

MRA Entry Assessment Controlled Market Entry Process

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v8.0

MRA Assurance Team

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1. Introduction

1.1. Purpose

This document provides information on the process of Controlled Market Entry (CME) and is for Applicants that have successfully completed (or intend to complete) the MRA Entry Assessment and wish to commence trading, either immediately or in the future, in those market sectors for which they have been approved (or intend to be approved).

1.2. Scope

The CME process applies to the Market operations of an Applicant who has been approved by the MRA Executive Committee (MEC) after successfully completing all stages of the MRA Entry Assessment Process, and until such time MEC determines that the process shall no longer apply to that Applicant. As noted in part 5 of the Entry Assessment Questionnaire document (ref. 10468), before CME can begin a Supplier and Distributor must have “been granted an appropriate licence and have acceded to all necessary industry agreements”.

1.3. Background

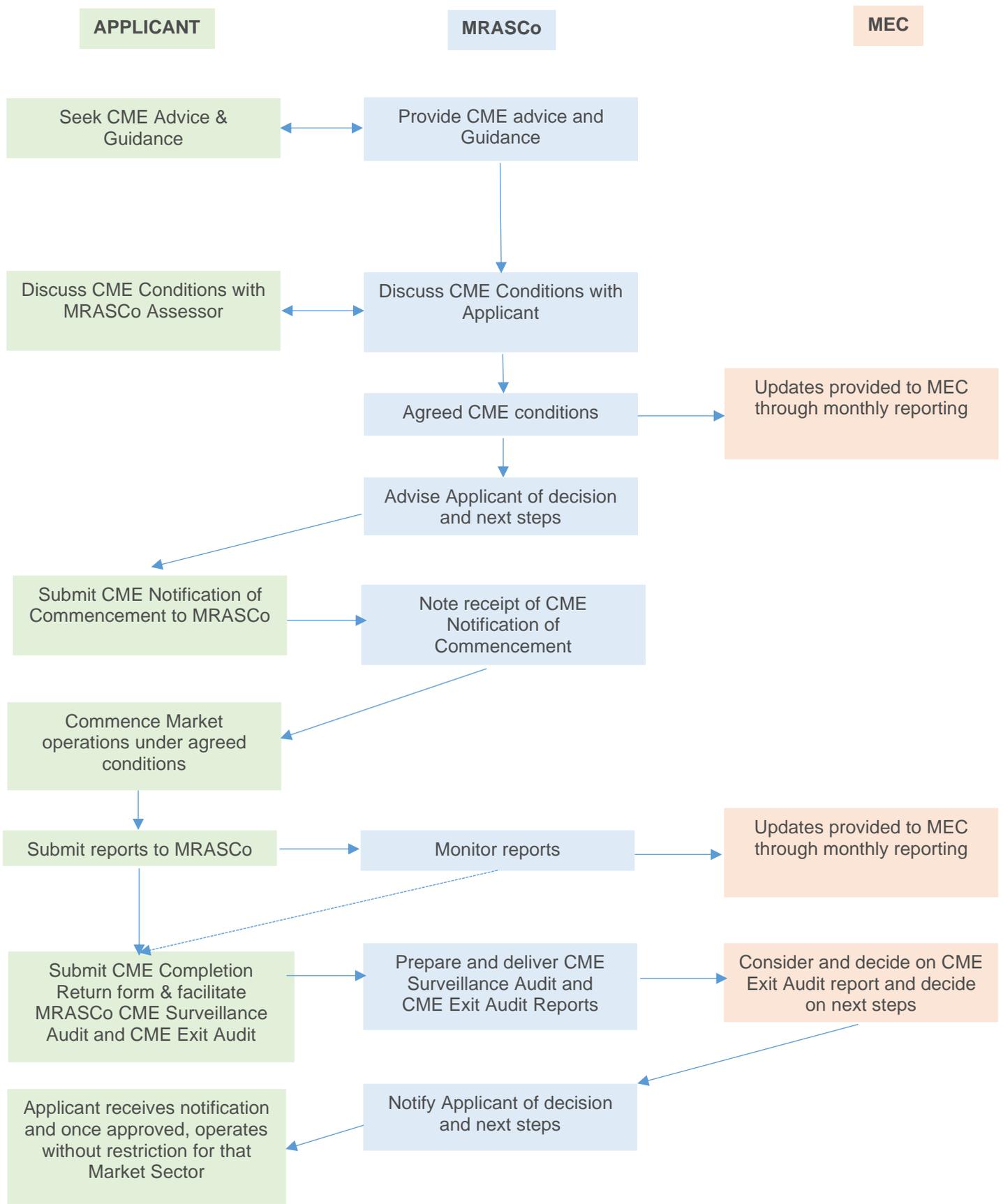
CME is the final stage of the MRA Entry Assessment and, once successfully completed, the Applicant is approved by MEC to operate freely within the terms of their licence.

The CME process is designed to allow a phased introduction to ‘live’ operations, based on conditions agreed between the Applicant and MRASCo. It is intended to prove the Applicant’s ability to inter-operate without disruption to other market participants, whilst also providing the Market and the Applicant with a means of progressive confidence building and a level of protection against the risks associated with market entry on an unrestricted basis. The conditions will consider both MRASCo considerations and the trading targets of the approved Applicant.

2. Glossary of terms

For definitions of terms used in this document, refer to the [Master Registration Agreement, MAP05 - The MRA Agreed Procedure for Entry Assessment & Re Qualification](#) or the glossary in the document: [MRA Entry Assessment – Information for Applicants](#) (ref. 10454).

3. CME Process Diagram and Procedure



MRASCo will meet with the Applicant to discuss the conditions that may be appropriate for CME such that, as far as is practical, the requirements of both MRASCo and the Applicant are satisfied. This is usually a virtual meeting or conference call, but physical meetings can be accommodated.

The Applicant prepares a proposal based on this discussion and submits it to MRASCo, who consider its appropriateness on behalf of MEC, and may suggest modifications to the proposal if required.

Within the proposal submitted to MRASCo we would expect to find the following information:

- Background on the Applicant
- Ambitions of the Applicant:
 - Targeted start date for CME
 - Sectors, NHH/HH simultaneously or NHH/HH one at a time.
 - Registration projections – over the next few years
- Proposed operating conditions;
 - maximum registration rate per month,
 - registration cap during CME
 - to prove figures
- Commitment and agreement to comply with CME requirements

Once satisfied, MRASCo will allow the Applicant to move on to operating under the agreed Market conditions, pending receipt of the applicable CME Notification of Commencement form ([Appendix D of MAP05](#)) which should be received in advance of the date of CME commencement.

The Applicant determines the CME start date, advises MRASCo and commences operations. During the CME period, the Applicant is required to provide reports in the format appropriate to the Applicant's market role and at a weekly frequency, unless otherwise directed by MRASCo.

Once the Applicant determines that the CME completion criteria have been met, they notify MRASCo, who review the CME Reports and begin planning an audit. MRASCo Assessors will conduct an audit of the Applicant's business records to obtain evidence of their ability to operate in the market, in compliance with the MRA and without disruption to other participants. The results of the audit will be documented and provided to MEC and the Applicant will be notified of the outcome of MEC review.

MEC will consider the report and may approve the Applicant to operate in the Market on an unrestricted basis for the Sector(s) that they have been audited under or require the Applicant to continue in CME. In the latter case MEC may modify the CME Operating Conditions and Completion Criteria.

During CME, MRASCo will keep MEC updated on the progress of all Applicants in CME and MEC may request that MRASCo carry out a CME Surveillance audit during any period of CME. If that is the

case, MRASCo will discuss and liaise with the Applicant to explain the requirements, objectives, and process.

4. Operating in CME

Applicants are required to follow the principles detailed below throughout the duration of CME:

- The Applicant must notify MRASCo, in advance, of their intended date of commencement of operating within the Market (by submitting a CME Notification of Commencement form - ([Appendix D of MAP05](#))).
- The Applicant must adhere to the agreed CME operating conditions.
- The Applicant must ensure that reports are promptly delivered on a weekly basis, unless otherwise advised by MRASCo.
- The Applicant must ensure that reports are in the agreed format and that the information declared is complete and accurate. An example of the Controlled Market Entry report (ref. 10566) can be seen on the '[Becoming a Party to the MRA](#)' section of the [MRASCo website](#).
- The Applicant must ensure that CME is conducted using the business processes and applications that were approved during MRA Entry Assessment and that any significant changes are declared to MRASCo.
- MPAS Providers must declare Material Changes to MRASCo via the MRA Re Qualification process.
- The Applicant must notify MRASCo when they have met the CME completion criteria, as agreed in the CME Operating Conditions and they must submit a CME Completion Return document (see Appendix A of this document).
- The Applicant must keep records and evidence in support of the information contained in both the reports and the CME Completion Return. A selection of such records and evidence will be referred to by the MRASCo Assessor during the CME Exit Audit (and the CME Surveillance Audit, if required).
- The Applicant must allow MRASCo Assessors reasonable access to its business records and to allow business users to be consulted as appropriate throughout CME.

4.1. Amendment of CME Operating Condition

During CME, if the Applicant believes they are likely to breach their agreed CME operating conditions, they must apply to amend the operating conditions and completion criteria and must submit this application in writing, with as much notice as possible. This submission should be based upon satisfactory progress and the regular submission of CME Reports. MRASCo will discuss the changes with the Applicant and once the Applicant has submitted an updated CME Proposal it will be submitted to MEC for decision.

4.2. Achievement of CME Completion Criteria

When the Applicant is confident that the completion criteria specified within the agreed CME proposal have been satisfied, they must fill in a CME Completion Return (CR) and forward it to MRASCo. Once the MRA Entry Assessment Team has reviewed the return and is satisfied with the information, this will likely trigger a CME Exit Audit. Once the CME Exit Audit has been performed, MRASCo will report on the outcome to MEC. The Applicant must continue to trade under the CME operating conditions unless and until notified by MRASCo that MEC has approved that these can be lifted. All Applicants should consider the following:

- Controlled Market Entry and Exit is led by the Applicant, as such the timelines for completion of this process can be as long as required by the Applicant.
- Typically, MEC expects that an Applicant operates under the controlled conditions for a minimum of four weeks.
- A CME Exit Audit will typically take one day to perform (provided that no issues are encountered) and a report to MEC will be prepared for the next scheduled monthly meeting which are normally held on the last Tuesday of every month.
- The MRA Entry Assessment Team needs a lead time to plan, resource and prepare for the MRA Exit Audit and will only begin preparations once the CR has been received.

5. CME Operating Conditions

5.1. Suppliers

A Supplier may choose to enter and complete CME for one Market Sector (e.g. NHH) and then, once ready, enter and complete CME for the other Market Sector (e.g. HH), or they may choose to enter and complete all Market Sectors simultaneously. The CME Operating Conditions for a Supplier applicant typically include the following values:

MARKET SECTOR	MAXIMUM REGISTRATION RATE	REGISTRATION CAP	CME COMPLETION CONDITIONS
HH	Agreed number of registrations per month	Total number of registrations to be undertaken during CME	Agreed number of registrations to be completed and proven prior to CME Exit.
NHH*	Agreed number of registrations per month	Total number of registrations to be undertaken during CME	Agreed number of registrations to be completed and proven prior to CME Exit.

* For the purposes of counting registrations for CME, there is no distinction drawn between the NHH domestic and NHH non-domestic Market Sectors.

In summary, the CME operating conditions mean that:

- A Supplier's Metering Point "registration rate" is limited during CME to a prudent level,
- The total number of registrations to be initiated during CME is limited,
- An agreed number of registrations will need to be proven as successfully complete before the total agreed number is exceeded and before CME can be exited.

A registration is considered complete when all the following points are true:

- The Metering Point registration has been confirmed by MPAS,
- If an objection has been raised, that it has been contested and rejected,
- The objection period has expired,
- All agent appointments have been confirmed,
- The Meter Technical Details have been received,
- Customer details have been notified to applicable parties,
- All agents have been informed of other agent details, as required,
- The Metering Point has been included in the Data Collector's reading schedule,
- In the case of a New Connection the Energisation Status has been notified to MPAS, together with all other Applicant-owned MPAD data (as per Schedule 2 of the MRA),
- An initial read has been received and processed.

Example: A Supplier entering the HH Market Sector:

The Applicant will limit its Metering Point registrations to a maximum of 20 per month until it has successfully completed 30 registrations. An overall upper limit (registration cap) of 100 registrations will apply during the CME period. The Applicant may not exceed this number until the first 30 registrations are successfully completed, CME audit has been conducted and approval has been granted for exit from CME, or a modification to the agreed conditions is approved by MRASCo.

MARKET SECTOR	MAXIMUM REGISTRATION RATE	REGISTRATION CAP	CME COMPLETION CONDITIONS
HH	20 MPANs	100 MPANs	30 MPANs

5.2. Distribution Businesses

The range of conditions appropriate to Distribution Businesses is wider than that applicable to Suppliers, since a wider variety of initial circumstances is possible, and there is also no possibility to separately enter and exit CME for each Market sector.

The Distribution Business is largely a reactive organisation, being dependent, for example, on Suppliers to initiate registrations. They also have little influence on the timing of Supplier registrations and completion of all Supplier-owned values in the MPAD. The Distribution Business may also be

called upon to be involved in a wide variety of scenarios including energisation, de-energisation, disconnection, supply faults, change of measurement class et al. These factors need to be considered when setting CME Operating Conditions and Completion Conditions / Criteria.

An example of Distribution Business CME conditions is illustrated below:

MARKET SECTOR	MPAS PURCHASED (NEW MPAS OWNER AND OPERATED BY NEW DISTRIBUTION BUSINESS)	MPAS PROCURED (USING MPAS OF AN EXISTING DISTRIBUTION BUSINESS)
New Distribution Business introducing new networks (may include networks under 2.5MW voluntary licensed)	Conditions agreed accordingly	Conditions agreed accordingly
New Distribution Business registering existing networks (over 2.5MW threshold)	Conditions agreed accordingly	Conditions agreed accordingly

Typically, the completion conditions / criteria for a Distribution Business will, as for Suppliers, be based on MPAN Registrations completed. For a Distribution Business CME, two requirements must be fulfilled for registrations to be considered complete:

- Allocation of Line-Loss Factor (in relation to New Connections), and
- Setting of Energisation Status (in relation to both New Connections and Change of Supplier).

The Distribution Business CME Report will include basic details appropriate to all of the below scenarios as they occur, and it is expected that records will be maintained by the applicant and made available in support of the report. The levels of evidence required will be discussed at the time of agreement of the CME Operating Conditions and such evidence will be referred to by MRASCo as part of the CME Exit Audit.

The details to be reported on are as follows:

- MPAN
- GSP Group
- MPAN Creation Date
- Date of New Connection
- LLF allocation date
- Registration Effective Date (Change of Supplier and New Connections)
- Transaction 'Type' (e.g. CoS, New Connection, Disconnection, Energisation, SFIC, RPS)
- Market Indicator (HH, NHH, Domestic)
- Activity Indicator (e.g. MPAS only, Distribution Business only, MPAS and Distribution Business)

- Details of general activities (e.g. planned outages).

6. Filling in the CME completion return

The CME Completion Return can be found in Appendix A of this document. The applicant should complete this questionnaire as fully as possible so that an appropriate and proportionate assurance approach can be devised. When completing this questionnaire, please replace the guidance notes in 'Your response' and 'Evidence available' columns with the appropriate responses related to your CME activity.

The 'your response' columns asks applicants to describe the processes and controls in operation. Please provide a formal documentation(s) that cover the requirements, where available and list the document(s) in the 'evidence' column. Otherwise provide a description within the questionnaire and attach informal documentation.

7. Audits (Exit and Surveillance)

There will be a CME Exit Audit when the Applicant notifies MRASCo that they have met the CME Completion Criteria but may additionally take place at any other time during CME, as directed by the MRASCo and / or MEC, these are referred to as Surveillance Audits.

MRASCo will notify the Applicant in advance when an audit is to take place and which areas will be subject to the audit. Information collated during an audit is for the sole purpose of assessment and is treated in the strictest confidence.

A generic checklist of auditable items can be found in Appendix B. The audit will require the Applicant to make available their normal business records for all MPANs declared in the CME Reports.

Where unresolved issues or disputes are identified during the audit, MRASCo will request the Applicant provide all supporting information to explain the progress towards resolution.

Upon completion of the audit, MRASCo will produce a report. It will detail the areas of the Applicant's operations that were audited and record any Findings raised. When any identified Findings have been cleared, the report will be updated and provided to MEC for review and decision. Based on this report and the corrective actions taken to clear the Findings, the MEC may approve the Applicant to exit CME. However, if MEC do not approve CME Exit, they may modify the applicable Operating Conditions and Completion Criteria, pending a successful follow up audit

If MEC directs that the Applicant can exit from CME, then MRASCo will update the Applicant by sending a CME Exit Approval form via email. The Applicant may then operate without any restrictions in the Market Sector for which they have been approved to operate.

8. APPENDIX A: The CME Completion Return

COMPANY NAME:	
Name:	
Title/Position:	
Address:	
Email:	
Tel:	
Reason for submission:	
Date of submission:	

I confirm that we have met the CME Completion Criteria for the following Licensed Role(s) (tick box(es)):

	Distribution Business		Supplier (please also indicate types of supply using the boxes below)
			Half Hourly
			Non-Half Hourly: Non-Domestic
			Non-Half Hourly: Domestic

Please e-mail this application to: assurance@gemserv.com

#	Item to be Assessed	Your Response	Evidence available to support response
1.	What mechanisms are used to provide assurance that all relevant Applicant obligations in the MRA are adhered to during operations?	Please briefly describe the types of management controls that are employed.	Procedure documentation and/or internal audit records etc.
2.	How were CME operating conditions enforced?	Please briefly describe the types of management controls that were employed to ensure compliance with CME operating conditions.	Procedure references, internal audit. Please provide a copy(s) with your response.
3.	During CME, were any NHH Domestic Pre-payment MPANs registered? And/or any sites with Priority Services requirements?	Please confirm if applicable	List of MPANs, if applicable.
4.	During CME, were any problems experienced during the registrations process? If so, please detail the problem and resolution.	Please provide sufficient information to enable MRASCo to assess the impact and resolution of issues that occurred during CME. These can be system related as well as operational problems.	Problem reports, correspondence between involved parties, resolution details etc. Please provide a copy(s) with your response.
5.	During CME, were any problems experienced relating to the timely receipt of information from other Parties? If so, please detail the problem and resolution.	Please provide sufficient information to enable MRASCo to assess the impact on inter-operability of timing issues that have occurred during operations.	Problem reports, correspondence between involved parties, resolution details etc. Please provide a copy(s) with your response.
6.	Has your organisation been involved in any issues that have been taken into the	Please provide sufficient information to enable MRASCo to assess the impact on	Problem reports, correspondence between involved parties and MRASCo, resolution details

	MRASCo Conciliation process? If so, please give details.	inter-operability of issues that have occurred during operations.	etc. Please provide a copy(s) with your response.
7.	Has your organisation been involved in any issues that have been escalated to the Operational Issues Forum at MRASCo? If so, please give details of issues and resolutions.	Please provide sufficient information to enable MRASCo to assess the impact on inter-operability of issues that have occurred during operations.	Problem reports, correspondence between involved parties, resolution details etc. Please provide a copy(s) with your response.
8.	Has your organisation been involved in any disputes that have been escalated to the Disputes department at MRASCo? If so, please give details of disputes and resolutions.	Please provide sufficient information to enable MRASCo to assess the impact on inter-operability of disputes that have occurred during operations.	Dispute reports, correspondence between involved parties, resolution details etc. Please provide a copy(s) with your response.
9.	Are you a Data Communications Company (DCC) user?	Please confirm if applicable	Evidence, if applicable

9. APPENDIX B: Generic checklist of items required for CME Exit / Surveillance Audits

This section contains items that will typically be required by the MRASCo Assessors during the CME Exit and / or Surveillance Audits. This is not intended to be an exhaustive list and the audit will be tailored to each Applicant depending on their type, circumstance, agreed conditions, system configuration and business processes.

- Evidence of any problems within the Applicants' systems during live operations (problem reports, new versions of guidelines or system),
- Evidence of any problems emanating from other MRA Applicants or market participants,
- Evidence of all Metering Point registrations,
- Evidence of use of normal business processes (telephone/fax logs where appropriate and adherence to practices specified in the CME guidelines), and
- Evidence of use of management processes for:
 - Changes to MRA Product versions
 - Changes to business process versions
 - Change control
 - Applying updates of MDD

10. Related Documents

MRA Products (<https://www.mrasco.com/mra-products>)

MRA Entry Assessment Products (<https://www.mrasco.com/becoming-a-party-to-the-mra/>)

Controlled Market Entry Report (<https://www.mrasco.com/ufags/what-information-should-i-familiarise-myself-with/>)

11. Change History

VERSION	STATUS	DATE	REASON FOR CHANGE
1.0	Authorised		
1.1	Authorised	9 Aug 2000	
1.2	Authorised	28 Nov 2001	
2.0	Authorised	30 Nov 2001	Oct and Nov 2001 Baseline including Utilities Act updates
3.0	Authorised	28 Aug 2002	Modified for Distributors and other Applicants
3.1	Authorised	11 Mar 2005	Uplift to standard front page. Corrected formatting problems.
3.1	Authorised	10 Sep 2005	QA Review.
3.2	Authorised	8 Aug 2007	Update to reflect new MAP05
4.0	Draft ready for approval	27 Sept 2016	General review and updated to reflect governance process changes.
5.0	Issued	12 June 2017	Updates based on general process and information review.
6.0	Authorised	10 December 2019	General Review and updates based on Ofgem request
7.0	Authorised	25 February 2020	Review to amendments regarding CME conditions.
8.0	Authorised	13 April 2020	Updates based on general process and information review.

12. Quality Assurance

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