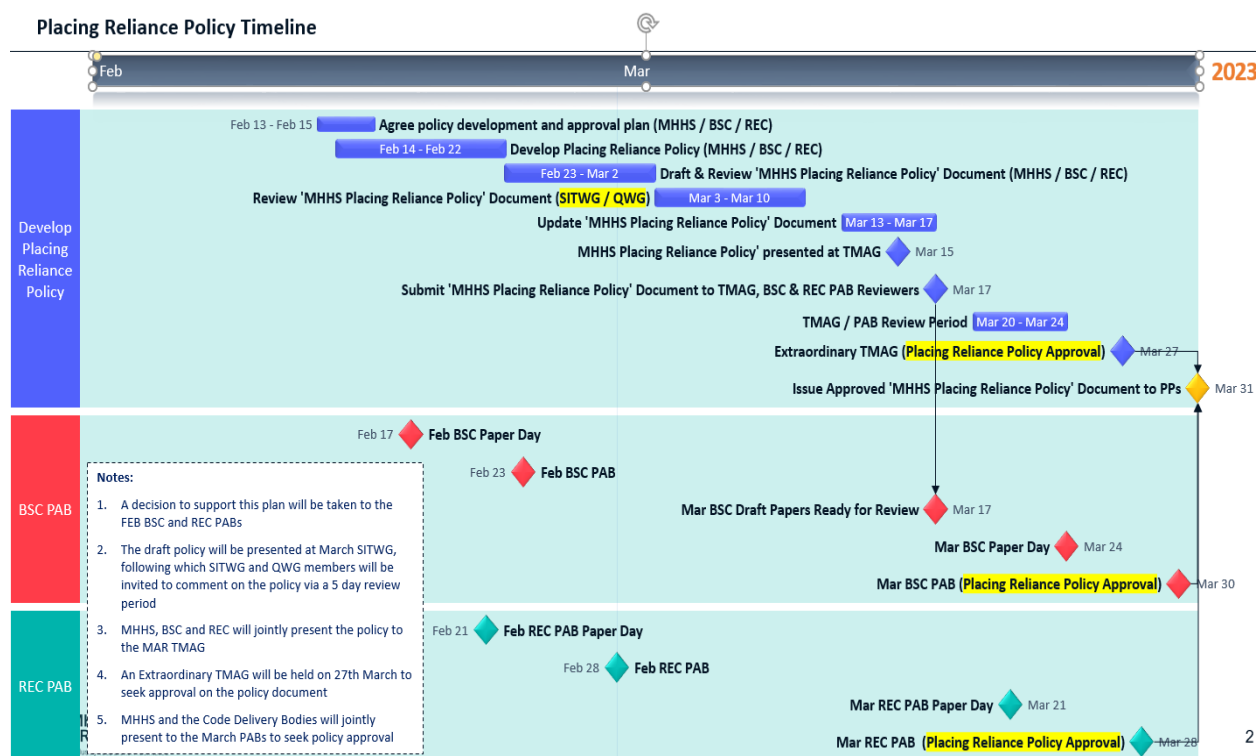
## 2. “Placing Reliance”

- 2.1 The MHHSP has recently met with Code Bodies noting it has had numerous queries for Programme Participants about the ability to place reliance on the third party systems they are using where these systems have already successfully completed testing. Some Programme Participants have highlighted that understanding whether such a principle will be in place and how it will be applied is key for their ability to provide the MHHSP with a clear view of whether it will be able to complete Qualification in line with the timescales in the draft MHHSP plan.
- 2.2 The MHHSP has acknowledged a precedent on previous similar industry programmes where some market participants, when certain conditions have been met, have placed reliance on the testing of their software and service providers. The MHHSP has stated that, as a principle, it wants to ensure that there is no unnecessary duplication of effort for participants in achieving the programme testing objectives and ultimately qualifying in the new MHHS arrangements. However, it also acknowledges that a policy of this nature ensures sufficient test coverage, confidence and risk mitigation to enable market qualification.
- 2.3 In order to help the programme and participants complete their planning, the MHHSP has proposed that a ‘Placing Reliance’ policy document be developed that defines:
  - The criteria where ‘placing reliance’ may be an appropriate option for market participants to employ; and
  - How the policy will be managed, evidenced and assured.
- 2.4 Elexon has highlighted to the MHHSP that the PAB (subject to delegation by the Panel) will be responsible for approving the successful completion of Qualification for all Programme Participants for Balancing and Settlement Code (BSC) roles. Elexon also highlighted that the current processes for Qualification under the BSC do not include such a “Placing Reliance” principle.

- 2.5 The MHHSP states that the intention is that the policy will be consistent with a programme principle of equivalence between the System Integration Testing (SIT) and Qualification testing stage (set out in Attachment 1). This would result in Programme Participants being able to adopt the policy whether they intend to proceed down the SIT or Non-SIT route to market Qualification, and that this will form a basis for post MHHS BAU Qualification approach. Consequently both BSC and REC PAB approval is being sought.

### 3. Timescales for policy development

- 3.1 The MHHSP is consulting Code Bodies on the development of its policy. Following discussion, the MHHSP has proposed the following timescale for the development and approval of this policy.



#### • Recommendations

##### The PAB is invited to:

- a) **COMMENT** on the paper;
- b) **AGREE** the timescales for the development of the “Placing Reliance” policy

#### For more information, please contact:

Anna Millar, Risk and Technique Analyst

anna.millar@elexon.co.uk

020 7380 4368