



3rd Floor North
200 Aldersgate Street
London EC1A 4HD
Tel: 03000 231 231

citizensadvice.org.uk

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Citizens Advice response to the ESO's 'Digitalised Whole System Technical Code Consultation 1'

Dear ESO Team,

Thank you for the opportunity to respond to this consultation.

Citizens Advice is the statutory energy advocate for domestic and microbusiness consumers and represents their interests regularly on numerous code panels. Given this experience, and our advocacy on the energy codes reform¹, we can provide a number of recommendations about the development of this project.

We have at various points attended Distribution Code and Grid Code sessions but we do not participate on a regular basis. Given this limited engagement, we are not able to provide an in-depth view on a number of the issues raised.

Recommendations

- **The ESO needs to provide quantified accessibility, engagement and usability benefits of reform proposals**

We think that phase 1 of the project, as outlined by the Electricity System Operator (ESO), should focus on evaluating a number of options for integrating and consolidating energy code. This assessment should highlight where quantifiable improvements in accessibility, engagement and usability benefits can be achieved and at what cost.

- **Whole systems Technical Code reform should pursue a 'no regrets approach' to change ahead of the energy codes reform recommendations and requirements**

We hope this work will be structured in a way that supports Ofgem and BEIS in their understanding of the opportunities and costs of code consolidation and simplification.

¹ Citizens Advice (2021) [response to the BEIS and Ofgem joint consultation on the Design and Delivery of the Energy Code Reform](#)

The proposals of this project should include multiple options for ways to best simplify, consolidate and integrate energy code, which by definition reduce the complexity and fragmentation of energy governance.

Given the lack of current clarity on Ofgem and BEIS's preferred model for code consolidation, we think that 'no regret activity' in relation to all likely circumstances following the reform is appropriate.

Where we see the biggest risk in this project is wasted cost in the digitalisation of code services at this point in the code reform process. Where possible the evidence of best practices in the industry should be used as a guide for the ESO, particularly on the legal status of digitalised code. Any activity in this area needs to be well justified by offering long term benefits to stakeholders.

- **The consultation and engagement process needs to be led by proposals from the ESO and make efficient use of stakeholders time**

The consultation and engagement process needs to provide the perceived benefits and costs rather than rely on stakeholders to outline how the ESO should deliver improvements. The proposed steering group to implement reform seems currently quite prescriptive and time-intensive plan for stakeholders. We would be happy to participate in this group but encourage an efficient meeting timetable at key junctures in the project.

Given the technical nature of the codes and the expertise required to engage with the code, the ESO should take a lead in explaining how they perceive changes will improve their code administration service, given their familiarity with code content and future developments likely to be required.

The ESO's proposals should be consistent with the aims of the energy codes reform. These are: providing strategic direction, empowered and accountable code management, independent decision-making and code simplification and consolidation.

- **The project should consider how digitalisation and consolidation benefits would be realised through improving the ESO's approach to code administration and management**

It is important that the possible changes outlined in the consultation are linked to the analysis of how they will contribute to the operation of code administration and management and to the use and engagement with the code. This should include both when working with closely engaged stakeholders and in the strategic delivery of ongoing energy reforms that relate to engagement with other code bodies or other external groups.

Code consolidation and digitalisation of code will impact user experience and modelling the savings and costs should lead to an evidence-based approach. However, to show

that opportunities for stakeholder benefits have been considered the ESO's proposals should be presented as approaches to improving code administration service outcomes. The ESO needs to explicitly outline how it will harness the proposed developments to deliver practical changes to service delivery. For example, improving the efficiency of stakeholder engagement, code development and to support easier input from relevant stakeholders.

The ESO has not performed well on Code Administration performance surveys². This project should be addressing this issue and outline why digitalisation and consolidation is an opportunity for improvement. There may also be additional low-cost code administration behaviours that can complement and help better realise potential benefits which should be considered.

- **This project should seek to ensure relevant stakeholders have an improved opportunity to engage with the reformed code**

As the consumer advocate for energy consumers, we think it should be clear how the ESO plans to work with stakeholders, such as Citizens Advice, on the periphery of technical codes to support their input into a whole system technical code.

Both the Distribution Code and Grid Code are highly complex and often difficult to understand. Digitalisation isn't by itself a strategy to improve accessibility or ease of usability. The language used in the code and in governance communications and the behaviour of code administrator need to be focused on delivering this outcome.

We think the ESO needs to provide evidence of how digitalisation can support this process and how it fits into the ESO's planning to develop their code management services.

On other codes, there is often proactive work from analysts to highlight consumer impacts and work with Citizens Advice to protect the interests of consumers which we believe enables better representation of consumers.

Please do get in contact if you have any queries

Kind regards

Ed Rees

Senior Researcher, Citizens Advice

² Ofgem (2019) [Code Administrators' Performance Survey Findings - 2019](#)