

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

Contact name	Gareth Evans
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Date of submission	23-Apr-24
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?	We do not have any comments on this question
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 that the five central systems, including the CSS, should logically be designated as “qualifying central systems”. We see no reason why the CSS should not be included considering its important function
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.	We have not undertaken a detailed assessment, though we note that the information provided is a summary which makes a detailed analysis difficult to undertake.
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.	We note that the numbers provided are a summary of the assessment and so it would not be possible to undertake a detailed analysis.
5	Do you agree with our preferred option to consolidate the CUSC and DCUSA to form a <u>unified electricity commercial code</u> ?	We see some marginal benefits in reducing the number of industry codes and that it may deliver some of the benefits identified by Ofgem in this consultation. Whilst we note the NPV values provided by Ofgem, no information has been provided on the
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> ?	We see some marginal benefits in reducing the number of industry codes and that it may deliver some of the benefits identified by Ofgem in this consultation. Whilst we note the NPV values provided by Ofgem, no information has been provided on the
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> ?	We see some marginal benefits in reducing the number of industry codes and that it may deliver some of the benefits identified by Ofgem in this consultation. Whilst we note the NPV values provided by Ofgem, no information has been provided on the
8	Do you agree with our proposals to rationalise the identified code provisions as part of any consolidation exercise?	In principle we are supportive of harmonising existing code drafting as it provides some of the benefits identified by Ofgem. We believe that the task represents a significant resource challenge, however. As was demonstrated by the REC creation process, each
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)?	It is unclear how existing codes, without code managers, will be expected to progress change in line with the SDS considering the potentially limited time they have to deliver, and the limited powers existing code administrators have. It is also unclear
10	Do you have views on the proposed SDS process?	As has been demonstrated by the REC, reducing industry oversight of code manager activities can result in significant resources being expended in inefficient change - for example a significant portion of REC changes are not being progressed, or progressed very slowly
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?	Whilst we understand Ofgem’s desire to facilitate code change, any new licence condition would need to balance the legitimate interests of existing code parties with that of the code manager, who will also be a commercial (licensed) organisation seeking to
12	Do you agree with our preferred option for how a Stakeholder Advisory Forum should be constituted?	We acknowledge that the current option will build on existing industry precedents and so represents a more practical outcome than the other options. We continue to have significant concerns over the lack of any meaningful oversight which the SAF has over

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 understand the desire to demonstrate that codes are working towards the bidding net zero target. Similar to our concerns above regarding the SDS has the potential to encourage code managers, using customer money to raise change to demonstrate they are
14	Do you agree with our proposal to extend and harmonise the ability of code panels to prioritise the assessment of code modification proposals?	If appropriately managed, we agree that prioritization of code change can benefit the industry. We would note however that prioritization has presented a significant challenge to both the REC and SEC change management processes and many changes have
15	Do you agree with our proposal to adopt a phased approach to transitioning codes to the new governance model?	We agree that a phased approach will minimise disruption
16	Do you identify any strategic or operational considerations that might inform the transition sequence?	We have not provided an answer to this question
17	What are your views on our proposed transition sequencing?	We have no views at this time on the proposed sequencing
18	Do you have any other comments on how Ofgem should approach the implementation and transition process?	No

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?	No
Do you have any comments about its tone and content?	No
Was it easy to read and understand? Or could it have been better written?	We have not assessed the consultation with regard to this question
Were its conclusions balanced?	We have not assessed the consultation with regard to this question
Did it make reasoned recommendations for improvement?	We have not assessed the consultation with regard to this question
Any further comments?	It has been extremely difficult to utilise the consultation template. Locking down the cells has meant that reviewing and providing the response in this manner has been difficult and time-consuming (for