



Sent via email to [codereform@beis.gov.uk](mailto:codereform@beis.gov.uk)  
& [industrycodes@ofgem.gov.uk](mailto:industrycodes@ofgem.gov.uk)

Monkton Reach, Monkton Hill,  
Chippenham, Wiltshire, SN15 1EE  
goodenergy.co.uk  
enquiries@goodenergy.co.uk  
0800 254 0000

16<sup>th</sup> September 2019

Dear Electricity Systems and Industry Codes Teams,

## **Good Energy Response to BEIS & Ofgem's joint consultation into Reforming Energy Industry Codes**

Thank you for the invitation to respond to the proposed changes to this consultation on Code Reform. Good Energy supplies 100% renewable electricity and carbon-neutral gas to homes and businesses across the UK. We are working towards a renewable future, helping to support technologies including wind, solar, biofuel, hydro and tidal. Our purpose is to power the choice of a cleaner, greener future together.

### **Summary**

- **We support BEIS & Ofgem's review, and the aim of making the codes easier to use.**
- **Simplification – both in terms of code size and technicality – and digitalisation are the best ways to achieve this.**
- **Merging codes, and significant changes to governance procedures risks adding unnecessary complexity to the process.**

Industry codes have a reputation for being long, esoteric and technical documents which are difficult to work with. They have evolved alongside the energy system over the last 20 years, but not always in a way which has facilitated ease of use. We would largely agree with BEIS and Ofgem's findings; that the codes are fragmented, lack coordination, and are overly complex, and that a workstream looking to reform them is necessary. However, we also feel some of the proposed changes go too far too quickly, and would advocate for a more careful approach to reform.

### **Simplification & digitalisation**

We support the aim of simplifying the codes and accompanying documents, with the aim of making them significantly easier to work and engage with. This is of great importance given the industry's current direction of travel. Many new types of stakeholders will need to be aware of their obligations and stay on top of significant changes, but will not have the knowledge and experience of working with the codes as incumbent supplier, distribution or transmission companies. Increased accessibility should mean that a greater variety of stakeholder are well placed to engage with modification processes – the lack of which is a problem consistently highlighted by administrators.



- **Simplification** - we support following the example set by NGESO, who achieved a 76% reduction in length of several sections of the CUSC, whilst maintaining the same outcomes. This drastic reduction will not be realistic across all documents, but even a more modest return would be beneficial, and make the exercise worth conducting.
- **Digitalisation** could also play a key role in this workstream. More recent codes, such as SMICOP, have implemented this successfully, creating an easily navigable online version of the code. BEIS and Ofgem have an excellent opportunity to lead this initiative and ensure that all digital versions of code documents are consistent both in terms of quality and form; for example, if they all used the same software platform, participants could navigate not just within codes, but across them.

## Merging Codes & Governance Arrangements

The Retail Code Consolidation workstream is currently looking to amalgamate most of the SPAA and the MRA into the new Retail Energy Code. The amount of work associated with this is not to be underestimated, and to begin consolidating all codes – many of which are highly technical in nature and may therefore be more difficult to merge – has the potential to be disruptive. As well as being thousands of pages in length, each is accompanied with extensive guidance documentation, relied upon by many stakeholders. Any significant changes to code documents themselves would need also to be reflected in all supplementary guidance. Smaller but well executed changes could yield similar benefits for a fraction of the time, cost, and risk.

In a similar vein, we question that now is the correct time to be conducting major changes to the governance model for industry codes. Whilst current arrangements are far from ideal and may contribute to some current challenges, the first step should be to simplify and digitise the documents themselves. Current code administrators are the best placed parties to lead this process, with a steer from BEIS and Ofgem. The proposed governance reform seems to place uncertainty over their roles in the future, and it would be a mistake to dispense with their expertise when they have so much to bring to this workstream.

Industry codes are essential to the smooth functioning of the UK's energy system. BEIS and Ofgem are right in recognising the need for reform; simplification and digitalisation would go a long way in making them more accessible and boosting engagement from the ever-growing number of new and small stakeholders. However, wholesale change in terms of merging codes, and implementing sweeping changes to code governance should not be considered at this stage.

I hope you find this response useful. If you have any questions, please do not hesitate to contact me.

Kind regards,

**Kit Dixon**  
Regulatory Affairs Officer