



## Code Governance Reform

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## Consultation on the implementation of energy code reform

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### About Uniper

Düsseldorf-based Uniper is an international energy company with activities in more than 40 countries. The company and its roughly 7,000 employees make an important contribution to supply security in Europe, particularly in its core markets of Germany, the United Kingdom, Sweden, and the Netherlands.

Uniper's operations encompass power generation in Europe, global energy trading, and a broad gas portfolio. Uniper procures gas—including liquefied natural gas (LNG)—and other energy sources on global markets. The company owns and operates gas storage facilities with a total capacity of more than 7 billion cubic meters.

Uniper intends to be completely carbon-neutral by 2040. Uniper aims for its installed power generating capacity to be more than 80% zero-carbon by 2030. To achieve this, the company is transforming its power plants and facilities and investing in flexible, dispatchable power generating units. Uniper is already one of Europe's largest operators of hydropower plants and is helping further expand solar and wind power, which are essential for a more sustainable and secure future. The company is progressively expanding its gas portfolio to include green gases like hydrogen and biomethane and aims to convert to these gases over the long term.

Uniper is a reliable partner for communities, municipal utilities, and industrial enterprises for planning and implementing innovative, lower-carbon solutions on their decarbonisation journey. Uniper is a hydrogen pioneer, is active worldwide along the entire hydrogen value chain, and is conducting projects to make hydrogen a mainstay of the energy supply.

### About Uniper UK

In the UK, Uniper owns and operates a flexible generation portfolio of seven power stations, a fast-cycle gas storage facility and two high pressure gas pipelines, from Theddlethorpe to Killingholme and from Blyborough to Cottam. We also have significant long-term regasification capacity at the Grain LNG terminal in Kent, to convert LNG back to natural gas.



## Summary

Uniper broadly supports the approach set out in this consultation to implementing energy code reform. The benefits of energy code reform are uncertain and difficult to quantify. More consideration is needed of the decision making and appeal process, in particular to define the roles of Ofgem, code managers, the stakeholder advisory forum and stakeholders.

## Consultation Response

### Section 2

Q1. 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.

Q2. 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.

### Section 3

Q3. 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.

No. The analysis in the impact assessment presents a broad expected range of benefits. It is not clear all will be delivered as there is a high level of uncertainty in the assumptions. This conclusion reflects the difficulty of estimating the benefits of code reform.

Q4. 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.

No. As set out in our answer to question 4, there is a high level of uncertainty in the assumptions. Although there will be fewer codes the content and the number of issues, and time taken by all stakeholders to process those issues, will not proportionately decrease.

Q5. Do you agree with our preferred option to consolidate the CUSC and DCUSA to form a unified electricity commercial code?

Yes.

Q6. Do you agree with our preferred option to consolidate the Grid Code, STC, SQSS and Distribution Code to form a unified electricity technical code?



Yes.

Q7. Do you agree with our preferred option to consolidate the UNC and IGTUNC to form a new unified gas network code?

Yes.

Q8. Do you agree with our proposals to rationalise the identified code provisions as part of any consolidation exercise?

Yes, we agree with the principle that where appropriate the consolidated codes should have a common framework. It will be important to consult on detailed proposals as there will be notable differences between codes, for example the implications of breaching credit cover arrangements, where one size will not fit all.

#### Section 4

Q9. Do you agree with our proposal to publish the first SDS for all codes next year (before code managers are in place)?

Yes. There is merit in Ofgem establishing its process for producing the SDS before any code managers are appointed, even though in practice the SDS may not deliver a full range of benefits until code managers are in place.

Q10. Do you have views on the proposed SDS process?

The proposed SDS process is plausible but potentially weakens the consultative process if due regard is not given to the views of stakeholders. The SDS process must not be used to exclude code modification proposals put forward by stakeholders solely on the basis that the issue addressed does not appear as a priority on the SDS.

Q11. 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?

Yes.

#### Section 5

Q12. Do you agree with our preferred option for how a Stakeholder Advisory Forum should be constituted?

Yes. We agree that option 3 offers the benefits identified. Existing code panel members are elected and elections would be our preferred approach to establishing SAF membership.

The role of the SAF in the decisions made by the code manager needs to be carefully detailed. It is not yet clear how any decisions of the code manager will be challenged or appealed. In the existing code arrangements panel votes have standing in the appeal process. It is important for stakeholders that this part of the proposed code manager arrangements is given full consideration.

Further thought should also be given to how non SAF members will be engaged by code managers.



Q13. 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?

Introducing a code objective to support net zero would align with the change to Ofgem's statutory duties. Some code modifications will be neutral in this regard and could be recorded as such in the code manager's submission to Ofgem.

Q14. Do you agree with our proposal to extend and harmonise the ability of code panels to prioritise the assessment of code modification proposals?

Yes. The introduction of a consistent set of prioritisation criteria across codes would be beneficial.

#### Section 6

Q15. Do you agree with our proposal to adopt a phased approach to transitioning codes to the new governance model?

Yes. This approach is likely to best balance the resources and constraints faced by all stakeholders.

Q16. Do you identify any strategic or operational considerations that might inform the transition sequence?

None beyond those identified by Ofgem.

Q17. What are your views on our proposed transition sequencing?

We agree with the logic set out by Ofgem for the proposed transition sequencing.

Q18. Do you have any other comments on how Ofgem should approach the implementation and transition process?

No.

Uniper UK Limited