

Mark Feather  
Director, Industry Codes and Licensing  
Ofgem  
9 Millbank  
London  
SW1P 3GE

22 January 2008

Dear Mr Feather

### **Review of Industry Code Governance**

Thank you for the opportunity to respond to the open letter from Ofgem regarding a possible review of the Industry Code of Governance. The Scottish Government welcomes the chance to submit a brief view on this matter. While we do not wish to make a detailed response, we would wish to make the following points.

We very much welcome this consultation process and agree with the proposed more formal review of code governance – this is an issue which we think needs to be addressed and we would hope that the planned review would consider some of the detailed questions raised in the letter.

On a more general point we are firmly of the view that in a changing environment, with significant and challenging targets being set regarding renewable energy, wider energy goals including sustainability need to be taken into account with regard to network management generally, including code structures.

In particular we would broadly agree with the point made in the letter that “existing code arrangements are too complex and inaccessible” to smaller players and that the time is right to consider whether “there are changes that can be made to simplify these arrangements and reduce unnecessary regulatory burdens”.

While not commenting on all points and issues raised in the open letter, we would highlight the response from Scottish Renewables Forum in particular which we think is both comprehensive and presents a balanced view of this issue from a Scottish perspective.

We hope that you find this response useful. If any of these points we have raised require clarification, please contact myself.

We look forward to the outcome of this consultation.

Yours sincerely

**JANE MORGAN**  
**HEAD OF ENERGY AND TELECOMMUNICATIONS**  
**SCOTTISH GOVERNMENT**