# Response to Digitalised Whole System Technical Code Consultation 1

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

Aside from the fundamental legal complexity of the technical codes' provisions, the lack of user-specific or thematic structuring is perhaps the most actionable issue for this review. The technical codes attempt to cover a vast range of topic areas spanning the entirety of the connection journey, leading to a challenging user experience - especially for new entrants.

Technical code users also have to grapple with understanding which obligations apply to them by navigating multiple compliance thresholds (e.g. Small, Medium, Large across the TO regions or RfG banding levels), and/or whether they are a market participant. Giving more clarity on these compliance drivers and how the codes fit around them need to be considered too.

More work is needed to support new entrants with understanding the commercial consequences behind specific aspects of technical code compliance, e.g. cost and operational processes to provide 24/7 monitoring and data submission.

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

We agree with the consultation document that there is merit in splitting out technical code obligations into more thematic sequence ("key issues").

For assisting parties decipher which high level obligations would apply to them (in reference to the various compliance thresholds) prior to reading the code text would also be sensible. This could easily be dealt with outside the code via an online tool.

More supporting guidance on understanding code compliance obligations in general is needed, and really should be factored into the connection application process if it isn't already.

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

We agree that there is broad industry consensus to disregard the 'Do Nothing' option. That being said, there is a risk that all the proposed drafting solutions have limited long-term value, are resource-intensive for industry, or lead to fundamental short-term operational challenges, when considered in the context of the broader BEIS/Ofgem ECR.

If there were to be a BEIS/Ofgem minded-to position to comprehensively review and restructure the energy codes – which we support – in the coming year, the majority (if not all) of the initiatives proposed in this consultation would immediately be superseded.

So whilst we agree with the consultation view that developing an 'overarching WSTC' or a 'single WSTC' may be a helpful pilot for the ECR, it would require a massive amount of industry effort during a time of unprecedented regulatory change. It could also add complexity and confusion to existing arrangements e.g. licensing, panels, code governance and administration.

It is vital therefore that any proposed solutions taken forward via this review require minimal industry resources and time to implement, whilst leading to tangible benefits for users. We believe aligning the technical codes around key issues (or making the existing code provisions face off much better to users) would to be a sensible interim improvement option for user accessibility.

**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?**

We have already outlined this via our response to Q3.

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

We have no additional options to provide.

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| **Q6.** | **Are there additional potential solutions for digitalisation which could deliver value?** |
| We have no other options to provide. | |
| **Q7.** | **Which of the potential solution(s) for digitalisation do you see as providing the most benefit?** |
| We have no strong opinion in this area and believe technical code users are best placed to give their views here.<br><br>We do believe that whatever is pursued must be proportionate, cost effective for end consumers (and users if applicable), and be delivered efficiently with minimum fuss (in line with our views for Q3). This would inevitably rule out anything AI-driven. | |
| **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.** |
| We have been consistent that we believe large parts of this review run the risk of being superseded, or perhaps should be undertaken by, the ECR. However on digitisation we understand that more rapid progress can be made - noting that the timetable for implementation for this review and the ECR differ somewhat. Consequently any digital solutions which can be in place long before 2026, which provide clear benefits when considered against the costs, should be pursued. | |
| **Q9.** | **Do you think the digitalised codes should be legally binding or for guidance only? Why?** |
| The form or media for presenting the code text should not impact the legality of the code's obligations. If it cannot be guaranteed that digitised technical codes can be made legally binding, a digital guidance tool (in line with our recommendation around explaining compliance thresholds/bandings) or non-binding guidance which more simply sets out the provisions set out by code (and how to navigate them) would be a more proportionate level of effort. | |
| **Q10.** | **Do you see value in progressing these work packages independently of the ECR and do you think they should be progressed?** |
| We have already provided our views on this topic in Q3 and Q8.<br><br>Additionally, we note that the SQSS is a possible scope area in section 3.4; we disagree with this. Whilst the SQSS may have user impact and compliment areas of Grid Code text, the direction it provides is chiefly for the transmission network companies to develop the NETS. Whilst we support the review of SQSS under the BEIS/Ofgem ECR, we do not support its consideration in this review. | |
| **Q11.** | **Are there other opportunities that could be considered?** |
| It would seem logical to consider the Onshore TO RES within scope if D-Code ERECs are already incorporated. | |
| **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.** |
| Our preferred option for code consolidation/alignment would be sensible to progress prior to considering digital options. Generally this is because the structure of drafting is needed first to ensure efficient and effective translation digitally for users. | |
| **Q13.** | **Are there other aspects of the project delivery where you see risks and opportunities to mitigate these?** |
| As mentioned above, we disagree that SQSS consolidation to the Grid Code should be considered within this review and is much better dealt with in the BEIS/Ofgem ECR. | |

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

We agree that making the technical codes more accessible will have undoubted user benefits - as long as complexity around the code provisions and compliance levels is simplified or explained. We believe it is vital for new entrants particularly, to have no doubts as to their obligations when commencing the connection journey. This includes matters related to cost and enduring operations to discharge code compliance.

It is also vital that any solutions progressed address the disparity of commercial advantage gained by being able to navigate and understand the technical codes in their current form. This would improve competition in generation/supply as well as opening up opportunities for innovation.

**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 is quite broad and perhaps could be made more efficient.

Steering could easily be provided by the existing Panels only, without the need to form an entirely new group - adding more meetings into a congested regulatory timetable. To illustrate this point - which entities or individuals would either not be: Panel Members, or involved at working level, or be supporting on an advisory basis; to necessitate forming such a group? We understand the need to articulate who the 'lead' entity or entities are, but they can answer to relevant stakeholders via existing means, rather than a new committee.

Engagement with industry and other interested stakeholders is vital as solutions are developed. Formalising this into an 'Advisory Group' does seem excessive given the numerous channels available to the ESO and ENA to engage with industry already on code matters, or other initiatives like Open Networks and FES. Instead, involving interested stakeholders at the working level as optional members, or consulting at specific points in the development journey, could be more efficient.

The link to BEIS/Ofgem is vital to ensure the objectives of this review remain appropriate as the ECR scope is defined.

**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.**

The Onshore TOs have a Grid Code Panel seat, and NGET have STC Panel seats, so it would seem sensible for us to monitor progress via that route, as well as any comms circulation.

If we can provide technical or subject matter support to assist solution delivery, we would consider any requests from the lead organisations to participate at a working level.

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

As per our answer to Q15 above, we believe a large amount of existing industry arrangements can facilitate these changes efficiently, without the need to form new groups or ways of working.

We do not believe any party should be excluded from participating at a working level if they can provide a contribution (e.g. non-code parties). The working level ways of working should follow the same approach for code modifications working groups to provide continuity.

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

We have no views on this apart from flagging whether a steering group is necessary as per our answer to Q15.

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

We have already outlined that this is best achieved by utilising as many existing industry groups and their associated ways of working as possible, whilst also allowing non-code parties to participate if they have relevant experience.

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| **Q20. How do you think the steering group should make decisions, particularly if there is not consensus?** | |
| We believe BEIS/Ofgem should ultimately make decisions on code drafting approaches based on recommendations from the Panels, with proposals presented by the working groups.<br><br>Digitisation does not operate under governance and so it is incumbent on the relevant lead entities to be committed to this undertake this work and to implement any solutions formed with industry. The Panels should oversee that this happens. | |
| **Q21. What are your views on the proposed stakeholder engagement? Is there more that can be done to ensure effective stakeholder engagement?** | |
| The engagement options seem comprehensive. Again, utilising the Panels and other functions of Code Admin (i.e. issues groups) is also a route to engage.<br><br>Explaining how this review sits alongside the ECR is important to avoid any stakeholder confusion. | |
| **Q22. Would you like to attend the webinars? If so, please leave your contact details in your feedback.** | |
| We will observe this work and engage directly if we believe we can add value or if our help is sought. It is more important for us that users get value first and foremost from any initiatives, whilst also ensuring that the scope does not impinge on the objectives of the ECR. | |
| **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.** | |
| N/A | |
| **Q24. What are your views on the proposed schedule?** | |
| The timetable to confirm scope in March 2022 seems achievable as long as a secondary consultation isn't far-reaching. We believe scope areas should prioritise valuable quick wins that can be progressed long before 2026 however, to avoid overlaps with more comprehensive work of the ECR. | |

This consultation is available online here:

https://www.nationalgrideso.com/industry-information/clodes/digitalised-whole-system-technical-code

Please return responses to box.wholesystemcode@nationalgrideso.com before 5pm on 12th November 2021.