



## Reforming the Energy Industry Codes - response form

The consultation is available at: [www.gov.uk/government/consultations/reforming-the-energy-industry-codes](http://www.gov.uk/government/consultations/reforming-the-energy-industry-codes)

The closing date for responses is: 16 September (23.45)

Please return your completed form to the following email addresses. As this is a joint review, please ensure you respond to **both** email addresses below.

**Email to:** [codereform@beis.gov.uk](mailto:codereform@beis.gov.uk) & [industrycodes@ofgem.gov.uk](mailto:industrycodes@ofgem.gov.uk)

If you would like to send a hard copy then please send copies to the following. As this is a joint review, please ensure you send copies to **both** postal addresses below.

### Write to:

Code Reform - Electricity Systems Team  
Department for Business, Energy and Industrial Strategy  
Abbey 1, 3rd Floor,  
1 Victoria Street  
London  
SW1H 0ET

Ofgem  
Industry Code and Licensing Team  
Office of Gas and Electricity Markets  
10 South Colonnade  
Canary Wharf  
London, E14 4PU

BEIS and Ofgem will share with each other all responses that are received.

When responding, please state whether you are responding as an individual or representing the views of an organisation.

Your response will be most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcome.

Please be aware that we intend to publish all responses to this consultation.

Information provided in response to this consultation, including personal information, may be subject to publication or release to other parties or to disclosure in accordance with the

access to information regimes. Please see the consultation document for further information.

If you want information, including personal data, that you provide to be treated as confidential, please explain to us below why you regard the information you have provided as confidential. If we receive a request for disclosure of the information, we shall take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the department.

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Comments: [Click here to enter text.](#)

## Questions

Name: Julie Cox and Joseph Underwood  
Organisation (if applicable): Energy UK  
Address: 26 Finsbury Square, London EC2A 1DS

Please select a box from the list of options below that best describes you as a respondent.  
This allows views to be presented by group type.

	<b>Respondent type</b>
<input checked="" type="checkbox"/>	Business representative organisation/trade body
<input type="checkbox"/>	Central government
<input type="checkbox"/>	Charity or social enterprise
<input type="checkbox"/>	Individual
<input type="checkbox"/>	Large business (over 250 staff)
<input type="checkbox"/>	Legal representative
<input type="checkbox"/>	Local government
<input type="checkbox"/>	Medium business (50 to 250 staff)
<input type="checkbox"/>	Micro business (up to 9 staff)
<input type="checkbox"/>	Small business (10 to 49 staff)
<input type="checkbox"/>	Trade union or staff association
<input type="checkbox"/>	Other (please describe)

### Question 1 [page 17 in consultation document]

**Do you agree with our four desired outcomes for the code governance landscape by the mid-2020s?**

Yes       No       Don't know

**Please explain.**

Comments:

Energy UK agrees there are merits in setting these four desired outcomes, more detailed commentary follows below.

**If you disagree, please explain what you consider the outcomes should be.**

Comments: [Click here to enter text.](#)

**Question 2** [page 17 in consultation document]

**Do you agree with the problems we have identified (in chapter 1 – Background – and in later chapters), and that they present a persuasive case for reform of the current framework for energy codes?**

Yes

No

Don't know

**Please explain.**

Comments:

Energy UK agrees there is merit in reviewing the energy codes arrangements to ensure they are fit for purpose to meet the challenges across the whole energy system to meet decarbonisation ambitions. The magnitude of this challenge should not be under-estimated, but it is important that parties involved in the industry continue to have a stake in the governance processes, else they may face increased risk, which could lead to increased costs, which are likely to be recovered from customers.

The codes are lengthy and complex as the industry itself is complex and clear rules are needed so that all parties understand what is required and expected of them. We recognise that new parties are entering the industry, with new business models and the codes should evolve to incorporate these, but the interests of existing Code Signatories should not be forgotten. Adapting Code rules for new parties is likely to add to complexity and length of codes rather than reduce them, although streamlining may also be possible.

We agree there would be merit in an overarching document / code that signposts, with links, which parts of codes are applicable to certain activities. E.g. a DSR aggregator, a biomethane developer. However, it would clearly be important that this is kept up to date at all times to avoid providing potentially misleading or incomplete information.

Industry codes are complex, but then again the industry is complex and the Codes are therefore lengthy and prescriptive. As such, any rationalising of the Codes is good in theory but needs to remain legally enforceable. A model that relies on principles and guidance, rather than detailed rules, is still likely to result in regular interpretation issues and potential disputes, which ultimately will still need to be resolved by someone, whether that is Ofgem or the legal system.

A way of reducing the length of a Code could be to create Guidance documents. These are often easier to change than a Code but can have drawbacks. The holder of the document can usually change the content of the document with minimal say from other stakeholders to that document. Additionally, while the content of the

Codes may reduce with the creation of more guidance documentation, the number of pages a signatory to that Code would have to read remains the same.

Energy UK notes that the use of sandboxes, such as those seen in the BSC, should be used in all codes, with appropriate oversight by Ofgem.

**Question 3** [page 18 in consultation document]

**Do you have additional evidence on the performance of the current framework?**

Comments:

Energy UK agrees that the code modification process can be lengthy, although it is not clear whether the statistics presented include the time for Ofgem to make a decision. A breakdown between Authority direction and self-governance proposals may be informative. Energy UK are concerned that an increasing number of Code modifications have been held up as a result of Ofgem disengagement through the modification process. It has been noted that in some cases, the Ofgem representative does not engage with discussions in Workgroups or does not attend at all. This lack of engagement and direction (which until the last few years was given) results in modifications which are sent back to the modification workgroup, or rejected after months or years of unnecessary work.

We think it would be helpful to reflect on and learn from the Significant Code Review (SCR) process, such that any new processes work more effectively whilst remaining accountable. The electricity TCR / SCR has stalled and as such, lessons can be learned.

**Question 4** [page 18 in consultation document]

**Do you agree with our proposed scope of reform?**

**Yes**

**No**

**Don't know**

**Please explain.**

Comments:

Energy UK broadly agrees with the scope of reform, but considers that documents that are ancillary to these codes should be considered as well. In some cases, it may be appropriate to incorporate these into the codes, this would be consistent with desired outcome 1. Market participants would be able to identify the rules that apply to them, rather than the rules being spread across multiple documents. This could, for example, include the gas transmission capacity release and substitution methodology statements, which contain important details about how capacity may be secured but sit outside of UNC governance.

Energy UK note that this is a substantial review, especially with the scale of reform elsewhere in the industry (TCR, SCR, Settlement Reform, Brexit, Capacity Market, etc.). The implementation of any reform needs to be staged. Given that the REC is a new Code and has not come into force yet, it would be sensible that any reforms be implemented there first followed by other codes (e.g. the BSC and CUSC) being merged. We also note that the harmonisation of Code Management across all Codes is a potential quick win and could be done ahead of Code consolidation.

Energy UK also has a number of points which require further clarification on:

- The projected cost of reforms;
- Whether the review is only to simplify and consolidate Codes and governance arrangements or will it look deeper into processes;
- Whether Ofgem consider that changes to existing industry licences will be required as this has been omitted from the consultation; and,
- Whether a moratorium on new mods coming forward will be necessary while reforms are developed and/or implemented.

**If not, which additional codes or systems do you think should be included/excluded?**

Comments: [Click here to enter text.](#)

#### **Question 5** [page 18 in consultation document]

**Are there any codes or systems that we should only apply a limited set of reforms to?**

Yes

No

Don't know

**Please explain.**

Comments:

Energy UK does not currently believe that any codes should be excluded from full reform at this time. But we do think reforms should be implemented in manageable stages.

#### **Question 6** [page 21 in consultation document]

**Do you agree that the four areas for reform are required? Please provide reasons for your position and evidence where possible.**

Comments:

Strategic direction

Energy UK notes this was originally proposed in the CMA energy market investigation and considers there may be a case for this. In particular where a new policy direction is to be implemented or for areas where industry alignment over the type of reform required is unlikely to be achieved.

Again, we note that an increasing number of Code modifications have been held up as a result of Ofgem disengagement through the modification process. It has been noted that the Ofgem representative does not engage with discussions in Workgroups or do not attend at all. This lack of engagement and direction (which until the last few years was given) results in modifications which are sent back to the modification workgroup, or rejected after months or years of unnecessary work.

#### Empowered and accountable code management

Energy UK considers there is scope for improvement in the code management arrangements, there are currently a number of different models across the industry. Governance, costs, funding and accountability are key issues along with the skill sets required to carry out all the functions proposed. See further comment under questions 15 -

#### Independent decision making

Energy UK is opposed to taking decision making fully away from industry. This seems at odds with recent initiatives to leave more decision making to industry panels by increasing the hurdle before modification proposals are submitted for direction by the Authority. It leaves those taking the commercial risks in the market with less or no influence in the decision-making process, increased business risk and likely costs, which may be passed to consumers. If this is progressed there will need to be checks and balances in the process and an accessible and efficient appeals process.

We note that GEMA is an independent decision making body and is currently responsible for the decision on the majority of Modification Proposals, particularly those with significant commercial or customer impacts. Further, industry does not control Code modification decision making (other than Self-Governance proposals).

#### Code simplification and consolidation

Energy UK considers there may be scope for change here, but as stated in question 2, the industry is complex and the codes to support that are complex and lengthy. However if there is scope to consolidate and simplify codes, that could be appropriate, so long as the rules provide workable processes for multiple industry participants and supports competitive market needs whilst allocating costs equitably.

Thought also needs to be given to who will undertake this task. The depth of knowledge required and the time that this will take will mean this task will be demanding.

We reiterate that a staged implementation would be required due to the scale of change required to simplify and consolidate all of the Codes.

#### **Question 7 [page 21 in consultation document]**

**Do you agree with the two broad models outlined? Please provide reasons for your position and evidence where possible.**

Comments:

Energy UK welcomes the recognition of industry engagement being vital in both models. We agree that there is much detail to be worked up for each option. Our initial view is that Model 2-Integrated rule-making body is not preferred since it seems to be rolling together too many roles and responsibilities which do not necessarily fit well together and seems least likely to support full engagement of industry in its processes.

The body which provides a strategic direction must be statutory and receive the strategic direction from Parliament, not Ofgem or Government. A body which has a vested interest in the market is not truly independent and would not be fit for purpose. Further, we are concerned that if a strategic body's role is just to implement Government policy or vision, then there is a risk of politicising the Industry Codes. This could result in key market rules changing according to the Government of the day, which would undermine both the credibility and integrity of the market rules. This is also likely to damage investor confidence in the UK energy market.

**Question 8** [page 21 in consultation document]

**Which model do you believe will best deliver on our desired outcomes?  
Please explain.**

Comments:

Model 1.

**Question 9** [page 21 in consultation document]

**Do you agree with the changes to the role of code signatories we are proposing?**

Comments:

Comparing Tables 3 & 4 on pages 22 and 23, we note that code signatories' role in proposing, developing and recommending modification for approval is retained. This is welcomed. However, it is unclear how such changes, which are essential to the efficient working of the energy market, are prioritised against the potentially wider more strategic changes that are envisaged.

The key differences are that currently Code signatories can approve modifications, but this is removed in the future. As currently panels only have this role for Self-Governance proposals we seek clarity on whether the status of a Self-Governance proposals will continue to exist. Further, it is unclear what the revised roles and responsibilities for panels would be, or whether they would exist at all.

Energy UK notes that Table 3 states that the Code Administrator is accountable to Code signatories currently, whilst this may be the case for the BSC, this seems to be the exception and not the rule. A Code Manager that is accountable to Code signatories, similar to the BSC model, is the best outcome.



Not all parties have the ability to influence the code change process due to resources available. Therefore the Critical Friend function a Code Manager provides (which should be properly in place with all Code Administrators) needs to be properly enforced. The Code Manager must provide proper assistance with drafting Code modifications and be able to point towards relevant information as well as ensuring guidance documents is visible and easily accessible. The service we receive from the Code Manager should be better than we have at present and be harmonised across all Codes. This will assist in smaller parties being better engaged.

**Question 10** [page 29 in consultation document]

**Do you agree there is a missing strategic function for codes development in the energy sector and that introducing a strategic function with the responsibilities outlined in chapter 3 is the best way to address the lack of strategic direction?**

Yes

No

Don't know

Please explain.

Comments:

The codes are effectively contracts between parties active in the energy industry and as such define roles and responsibilities, with incremental changes being managed through modification procedures. There may be merit in a strategic function to provide direction for fundamental wide-ranging reforms including those required to implement new policy. However the framework needs to include checks and balances and could create the risk of 'picking winners' if there is a single interpretation of policy and one solution as to how it may be delivered. The framework needs to be more effective than the current significant code review (SCR) process if it is to deliver benefits.

We are concerned that the merging of government policy with regulation could undermine competition in the market. We agree that efficiencies could be achieved by ensuring the codes keep pace with developing technologies but Energy UK believes that regulation (i.e. Codes) should be kept technology neutral. Energy UK is keen to understand what code changes are needed to achieve the government net zero target (outside of typical policy intervention such as CfDs).

The consultation states that 'code administrators do not have the power to ensure that the modifications are subsequently implemented by participants in a timely manner'. This responsibility currently resides, and should remain, with Ofgem, although we note that actual implementation dates are still be determined, at least in the UNC, by the Network Operators. This needs to be re-considered.

We note that Ofgem already has the ability to provide a strategic direction and direct Code Administrators and industry towards what should be achieved. Should the government establish a strategic body, the Secretary of State could input in decisions.

We note that many large scale industry changes, such as the introduction of NETA / BETTA and more recently the change to timing of the Gas Day, were achieved by industry working collaboratively with Government and Ofgem and were instigated generally through changes to primary legislation. The established track record of industry implementing such changes should therefore not be dismissed or regarded as a failure. There is a vast amount of industry knowledge available from Code signatories, which any strategic body needs to acknowledge and integrate into its thinking and approach.

### **Who is best placed to fulfil the strategic function and why?**

Comments:

For the purposes of which it is required, it is not apparent that this role fits well with any existing body, it may be better to establish the new function within a new entity, starting with a blank slate. However this would introduce another body in the energy landscape increasing the number of interactions with industry participants. This may require primary legislation to implement and BEIS should refer to how the REC considers both fuels.

Energy UK do not believe that the ESO should take on this role as this would be a huge expansion of its current role. Industry would prefer it to concentrate on its current responsibilities. Further, the role should be completely independent of competitive markets.

### **Question 11 [page 29 in consultation document]**

#### **Do you agree with the objectives and responsibilities envisaged for the strategic function, and are there any additional objectives or responsibilities the strategic function should have?**

Comments:

At a high level these responsibilities seem reasonable, but there remain levels of detail to be added, the level of resources required could be significant. The interactions with the existing industry objectives will need to be considered

There are already objectives that sit with different parties that are not fully aligned and there may be merit in reviewing these. BEIS has overall responsibility for security of supply, whilst Ofgem protects customers and considers sustainability. The Relevant Objectives within the codes do not necessarily directly map onto these, albeit are intended to be consistent with them.

It is also the case that it is difficult to consider cross fuel issues. There is no 'heading' under which to consider the impact on the electricity market / customers of a change to a gas rule, and vice versa. We consider this could be addressed by a new relevant objective in each gas / electricity code to consider the impact on the other market / customers or efficient interaction of the markets.

Energy UK expects the current appeals rights to Ofgem and the CMA to be maintained should a strategic body be set up.

**Question 12** [page 29 in consultation document]

**How may this new function potentially impact the roles and responsibilities of other parts of the framework? Do you foresee any unintended consequences?**

Comments:

It is not clear how day-to-day or reactive modification proposals, which may not be clearly aligned with the strategic direction but are considered necessary by the proposer and potentially wider industry, will be considered in the prioritisation process. Energy UK is concerned that there is a risk that such proposals get left behind.

Some Code Administrators have a holistic view of the change going through industry, as well as the change which may be necessary. These Code Administrators are therefore able to develop valuable modifications proposals. Other Parties are then able to sponsor the change.

Energy UK believes that some modifications could be raised by the Code Panel as this could relieve the administrative burden on Parties, particularly with the ever increasing number of smaller parties in the market. However this would require changes to some Code Panels, which currently do not have such powers (such as the UNC).

**Question 13** [page 29 in consultation document]

**What are your views on how the strategic direction should be developed and implemented (including the option of establishing a strategy board to aid engagement)?**

Comments:

Engagement with and involvement of industry will be vital in ensuring industry support, a strategy board with the right mix of skills and expertise from all sectors may help achieve this. However, this would be adding yet another body / forum into the energy market regulatory landscape, potentially increasing complexity and reducing accountability.

**Question 14** [page 29 in consultation document]

**Do you think that the scope of the strategic function should be limited to taking account of the Government's vision for the energy sector and translating it into a plan for the industry codes framework, or are there other areas it should address (for example, impact on vulnerable consumers)?**

Yes

No

Don't know

Please explain.

Comments:

We would expect the strategic function to take a whole systems approach to changes to the energy sector to implement parliament's vision, this should identify inter-related issues and consequential impacts, to avoid these being considered late in the process. We would expect the Strategic Body to go beyond the government/parliament vision as we do not expect MPs to have a working knowledge of energy regulation. As a minimum we would not expect the Strategic Body to hinder changes to Codes which haven't been specified by the government/parliament's vision. Some important Ofgem led work, such as the current SCR and TCR, have not been derived from a government vision but that of industry's and Ofgem's.

**Question 15** [page 36 in consultation document]

**Do you agree that in addition to the current responsibilities that code administrators have, that the code manager function should also have the following responsibilities?**

a. identifying, proposing and developing changes (analysis, legal drafting etc.), including understanding the impacts;

Yes                       No                       Don't know

**b. making decisions on some changes, or making recommendations to the strategic body; and**

Yes                       No                       Don't know

**c. prioritising which changes are progressed.**

Yes                       No                       Don't know

Please explain.

Comments:

Some code administrators already carry out some of these tasks e.g. analysis and legal drafting, others such as the Joint Office do not. Over time the UNC has suffered from different lawyers drafting different parts of the code, therefore central procurement may lead to better consistency and more transparency. Taking a key role in providing analysis would require the Code Manager to develop skills or obtain additional resource to manage this if it is contracted out or a wider skill set if this is taken in house. Transparency of the cost of doing this will be important and access to the necessary data will be needed.

The ability to raise Code modification proposals however, should not be granted to a Code Manager (other than perhaps housekeeping changes). In the past, Elexon has developed a proposal to the BSC but have not been able to gain a sponsor in the form of the BSC Panel or Code signatory. The Code Manager should have the ability to develop a change to a Code, but should not be able to raise it as it may not be in the interest of industry. For similar reasons, the Code Manager should not have the ability to approve or reject modifications.

Should the Code Manager be granted decision making powers, a question remains whether The Authority still retains a role in decision making and how much decision making power is delegated to the new body. The current governance of Self-Governance proposals should be retained.

Energy UK is not comfortable with the new body prioritising live modifications but should be able to make recommendations to the Panel.

There is also a suggestion that industry may no longer have the ability to raise proposals. This is an extreme scenario and suggests that others who do not operate in the industry have better knowledge of changes required than those that do. Energy UK strongly opposes this proposal. This would significantly increase the risk of operating in the energy industry and likely increase costs too. This goes against industry work (such as GC0086) to bring Open Governance arrangements to the Codes. Further, this may hinder disrupter technologies from entering the market, particularly if they were not yet a party to the Code (a 'Materially Affected Party'). We would expect such an approach to include an appeals process.

**Question 16** [page 36 in consultation document]

**What is the best way to ensure coherent end-to-end changes to the codes and related systems? For example, is it through having end-to-end code and system managers?**

Comments:

Many changes that are progressed today do not have impacts on multiple codes, however we acknowledge that there are some that do and such processes can be improved. Consolidation of codes may help in this regard, but rolling in system managers with the code management function requires further thought.

We note that industry do not have visibility of the impact assessments for a number of projects the ESO runs. Industry should be able to see this and should be required of Code Managers.

**Question 17** [page 36 in consultation document]

**Should the approach differ on a case-by case basis (i.e. depending on the code or system in question)?**

Yes

No

Don't know

Please explain.

Comments:

We should expect to see the same rigor, processes and best practice throughout all Codes.

**Question 18** [page 36 in consultation document]

**Do you agree that the code manager function should be accountable to the strategic body and that this should be via a licence or contract?**

Yes                       No                       Don't know

Please explain.

Comments:

The code manager function should be accountable to the Code signatories, similar to the structure of Elexon as Code Administrator of the BSC.

***Please note questions 19- 26 only apply in respect of Model 1 (code managers and a strategic body).***

**Question 19** [page 36 in consultation document]

**Are there more effective ways that the code manager function's accountability to the strategic body could be enshrined other than in a licence or contract?**

Comments:

The CM should be accountable to the Code signatories

**Question 20** [page 36 in consultation document]

**Do you agree that we should not consider further a model whereby the code manager function is accountable to industry?**

Yes                       No                       Don't know

Please explain.

Comments: See answers to questions 18 and 19

**Question 21** [page 37 in consultation document]

**Do you have views on whether the code manager function should be appointed following a competitive tender process or other competition?**

Yes                       No                       Don't know

Please explain.

Comments: Energy UK agrees. Thought should be given to the competency of the applying company as well as the cost of the tender. Thought also needs to be given to whether the role should be re-tendered at certain points and the process behind doing so.

**Question 22** [page 37 in consultation document]

**Do you think the code manager function should be established by the strategic body creating a body or bodies?**

Yes                       No                       Don't know

Please explain.

Comments:

The function of the Code Manager should be clearly defined by Ofgem.

**If the code managers were established in this way, would we need to consider any alternative approaches to funding or accountability?**

Yes                       No                       Don't know

Please explain.

Comments:

**Question 23** [page 37 in consultation document]

**In terms of establishing/choosing the code manager function, do you agree that we should not consider further:**

**a. requiring an existing licensee to become the code manager; and/or**

Yes                       No                       Don't know

**b. requiring a licensee (or group of licensees) to create the code manager?**

Yes                       No                       Don't know

Please explain.

Comments:

A price-controlled licensee could create the CM (as they do today).

Should an existing licence (i.e. Elexon) wish to tender for the Code Manager role, they should be allowed to do so provided they have no other vested interest in the Codes or the markets they govern.

**Question 24** [page 37 in consultation document]

**What would be the most effective way to ensure the code manager function offers value for money (for example, through price controls or budget scrutiny)? More broadly, what is the right incentive framework to place on the code manager function?**

Please explain.

Comments:

A framework similar to that of Elexon, where the CM is accountable to the Code signatories, should be used.

**Question 25** [page 37 in consultation document]

**Are there any factors that:**

**a. would stop parties (including code administrators) from becoming a code manager?**

Yes

No

Don't know

**b. should prevent parties from becoming a code manager (e.g. do you agree that licensees should not be able to exercise control of the code managers)?**

Yes

No

Don't know

Please explain.

Comments:

a) A Code Administrator may not have the resource, skills or desire to become a code manager

b) Energy UK stresses that the Code Manager should not have a vested interest in the Codes or the markets they govern and be accountable to the Code signatories.

**Question 26** [page 37 in consultation document]

**How should the code manager function be funded (for example through licence fees or by parties to the code(s)?)**

Please explain.

Comments:

As discussed in previous questions, the funding structure similar to that of Elexon should be used. Incentives to drive efficiencies should be considered in addition.

**Question 27** [page 44 in consultation document]

**Are there any quick wins that could be realised in terms of code consolidation and simplification?**



Comments:

As mentioned in our answer to question 4, the harmonisation of Code Management across all Codes could be done ahead of Code consolidation.

Parties raising changes to the CUSC which bridge charging and non-charging changes are currently required to raise two modifications which is unnecessary. If a Party were to be required to raise only modification it would save resource of the raising party and other industry members. Further, it would harmonise the governance across Codes, making the arrangements more simple and easy to follow. This would be particularly beneficial to smaller and/or new Parties.

Some changes require modifications to more than one Code which requires a large amount of resource from the proposing and interested Parties. Energy UK believes it would be in the interest of industry to be able to raise one Code modification which is able to span a number of Codes. The modification would therefore only have one workgroup and one report (which can be published on all relevant Administrator's websites).

The industry is increasingly becoming more digitalised. It is only logical that Codes follow suit. There is a cost associated with this and Energy UK considers that this should not be expensive and could be a quick win. However, thought needs to be given to ensuring how such a resource is kept up to date and accurate and where liability would lie if it provided incorrect or misleading information.

**Question 28** [page 44 in consultation document]

**How many codes would best deliver on the outcomes we are seeking under these reforms?**

Comments:

Energy UK considers that the codes structure should map onto the industry structure. We can see no benefits in merging gas and electricity codes.

At the wholesale level, there are separate System Operators for the gas and electricity transmission networks, with legal separation in place, so it is difficult to see what benefits could be achieved. If there was a single System Operator for gas and electricity transmission, then it would make sense to re-visit this issue.

Within fuels there could be merit in merging codes to provide more accessible and less complex rules and frameworks that support the competitive market.

Option C is preferred.

**Question 29** [page 44 in consultation document]

**Which option (one code manager versus multiple) would best deliver on the outcomes we are seeking under these reforms?**

Comments:

A 1:1 relationship between codes and managers would seem appropriate. Should there be multiple Managers, this would allow benchmarking across each CM. Should there be one Code manager, teams operating in each code are required with staff having specific knowledge of that Code.

However, consideration should be given to Intellectual Property Rights for example as this could not be shared across each CM.

**Question 30** [page 44 in consultation document]

**Which of our consolidation options would best deliver the outcomes we are seeking to achieve? Please provide evidence for your examples.**

Comments: We believe that Option C is the best option.

**Question 31** [page 44 in consultation document]

**Do you agree that the codes should be digitalised?**

Yes                       No                       Don't know

Please explain.

Comments: As discussed in our answer to question 27, the industry is increasingly becoming more digitalised. It is only logical that Codes follow suit. There is a cost associated with this and Energy UK considers that this should not be expensive and could be a quick win.

**Question 32** [page 47 in consultation document]

**What role should industry have in monitoring code compliance or making decisions on measures needed to address any identified non-compliance?**

Comments: Any non-compliance should be reported by industry participants. Measures required to address non-compliance currently resides with Ofgem and should not be given to industry.

**Question 33** [page 47 in consultation document]

**Which of the two models we propose would better facilitate effective monitoring and compliance arrangements?**

**Please explain.**

Comments: [Click here to enter text.](#)

Model 2.

***Please note this question only applies in respect of Model 2 (integrated rule-making body).***

**Question 34** [page 47 in consultation document]

**With Model 2 - integrated rule-making body - should the IRMB have responsibility for imposing measures (where a party is non-compliant with the code) or should this be for another organisation?**

**Please explain.**

Comments: Compliance with the codes by parties that are licenced entities is an issue for Ofgem.

**Do you have any other comments that might aid the consultation process as a whole?**

Please use this space for any general comments that you may have, comments on the layout of this consultation would also be welcomed.

[Click here to enter text.](#)

Thank you for taking the time to let us have your views. We do not intend to acknowledge receipt of individual responses unless you tick the box below.

Please acknowledge this reply

At BEIS we carry out our research on many different topics and consultations. As your views are valuable to us, would it be okay if we were to contact you again from time to time either for research or to send through consultation documents?

Yes

No