

Code parties, code administrators,
panel chairs, panel members,
central system delivery bodies,
consumer advocates,
all interested parties

Email: industrycodes@ofgem.gov.uk

Date: 30 January 2024

Dear colleague,

Expressions of interest to join the Modification Process Workgroup

This is a call for volunteers to join Ofgem's Modification Process Workgroup (MPW). We are seeking participation from interested stakeholders, to help us develop an updated code modification process as part of implementing energy code reform.

In the consultation published alongside this letter, we set out our intention to identify how the code modification process should evolve in line with the new roles and responsibilities introduced by code governance reform. We will consider the extent to which Ofgem should aim to develop new, consistent code provisions – to ensure that the code modification processes are standardised across the codes.

We anticipate that the MPW will meet for an estimated four to six meetings between May and July of this year, which Ofgem will host remotely. We also expect that members may be asked, and/or may want, to provide analysis and input ahead of each meeting. Draft Terms of Reference for the workgroup are attached as an appendix to this letter.

We intend to ensure consistent representation at the MPW by having a fixed membership, with a maximum of 16 industry experts attending. Should we receive more volunteers than can be accommodated as members of the MPW, we will aim to select members who:

- have cross-code expertise
- can provide multiple constituency or industry perspectives
- are, or were previously, a member of a code panel
- can commit to attending all meetings
- have the broadest relevant skills and knowledge.

If you would like to express an interest in participating in the MPW, or have views or questions on the draft Terms of Reference, please let us know by emailing industrycodes@ofgem.gov.uk by Monday 4th March.

Yours faithfully,

Lisa Charlesworth
Head of Code Governance Reform

Appendix: Draft Terms of Reference for the MPW

Function of the MPW

1. The purpose of the MPW will be to support the development of an updated code modification process as part of Ofgem's implementation of energy code reform. The MPW will:
 - identify issues and best practice across existing code modification processes
 - advise on the development of updates to the modification process in line with energy code reform
 - advise on potential transitional arrangements relating to the new code modification process.
2. The MPW is not a decision-making body. It will act as a source of expertise and as a critical friend to Ofgem, contributing to the development of Ofgem's proposals for a future consultation on implementing code governance reform.

Scope

3. The MPW shall consider and input into the development of the modification process for all codes in scope of energy code reform, some of which may be consolidated as part of the transition to the new governance arrangements:
 - Balancing and Settlement Code (BSC)
 - Connection Use of System Code (CUSC)
 - Distribution Code
 - Distribution Use of System Agreement (DCUSA)
 - Grid Code
 - System Operator – Transmission Operator Code (STC)
 - Security and Quality of Supply Standard (SQSS)
 - Uniform Network Code (UNC)
 - Independent Gas Transporter UNC (iGT UNC)
 - Retail Energy Code (REC)
 - Smart Energy Code (SEC)

Topics to be covered by the MPW

- Discussion of what works well and what could be improved in existing code processes

- Identification of any code-specific elements of modification processes that may need to remain
- A review of the Code Administration Code of Practice principles and options for how these should be changed
- Proposals for prioritisation criteria and triage processes
- Roles and responsibilities of Stakeholder Advisory Forums
- Effective cross-code working arrangements and proposals to align code objectives
- Discussion of Ofgem's new statutory roles in codes (strategic direction, direct code changes) and possible improvements to the Significant Code Review process
- Proposals on what will need to be done to transition to the new modification process, including for example if a code change moratorium is needed.

Membership

4. The MPW membership will be constituted from Ofgem representatives, and code body and industry experts including:
 - representatives from stakeholders with experience in the modification processes of one or more codes
 - representatives from code administrators.
5. Membership will be limited to a maximum of 16 attendees. In appointing members to the MPW, we will seek to do so in such a way as to gain a range of representation and viewpoints. The MPW will not be subject to quoracy requirements.

Roles and responsibilities of members / ways of working:

- Code administrators: to share their expertise and knowledge of the code modification process and to identify efficiencies and areas for improvement
 - Code stakeholders: to use their experience interacting with the existing code modification process to support the development of an updated process, in line with code governance reform
 - Ofgem: to chair and provide secretariat functions.
6. MPW members are requested to work in a coordinated and cooperative way, in line with the principle of transparency, and to maintain a consensus mindset to ensure a smooth and efficient workshop process.