



Consultation on the Design and Delivery of the Energy Industry Code Reform

Response form

The consultation is available at:

<https://www.gov.uk/government/consultations/energy-code-reform-governance-framework>

The closing date for responses is 28 September 2021.

Please return completed forms to:

BEIS

Team: Code Reform – Electricity Systems Team
Department for Business, Energy and Industrial Strategy
Postal address: Code Reform - Electricity Systems Team
Department for Business, Energy and Industrial Strategy
Abbey 1, 3rd Floor,
1 Victoria Street
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Ofgem

Team: Industry Code and Licensing Team
Office of Gas and Electricity Markets
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Email: codereform@beis.gov.uk and industrycodes@ofgem.gov.uk

BEIS and Ofgem will share with each other all responses that are received.

When responding, please state whether you are responding as an individual or representing the views of an organisation.

Personal / Confidential information

Please be aware that we intend to publish [a summary of] all responses to this consultation.

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If you want information, including personal data, that you provide to be treated as confidential, please explain to us below why you regard the information you have provided as confidential. If we receive a request for disclosure of the information, we shall take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the department.

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Comments: [Click here to enter text.](#)

About You

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	Respondent type
<input type="checkbox"/>	Business representative organisation/trade body
<input type="checkbox"/>	Central government
<input type="checkbox"/>	Charity or social enterprise
<input type="checkbox"/>	Individual
<input type="checkbox"/>	Large business (over 250 staff)
<input type="checkbox"/>	Legal representative
<input type="checkbox"/>	Local government
<input type="checkbox"/>	Medium business (50 to 250 staff)
<input type="checkbox"/>	Micro business (up to 9 staff)
<input type="checkbox"/>	Small business (10 to 49 staff)
<input type="checkbox"/>	Trade union or staff association
<input checked="" type="checkbox"/>	Other: Energy Industry Central Body

Questions

Question 1

This question refers to chapter 2 – Scope of reform.

To what extent do you agree with our proposals on the licensing of a code manager for engineering standards, and why?

☐ Strongly agree ☒ Agree ☐ Neither agree nor disagree ☐ Somewhat disagree ☐ Disagree ☐ Not sure

Comments:

ElectraLink agrees with the proposal to introduce the engineering standards as part of a code managers remit or a specific code that handles them specifically.

Question 2

This question refers to chapter 2 – Scope of reform.

What are your initial views on how central system delivery bodies should be regulated (including their relationship or integration with code managers and the extent to which licensing may be appropriate), bearing in mind this will be the subject of future consultation?

Comments:

ElectraLink agrees that the central system delivery functions underpinning the energy market should be included in the scope of the code governance reforms. It is pertinent, as the industry goes through wholesale change to meet Net Zero obligations, that central systems keep aligned with, and support, the code bodies delivering change. We agree that establishing a formal relationship between the central delivery function and the codes will ensure that change is delivered collaboratively, which is more efficient, and ensure that changes made to central systems are performed with future requirements in mind.

The consultation references the DTS in supporting the transfer of switching data. For information the DTS supports data transfer facilitating numerous industry's processes and interactions between participants. The table below provides a high-level view of this.

Policy Area	Processes Supported by the DTS*	Related Code
	*this is for illustrative purposes and is not an exhaustive list	
Settlement	The DTS supports the processes for managing settlement of data – sharing data between several different industry parties as part of their roles in supporting the Balancing and Settlement Code.	BSC, REC

	<p>Suppliers and their agents will collect customer consumption data and use the DTN to facilitate the sharing of this data to support billing and settlement, including:</p> <ul style="list-style-type: none"> • Meter readings • Calculated settlement data (EAC + AA) • Daily profile coefficients • Market Domain Data • Aggregated DUoS reports • Data aggregations • Line Loss Factors 	(Electricity data only)
METERING AGENT	<p>To facilitate the supplier hub model, supplier metering agents have a central role in working with the supplier to fulfil the supplier's licensed duties with the customer. The DTS supports:</p> <ul style="list-style-type: none"> • Supplier appointment of agents • Confirmation of agents accepting their appointment • Sharing the Meter Technical details (including DCC configuration details) • Transfer of historic details • Confirmation of meter installation, removal and exchange • Meter Reading • Prepayment data • Asset condition reporting (informing the DNO of issues with their assets that impact supplier meter installations or the customer) • Revenue Protection Service 	<p>BSC, REC</p> <p>(Electricity data only)</p>
CUSTOMER SWITCHING	<p>Customer switching is central to the competitive market. Key switching processes managed through the DTS, such as:</p> <ul style="list-style-type: none"> - Registering the customer with a new supplier - Rejection/Acceptance of this new registration - Termination, Objection and Withdrawal of supply registration - Collecting old meter reads - Managing Change of Tenancy - Managing the Erroneous Transfers (ET) process, where a supplier takes on a customer erroneously and the interactions to resolve an ET (acceptances, rejections and reason codes) 	<p>REC</p> <p>(Gas and Electricity data)</p>

	The DTS will continue to have a role in sharing key switching data post CSS go-live, including key information regarding erroneous switching and sharing meter reads	
VULNERABLE CUSTOMERS	<p>Suppliers, agents and DNOs work together to manage vulnerable customers to ensure that they identify all customers requiring support. The DTS helps facilitate the share important special category data on vulnerable customers, such as:</p> <ul style="list-style-type: none"> - Emergency contact to use when a customer is at risk of becoming vulnerable (i.e., in an outage) - Reasons for customers or other members of the household requiring priority services - Support required (where possible) - Consent to share data to other parties 	<p>REC</p> <p>(Water, Gas and Electricity data)</p>

In relation to licencing, the requirement to provide the DTS is contained within the DNO Standard License Conditions (Number 37 – Provision of the Data Transfer Service) and, as such, is already subject to a license. ElectraLink discharges SLC 37 on behalf of the DNOs. The involvement of the DNOs in the delivery of the Licence condition is discharged solely through the governance structure of ElectraLink Ltd. i.e., the articles of association delegate authority for the fulfilment of SLC37 to the ElectraLink Board which in turn delegates this to the ElectraLink executive team.

Licensing central systems is good practice, and it helps to maintain accountability to the market and consumer outcomes. Where the ‘ownership’ of this license condition should sit could be part of this code review, i.e., the review may consider whether this license condition should remain with the DNOs or be moved to the relevant code bodies. Electralink agrees that this is a possibility and understands that, as the needs of industry evolve and new parties have different needs for the DTS, this service may need to be accountable to different parties and we agree that a license condition could support this accountability. Whilst a license condition may be required, it is important to note that, through our current governance model of the DTS, we have successfully managed to maintain the DTS relevance, without changing our license condition, through collective industry governance of the DTS.

We perform the role of ‘intelligent service provider’ of the DTS within the governance of a collective multi party services agreement, the Data Transfer Services Agreement (DTSA). The DTSA sets out the services, the obligations the service levels and the charging principles of the DTS. The governance mechanism we have adopted has facilitated significant change without the need for multiple working groups – it is all handled through a single governance forum - the DTS User Group. We proactively manage the delivery and development of the DTS and the delivery of the DTS is overseen by the DTS user group, with oversight from Ofgem. This model manages potential conflict of interests from industry participants, code bodies and our shareholders (the DNOs).

Noting that substantial change is required to our systems to meet the needs of the energy transition, this model has enabled ElectraLink to deliver significant change on the DTS. Our focus has been to anticipate future needs to avoid price shocks or minimise 'big bang' technology changes, this has worked well in delivering significant change to the DTS, supported the significant growth in energy market participants, whilst keeping our cost to serve low. The following list demonstrates the level of change delivered through the governance above.

- **2000:** Introduced solutions to enable companies to parallel run their DTS connections to support transitioning from one internal IT solution to another
- **2002:** Introduced new low-cost connection types – ahead of the proliferation of new smaller suppliers entering the market
- **2012:** Updated the governance of the DTS to expand the use of data in the energy market and enable ElectraLink to retain, analyse and share with industry the data on the DTS, enabling a wealth of market intelligence for the benefit of industry
- **2013:** Moved the DTS onto a private cloud network anticipating volume increases driven by Contracts for Difference (2017), elective settlement (2017) and faster switching (2021) and operating in near real time to meet the needs of the smart energy transition
- **2015:** Provision of data to Ofgem to support the tracking of eServe data submissions reducing the costs associated with erroneous Renewable Obligation Certificate claims
- **2017:** Utilised DTS resources to digitalise the codes and launched the online RGMA Catalogue with SPAA
- **2018:** Launched a suite of toolkits that are free to use for all code managers and industry participants to digitalise their data transfer requirements in simplified, single catalogue to reduce the complexity of the data transfer requirements within industry
- **2018:** Provided data to National Grid to reduce forecasting errors driven by industry processes restricting visibility of Embedded Generation
- **2019:** Provided data to Ofgem, SPAA, MRA and the BSC to support Performance Assurance activities
- **2020:** Launched a Single Energy Market Catalogue, digitalising the data transfer requirements of all retail energy codes
 - Without this, Industry participants need to review over 400 separate data interface documents (across PDFs, Excel, and Word documents) stored either behind a 'paywall' or within lengthy code documents to understand their data sharing obligations.

- **2020:** Further future proofing through move to the public cloud, exploiting low-cost cloud native technologies and anticipating volume changes from future industry change.

We do not have a view on whether code and system delivery functions should be separated – we believe both functions can be carried out by the same entity without any detriment to the development of markets or engagement of users, but equally it can also be done by separate entities. This is achieved by active engagement with industry and system users.

As the industry undertakes widescale changes, the DTS is ideally positioned to play a formal role in the support of codes and thereby continue to support the industry as the industry undergoes wholesale changes. We are therefore supportive of including the DTS in the scope of reforms. The DTS, in its current format, works well in delivering change in the energy market and enabling the existing and new DTS customers to have a reliable service able to support their evolving roles in the energy market.

Question 3

This question refers to chapter 3.1 – Setting the strategic direction, chapter 3.2.4 - Detailed roles and responsibilities of the strategic body, and chapter 3.2.7 – How would our proposals differ under option 2?

To what extent do you agree with the detailed roles and responsibilities of the **strategic function** as set out above, and why?

☒ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Somewhat disagree ☐ Disagree ☐ Not sure

Comments:

We agree that there is currently no mechanism to systematically align code development with the government's vision for the energy sector and related policy priorities. Given the significant landscape of current and future change, we agree that an independent strategic function, which provides strategic direction to code managers would provide a more innovative and efficient service to customers. This model will enable the strategic function to regularly review and communicate its vision, objectives, and priorities to the Code Managers, thereby creating an agile industry culture able to adapt efficiently and effectively.

Ofgem are ideally placed as an independent regulated authority to carry out the role of the strategic function. Ofgem can continue to focus on policy development and set the direction of the code, whilst empowering code managers to deliver the industry change that supports the government's vision and strategic objectives.

We support further code simplification and consolidation, facilitated through digitalisation as this will continue to make it easier and clearer for new and existing code parties.

Question 4

This question refers to chapter 3.2.3 - Detailed roles and responsibilities of the code managers, and chapter 3.2.7 – How would our proposals differ under option 2?

To what extent do you agree with the proposed roles and responsibilities of the **code manager function** as set out above, and why?

☒ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Somewhat disagree ☐ Disagree ☐ Not sure

Comments:

We fully support the proposed role and responsibilities of the code manager function. Currently, code administrators are insufficiently empowered and, as a result, the codes and the technology solutions that support the codes have not been advanced adequately enough to support market entry, the required speed of change and innovation.

We agree that the code panels should be disbanded and replaced by code managers empowered to deliver industry code change that is in the interests of consumers, ensuring that they are accountable for ensuring that all changes are consistent with the direction set by the strategic function and for code party compliance monitoring. It is important that decision making is moved to the code managers from industry control as it is currently slow and cumbersome.

Code managers should have digital technology at the heart of their operations that maximises the value of data and information; this will facilitate easier participant market entry, promote quicker change, and support code variations that encourage innovators to participate in the market.

Regular communication by the strategic function will be key to ensure that the code managers continue to align their activities with the government's vision, strategy, and policy initiatives. It is important that the strategic function conducts an impact assessment of strategic change in order to identify and communicate any likely impacts on the codes. We agree that the code managers, as part of their licence, should be required to develop and publish a delivery plan consistent with the strategic direction for strategic monitoring purposes, and to keep code parties fully informed.

Question 5

This question refers to chapter 3.1 – Setting the strategic direction, chapter 3.2.5 - Roles and responsibilities of other stakeholders, including code parties, and chapter 3.2.7 – How would our proposals differ under option 2?

To what extent do you agree with the proposed roles and responsibilities of **stakeholders** as set out above, including the role of the stakeholder advisory forum, and why?

☐ Strongly agree ☒ Agree ☐ Neither agree nor disagree ☐ Somewhat disagree ☐ Disagree ☐ Not sure

Comments:

We agree that a range of stakeholders play a role in supporting code decision-making currently and that they should continue to do so in the future. At the same time, we recognise that the objectives of this reform need to be realised and changes can be progressed to the benefit of customers in a timely manner.

We believe the reforms as set out will encourage and facilitate the engagement of more stakeholders; this can be achieved through consultation by the strategic body or by code managers under their licence, as they will be required to engage with a wider range of stakeholders such as new entrants, small organisations, academics, and innovators. It is important that engagement is tailored and specific based on the audience and topic and a move away from a common approach of working groups, boards and committees is required, if the true benefits of these reforms are to be realised.

We support the creation of Stakeholder Advisory forums, whereby a wide range of views could be sourced to ensure that industry change is in the interests of code parties and end consumers; however, these need to be kept under constant review to ensure that they are adding value and are not just re-branding of current working arrangements. Stakeholder forums, as outlined, have worked well in other utilities, such as water, where end-customer satisfaction has improved as a result of wider stakeholder engagement.

We believe that the code managers are pivotal in engaging and communicating change updates frequently with all industry participants; by placing digitalisation at the heart of the code management all code parties including new entrants, smaller suppliers and innovators can access comprehensive information quickly and will be able to analyse and filter data that is key to their individual organisations.

Question 6

This question refers to chapter 3.3 - Appeals process and compliance.

In relation to option 1, where Ofgem would be the strategic body, to what extent do you agree with our proposals on how **decisions by the code manager** would be overseen by the strategic body with, as a minimum, existing appeal routes retained and moved to the strategic body

☒ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Somewhat disagree ☐ Disagree ☐ Not sure

Comments:

We support option 1, with Ofgem as the strategic body with separate code managers. We agree that Ofgem should develop and annually publish a strategic direction for codes, ensure it is delivered by code managers, decide whether to approve material code changes and, under few circumstances, lead code changes itself.

We agree that option 1 provides a less complex arrangement in terms of mobilisation and ongoing operational activities than the proposed Future System Operator model under

option 2. We also agree that Ofgem currently has the required powers, duties, and accountabilities, including the Forward Work Programme, together with skills and expertise that would ensure successful ongoing delivery of the strategic function.

We are supportive of the quicker mobilisation timescale as outlined in option 1 given an implementation period difference of c. 2 years. We also agree that earlier benefits could be achieved than under option 2.

With regards to the appeals process, we agree that Ofgem as the strategic body could hear appeals arising from decisions made by code managers, similar to the mechanism that is in place currently whereby the panels are the officiators. We agree that the appeals framework should allow effective opportunities for different interests and views to be represented whilst being as simple, rational, and independent as possible. The timing of Ofgem decisions can be sometimes lengthy and we could therefore suggest that decision timescales are considered when developing the appeals process.

As accountability for change rests with the carefully selected and experienced code managers, under the new model, we would envisage very little need for the strategic body to overrule code manager decisions; however, we agree that the strategic body should be armed with these powers. We agree that criteria should be developed to enable appeals to the CMA to cater for scenarios where there is further challenge to the strategic body's decision. If this requirement needs primary legislation changed, we do not believe that this requirement should delay any movement to the new framework as it is not critical for mobilisation.

Question 7

This question refers to chapter 3.3 - Appeals process and compliance.

In relation to option 2, where the FSO would take on the role of the IRMB, to what extent do you agree with our proposals on how relevant **decisions by the code manager function** would be appealable to Ofgem, with a potential prior review route via an internal body?

☐ Strongly agree ☒ Agree ☐ Neither agree nor disagree ☐ Somewhat disagree ☐ Disagree ☐ Not sure

Comments:

We support option 1, as outlined in our response to question 6. However, if option 2 was to be implemented, we believe that it is important that there is a focus on reducing the risk of conflicts of interest.

We would also note that requiring the FSO to take on responsibility for the delivery of these codes would require a significant expansion compared to NGESO's current roles, including expansion into codes which they have limited involvement to date – for example the iGT UNC and REC. Whilst we recognise that there are synergies that could be realised by combining CUSC and DCUSA into a single code, the differences between them are also significant. With DCUSA overseeing the connection rights of 31 million customers, and associated charging arrangements across three different voltage levels; and so

bringing significantly more complexity than the connection to the national grid governed under the CUSC.

We agree that Ofgem should maintain decision making powers relating to material changes given its current expertise. In order to further mitigate against potential conflicts, we would suggest an alternative to perform an internal body review and would recommend that, if Ofgem require a review, they instruct an independent body.

Question 8

This question refers to chapter 3.3 - Appeals process and compliance.

Do you have any views on the two proposed options for appealing **decisions made by Ofgem on material code changes** in option 1 (with Ofgem as the strategic body) and option 2 (with the FSO as the IRMB)?

Comments:

We agree that under option 1, code managers should be able to make decisions on material code changes. Whilst there has been a reasonable volume (c 40%) of all changes were material between 2017 and 2020, there have been very few appeals, due to the level of stakeholder engagement undertaken by existing code administrators during the change consultation periods.

We agree, therefore, that there should still be a route of appeal and, given the current remit and experience of the strategic body, we support Ofgem being the conduit for appealed material change proposals. Under option 2, we believe Ofgem is the appropriate body to deal with appeals relating to non-material changes in addition to making decisions on material changes.

Question 9

This question refers to chapter 3.3 - Appeals process and compliance.

Do you have any thoughts on other potential appeal routes?

Comments: Under both options further consideration should be given to determining the route for appeal should a party not agree with Ofgem's decision on a change or appeal.

Question 10

This question refers to chapter 4.1 - Proposed operating model and accountability (for option 1).

To what extent do you agree with the proposed operating model and accountability structure for Ofgem as the strategic body, and why?

☒ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Somewhat disagree ☐ Disagree ☐ Not sure

Comments:

We are supportive of future-proofing the proposed framework, where initially Ofgem is the strategic body, and we agree that legislation should be drafted in a way which would permit in the future for an alternative person to be appointed.

We agree that Ofgem should have overall accountability for delivering the strategic body's function and see no reason as to why a ringfenced board should be introduced as this would add more complexity to the model.

As in the current model, we support a framework that permits Ofgem to delegate its decision-making powers to enable flexibility and quicker decisions. We are supportive of costs of the strategic body being funded, through charges to the energy industry levied through licence fees. We recognise that given the change in Ofgem's role as the strategic function, new roles will be required, and consideration should be given to ensure that all aspects of responsibility are covered by experts with sufficient knowledge and expertise to support the industry.

Parties who are ultimately funding the costs will expect these roles to be evaluated in line with market rates. Where Ofgem requires experts outside of their organisation to support, we would expect these to be procured as efficiently as possible. We agree that the existing cross code framework should be reviewed to ensure that under the new model, changes affecting multiple codes are progressed at a faster pace, whilst still ensuring that all relevant stakeholders are fully engaged.

Question 11

This question refers to chapter 4.2 - Monitoring and evaluation (for option 1).

To what extent do you agree with the monitoring and evaluation approach for Ofgem's performance as strategic body, and why?

☒ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Somewhat disagree ☐ Disagree ☐ Not sure

Comments:

Whilst Ofgem would oversee the code manager function and seek stakeholder views on performance, it is also essential that the strategic body is itself monitored to ensure performance. We support the publication of an annual forward work programme, which sets out how Ofgem will meet its policy objectives, and which can be monitored by government. We, therefore, fully support the monitoring and evaluation approach as laid out.

Question 12

This question refers to chapter 5.2 - Establishing code managers.

To what extent do you agree with the ways we propose that the strategic body select code managers, and why?

☐ Strongly agree ☒ Agree ☐ Neither agree nor disagree ☐ Somewhat disagree ☐ Disagree ☐ Not sure

Comments:

ElectraLink is supportive of the approach of licensing code managers and for these to be competitively procured. We recognise that there are benefits in enabling flexibility in the legislation so that the best outcomes for consumers can be secured when appointing code managers. This could enable direct appointment, if appropriate, where Ofgem could avoid the costs of a procurement exercise, if this were of limited benefit. At the same time, given the preference for procurement, we believe that this should be the de facto option for licensing code managers and the strategic body would need to make a strong case as to why this process was not being followed – i.e., the bar for not running a procurement should be set quite high. We would also note that if a procurement model is being followed then the strategic body will need to consider how a competitive market for these services could be maintained given the niche offering. This could include limiting the number of times a contract could be re-awarded to the same entity and limiting the number of contracts that one legal entity could support. This would help to ensure a competitive market was maintained in the long run and enable market entry.

We agree that Ofgem should grant licences to and monitor the performance of independent code managers. We are supportive of legislation that enables the strategic body to modify the licence in future to meet strategic industry change. We support licencing that requires independence to be demonstrated. Imposing restrictions on affiliation could limit competition in the delivery of code management services. Governance can be adopted that would prevent potential conflicts of interest. We agree that legislation should provide for powers that enables the strategic body to monitor performance, investigate particular cases, and take enforcement action, including possible termination of the licence.

We also agree that legislation should permit flexibility in respect of the appointment of code managers, permitting tender or direct procurement exercises. We agree that licensees should have a number of obligations regarding the codes they manage and, given their expertise, we agree they should have the ability to propose and be consulted upon code changes, and to engage in how these are developed. The current code administrator framework has demonstrated how vital stakeholder engagement is, and we agree that future code managers should be obliged to consult. We agree that it is important to distinguish between elements that require legislation and those which can be incorporated into code manager contracts (such as risk and reward clauses).

Question 13

This question refers to chapter 5.3 – Budget and funding.

To what extent do you agree with our proposed approach to code manager funding, and why?

☐ Strongly agree ☒ Agree ☐ Neither agree nor disagree ☐ Somewhat disagree ☐ Disagree ☐ Not sure

☐ Not sure

Comments:

We agree that the mechanism for code manager funding should be set out in the relevant codes. We agree that there should be the flexibility for the code managers to provide additional services and charge code/non-code parties, subject to criteria being determined and agreed by industry. As suggested in this consultation, a further consultation could aid the development of the additional charging mechanism.

Question 14

This question refers to chapter 5.3 - Budget and funding.

To what extent do you agree with our proposal that the strategic body should be accountable for code manager budgets, and why?

☐ Strongly agree ☒ Agree ☐ Neither agree nor disagree ☐ Somewhat disagree ☐ Disagree ☐ Not sure

Comments:

We believe that under the existing code frameworks, setting and monitoring of the budgets with wider stakeholder engagement by the respective boards works well, although we have noted conflicts of interests between board members and the companies that employ them. We would, therefore, propose that these responsibilities transfer to the strategic function under the new model to ensure conflicts are avoided.

Question 15

This question refers to chapter 6.1 - Proposed operating model and accountability (for option 2).

To what extent do you agree with the proposed operating model and accountability structure for option 2, where the FSO takes on the role of the IRMB, and why?

☐ Strongly agree ☒ Agree ☒ Neither agree nor disagree ☐ Somewhat disagree ☐ Disagree ☐ Not sure

Comments:

If Option 2 was the chosen option, ElectraLink agrees with the proposed operating model.

Question 16

This question refers to chapter 7.1 - Options analysis

Overall, which of the two options do you think would be best placed to reform code governance, and why?

☒ Option 1, where Ofgem is designated as the strategic body with the power to licence separate code managers

☐ Option 2, where the FSO takes on the role of an IRMB, which combines the strategic and code manager functions

☐ Not sure

Comments:

Our position has been outlined in answers to previous questions.

The following three questions relate to the impact assessment on the code reform that is published along with this consultation. Please only answer the questions below if you have read the Impact Assessment.

Question 17

To what extent do you agree with our estimated costs for the new code manager function set out in the impact assessment, and why?

☐ Strongly agree ☐ Agree ☒ Neither agree nor disagree ☐ Somewhat disagree ☐ Disagree ☐ Not sure

Comments:

ElectraLink is unable to assess whether the expected costs of the code manager function at £35 million per year are reasonable or not; however, we would note that the costs of delivering REC are expected to be in the region of £21m in 2021/22 based on their most recent budget. This would appear to suggest that the other codes could be delivered at a significant lower cost than the REC.

Question 18

To what extent do you agree that the case studies included in the impact assessment are indicative of the major barriers facing code changes under the current system, and why?

☐ Strongly agree ☒ Agree ☐ Neither agree nor disagree ☐ Somewhat disagree ☐ Disagree ☐ Not sure

Comments:

ElectraLink agrees with the case studies outlined in the document.

Can you provide further examples of when current code governance has resulted in either optimal or sub-optimal outcomes?

Comments:

We would like to provide visibility of some other case studies to highlight how we have been successful in delivering change and how the model adopted by the DTS User Group helps support rapid change.

ElectraLink's implementation of gas customers onto the DTS: We have proven experience in managing industry change and introducing new processes and actors onto the DTS. Our successful onboarding of the gas NOSI flow onto the DTS and the introduction of gas-only market participants and processes onto a previously electricity-only data transfer network is evidence of this success. The DTS was mandated by the Supplier Point Administration Agreement (SPAA) as the mechanism for transferring the NOSI data flow and, over a period of 5 months (November 2015-April 2016), the governance was signed off by the DTS User Group within 1 month, the service was technically delivered, and successfully implemented on the 1st April 2016. Implementation included the configuration of the service for all users to transfer the new flows, as well the connection of 4 new gas suppliers. This was achieved through proactive engagement with SPAA ahead and during the change and working with industry participants from the start of the process.

Question 19

To what extent do you agree with the scale and type of benefits to industry estimated in the impact assessment?

☐ Strongly agree ☒ Agree ☐ Neither agree nor disagree ☐ Somewhat disagree ☐ Disagree ☐ Not sure

Comments:

The scale of the benefits reflects our position on the impact of these changes on the industry.

Are there further cost savings to industry that should be included?

Comments:

None.

Question 20

This question refers to chapter 8.1 – Context and wider industry developments

Are there any other wider industry developments we should consider in relation to the implementation timeline?

☐ Yes ☒ No ☐ Not sure

Please provide details of any industry developments you believe should be considered in the implementation timeline and how they could impact on code reform.

Comments:

There are no other industry developments that we believe should be considered on the implementation timelines. However, we believe it is important to provide visibility as soon as practicable for when the timeline is developed to ensure that industry can critically evaluate any potential conflicts or impacts.

Question 21

This question refers to chapter 8 – Implementation approach

Are there any implementation issues, risks or transition considerations we should take into account?

Comments: The timelines are in line with level of change the industry is going through. Whilst we do not believe there are any issues, risk or transition considerations that need to be taken into account, this should continue to be reviewed by industry and BEIS.

How do you think these could impact on code reform?

Comments:

ElectraLink does not have anything else to add on the impact of industry change on code reform.

Question 22

This question does not refer to any specific chapter.

We invite respondents' views on whether our proposals may have any potential impact on people who share a protected characteristic (age, disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation), in different ways from people who do not share them. Please provide any evidence that may be useful to assist with our analysis of policy impacts.

Comments:

N/A

Question 23

This question does not refer to any specific chapter. Please use this space for any general comments that you may have, comments on the layout of this consultation would also be welcomed.

Do you have any other comments that might aid the consultation process as a whole?

ElectraLink does not have anything further to add to this consultation response.

Thank you for your views on this consultation.

Thank you for taking the time to let us have your views. We do not intend to acknowledge receipt of individual responses unless you tick the box below.

Please acknowledge this reply ☐

At BEIS we carry out our research on many different topics and consultations, and your views are valuable to us. Would you be happy for us to contact you again from time to time either for research or about other consultations?

☒ Yes

☐ No