



To: All persons listed in section 170(2) of the Energy Act 2023

**Energy Act 2023
Section 170(1) and (3)**

Notice of statutory consultation on proposed modifications to industry codes to implement the Independent System Operator and Planner (ISOP) relating to National Security

1. The Secretary of State for Energy Security and Net Zero ('the Secretary of State')¹ proposes to modify the following industry codes (collectively referred to as "the Codes") pursuant to section 169 of the Energy Act 2023 for those proposed changes related to National Security:
 - Balancing and Settlement Code (BSC)
 - Connection and Use of System Code (CUSC)
 - Distribution Code (D-Code)
 - Distribution Connection and Use of System Agreement (DCUSA)
 - Grid Code
 - System Operator Transmission Owner Code (STC)
 - Security and Quality of Supply Standard (SQSS)
 - Uniform Network Code (UNC)
2. This notice excludes all other proposed modifications to the Codes that are not related to National Security. The Gas and Markets Authority will act as the Relevant Authority² for such proposed modifications and will publish a separate notice accordingly.
3. We are proposing these modifications to implement consequential changes to the Codes that are required for the Independent System Operator and

¹ The terms "the Secretary of State", "Department for Energy Security and Net Zero" and "we" are used interchangeably in this document..

²"Relevant Authority" for the purpose of sections 169 and 170 of the Energy Act 2023 means either the Secretary of State or the Gas and Electricity Markets Authority, whom may exercise the modification power under section 169(1) of the Act.

Planner (ISOP)³ to comply with directions issued by the Secretary of State where, in the opinion of the Secretary of State, there is a risk relating to national security that may detrimentally impact the resilience, safety or security of the energy system, or the continuity of essential services.

4. A copy of the proposed modifications and detailed reasons and effects have been published alongside this notice on the Ofgem website:

- www.ofgem.gov.uk/energy-policy-and-regulation/policy-and-regulatory-programmes/future-system-operation-fso. Alternatively, they are available from information.rights@ofgem.gov.uk.

5. Any representations with respect to the proposed modifications to the Codes relating to National Security must be made on or before 17 June 2024 to:

Electricity Systems Team, Department for Energy Security and Net Zero, 3-8 Whitehall Place, London, SW1A 2EG **and** Future System Operation, Office of Gas and Electricity Markets, 10 South Colonnade, Canary Wharf, London, E14 4PU

or

nesoproject@energysecurity.gov.uk **and** FSO@ofgem.gov.uk

6. All consultation responses are normally published on Ofgem's website.

However, if you do not wish your response to be made public then please clearly mark it as not for publication. We prefer to receive responses in an electronic form so they can be placed easily on Ofgem's website.

7. Following consideration of the responses to this consultation, if we decide to make the proposed modifications, they will have effect on the date that designation of the ISOP comes into effect under section 162 of the Energy Act 2023.

8. This will be on a date after this consultation closes on 17 June 2024.

Yours sincerely,

Sam Emery – Assistant Head, Energy Security and Resilience
22 May 2024

³ Part 5 of the Energy Act 2023 defines the term Independent System Operator and Planner (ISOP). The ISOP has previously been referred to in Ofgem and government consultations and publications as the Future System Operator (FSO)