

Modification proposal:	<b>Uniform Network Code (UNC) 0768: Retail Code Consolidation Significant Code Review (UNC 0768)</b>		
Decision:	The Authority <sup>1</sup> directs this modification be made <sup>2</sup>		
Target audience:	UNC Modification Panel, all Parties to the UNC and other interested parties		
Date of publication:	2 July 2021	Implementation date:	Retail Code Consolidation <sup>3</sup>

## Background

The energy code landscape is complex and fragmented, making it difficult for market participants to understand and navigate code change processes. Code consolidation will help simplify and make it easier for them to understand their responsibilities and comply with their obligations. The creation of the Retail Energy Code (REC) as a dual fuel retail code will support the introduction of faster and more reliable switching through a centralised switching service. It will also help with efficient management and delivery of code change, supporting innovation, lowering costs and achieving better outcomes for consumers.

In November 2019, we launched the Retail Code Consolidation Significant Code Review (RCC SCR).<sup>4</sup> Our RCC SCR has the objective of rationalising retail energy codes by closing down the electricity Master Registration Agreement (MRA) and gas Supply Point Administration Agreement (SPAA) and consolidating their requirements into the REC or another appropriate industry code. The REC will also bring together a number of other codes and codes of practice for metering and Green Deal provisions, facilitated by the making of consequential changes to other codes. The RCC SCR also looks to better facilitate cross-code change through the introduction of a Cross Code Steering Group under the REC.

<sup>1</sup> References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.

<sup>2</sup> This document is notice of the reasons for this decision as required by section 38A of the Gas Act 1986.

<sup>3</sup> Retail Code Consolidation is the date to be designated by the Authority. The date of Retail Code Consolidation is currently expected to be, and will not be earlier than, 1 September 2021.

<sup>4</sup> The [RCC SCR launch statement](#) is on the Ofgem website.

The REC is being developed in phases. Since the designation of Version 1.0 of the REC in February 2019 and our launch statement in November 2019, the REC has been revised to make changes needed to facilitate energy theft consolidation.<sup>5</sup> Version 2.0 of the REC (REC v2.0) will take a significant step forward in code consolidation and will be implemented through Ofgem's Switching Programme governance, in accordance with Version 1.1 of the REC. We intend for REC v2.0 to take effect on the date of Retail Code Consolidation (RCC). RCC is the date to be designated by the Authority. The date of RCC is currently expected to be, and will not be earlier than, 1 September 2021.<sup>6</sup>

### **The modification proposal**

On 13 May 2021, UNC modification proposal UNC 0768 (the proposal) was raised by Ofgem as a Significant Code Review Modification Proposal under the RCC SCR and pursuant to paragraph 6.1.1(f)(ii) of the Uniform Network Code Modification Rules (the Code Modification Rules).<sup>7</sup> We also issued a direction under paragraph 12.5.2 of the Modification Rules of the UNC, which set out the timetable for the relevant party (in this case, all Transporters<sup>8</sup>) to progress the proposal.<sup>9</sup>

The proposal aims to make the changes that are necessary, as part of the RCC SCR, to the UNC Modification Rules to implement cross-code change arrangements, eg to introduce the Cross Code Steering Group and its associated mechanism for progressing cross-code changes, in order to align with the wider codes landscape when RCC occurs. The proposal sets out the concept of a Lead Code change (to be referred to in the UNC as a 'principal' change proposal) and Consequential Changes (to be referred to in the UNC as 'subsidiary' change proposals) for code changes affecting more than one energy code, allowing the panel for a Lead Code to refer decisions on a package of cross-code changes to the Authority in certain circumstances.

The proposal also amends Section V of the UNC Transportation Principal Document (TPD) to remove a paragraph (5.14) that was added when modification UNC 0697VS<sup>10</sup> was developed

---

<sup>5</sup> More information about [energy theft consolidation](#) is on the Ofgem website.

<sup>6</sup> More detailed information about the underlying policy behind Retail Code Consolidation and our decisions on taking it forward are in our [Decision on REC v2.0](#) (30 April 2021). We have also published an [open letter regarding the SCR modifications for Retail Code Consolidation](#) (30 April 2021) setting out our approach to taking these changes forward.

<sup>7</sup> Significant Code Review Modification Proposal is defined in the [Code Modification Rules](#).

<sup>8</sup> As defined at paragraph 2.1.1 of the [General Terms Section B of the Uniform Network Code](#).

<sup>9</sup> Details about the [Authority direction and UNC 0768](#) can be found on the Joint Office of Gas Transporters website.

<sup>10</sup> See further details about [UNC 0697](#) on the Joint Office of Gas Transporters website.

and decided upon but which was not within scope of that modification (namely, references to “Users” and the data items such Users have access to). Details of all of the proposed changes are set out in the UNC 0768 Final Modification Report.

The Authority, as proposer, considered that the proposal would better facilitate UNC Relevant Objective (f) and is neutral in respect of the other UNC Relevant Objectives.<sup>11</sup> It is intended to improve cross-code change processes and alignment of timelines for cross-code changes that will improve efficient administration of the UNC and across the wider energy market. It also removes paragraph 5.14 in Section V of the UNC TPD, which was not within scope of previous UNC modification 0697VS which removed other provisions relating to data access.

### **UNC Panel<sup>12</sup> recommendation**

At the UNC Panel meeting on 17 June 2021, the UNC Panel unanimously considered that UNC 0768 would better facilitate the UNC objectives and the Panel therefore recommended its approval. The Panel considered that, in particular, the proposal would better facilitate UNC Relevant Objective (f) as it would deliver improved cross-code change governance by ensuring the alignment of timelines for cross-code changes and would remove the paragraph in TPD Section V to reflect the approach to data access management to be taken under the REC.

### **Our decision**

We have considered the issues raised by the modification proposal and the Final Modification Report (FMR) received by us on 18 June 2021. We have considered and taken into account the responses to the industry consultation(s) on the modification proposal which are attached to the FMR and the views and votes of the UNC Panel, as well as the wider aims of the RCC SCR.<sup>13</sup> We have concluded that:

- implementation of the modification proposal will better facilitate the achievement of the relevant objectives of the UNC;<sup>14</sup> and

---

<sup>11</sup> UNC Relevant Objective (f) is “Promotion of efficiency in the implementation and administration of the Code”.

<sup>12</sup> The UNC Panel is established and constituted from time to time pursuant to and in accordance with the Code Modification Rules.

<sup>13</sup> UNC modification proposals, modification reports and representations can be viewed on the Joint Office of Gas Transporters website at [www.gasgovernance.co.uk](http://www.gasgovernance.co.uk)

<sup>14</sup> As set out in Standard Special Condition A11(1) of the Gas Transporters Licence, available at: <https://epr.ofgem.gov.uk/Content/Documents/Standard%20Special%20Condition%20-%20PART%20A%20Consolidated%20-%20Current%20Version.pdf>

- directing that the modification be made is consistent with our principal objective and statutory duties.<sup>15</sup>

### **Reasons for our decision**

For the reasons given below, we consider this modification proposal will better facilitate UNC Relevant Objective (f) and is neutral in respect of the other UNC Relevant Objectives.

#### ***(f) so far as is consistent with sub-paragraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code***

We agree with Panel members and all the parties that responded to the UNC 0768 consultation that the proposal better facilitates this objective. It enables retail code consolidation to be reflected in the UNC by introducing improved cross-code change governance arrangements. These take the form of the introduction of the Cross Code Steering Group processes and ensuring the alignment of the timing of cross-code changes through the use of Lead Code changes ('principal' change proposal) and Consequential Changes ('secondary' change proposals). This will enable efficiency in the administration of the UNC by allowing future changes to be delivered on a timely basis. Deleting paragraph 5.14 from TPD Section V is also efficient as it removes a provision that was not within scope of a previous UNC modification 0697VS, which otherwise would have removed it. Removing this provision reduces duplication within the code, and this approach to handling data access provisions is consistent with the approach being taken under REC.

We note and agree with respondents to the consultation who regard the UNC 0768 changes as simplifying and aligning the UNC with the wider codes landscape following retail code consolidation.

One respondent suggested a minor amendment to the legal text relating to cross-code changes, specifically to change references to the UNC itself from saying 'the Code' to 'this Code'. We note that this was discussed by the UNC Panel, and we remain of the view that the

---

<sup>15</sup> The Authority's statutory duties are wider than matters which the Panel must take into consideration and are detailed mainly in the Gas Act 1986 as amended.

legal text as drafted in the original proposal is consistent with the broader style of the UNC legal drafting, and therefore does not require further amendment.

## **Directions and implementation**

Pursuant to and in accordance with Standard Special Condition A11 of the Gas Transporters licence and paragraph 9.3.5(b) of the Code Modification Rules, the Authority hereby: (1) approves and accepts modification proposal UNC 0768 'Retail Code Consolidation Significant Code Review' (UNC 0768) for implementation, and (2) directs that modification UNC0768 be made.

Pursuant to paragraphs 9.7.1 and 12.5.2 of the Code Modification Rules, the Authority hereby directs the Code Administrator<sup>16</sup> and all Transporters<sup>17</sup> to implement modification UNC 0768 so that it takes effect on Retail Code Consolidation. Retail Code Consolidation is the date to be designated by the Authority. The date of Retail Code Consolidation is currently expected to be 1 September 2021.

We expect this to be the last decision in respect of the UNC under the RCC SCR. However, if circumstances change before the end of the RCC SCR, which necessitate further Authority-led modification proposals in respect of the UNC, we will consult further. As set out in our open letter dated 30 April 2021, we submitted all Authority-led modification proposals in relation to the RCC SCR to the panels of all relevant industry codes within a specified time window to ensure that the submissions aligned so far as is possible with the dates on which the relevant panels convened. This means that there is not a single date for Authority decisions on all of the Authority-led modification proposals under the RCC SCR. In due course, we will confirm when we have made our decision on the final Authority-led modification proposal under the RCC SCR and, accordingly, when the RCC SCR as a whole has ended.

**Rachel Clark**

**Deputy Director, Switching Programme**

Signed on behalf of the Authority and authorised for that purpose

---

<sup>16</sup> As defined in the Code Modification Rules.

<sup>17</sup> As defined at paragraph 2.1.1 of [General Terms Section B of the Uniform Network Code](#).