

Code and central systems bodies (DCC, Electralink, Electricity Networks Association, ELEXON, Xoserve, National Grid ESO, Gemserv, Joint Office of Gas Transporters) and the relevant code panels, forums and boards.

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Dear Colleague,

First, I want to thank you for all the efforts by you and your workforce during this crisis to support the industry in keeping essential energy supplies flowing to consumers.

Our overarching objectives in working with the industry during this period of extra-ordinary measures to combat COVID-19 are: to ensure that customer needs are met, particularly the most vulnerable; to maintain secure, reliable and safe supplies of energy to consumers in the short to medium term (ie through to the end of next winter); and to ensure the safety and protection of consumers and the workforce.

The COVID crisis is creating unprecedented challenges for the energy sector and is requiring prioritisation across the industry. We are writing to you regarding your role with the industry codes, as code administrators and/or central system delivery bodies, to:

- Highlight Ofgem publications and statements regarding COVID-19, particularly around priorities, to help ensure that code-level discussions on priorities are aligned,
- Explain our views on code change work related to COVID-19, including our approach to the joint Ofgem/BEIS energy codes review.

Ofgem publications and statements

COVID-19 is a national issue and the government is leading the response in tackling it. Licensees and industry should continue to monitor and follow all official advice issued at www.gov.uk/coronavirus. At Ofgem we will do all we can to support their efforts to ensure that energy customers and those working in the sector are protected as best they can.

We encourage you to be aware of the documents and statements we have published (or will publish) regarding COVID-19, particularly around priorities for consumers and those who work in the industry. This should help to ensure that any actions taken or facilitated by code bodies are aligned and consistent with our priorities.

We have a [central webpage for our COVID-related publications](#). At the date of publication of this letter, some of the key publications and statements relevant to priorities are:

1. [Information for licensees](#) (13 March), which noted that: currently, all regulatory requirements remain in place for all licensees; we are aware that COVID-19 will present a number of challenges; and we expect industry to alert us to any issues that arise.
2. [A message from Ofgem CEO](#) (19 March), which set out Ofgem's role in supporting the government in its response to COVID-19, what we expect companies to prioritise and noting that we will be pragmatic in our approach to compliance during this period.
3. [CEO blog – protecting consumers](#) (27 March), which directed stakeholders to useful webpages, including on the government's and Citizens Advice's websites.
4. [CEO blog – helping the energy industry protect customers during coronavirus](#) (8 April), which linked to two publications (for [energy network companies](#) and [retail energy supply companies](#)) setting out what is high priority now and must be delivered and what is lower priority and may be deprioritised if necessary.
5. [An update on priorities and regulatory implications](#) (16 April), which explained our immediate priorities, including work we will delay or postpone, and a non-exhaustive

summary of key regulatory implications, including relating to some industry programmes.

Our approach to code change decisions

In our recent update on [priorities and regulatory implications](#), we said that we will seek to make timely decisions on the most urgent code changes, being mindful of stakeholder capacity to engage. We also highlighted that we are prioritising work on our response to the COVID crisis, and gave examples of activities that we consider less time-critical in the short-term to consumer protection and security of supply.

As you may be aware, we publish key performance indicators (KPI) regarding making decisions on code changes.¹ In line with our prioritisation, we expect that during this period some code modifications decisions will be delayed and will not meet these KPIs. We will of course continue to engage – including through the code change process – to ensure that our priorities are transparent and that we understand the views and priorities of stakeholders.

Our views on code activities

We have already seen code bodies and the industry bring forward initiatives to adapt the code framework to manage during the COVID crisis, including proposed code changes to help ease the burden on energy companies.

We welcome such initiatives and encourage code bodies to continue work with the industry to minimise burdens of the code change process. This could include delaying the progression of non-priority code changes, and adapting processes (such as workgroups and consultations) taking into account industry's capacity and priorities.

We also welcome the initiative that code bodies and the industry have taken to consider actions that could mitigate the impacts of the current situation. As noted, we are prioritising our response to the crisis. We will continue to engage constructively in these

¹ We aim to make 90 per cent of code change decisions within 25 working days (or 3 months if a 'minded to' consultation / Impact Assessment is needed).

discussions, and consider where further actions could be taken with respect to code obligations, to help to ease the burden on industry parties.

The topic of force majeure has been raised at some code forums. This is a matter for the code parties to consider, but we would expect code bodies to engage across the codes when considering force majeure and for any decisions made to have regard to the priorities we have laid out. We will continue to engage with code bodies to understand how best the industry can continue to monitor developments.

Joint BEIS/Ofgem energy codes review

As you will be aware, last summer we published a consultation jointly with BEIS on reforming the energy codes. This consultation proposed potentially fundamental changes to the governance of the energy system.

As noted, in the short term it is essential that we focus our activities on the most time critical work we carry out for consumers. We therefore expect that work on the energy codes review will be delayed. We will continue engaging with BEIS on the impacts and timelines for this work, and will provide further updates in due course. In the meantime, we remain committed to ensuring that the governance of the energy codes delivers the best possible results for consumers, both in the future and through this current crisis.

I look forward to continuing to work closely with you in these challenging circumstances to ensure that energy consumers continue to be protected.

Yours sincerely

Lesley Nugent
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