

ELEXION

**PAB279/06 – UMS Exemption from
Qualification for non-UMS Suppliers**

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Background

- In January 2024 PAB approved the exemption of Qualification for non-UMS Suppliers.
- The PAB approved based on two conditions;
 - *“include a change to the BSC as part of the MHHSP Consequential Code drafting to codify the option for Suppliers to not have to demonstrate UMS capability; and*
 - *progress a change request with the Retail Energy Code (REC) to make a change to the Central Switching Service (CSS) to automate prevention of switching of UMS sites to a non-UMS Qualified Supplier.”*
- Elexon and MHHSP updated Section J as part of MHHSP Consequential Code Drafting – Mop Up Two.
- Elexon met with REC Performance Assurance team to discuss the CSS Changes.
- Elexon was informed that it would be a significant change to CSS.
- As agreed Elexon would bring back a PAB paper in April.

Views

REC View

To automate CSS would be significant.

- To allow a block due to Market Segment.
- To update the data items in EMAR.
- Current Change Freeze applied to CSS and released in 2026.

Views

Elxon View

- Understand that this poses a risk.
- Developed controls, monitoring and mitigations against the risk.
 - Formalised the QAD section which was approved at PAB278.
 - Work off plan for any Supplier with UMS Sites that want the UMS exemption.
 - QPW will name the UMS exemption associated.
 - KPMG will review these sections and will request further evidence if necessary.
- P434 reporting system to identify MPIDs with UMS Sites.
- Initiate the following process:
 - Elxon will contact the Supplier.
 - Elxon will escalate to PAB.
 - Re-Qualification as a potential outcome.
- Unmetered Supplies currently account for 1-2%.

MHHS Programme View

- If exemption is not approved, Programme is likely to be delayed by 6 months.
- Section J of the BSC was updated.
- MHHSP considered automated controls.
- MHHSP have added the below to their design:
 - *a) a Supplier not Qualified for UMS shall not migrate UMS MPANs into the new MHHS arrangements.*
 - *b) a Supplier not Qualified for UMS shall not register UMS MPANs in the new MHHS arrangements.*

Recommendations

We invite the PAB to:

- a) **NOTE** the controls, mitigations and monitoring outlined in the paper; and
- b) **APPROVE** the exemption for a non-UMS Supplier from having to demonstrate UMS requirements as part of its Qualification.