

ELEXON

03 February 2023

By e-mail to: industrycodes@ofgem.gov.uk

Dear Industry Codes Team,

Re: Energy Code Governance Reform, Call for Input December 2022

Thank you for the opportunity to respond to the above Call for Input.

As you know, Elexon is the Code Manager for the Balancing and Settlement Code (BSC), which facilitates the effective operation of the electricity market. We are responsible for managing and delivering the end-to-end services set out in the BSC and accompanying systems that support the BSC. This includes responsibility for the delivery of balancing and imbalance settlement and the provision of assurance services to the BSC Panel and BSC Parties (energy Suppliers, generators, flexibility service providers and network companies). We manage not just the assessment, but also the development, implementation and operation of changes to central systems and processes. In addition, our expertise is available to support the industry, government and Ofgem in considering future changes and innovation against the existing industry rules, for the benefit of the consumer. Elexon is a not-for-profit company, currently set up as an arms-length subsidiary of National Grid ESO (Electricity System Operator).

In addition, through our subsidiary, EMR Settlement Ltd, we calculate, collect and distribute payments to Contract for Difference (CfD) generators and Capacity Market (CM) providers, on behalf of the Low Carbon Contracts Company (LCCC). These services are provided to LCCC through a contract and on a not-for-profit basis. EMR Settlement Ltd is also the Nuclear Regulated Asset Base Model Revenue Collection agent for LCCC.

We summarise below the key points in our response. However, we would also wish to add that, as an overall principle, we believe that it is essential to keep at the forefront the outcomes that the Energy Code Governance reform project should be enabling, namely reducing barriers to the energy transition through promoting delivery of the trilemma of affordability, security of supply and net zero/sustainability. All the proposals should be tested against whether they will assist or hinder this pathway:

Code consolidation

- A. We believe that Ofgem should look again at the value of code consolidation, rooted in a cost-benefit analysis. Now that licensing is confirmed as a mechanism for Ofgem to direct code managers to deliver strategic change across markets, code consolidation could be argued to be a secondary issue and only worth pursuing where it will verifiably bring about a significant increase in effective delivery of the cross-code changes;
- B. This is reinforced by evidence seen in the last 6-7 years of code development, for example, the growing incidence of code digitisation and improvements in dealing with stakeholders, to reduce complexity. The decision to consolidate codes needs to be

- rooted in a cost-benefit analysis, which takes into account the practical aspects of such a project as well as considering alternative options to deliver improvements in code management processes and practices;
- C. In considering the priority areas moving forward, it is of prime importance to take into account the present market conditions, ongoing major industry-wide projects and resource availability across the industry, including at Ofgem;
 - D. We believe there is also a need to consider the nature of code consolidation - codes themselves or code management activities. Whilst the concept of having fewer codes to interact with and maintain is still attractive (where this is sensible and delivers a benefit to parties), we believe there is merit in considering consolidation of code management (rather than of the codes as legal contracts) as the first step.

Code manager (CM) licensing

- E. Licensing of the CM function is set to become one of the key elements of the future proposed framework for central services. This should not become an unwieldy, prescriptive and rigid framework; it is critically important to develop a proportionate, light-touch, outcome-based licensing regime;
- F. While we agree with some priorities for licence conditions identified by the Call for Input, it is important that licences do not duplicate or overlap with the general law, provisions detailed under existing codes or existing good governance. In addition, consideration must be carefully given to not creating a disproportionate compliance burden, which will drive increased costs into the system. Finally, the question of enforcement and levying of penalties against not for profit entities funded by industry will need careful consideration.

Stakeholder Advisory Forum (SAF)

- G. We believe that Ofgem should re-evaluate and define more precisely the issues with industry panels it believes it needs to resolve. If Ofgem can direct the subject areas that panels have to consider and work on, are panels still the “wrong bodies” to be in the position of considering them? Ofgem should ask itself: what it is that panels do that Ofgem would not want the new forums to do – and what do they not do that the new forums will do?
- H. There is a lack of detail on the proposed SAFs and how they can deliver value to the ongoing operations and transformation of the energy industry, we believe Ofgem needs to carefully consider the appropriate governance of any such forum to ensure that they continue to perform a valuable role and do not just become a forum for lobbyists, the best funded or those who shout loudest;
- I. We believe Ofgem needs to examine in detail the way the BSC Panel is constituted and operates. The BSC Panel has a carefully balanced list of members to provide appropriate checks and balances and the BSC is one of a very few (or the only) code where provisions already exist that give Ofgem considerable influence over change and change prioritisation;
- J. It will be of utmost importance for CMs to retain access to industry expertise while developing the in-house expertise at the code manager.

In our response to the consultation questions below we focus on those questions where we believe we can add value and outline practical considerations and suggestions based on our role at the centre of the market. The views expressed in this response are those of Elexon Limited, and do not seek to represent those of the BSC Panel or Parties to the BSC.

If you would like to discuss any areas of our response, please contact Alina Bakhareva, Head of Strategy, External Affairs and Design Authority (alina.bakhareva@elexon.co.uk).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Simon', with a long horizontal flourish extending to the right.

Simon McCalla
Chief Executive Officer

Elxon's consultation response

Code Consolidation

Prior to commenting on the specific questions, we believe the following general considerations need to be taken into account when thinking about the code consolidation at the present phase of the reform:

- A. We believe there is a need to re-think the code consolidation now that code manager (CM) licensing is confirmed as a way to progress code reform.** Code consolidation and simplification was initially considered and discussed during the CMA Energy Market Investigation (2014-2016) and the subsequent Code Governance Reform project (2017), that is at least 6-7 years ago. In its response to the Code Governance Reform consultation in 2017 Elxon proposed code consolidation as an alternative to licensing of code managers in the belief that “consolidation of code administration services will probably bring more benefits than licensing”. We further developed and tested this idea with the industry in the subsequent phase of the code reform in 2019-2020. However, now that licensing is confirmed as a mechanism for Ofgem to direct code managers to deliver strategic change across markets, code consolidation could be argued to be a secondary issue and only worth pursuing where it will verifiably bring about a significant increase in effective delivery of the cross-code changes.
- B. There is a need to revisit the overall approach to improving code management services** – It is evident that a fundamental reform to code management (be it licensing, consolidation or any other route) takes a considerable amount of time. We strongly encourage Ofgem to consider simpler, incremental proposals that can help address known issues on a code-by-code and more timely basis. There are plenty of ‘low-cost’, prompt solutions that have been brought forward to Ofgem’s attention from as early as 2009 onwards. While the fundamental reform is ongoing (that is the introduction of code manager licensing), those prompt code-by-code solutions, which can address most burning issues in code management, need to be assessed and implemented as soon as possible.
- C. There is a strong need to revisit the rationale for code consolidation and evidence from the last 6-7 years of code development** – As noted above, the idea to consolidate energy industry codes was initially considered as early as 2015-2016. Recognising concerns raised by the industry and summarised under the CMA Energy Market Investigation and the subsequent Code Governance Reform, energy code administrators/managers have introduced a number of improvements to the codes and to the code processes, for example, in terms of engagement with the existing market participants and new entrants. Other developments in the industry codes included:
- A new dual-fuel Retail Energy Code (REC) was developed and launched, which has many elements of the proposed code manager functions
 - A number of digital codes have been introduced, whilst several other digital codes are still in development
 - In gas central services, a new business model has been developed with Correla’s span-off from Xoserve
- These new developments need to be examined and taken into account when thinking about the best way to address perceived deficiencies and drawbacks of the energy industry codes and their management.
- D. It is of prime importance to take into account the present market conditions, ongoing major industry-wide projects and resource availability across the industry, including at Ofgem** – The energy market has undergone a fundamental change since 2015-2016 in

terms of long-term and short-term market stability, liquidity, the number of market participants, etc. At the same time, a number of new large-scale industry-wide projects have been initiated (e.g., FSO creation, the review of DCC governance, the change to Elexon ownership, the MHHS Programme, etc.) which call upon the same organisations, resources, processes and systems across the industry. This means that there could be very limited capacity across the industry to take on another major programme of work such as consolidation of codes in the next few years.

- E. **It is necessary to look at the nature of code consolidation** - Whilst the concept of having fewer codes/code managers to interact with and maintain is undoubtedly still attractive (where this is sensible and delivers a benefit to parties), it needs to be carefully considered whether this will in fact reduce complexity. We believe there is merit in considering consolidation of code management (rather than of the codes as legal contracts) as the first step. Alignment of processes and a sharing of best practice will bring tangible benefits across industry, including to new market entrants. In this context, there is also the potential to look at examples from other industries.

Q1: Do you agree with the design principles proposed to frame our assessment of code consolidation options? If 'no', please explain why.

Elexon mostly agrees with the identified design principles, subject to the above general considerations. The design principles proposed for assessing code consolidation options seem to build a sound foundation; however, as an overall principle, we believe that it is essential to keep at the forefront the outcomes that the Energy Code reform project should be enabling, namely reducing barriers to the energy transition through promoting delivery of the trilemma of affordability, security of supply and net zero/sustainability. All the proposals should be tested against whether they will assist or hinder this pathway.

Q2: What are your views on the high-level options for code consolidation we have described ('no consolidation', 'vertical' & 'horizontal')? We welcome input on the possible benefits/dis-benefits of each option.

We broadly agree with Ofgem's assessment of the benefits and dis-benefits of each approach to code consolidation: 'no consolidation', 'vertical' and 'horizontal'. There is a need, however, to acknowledge that industry codes are complex for a reason, and not to raise false expectations as to the degree of simplicity that can be achieved (whilst still wishing to push this as much as possible).

Codes are multi-party agreements or contracts, which exist to set out clear and detailed rules of engagement in markets that are becoming rapidly more complex with the introduction of new low-carbon technologies and innovative business models. The markets' low-level rules have to be set out in a manner that is ultimately legally robust so that the parties' obligations to each other are clear and are not subject to various interpretations. This level of clarity and detail will provide the necessary level of confidence to companies looking to invest into these markets.

It is far from clear how code consolidation can reduce this complexity and we urge Ofgem to avoid the expectation that consolidating codes will per se reduce their complexity to any material extent. "Dumbing down" the codes may well lead to ambiguity in them – and potentially, therefore, to issues and disputes arising. Furthermore, there will be other contracts that are based on the rules within the codes, which would also therefore need to adapt accordingly. This should be borne in mind when looking at the potential benefit arising from any proposed changes.

The above argument leads us to suggest consideration of the nature of code consolidation - codes themselves or code management activities. Whilst the concept of having fewer codes to

interact with and maintain is still attractive (where this is sensible and delivers a benefit to parties), we believe there is merit in considering consolidation of code *management* (rather than of the codes as legal contracts) as the first step. Alignment of processes and sharing of best practice will bring tangible benefits across the industry, including to new market entrants.

Q3: Do you agree with our initial preference to explore vertical code consolidation options and, if so, do you have any observations on the potential models set out in Cornwall Insight's April 2022 report? We welcome specific views on the following:

- **Whether the UNC and IGTUNC should be consolidated;**
- **If/how to consolidate the electricity codes;**
- **Whether the REC and SEC should remain separate; and/or**
- **Whether the consolidation of any codes should be prioritised, and if so, why.**

The decision to consolidate codes needs to be rooted in a cost-benefit analysis, which takes into account the practical aspects of such a project as well as considering alternative options to deliver improvements in code management processes, which fall short of actual consolidation itself. Shared best practice, and avoidance of duplicated resources and activities should also form part of this consideration. We would advocate a pragmatic step-by-step approach to consolidation where there are clear efficiency gains and a gradual clustering of codes based on marginal benefits, rather than just looking at the end point.

Additionally, a serious consideration is required on the timing of any potential consolidation of code management function. Ofgem should explore alternative ways to work with the codes so that alignment takes place more along the ways in which code parties organise themselves and their contents, i.e., examining which elements logically sit together (e.g. charging, connections, access). If parties believe so, market issues and network charging could be moved between different Codes, for example the BSC and CUSC.

Ultimately, any assessment of code consolidation options must be approached from the perspective of those that interact with the codes – existing and new industry participants and code parties.

Q4: Do you agree with our preferred implementation approach (Option 2)?

- **If so, do you have any additional observations on what we should consider when further developing this approach, including which code provisions should be considered within the scope of governance arrangements?**
- **If not, please provide details.**

We would like to note the scale of work required across the industry, including Ofgem and other key central bodies, to deliver net zero and the importance of focussing industry's resources on those initiatives and industry-wide work streams that clearly accelerate the progress towards net zero.

We would suggest that code management function consolidation could be achieved in a more expedient way once Ofgem is nominated as a Strategic Body and a new CM licence regime is in place. Ofgem would be able to drive consolidation of code managers and delivery bodies through allowing code managers to take on responsibilities for more than one code. This could make governance more consistent and coordinated, and could in time lead to consolidation of the codes themselves (or their relevant sections or provisions).

Code Manager Licensing

Q5: Are any of the contents we have identified for the licence conditions unnecessary, or, would be more effectively covered outside of the licence (e.g. in the codes)?

Licensing of the CM function is set to become one of the key elements of the future proposed framework for central services, therefore, it is critically important to get it right. We strongly believe that developing a proportionate, light-touch, outcome-based licensing regime should be Ofgem's and industry's priority (as opposed to, e.g. continuing to consider consolidation at this phase of the code governance reform) as it will shape the future for central services in the energy industry. The new licensing regime will have to support the transformation of the energy industry on its journey to net zero rather than instigate more compliance and reporting requirements. The reporting should not be overly burdensome and should not come at the expense of actually delivering the required programmes and changes.

We believe that CM licences do not need to contain/cover matters that are already dealt with under the existing codes (i.e. in the BSC), by the general law (e.g. corporate law, directors' duties and accounting standards) and by recognized and universally accepted good governance practices.

As noted in Elexon's response to the previous consultation, there is a need to consider funding of the CM function and the not for profit (NFP)/for-profit distinction in considering the appropriateness of some licence conditions. In circumstances where a code manager is a not-for-profit entity (e.g. Elexon, RECCo), the potential application of any enforcement and fines needs to be carefully thought through in relation to an activity, which is not carried out for commercial gain and is funded by industry. In addition, if penalties are levied, they will eventually work through the system into higher customer costs. This would also require the creation of regulation and compliance teams, at additional cost, to ensure that penalties were avoided.

Q6: Are there any additional areas that should be subject to licence rules?

The present Call for Input does not address one of the issues discussed under the previous consultations (2017, 2019) of whether code manager licence should also cover the central industry delivery systems.

We strongly believe that an end-to-end approach to code and system management delivers the most coherent change required for the energy industry to deliver on the net zero commitment. An end-to-end model avoids unnecessary duplication or handoffs whilst reducing the potential for something to be missed, and naturally drives towards more timely development and decisions on change.

We believe central system delivery bodies need to coordinate better with code managers and that this is best achieved under an end-to-end model that has code management and central system delivery under the same organisation. Where the end-to-end model does not exist and Ofgem introduces licensing for code managers, it is appropriate for central system delivery bodies also to be licensed (provided it is proportionate) in order to cooperate with the code manager. Where the end-to-end model exists, we believe the incentive to cooperate already exists and separate licences are not required.

Q7: Do you agree with our indicative prioritisation for policy development, and do you identify any specific dependencies that you think we should factor into our policy considerations?

We agree with some of the priorities, identified by the Call for Input - e.g. supporting, engaging and consulting stakeholders and decision-making; addressing conflicts of interests, producing a delivery plan in line with the strategic direction and reporting on the progress.

As stated in our answer to Q5, it is of prime importance to ensure that a code manager licence regime is proportionate, light-touch and outcome-based, and does not create unnecessary duplication or overlap with the general law or best practices already in place through some code provisions.

| Licence content and priority – as per the Call for Input | Ellexon's view |
|---|--|
| Definitions and how to interpret the licence | Should be included |
| Code governance and requirement to become a party to and comply with the relevant code | Should exist in Parties' licences – as it does already |
| Dispute resolution requirements | These already exist in many codes so this is somewhat duplicative. Given that, we would suggest, if at all, only at a high level, with any detailed requirements, processes and KPIs detailed further in the code itself or code subsidiary document |
| Conflicts of interest (Priority) | We agree, this is a priority area. Lessons should be taken from other existing licences (e.g. Smart DCC licence) as to how detailed this requirement needs to be |
| Requirement to tender for services or to contract with current code administrators | We would suggest that tendering for services is general good practice, where appropriate and that it is overly prescriptive - and not light touch – to include it as an express requirement. In relation to the requirement to contract with current code administrators, this will depend on Ofgem's proposed way forward. |
| Data handling | Data has become an important asset in developing new services/products for the customers. It is likely that data and access to data will continue to be an important driver of innovation, and a very dynamic area where change may be needed often and in an agile way. It is important to recognise existing best practices and existing standards that apply to data handling in order a) not to duplicate other existing data standards, b) not to reverse progress on open data made in the last several years, c) not to hinder further progress in this area |
| Corporate and financial controls (Priority) | There needs to be a careful consideration given as to what needs to be included under this licence condition to exclude overlaps with general law (e.g. corporate law, directors' duties and accounting standards) |
| Supporting, engaging and consulting stakeholders, and decision-making (Priority) | We agree, this is a priority area; however, the CM licence needs to contain a general requirement with further detailed provisions to be developed/included in the codes or code subsidiary documents. There is also a question about the requirement for a reciprocal obligation on Parties themselves (see discussion under stakeholder advisory forums below) |
| Cooperation and cross-code working | This is priority area in order to reach the stated objectives of the energy codes reform |
| Budgets (related to code manager funding) (Priority) | Again, this is already covered in the codes themselves and it seems overly prescriptive to include it as a licence condition |
| Incentives and any links to revenues (Priority) | We agree this is a priority area to <u>resolve</u> as there is no clarity or detailed discussion at present. However, that does not mean that we believe incentives are appropriate to |

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| | include in code manager licences for NFP bodies. We note the comments in Ofgem's recent DCC consultation that there should not need to be any explicit financial incentives on the organisation to drive quality of service and that incentive structures of complex operations can be difficult to design and imperfections can have unintended consequences. It was further noted there that, in a NFP model, it was expected that the [DCC] Board would be able to respond to the needs of [DCC] users through the accountability route, thus removing reliance on an incentive structure. This would also address the challenge of incentivising an asset light organisation like [DCC]. There is a strengthening trend for adopting a NFP model for central services bodies; therefore, it will be important to consider this licence area as it may be applicable to more than one code manager/ central delivery body |
| Charging methodology – code manager funding (Priority) | Only at a high level as detailed provisions are already included into relevant codes. Having charging methodology detailed in the licence will present an unnecessary duplication |
| Production of a delivery plan consistent with the strategic direction (Priority) | Only at a high level with detailed provisions to be incorporated into codes if absent at present |
| Complying with the delivery plan and reporting on progress (Priority) | Only at a high level with detailed provisions to be incorporated into codes if absent at present |
| Obligations towards Ofgem and BEIS | Only at a high level with detailed provisions to be incorporated into codes if absent at present (in recognition that some codes already have such obligations) |
| Ease of use of the code | Only at a high level with detailed provisions to be incorporated into a code/code management if absent at present |
| End of licence term and code manager of last resort arrangements | The inclusion and scope of any provisions will depend on whether code managers are appointed for a fixed or open term. We do not favour the former approach. |

Q8: Are there any issues that we should take into account when considering moving the current 'code owner' licence provisions to the new code manager licence (such as unintended consequences)?

No comment

Stakeholder Advisory Forum

In light of our earlier comments on the need to reassess the original premise for energy code reform and the most appropriate way to bring about the change, where it is most needed, we would like to suggest that Ofgem should re-evaluate and define more precisely the issues with industry Panels it believes it needs to resolve. Panels do not create the complexity that is highlighted as an issue, they have to manage it; Panels do not administer processes slowly; they work within the processes in place. Panels bring huge benefit in terms of industry expertise and, effectively, free consultancy and scrutiny. If Ofgem can direct the subject areas that Panels have to consider and work on, are Panels still the “wrong bodies” to be in the position of considering them? Ofgem should ask itself: what it is that Panels do that Ofgem would not want the new forums to do – and what do they not do that the new forums will do? It may well be that such an exercise would help to devise a better solution, potentially within an adjusted framework, rather than “throwing the (current) baby out with the bath water and then trying to

conceive a new baby”. Each code Panel is unique, so further insight may be gained from comparing the Panels for different codes and identifying what needs to change for each Panel.

When it comes to the BSC Panel (please see answer to Q11 for more details), it brings enormous benefit in terms of a wide industry expertise and, effectively, free consultancy and scrutiny for any decision that then goes to Ofgem for approval. The BSC Panel has established six Panel Committees to support it in fulfilling its various duties, and a number of industry groups also meet regularly to discuss issues arising from the BSC. Membership of the committees and groups is drawn from the industry. Panel Committee Members must act impartially and not be representative of any one Party or class of Parties.

Q9: What do you think the stakeholder advisory forums’ key roles and/or functions should be, and what areas (other than code change) should the forum(s) potentially have a role in?

A considerable amount of work was done by BEIS and Ofgem in formulating some initial suggestions for the roles and responsibilities of the Stakeholder Advisory Forums in 2019 and 2021 consultations. We strongly encourage Ofgem to formulate their detailed suggestions based on the responses provided by the industry in 2019 and 2021, as in absence of further detail, it is hard to meaningfully contribute to the questions and take forward proposals, which were formulated at a high-level earlier in the reform.

We would like to reiterate the following positions:

- It is important to maintain industry engagement with code managers. It needs to be clear how that engagement will be encouraged. As noted above, Ofgem envisages an obligation on code managers to support, engage and consult stakeholders; it may be that there should be an obligation in parties’ licences – or in the code - for the code parties to participate in the stakeholder advisory forums, either directly or through, for example, a representative appointed for that class of party;
- It is important to ensure the checks and balances are put in place through the constitution of SAFs and the formal Terms of References, i.e. creating a balance between the various types of stakeholders. This would help avoid the danger of the SAFs just being populated by parties directly affected by an issue, or not bothering to turn up when they are not affected;
- “Advisory” suggests a lack of executive responsibility, but there is a fundamental need for the governance role occupied by the Panels. The industry values the checks and balances they provide to give parties assurances that any changes to the Codes are appropriate. New entrants and innovators need to know that the industry is not dominated by, for example, large parties or well-funded lobbyists. It will not be satisfactory for this simply to become a free-for-all of who shouts loudest or is best funded, or to transfer this governance responsibility to the CMs which may have their own interests, or simply lack capability and capacity to carry it out. Ofgem needs to explicitly examine the governance structures involved in the move to SAFs.
- Industry participation in change development is important. Therefore, it is essential that work groups continue. The central bodies and systems cannot operate or evolve in isolation – to allow the market to function effectively there is a need to ensure that all IT infrastructure “talks” to each other;
- An important concern over a more voluntary nature of SAFs is that the industry may become disengaged in the code change process and the code managers will lose the necessary input into the code and central system development. Code bodies work with industry experts to help develop and implement change and we do not believe that a voluntary stakeholder forum will retain the interest and participation of industry, particularly when industry workforces are being cut to drive efficiency.

Q10: What options/issues should be considered in terms of constituting the stakeholder advisory forum(s), in terms of membership and securing appropriate representation?

In our view SAF(s) will have to build on and combine the best practices from the existing panels and their operations in order to start delivering value early on. The below will be important aspects of SAF to detail further:

- Objectives
- Powers/Functions
- Composition and membership
- Appointment of members and the Chairman
- Duties and an obligation to act impartially
- Voting and quorum
- Attendance by other persons
- Permanent or temporary sub-groups
- Reporting requirements if any
- Expenses and remuneration

Q11: Are there any lessons learnt (either good or bad) from the current code arrangements that should be considered?

We believe Ofgem needs to examine in detail the way the BSC Panel is constituted and operates. BSC is one of a few (or the only) codes where provisions already exist that give Ofgem considerable influence over change. This includes the capability for Ofgem (or the Authority) to, at any time, request that the BSC Panel reprioritise modifications, and amend timetables for the development, assessment and implementation of changes. Ofgem has never had the need to execute such provisions, which could be taken as evidence that the BSC Panel and Elexon operate in a way that satisfies Ofgem.

Below is the summary of the key features of the BSC Panel (the Simple Guide to Section B of the BSC Code can be found here for more details <https://bscdocs.elexon.co.uk/simple-guides/section-b-the-panel>):

- All Panel Members are required to act impartially and not as representatives of any organisation/sector. This means that when they vote on changes they are required to explain their reasons as to why changes would make the arrangements better or worse than currently, using 'Applicable Objectives' developed by Ofgem
- The Panel has clear objectives set out in the BSC, which include the need for the Panel (and Elexon) to give effect to the Code 'without undue discrimination between Parties or classes of Parties' and also to ensure that 'there is transparency and openness in the conduct of the business'
- An independent Chair
- The Panel composition draws on a wide range of energy industry experts:
 - Two members appointed by organisations representing consumers (Citizens Advice, however Ofgem has the power to assign to other consumer groups);
 - Five industry members, elected by BSC Parties;
 - Two members who are independent of BSC Parties are appointed by the Chair, these have historically included individuals who have expertise in policy, economics or governance from academic or (non-energy specific) industry;
 - A member appointed by the NG ESO who does not vote on modifications;
 - A person appointed by Distribution System Operators as their representative but does not vote on modifications;
 - A person appointed by Ofgem as their representative but does not vote on modifications;
 - As the BSC code manager Elexon's Chief Executive attends but does not vote;
 - The Chair can also appoint an additional 'industry member' where they feel that a particular area of insight from the industry is missing.

It is important to note that voting rights for Panel elections are aligned to the concept of 'Trading Party Group'. This effectively levels the playing field between large and small Parties (so a big 'Trading Party Group' gets the same number of votes as a small, non-vertically integrated BSC Party and no Party can dominate voting by having multiple 'Parties').

We anticipate that Ofgem, having established a Strategic Body function and code manager licensing regime, will have equivalent powers over other codes as it already has over the BSC. We would argue that most, if not all, attributes and requirements for impartiality can be replicated to other codes as one of the 'quick wins'.

END