
Implementation of the energy code reform: Second decision – response template

This document provides a template for responses to our new consultation questions on the proposed code text and current conflict of interest provisions.

If you are interested in responding to this consultation, please complete this word document and send it to industrycodes@ofgem.gov.uk by the end of the day on Friday 17 April 2026.

Guidance

We typically publish consultation responses when we publish our decision. To ensure that we can correctly attribute your response, please ensure that you enter all relevant details in the “Your organisation’s details” section (template part 1).

If you would like us to treat your response as being confidential, either in full or in part, please indicate this to us below. Further information on how we will treat your response, data and confidentiality can be found at the end of this document.

Please use template part 2 “Code text consultation responses” to provide your responses. For all questions, the template below provides space for you to enter free text comments. Some questions also ask whether you agree with our proposals. Please indicate the extent to which you agree or disagree with relevant proposals by deleting all but one of the bullets provided.

There is also a section for “General feedback” (template part 3). Please use this section to provide any views on the overall consultation process.

Template part 1: Your organisation's details

Contact name	Anthony Pygram – Independent CUSC and Grid Code Panel Chair
Role title	Independent Industry Code Panel
Company name	C/O NESO Code Governance Team
Telephone number	N/A
Email address	cusc.team@neso.energy
Date of submission	17 April 2026
Do you want your response treated as confidential? (If yes, please indicate whether you would like the whole of your response to be confidential, or just particular parts).	No

Question 5: Do you have any views on whether conflict of interest provisions should be introduced under current panel arrangements?**Comments:**

I believe conflict of interest provisions should be introduced under current panel arrangements to address actual or perceived conflicts of interest resulting from change proposals being proposed by Panel members or their employers (or, potentially, a panel member having been employed to do the work on a code change for the proposer, see final paragraph).

At the moment the CUSC Panel uses release letters by which an employer releases the employee from acting simply in the best interests of their employer whilst conducting panel business. This works well for most circumstances.

The problem is where a change proposal is introduced by a trading party which has an employee on the committee – so if, for example, generator A puts forward a change proposal to the CUSC Panel on which one of the members is employed by generator A. The problem is particularly pronounced where the proposer of the change proposal is the member of the panel (or is in the line management chain of the proposer).

A business can put forward change proposals that are in their best interests, some but not all of which will be in the wider best interests of the market as a whole. As currently set up, the Panel is supposed to put forward change proposals in their employer's best interest (which is their role as an employee in the normal course of business), but then be prepared to vote against their own work, disclosing to the committee as a whole that even the proposer thinks the change proposal is not in the wider interests of the market (acting in line with the terms of reference of the Panel). This puts the Panel member in a difficult position – undermining their own work and/or the work of colleagues. If panel members are genuinely supposed to do this, any trading party that is actively interested in putting forward code changes would think twice about allowing their staff to join a panel.

Similarly, I think that any informed outside observer would see this set-up as putting the panel member in a position of, at a minimum, a potential conflict with their duties as a panel member. It is not an obviously realistic scenario that someone will vote against their own proposal. The release letter signed by a trading party can deal effectively with day to day panel business, but does not look like a solution to someone putting forward their own change. Similarly, it is not obvious that it can confidently deal with commenting on a change put forward by one of their work colleagues.

At the start of each Grid Code and CUSC meeting, members are asked to declare any interests they have in any agenda item. However, neither the CUSC nor the Grid Code

has a conflicts policy, meaning there is no guidance on what to do if someone declares an interest - for example, that they are the proposer of a change proposal being considered at the meeting.

For Ofgem to have full regard to the views and voting of the panels, I believe it must be satisfied that every member is without an actual or perceived conflict of interest, and that an outside observer would not see at least a potential conflict of interest of a member.

In the non-household water market, there is a conflicts of interest policy which specifically addresses this. I should note my own interest, as I am the Chair of the Code Change Committee which drafted and uses the policy. It can be found at <https://mosl.co.uk/document/groups-and-committees/code-change-committee/6396-ccc-conflicts-of-interest-guidance-v1-0/file>.

In short, it sets out at 3.3 that there is an inescapable conflict of interest for a proposer of a code change being a member of the committee, and that they cannot vote on the proposal. And at 3.2, where a member of the committee is of the same organisation as the change proposal proposer, they take part in discussion but do not vote.

In practice, the Committee has a pool of alternate members, and asks one to join for the agenda item where the proposer is on the committee or from the same organisation as a member. The alternate can then take part in the discussion and vote on the proposal.

There are two key differences between the CUSC and Grid Codes and the Code Change Committee for the Non-Household Water Market which are important for these purposes. First is that the Code Administrator for the CUSC and Grid Codes (NESO) has a voting member on the committees, unlike the equivalent organisation in water. Second, that the CUSC and Grid Code Panels can include consultants, who are not employed by proposers but can have been engaged by a proposer to do some or more of the work on the change proposal. How these two groups would be dealt with under conflict of interest provisions would need careful consideration and is a level of detail beyond what is asked for in this consultation.

Please note that although this response has been submitted by NESO in its capacity as the Code Administrator for the CUSC, this is not a NESO response. NESO will be responding to this consultation separately and in full.

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 accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see Appendix 4.

If you wish to respond confidentially, we'll keep your response itself confidential, but we will publish the number (but not the names) of confidential responses we receive. We won't link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.