

For attention of Amanda Rooney
Ofgem
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8th June 2015

Code Governance Review Post-implementation Consultation

Please find attached, response from Opus Energy Ltd to the Code Governance Review Post-implementation Consultation. Our response below is to Question 2 only:

2. Do you agree that there is a need to consider further reforms to the industry code governance arrangements? If so, what issues do you consider should be addressed, and what possible solutions do you identify?

The following comments relate to our experience of working with industry codes as an Independent Supplier over the past thirteen years.

Although initiatives such as Ofgem's Code Governance Review have introduced a number of reforms to help improve code governance, our experience is that there are additional reforms that could be made to further enhance arrangements.

Our key comments are as follows:

Lack of consistency and transparency regarding how each code is administered

The governance for each of the industry codes, together with the associated Change Proposals and Modifications process is broadly similar, but there is insufficient consistency regarding how changes to each code are administered, how voting mechanisms work or how information such as the current status of each change or associated meeting papers are held on each individual code's website. This lack of consistency increases the administrative burden. For some websites, it's relatively straightforward to track the progress of each change, but for some, valuable time can be spent navigating the website to locate key updates and papers.

A more uniform approach would be beneficial. We find Exelon's website to be the simplest to navigate, with clear links to key documentation and transparency regarding the current status of each change. This is supported by clearly published contact details for the Exelon analyst managing each change and in our experience these analysts are both approachable and knowledgeable. The format of the Exelon website could potentially be considered as a model for other codes to aspire to.

Limited cross-code working

Some changes impact more than one industry code, and in some cases are applicable to both electricity and gas. However, we've seen limited evidence of clear cross-code working for these changes.

Although there are some welcome examples of pro-active cross-code working; for example for some smart-related areas, this has been due partly to the excellent organisational skills of the MRASCo-related meetings (chaired by Gemserv); notably the MRA Development Board (MDB) and Issue Resolution Expert Group (IREG) for which a number of Elexon and MRASCo-related changes have been raised together in support of a wider industry initiative. Greater levels of cross-code working would be helpful.

An extreme example has been the governance of TRAS-related changes for which, despite the DCUSA/SPAA workgroups, the associated consultation and governance processes have been poorly managed, with suppliers given extremely short timescales to respond to consultations and to implement proposed changes. We also observed very little engagement with the wider small supplier community.

Our engagement with MRA-related change is supported by Gemserv's first-rate meeting administration as experienced through our attendance at IREG and MDB. Our experience is similar for Elexon, for which our industry engagement is steadily increasing. However, our engagement is generally lower for other Industry codes, due largely to their less transparent voting arrangements and associated documentation and lower levels of support available for independent suppliers.

It can be challenging, from a resource perspective, to track related changes across each code for larger initiatives such as P272, Project Nexus and Smart. For initiatives such as these, it would be far more straightforward and transparent if a centralised cross-code project was established, even if this project was simply a basic shell, listing the associated Change Proposals for each industry code. This would help to ensure that no key changes are missed and, by considering related changes simultaneously there would be increased opportunities for cross-code coordination and efficiencies which could ultimately support an enhanced customer experience.

The Cross Codes Forum, as previously chaired by Elexon was an excellent initiative and was particularly useful for independent suppliers. We would welcome this Forum to be resurrected and to include each of the key Industry Codes, including MRA-related change proposals.

Voting

There is limited opportunity for independent Suppliers to influence the outcome of voting decisions for Change Proposals. This is due mainly to the voting weight dominance of the “Big 6” Suppliers and also to the resource constraints of independent Suppliers to engage in related workgroups. As the independent supplier community grows, it is imperative that their voices are heard. Our experience has been that only very limited influence can be made when following the existing modification and voting process.

If you would like to discuss this further please feel free to contact me.

Yours sincerely,

Paul Bedford
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