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28 September 2021

Consultation on the Design and Delivery of the Energy Code Reform

Dear Sir/Madam

Thank you for the opportunity to respond to the above consultation. This response is on behalf of UK Power Networks' three distribution licence holding companies: Eastern Power Networks plc, London Power Networks plc, and South Eastern Power Networks plc.

Our detailed views against the specific consultation questions are represented in the Energy Networks Association response and this letter should be considered in conjunction with those more detailed views.

We support the objectives of the Energy Code Reform. As we continue to work towards an energy system that supports decarbonisation in a smarter, more flexible way, the codes that govern the system will need to be adapted more regularly and dynamically. We agree with the preferred option for the reform of the governance of these codes as it strikes the right balance between strategic oversight while maintaining independence and inclusion of all relevant stakeholders.

As these proposals are developed in more detail and industry parties work towards implementation, the transition to the new arrangements will need careful management to ensure the wealth of experience, expertise and relationships with stakeholders are maintained within the new governing bodies. These elements are all essential to delivering timely, efficient and effective changes to codes. To maintain this once new arrangements are in place, we encourage the development and implementation of clear roles and responsibilities through licensing of code managers and central delivery bodies. To support this, the roles and expectations of stakeholders from within industry and wider parties must be clear, especially where they differ to current expectations, to ensure the wide range of support for code changes remains available and put to use effectively.

We agree with Ofgem taking on the role of Strategic Body under the preferred option presented in the consultation. This role should be clearly delineated from other parts of Ofgem, particularly those involved in setting policy direction, to ensure policy continues to be set clearly and with certainty before entering the code change process. This is important to help the code change process remain focused and not be delayed by wider policy discussions or uncertainty in interpretation of policy.

We reiterate our support for this reform and look forward to continued dialogue, engagement and support as these proposals are developed through to implementation. If you have any questions on this response, please do not hesitate to contact me in the first instance.

Yours Sincerely

A handwritten signature in dark ink, appearing to read 'James Hope', with a stylized flourish at the end.

James Hope
Head of Regulation and Regulatory Finance
UK Power Networks

Copy Ross Thompson, Regulatory Performance Manager, UK Power Networks
Paul Measday, Regulatory Returns & Compliance Manager, UK Power Networks