

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

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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 support the overall objectives looking to be achieved in this process. In this response, we note a number of areas where additional clarity would be helpful and improve the opportunities to provide more detailed feedback. We look forward to engaging with the Secretary of State on these areas.
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 5 central systems listed should be recommended to the Secretary of State as “qualifying central systems”. For gas codes, which is our area of expertise and to which our response primarily relates, our understanding is that the approach described in chapter 2 of the draft impact assessment appears sensible, the level of detail provided in relation to the actual numbers makes it difficult to provide the quality and detailed feedback that would prove beneficial. With a view to the approach described in chapter 2 of the draft impact assessment, we generally agree with the hard-to-monetise costs and benefits. However, some concerns remain regarding smaller parties for example, Independent Gas Transporters whose agenda items may receive less attention due to the sheer number and
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.	Assessment appears sensible, the level of detail provided in relation to the actual numbers makes it difficult to provide the quality and detailed feedback that would prove beneficial. With a view to the approach described in chapter 2 of the draft impact assessment, we generally agree with the hard-to-monetise costs and benefits. However, some concerns remain regarding smaller parties for example, Independent Gas Transporters whose agenda items may receive less attention due to the sheer number and
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.	Assessment appears sensible, the level of detail provided in relation to the actual numbers makes it difficult to provide the quality and detailed feedback that would prove beneficial. With a view to the approach described in chapter 2 of the draft impact assessment, we generally agree with the hard-to-monetise costs and benefits. However, some concerns remain regarding smaller parties for example, Independent Gas Transporters whose agenda items may receive less attention due to the sheer number and
5	Do you agree with our preferred option to consolidate the CUSC and DCUSA to form a <u>unified electricity commercial code</u> ?	As the Gas System Operator, we do not feel qualified to offer a view on this question
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 the Gas System Operator, we do not feel qualified to offer a view on this question
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 agree - we see this as a logical extension of what there currently is and that it builds upon existing energy code reform thinking. At present, for each modification to the UNC, an assessment is needed about whether a consequential amendment
8	Do you agree with our proposals to rationalise the identified code provisions as part of any consolidation exercise?	We see the proposals to rationalise identified code provisions as reasonable and look forward to the further detail on these proposals.
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)?	Whilst we agree with the proposal to publish the first Strategic Direction Statement for all codes next year and we understand that the development of the future Code Manager role will be undertaken separately from the consolidation activities we are unclear as to whether we agree with the proposal to publish the first Strategic Direction Statement for all codes next year (before code managers are in place)?
10	Do you have views on the proposed SDS process?	we generally agree with the process and see merit in Ofgem publishing a consultation response document prior to the publication of the annual SDS statement. This will allow industry to see how its input / feedback has been taken on board where it is in principle, we agree with proposals to add an enduring, principles-based standard condition to all gas and electricity licensees which requires a licensee to support the development and delivery of code modifications related to the SDS. We would welcome clarity on the code modification process will be to support and guide Code Managers in forming robust recommendations to Ofgem in respect of Code changes. Whilst we understand and agree with the value
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 understand that the role of Stakeholder Advisory Forum (SAF) in the code modification process will be to support and guide Code Managers in forming robust recommendations to Ofgem in respect of Code changes. Whilst we understand and agree with the value
12	Do you agree with our preferred option for how a Stakeholder Advisory Forum should be constituted?	we understand that the role of Stakeholder Advisory Forum (SAF) in the code modification process will be to support and guide Code Managers in forming robust recommendations to Ofgem in respect of Code changes. Whilst we understand and agree with the value

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?	with any such obligation, the challenge will be how to include it into the development and change process so it is as effective as it can be when it is relevant. We consider a 'net zero' code objective to be preferable because this could, if drafted with some flexibility, we can see benefit in harmonising the ability of code panels to
14	Do you agree with our proposal to extend and harmonise the ability of code panels to prioritise the assessment of code modification proposals?	prioritise code modification proposals across all codes and that introducing a consistent set of prioritisation criteria is the way to do so especially for all the electricity codes. Given the urgent need
15	Do you agree with our proposal to adopt a phased approach to transitioning codes to the new governance model?	Yes, we agree with your proposal to adopt a phased approach to code transition, recognising that it may not be achievable to launch all code reform at the same time.
16	Do you identify any strategic or operational considerations that might inform the transition sequence?	In addition to the operational and strategic considerations identified in the consultation, operationally, the ability of code parties and license holders to ensure that any new obligations relating to code(s) can be fulfilled may be a further operational
17	What are your views on our proposed transition sequencing?	whilst we are not, in principle, against the idea of accomplishing this in 2 phases, consolidation of the IGT UNC & UNC and the CUSC & DCUSA are big tasks in themselves. Our preference is, therefore, to transition in 3 phases as this allows for learnings to be passed on we appreciate the opportunity to be able to comment on the
18	Do you have any other comments on how Ofgem should approach the implementation and transition process?	proposed reform set out in this consultation. Whilst we see the merit of the proposals and broadly agree, we are currently unable to provide more than qualified support because there is still more

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?	We were somewhat surprised that as the Gas System Operator we were not included in the modification process workgroup. We understand that there was more interest than you had expected.
Do you have any comments about its tone and content?	It was a well written consultation. It would, however, have been useful to see an explanation of how the proposed model, as far as it has been developed, for the SAF, the Code Manager role and Panel tie
Was it easy to read and understand? Or could it have been better written?	It was easy to read. To reiterate the point above, further clarification on proposals and timeframes (including indicative timeframes) would have facilitated fuller responses.
Were its conclusions balanced?	Yes
Did it make reasoned recommendations for improvement?	Yes
Any further comments?	(1) Filling out response sections of the consultation without the cells being locked and requiring a password would facilitate completion of the form.