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Code Governance Review – Phase 3
Code Administrators' Workshop
2 December 2015

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CGR originally launched in light of the evolving nature of the industry and strategic challenges likely to impact the code arrangements

Reforms introduced under CGR and CGR2 have improved the code governance arrangements

Phase 3 proposals build on reforms already introduced to improve code governance based on arrangements and institutions currently in place

We recognise that more fundamental reform may be needed –
This is being explored by the CMA
We are fully supporting the CMA in its work

"…to identify further reforms seeking to ensure that the governance arrangements of all industry codes deliver both non-material self-governance changes and more complex changes in an efficient and timely way…."

"…further, we are seeking to ensure the governance arrangements promote transparency and accessibility for all industry participants…."

"…these further reforms are intended to facilitate best practice becoming business as usual, whilst avoiding unnecessary regulatory burden…."

Self-governance

- Change from "Why it is **not** material" to " Why **it is** material"
- Code administrators and Panels well placed to produce high level guidance on materiality
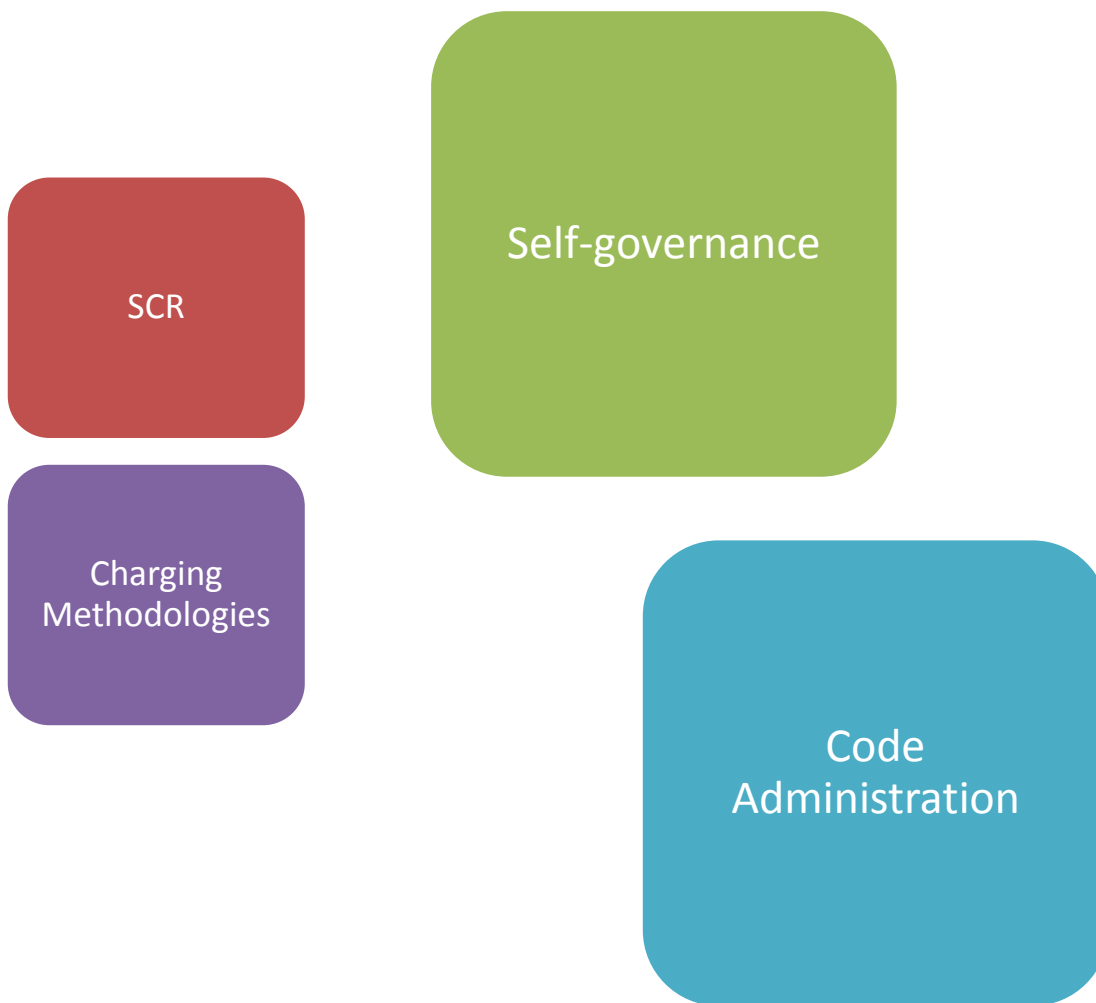
Charging Methodologies

- Scope to improve and make better use of charging modifications pre-modifications process

SCR

- Provide for an Ofgem-led collaborative end-to-end process, to include development of code modifications

Code Administration

- Critical Friend – Make it more visible
- CACoP – benefits in improved performance reporting, which will help identify best practice
- Code panels – work with industry on forward work plans to make them work more strategically
- Independence - independent chairs for all Panels, independent panel members and independent workgroup chairs
- Consumer impacts – include a section on each change proposal for discussion

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SCR

Self-governance

Charging Methodologies

Code Administration

Focus today is on Self-governance & Code Administration

UNC 566 – Stakeholder engagements & guidelines

CACoP – Principle 13

Training – e.g. BSC videos

XoServe – Factsheet for new Suppliers

CUSC Governance Standing Group – Proposal to have role profiles for Working Group Members/Chair/Secretary

Joint Office "How we can help"

Is there a way that these (and other) initiatives can be taken forward across all codes?

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Don't have sufficient resource

Want one stop shop with all mods on one website

Don't understand complexity

Want Elexon's cross-code forum to be reconvened

How can we help them?
Whilst recognising that the industry is inherently complex
Recognise that others can't do their job for them…..

This is about everyone doing better (including Ofgem!)

Lots of individual initiatives

- Can these be harnessed together?

- Considering three main areas
  - Guidance
  - Surveys
  - Cross-code coordination
- Develop ideas further in break-out groups
- End the session with an "action plan"
- Ofgem's role is as facilitator

- Health warning
  - Today is about incremental quick wins over short timeframe
  - Recognise that outcome of CMA may change code governance more widely

- Next – some initial questions and thoughts……

Self-governance

Critical Friend

How can users asses their modifications against the criteria?

What's the best way to identify best practice, what is it that code users find most useful or want?

Can the guidance be made into a single document that covers all codes?

How can best practice be shared?

How to make sure that code modifications on the same subject are treated in the same way in terms of self governance?

Is it possible to get consistency across codes on the CF role?

Qualitative metrics

Who should send out the surveys and why?

What questions could be asked to allow for direct comparisons?

Quantitative metrics

What current metrics are useful and why?

What other metrics could be useful?

How can consistent reporting be achieved across codes?

What opportunities/mechanisms will allow for the coordination of modifications across the codes, building upon Principle 13 (CACoP)?

What co-ordination tools will allow for a more strategic approach recognising opportunities in the timing and the number of modifications?

What tool will allow for the improved identification of impacts and affinities between codes and cross-industry (gas/electricity) change?

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To be filled in by the end of the session today…..

	Lead Name	Lead Name	…….	………
Topic	Next steps…..			
Topic				
…….				
…….				

Area	Code Administrators	Ofgem	Room
Guidance	Elizabeth Steve David Les	Roberta	5
Surveys	John Paul	Rory	5
Cross-coordination	Adam David Beth Glenn	Ray	15 (5th floor)

Reconvene here at 12.30 for lunch…….

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