

Code Reform Update (CoMC 20th March 2024)

Xoserve 2024



Code Reform Implementation

Ofgem has requested feedback on proposals for the reformation of energy codes. These proposals would impact the maintenance and development of existing gas codes, central system provision and existing governance arrangements via:

- The consolidation of the UNC/IGT UNC codes - a phased approach might see a 'Gas Network Code' be introduced as part of 'phase 2' of a 3-phase plan
- The appointment of a 'Gas Network Code' Manager
- Changes to gas governance (e.g. replacement of modification panels with Stakeholder Advisory Forums)
- The Energy Act 2023 introduces transitional vires (such as disruption of existing industry contracts) which could impact code administration and central system provider activity

Code Manager Licensing and Secondary Legislation

Code Manager attributes

This latest consultation sets out the attributes Ofgem deems relevant to prospective Code Manager candidates. For example, Ofgem's preference is that the **Code Manager**:

- **Must be not-for-profit** (and not-for-loss)
- **Will set its own annual budget**
- **Could utilise an existing cost recovery**
- **Will not be incentivised financially in terms of performance in the role**
- **Must have appropriate financial and operational**
- **Needs to be free of conflicts of interest**
- **Will adopt 'code owner' license conditions**
- **Could be appointed via a non-competitive process**
- **Will perform the role either on an enduring basis (with revocation scenarios included in the licence conditions) or for a fixed period**

Indicative code reform engagement timeline v BP25

