

## **Response to Digitalised Whole System Technical Code Consultation 1**

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**Q1. What challenges do you have with using the technical codes?**

Information covering related topics and/or technical requirements can be spread across multiple technical codes and it can require cross-referencing to be sure of compliance.

**Q2. Where there are challenges, please provide examples of areas where you would like to see change.**

**Q3. Are there further advantages and disadvantages of the potential solutions above?**

Any solution which requires the creation of a new document, such as an overarching Code, and retaining existing codes has a risk of being unclear as to which is legally binding. If clauses relate to the same situation but could be interpreted differently (through different grammar for instance), users may struggle to understand their legal obligations.

**Q4. Which of the issues identified in section 2, (or by yourself in answer to Q1) would be addressed by each of the solution options?**

Aligning the key technical issues, potentially combined with cross-code signing, would make it easier for users to understand where requirements span multiple codes and understand their obligations to be compliant. This may be difficult to achieve smoothly without changing the content of the code, which this project should avoid doing.

A single combined code would also serve a solution to this, although if that code is not structured correctly, users would be attempting to understand interactions between chapters/sections within one document, which presents a similar challenge.

**Q5. Are there additional potential solutions for whole system alignment which could deliver value?**

**Q6. Are there additional potential solutions for digitalisation which could deliver value?**

The suggestion of an AI driven platform is concerning, as AI is limited by how it is written and also by users interfacing with it correctly. If, for instance, a user does not utilise the platform correctly by not giving information they did not realise was relevant, the platform will give a misleading representation of the code(s).

The AI also may not be able to give a full picture, as the range of reasons the codes are used is diverse (e.g. checking compliance, possibilities for innovation, understanding a competitors position), some of which require more in-depth analysis of the code than others.

An AI driven platform will also require more resources to update as codes are modified and it seems likely there will be a lot of significant changes in the near future. It would be inappropriate for modification implementation to be delayed in order to accommodate

updating the interface between User and Code. This would also be more work for the Code Admin, potentially increasing costs.

**Q7. Which of the potential solution(s) for digitalisation do you see as providing the most benefit?**

Self service with cross-code signing would be of most benefit. It would allow users to navigate the code(s) more efficiently whilst minimising risks that relevant information may be 'missed' or 'obscured' by accident. This also is likely to be less work than an AI driven platform and therefore is more suitable to be developed ahead of the results of the Energy Code Reform (ECR). It could serve as a trial for other codes, as lessons learnt are more likely to be applicable to digitised other codes than an AI platform.

**Q8. What risks and/or opportunities do you see in digitalising codes in parallel to work on code alignment, potential consolidation, and the Energy Codes Reform programme? Please also share your views on how best to mitigate these risks.**

There is a lot of change in the industry in the moment, in the regulatory space, as well as on a broader level. This project will take significant time and resources from industry and the ESO in order to be a success. The eventual usefulness of this project may be limited by changes in wider code governance and therefore commitments should be considered seriously. There is still support for digitisation and potentially consolidation, but the ESO and industry should be in discussion with Ofgem/BEIS to ensure we are working towards related goals.

**Q9. Do you think the digitalised codes should be legally binding or for guidance only? Why?**

It depends on the level of access to the code a user is given. If it is assumed, at any point, that a paragraph is not relevant - and therefore not shown to the user - they cannot be legally held to it. If the whole code is visible, but signposted and/or highlighted, then it can be legally binding.

Whatever happens, users should be able to access the whole code, unedited, if they desire. Understanding the whole context of the code is important to fully understanding a user's position (and the reasoning behind it) but also the wider industry, which is necessary for innovation.

**Q10. Do you see value in progressing these work packages independently of the ECR and do you think they should be progressed?**

If 'quick wins' can be identified, i.e. changes that would realise benefits at little cost in resources, they should be progressed.

Given the large scale of changes, industry parties may not have the bandwidth to be fully involved in this project. Or they can be, but if the results of the ECR head towards a different solution, these will be wasted resources that could have been more usefully applied elsewhere. There may be advantages to waiting until there is a clear direction of travels from Ofgem/BEIS. However, there have been calls from industry to address these issues for some time now and code consolidation did not feature strongly in the Energy Code Reform. There should be clear communication of timescales with Ofgem/BEIS as ideally work on this area should begin soon.

Identification of areas which would benefit from simplification and/or alignment can take place independently, as it is likely a similar exercise will need to take place regardless of the outcome of the ECR. This should be considered a least-regret option.

**Q11. Are there other opportunities that could be considered?**

**Q12. Stakeholders have articulated that there is strong interdependence between options in whole system code consolidation or alignment (Section 3.1), digitalisation (Section 3.2) and the delivery of solutions (Section 3.5). Do you have a preferred combination of these solutions that you see as delivering the best value considering the issues implementing the solutions? Please provide a rationale for your response.**

Digitisation of multiple codes onto a common platform and inclusion of the SQSS/ P2 7 into the Grid Code/Distribution Code would seem to be significant amounts of work that may be undone if the purpose of the project is to deliver recommendations only and BEIS/Ofgem do not agree.

Likewise, attempting to raise modifications when we can expect Ofgem/BEIS to consult on related code governance issues could also represent wasted resources, as modifications may need to be put on hold and it could create confusion for stakeholders.

**Q13. Are there other aspects of the project delivery where you see risks and opportunities to mitigate these?**

**Q14. Do you agree with the key benefits outlined above and can you see other benefits resulting from this project?**

We agree there are a range of potential benefits.

It should be remembered, however, that the codes are technical, legal documents. We agree they should be examined for clarity but technical terms and definitions may be there for the sake of exactness and precision. Simplifying the language may make the codes easier to read but legally more open to interpretation. Changing the language may inadvertently change the meaning of a paragraph, so a plain English approach should be used carefully on a case-by-case basis.

**Q15. Do you think that the proposed governance structure will enable delivery of the project? Would you change any aspects? If so, why?**

The proposed governance structure should be suitable, but we would like visibility to the industry at all stages, through forums such as the GCDF and TCMF and standard ESO communications. We would also like Ofgem and/or BEIS to be as active as possible in every role, to avoid delays between recommendations and decisions.

**Q16. Which elements of the project would you, or your organisation, like to be involved in? If so, please state what capacity, and provide a short description of the perspective and value that you would bring to the project.**

**Q17. What principles should apply when forming membership and ways of working for the various project groups?**

**Q18. What are your views on the proposed Terms of Reference for the steering group?**

**Q19. Do you have further views on how to best include all the relevant perspectives in the governance of the project?**

**Q20. How do you think the steering group should make decisions, particularly if there is not consensus?**

**The need for decision is dependent on the role of the steering group: if the intention is to provide recommendations, then there is less need for a binding, single decision. They can present the opposing views to receive wider feedback and/or evidence.**

**Q21. What are your views on the proposed stakeholder engagement? Is there more that can be done to ensure effective stakeholder engagement?**

**The ESO should invite input from non-industry participants, such as the IET, universities and relevant research bodies.**

**Q22. Would you like to attend the webinars? If so, please leave your contact details in your feedback.**

**Q23. Would you like to request a regular update from the project at your forum? If so, please leave contact details of your forum in your feedback.**

**Q24. What are your views on the proposed schedule?**

**The proposed schedule is suitable, but going forwards, the ESO should be aware that industry resources (of all parties, including Ofgem) are stretched at the moment with the amount of change going on. The future timeline for the project should be flexible.**

This consultation is available online here:

<https://www.nationalgrideso.com/industry-information/codes/digitalised-whole-system-technical-code>

Please return responses to [box.wholesystemcode@nationalgrideso.com](mailto:box.wholesystemcode@nationalgrideso.com) before 5pm on 12<sup>th</sup> November 2021.