

Ofgem – Industry Codes  
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Canary Wharf  
London  
E14 4PU

By email to: [industrycodes@ofgem.gov.uk](mailto:industrycodes@ofgem.gov.uk)

2 February 2023

Dear Sir/Madam,

### **Re: DCC Response to Ofgem's Energy Code Governance Reform Call for Input**

Thank you for the opportunity to comment on Ofgem's Call for Input on Energy Code Governance Reform.

DCC is the digital spine of the energy system. Our mission is to help digitise Britain's energy network, make a critical contribution in the effort to achieve net zero greenhouse gas emissions and improve the nation's connectivity.

We operate under two industry codes – the Smart Energy Code (SEC) and Retail Energy Code (REC) – governing the end-to-end management of smart metering and the operation of the retail market respectively. Based on our experience, we would like to share some high-level views on priority areas for reform.

### **DCC views on Ofgem's proposals**

We broadly support Ofgem's proposed reforms to the code landscape but believe they could go further and faster. Code reform is a crucial precondition to enabling the energy sector to play its full role in driving towards a net zero future, promoting effective competition and allowing the codes to keep pace with technical and commercial developments in GB energy markets. The codes must become more forward looking, agile and able to accommodate the growing number of market participants.

In terms of speed and sequencing, there are important dependencies between the code reform agenda and DCC licence renewal. The reforms could have direct implications for the design and implementation of the future DCC as well as the regulatory context within which it operates. As such, any relevant changes should be sequenced ahead of any future changes relating to licence renewal.



Our main points on the specific proposals made in the Call for Input are as follows:

- Code consolidation and simplification will better enable the industry to achieve its strategic objectives. The proposed design principles which underpin these changes appear sensible.
- The REC and the SEC should remain separate. The former is itself a recent product of welcome code consolidation. Both codes are too different in their scope and nature to make consolidation into a unified code a worthwhile priority.
- Streamlining and standardisation of code governance is long overdue. This is relevant for all codes, including the SEC and REC. It would simplify arrangements for those working under the codes; remove unnecessary bureaucracy; and create a clearer approach to code change processes including consistent terminology and artefacts.
- Code Managers should be licenced. This would provide much needed clarity and accountability for the role of the code manager alongside clearer vires for their role relative to Ofgem's responsibilities. These licences should also describe and formalise their interactions with relevant central system bodies.
- Introducing Stakeholder Advisory Forums to support Code Managers is another important reform. Central system bodies – such as DCC – must be represented in these forums. They play a crucial role as drivers and delivery agents of change. In addition, Code Managers should be required to consult the relevant Stakeholder Advisory Forums on any decisions that impact their subject area.

We would welcome further engagement with Ofgem to discuss our position and also to share our experiences in relation to both the SEC and REC alongside our role as a central system body. In the meantime, if you have any questions, please do not hesitate to contact Joseph Hehir ([joseph.hehir@smartdcc.co.uk](mailto:joseph.hehir@smartdcc.co.uk)) in the first instance.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Stève Hervouet', is written over a series of horizontal lines.

**Stève Hervouet**

Chief Strategy and Regulatory Officer – DCC

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