

Guidance

This Excel spreadsheet provides a template for responses to our **consultation on the implementation of energy code reform** published on 30 January 2024.

There are three tabs for you to fill in:

- 'Organisation Details': general information about yourself, your organisation and questions around your response's confidentiality.
- 'Consultation Questions': a list of all the questions made throughout the consultation document on the left hand side with blank cells on the right hand side for you to fill with your responses. Please respond to each one as fully as you can.
- 'General feedback': an opportunity for you to give us feedback on the overall consultation process.

Please complete this spreadsheet and **send your response to industrycodes@ofgem.gov.uk by 23/04/2024.**

Your response, data and confidentiality

You can ask us to keep your response, or parts of your response, confidential. We'll respect this, subject to obligations to disclose information, for example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.

If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you do wish to be kept confidential and those that you do not wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we'll get in touch with you to discuss which parts of the information in your response should be kept confidential, and which can be published. We might ask for reasons why.

If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the UK's withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in

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Date of submission	28.04.2024
Do you want your response treated as confidential?	No
Do you want part of your response treated as confidential?	No

No.	Question	Response
1	Do you agree that we should recommend to the Secretary of State that the 11 industry codes listed (including the SQSS) should be designated as “qualifying documents” for the purposes of using our transitional powers in the Energy Act 2023 to deliver energy code reform?	Yes, Energy UK agrees with this proposal. It would be welcome to see the approach to SQSS inclusion and the management of that Code to better align with other codes reviewed on a regular basis to ensure the approach is still
2	Do you agree that we should recommend to the Secretary of State that the 5 central systems listed (including the Central Switching Service) should be designated as “qualifying central systems” for the purposes of using our transitional powers in the Energy Act 2023 to deliver energy code reform?	Yes, Energy UK broadly agrees with this proposed recommendation, but would welcome further detail. Sharing further details on how qualifying systems would be managed under the new framework would be helpful for industry.
3	Do you agree with the monetised costs and benefits set out in the accompanying draft impact assessment (ie the quantitative analysis)? Please specify if you think there is any further evidence that we should consider.	While Energy UK broadly agrees with the analysis, we would require further detail of the underlying assumptions and percentages used to estimate costs in order to fully reflect on the accuracy of the analysis.
4	Do you agree with the hard-to-monetise costs and benefits set out in the draft impact assessment (ie the qualitative analysis)? Please specify if you think there is any further evidence that we should consider.	While Energy UK does broadly agree with the intended approach, it is important to consider the relevance of and surrounding context for some changes, for example in the consolidation of DCUSA and CUSC.
5	Do you agree with our preferred option to consolidate the CUSC and DCUSA to form a <u>unified electricity commercial code</u> ?	Energy UK is broadly supportive of the intention to consolidate these codes. The preferred option would allow rationalisation of terminology and approaches used across the two codes, simplifying
6	Do you agree with our preferred option to consolidate the Grid Code, STC, SQSS and Distribution Code to form a <u>unified electricity technical code</u> ?	Yes, Energy UK supports the preferred option to consolidate the Grid Code, STC, SQSS and Distribution Code to deliver a unified electricity technical code. Consolidating these codes, currently managed under diverging
7	Do you agree with our preferred option to consolidate the UNC and IGT UNC to form a new <u>unified gas network code</u> ?	Yes, Energy UK is supportive of the preferred option to consolidate UNC and IGTUNC to form a unified gas network code. There may be a benefit to accelerating the intended timeline for delivery of this code consolidation, given the potential immediate
8	Do you agree with our proposals to rationalise the identified code provisions as part of any consolidation exercise?	Yes, Energy UK agrees with the proposal to rationalise the identified code provisions. These changes, in particular the common contractual framework and code modification processes, should be designed in a way that
9	Do you agree with our proposal to publish the first Strategic Direction Statement (SDS) for all codes next year (before code managers are in place)?	Yes, Energy UK broadly agrees with the proposal to publish the first SDS next year. It is vital that Ofgem establish the intended purpose and outcomes for this first SDS, as without the consolidated codes or code
10	Do you have views on the proposed SDS process?	Given that the SDS is intended to be a single document, it will be important to ensure that this does not lead to a high level of detail and lack of transparency about the detailed changes and approach being taken. The SDS process will need to include a focus on:
11	Do you agree with our proposal that a principles-based standard condition for gas and electricity licensees would support the development and delivery of code modifications related to the SDS?	Energy UK agrees in principle to establishing a method by which industry can be held to account for participation in the development and delivery of code modifications, but there remain concerns around the potential impact on resources both for code
12	Do you agree with our preferred option for how a Stakeholder Advisory Forum should be constituted?	Energy UK members' views differ on the best option for this approach, many supporting the preferred option, but with some preferring Option 2. There is a common desire for transparency and clarity over both the implementation and selection processes

13	What are your views on i) a requirement to assess the greenhouse gas impact of code modifications with updated guidance, or, ii) introducing a 'net zero' code objective?	res, Energy UK agrees with the proposal to introduce a net zero code objective. Net Zero is the most significant underlying factor in the ongoing transition of arrangements and technical make-up of the energy
14	Do you agree with our proposal to extend and harmonise the ability of code panels to prioritise the assessment of code modification proposals?	res, Energy UK broadly agrees with this proposal. However, the proposals as they stand may not address the fundamental issue of coordination across the existing and future codes for consequential and interdependent / interacting modifications. As part of the
15	Do you agree with our proposal to adopt a phased approach to transitioning codes to the new governance model?	res, Energy UK broadly agrees with the proposal to adopt a phased approach. Throughout this process, it is vital that Ofgem monitor any potential gaps in the transition, for example where existing panels
16	Do you identify any strategic or operational considerations that might inform the transition sequence?	more detail would be welcome regarding how existing and future code modifications will be strategically prioritised during the change process to ensure that critical changes like MHHS, the establishment of the FSO, and connection reforms are progressed
17	What are your views on our proposed transition sequencing?	Energy UK broadly agrees with the proposed sequencing. Consolidating gas network codes is widely seen as sensible and welcome change, with plenty of complexity but clear benefits. We would welcome additional clarity over the intended timelines
18	Do you have any other comments on how Ofgem should approach the implementation and transition process?	consistent and transparent stakeholder engagement will be required in order to keep the whole sector focussed on delivering the best possible outcomes at pace. The SDS should be used as an annual opportunity to talk to a wide range of stakeholders,

We believe that consultation is at the heart of good policy development. We welcome any comments about how we've run this consultation. We'd also like to get your answers to these questions:

Question	Response
Do you have any comments about the overall process of this consultation?	Energy UK welcomes the clear intention to deliver implementation at pace and in full consultation with the sector.
Do you have any comments about its tone and content?	
Was it easy to read and understand? Or could it have been better written?	The consultation was simple and easy to understand for those already well versed in energy code reform.
Were its conclusions balanced?	Yes, broadly. It would be beneficial to include further details of underlying assumptions and analysis wherever possible in future consultations in order to better understand the justification for decisions
Did it make reasoned recommendations for improvement?	
Any further comments?	Energy UK would welcome further engagement as the implementation process continues, and would offer its aid in coordinating cross-sectoral engagement in workshops and roundtables if useful.