



## 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](mailto: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



<b>Contact name</b>	Hilary Chapman
<b>Role title</b>	Regulation Manager
<b>Company name</b>	SGN
<b>Telephone number</b>	7749983418
<b>Email address</b>	hilary.chapman@SGN.co.uk
<b>Date of submission</b>	23.04.24
<b>Do you want your response treated as confidential?</b>	No
<b>Do you want part of your response treated as confidential?</b>	No

Classified as Internal

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?	We agree
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?	We agree
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.	At a high level we agree. However we note that it is inherently difficult to assess the true costs of code management across the industry, and therefore the potential costs of a reformed model, due to the number of market participants and the variation in the way we agree with the design principles highlighted as hard to
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.	monetise and agree with the observations made, noting that they are inherently difficult to assess and may also be difficult to measure.
5	Do you agree with our preferred option to consolidate the CUSC and DCUSA to form a <u>unified electricity commercial code</u> ?	As a Gas transporter, we do not directly engage with the CUSC and DCUSA codes, however we agree that consolidating them into a unified electricity commercial code is sensible and would further the objectives of Code Reform.
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> ?	As a Gas transporter, we do not directly engage with the Grid Code, STC, SQSS and Distribution Code, however we agree that consolidating them into a unified electricity technical code is sensible and would further the objectives of Code Reform.
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> ?	As there are increasing levels of commonality and cross-references between the UNC and IGT UNC, in addition to the common use of the same central system, we agree. However, there are some factors to consider in advance of pursuing a fully integrated code: we agree, however would note that it is extremely important to
8	Do you agree with our proposals to rationalise the identified code provisions as part of any consolidation exercise?	minimise the risk of any loss of corporate memory, including the valuable skills and experience currently held within the current Code Administrators.
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)?	We agree, and consider that it is important to have clarity on the expected Strategic Direction in advance of the Code Managers being appointed, in order that the correct skills and capabilities can be in place from the outset. Furthermore, advanced publication of
10	Do you have views on the proposed SDS process?	we support the proposed SDS process and welcome the inclusion of stakeholder feedback at every stage, noting that this feedback will be particularly important to ensure engagement from any parties less able to participate in the code management processes,
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?	We agree.
12	Do you agree with our preferred option for how a Stakeholder Advisory Forum should be constituted?	We agree that Option 3 (fixed/impartial membership) is the preferred option. However, to retain the existing levels of accessibility and openness, we assume that meeting materials, including minutes, would be publicly available online.

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?	we would support the introduction of a net zero code objective, as we consider this would likely facilitate a more holistic approach across all changes, providing a common and coordinated focus. This would be preferable over the assessment of a greenhouse gas
14	Do you agree with our proposal to extend and harmonise the ability of code panels to prioritise the assessment of code modification proposals?	we agree, although as per our response to Question 10, would observe that it is important that any harmonisation of panels does not inadvertently create a barrier to engagement for market participants.
15	Do you agree with our proposal to adopt a phased approach to transitioning codes to the new governance model?	We support the adoption of a phased transition and consider it to be the most agile approach.
16	Do you identify any strategic or operational considerations that might inform the transition sequence?	We support the considerations identified.
17	What are your views on our proposed transition sequencing?	we support the proposed transition sequencing. we would welcome greater clarity on the detail of the transition plan - for example, when the first, second and third transition phases might commence. We would also suggest that consideration is given to
18	Do you have any other comments on how Ofgem should approach the implementation and transition process?	it will be important that there is a strong coordination and oversight function in place during the implementation and transition processes - we are anticipating that this would be undertaken by Ofgem but would welcome clarity.

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?	
Do you have any comments about its tone and content?	
Was it easy to read and understand? Or could it have been better written?	
Were its conclusions balanced?	
Did it make reasoned recommendations for improvement?	
Any further comments?	