



IGov Primer

Energy Industry Codes and Licenses

Context

IGov has consistently argued that the codes and licences that govern the energy system in GB need to change in order to better enable a low carbon transformation. Our thinking and research has included blogs, consultation submissions, a roundtable event, a number of papers and case studies. Our take away message is that self-regulation of Codes should cease and should be replaced by a Code Manager. Detailed information on all our outputs, in chronological order, are below.

For a detailed overview of energy industry codes, the issues they create and some solutions to these we recommend our [2015 working paper](#). For a higher level overview we recommend the 2017 journal article in [Utilities Policy](#) (open access). For an understanding of how we see code reform and management fitting into a new fit-for-purpose governance framework for GB see our two September 2019 briefings: [Getting energy governance right: Lessons from IGov](#) and [Enabling the transformation of the energy system: Recommendations from IGov](#).

2019

- Sept (Submission) EPG submission to BEIS / Ofgem Consultation on [Reforming the Energy Industry Codes](#) Sets out our views on the proposal Models for code reform and the need for wider system thinking.
- Sept (Briefing) [Getting energy governance right: Lessons from IGov](#) looks at the crucial role of governance in getting to net zero, including suggestions for a new governance framework and how codes fit into that
- Sept (Briefing) [Enabling the transformation of the energy system: Recommendations from IGov](#) sets out the arguments for a new coordinating body: the Energy Transformation Commission
- Apr (Submission) to [National Infrastructure Commission: 'The Future of Regulation Study' Call for Evidence](#) highlights links between regulatory change and energy codes
- Feb (Presentation) Presentation to the [BEIS / Ofgem – Energy Code Review Workshop's](#) to share the IGov research and thinking on the need to reform the energy codes.

2018

- Jan (Blog) [Waiting for the ER P2/6 review](#). Case study of codes impact on system change, looking at the process and review of updating industry standards for security of supply. It highlights the role of code governance and the way in which this can slow down such processes.

2017

- March (Blog) [The embedded generator saga and codes governance](#). Responding to Ofgem's announcement on cutting embedded benefits. This is an example of why code governance is not fit for purpose, is unduly influenced by incumbents and can lead to perverse outcomes.
- July (Blog) [A new development in code governance](#). Another case study on code governance, highlighting a proposed modification to the Connection and Use of System Code, put forward by a small actor within the energy system.
- August (Paper) [The governance of industry rules and energy system innovation: The case of codes in Great Britain](#). Academic paper in Utilities Policy summarising IGov work on codes.

2016

- Mar (Blog) responding to [CMA summary of provision decisions](#) Highlighting our view that the CMA ducked the real issue of code self-governance in their decisions.
- Sept (Paper & Presentation) [Innovation and the governance of energy industry codes](#) paper that brings together much of our thinking to date looking on energy industry codes & their governance, summarised in this accompanying [presentation](#).

2015

- April (Submission) To CMA on their [updated issues statement](#). Welcoming their broadening out of the theories of harm to include a 5th theory of harm on code governance.
- July (Blog). [The CMA on governance part 1: codes](#). Summary of our view on the CMA provisional findings in relation to codes & their governance, includes overview of the importance of codes.
- Aug (Submission). CMA on their [Provisional Findings and Possible Remedies](#). Our views on industry-led system code governance and how that should change to ensure new system actors and system change are not hindered. Also called for a simplification of the length of codes.
- October (Roundtable) IGov Code Governance for the 21st Century event. Looked at the principles for reforming code governance. The [agenda](#), [aims](#), [attendees](#) are all available along with an IGov [presentation](#) setting out the history, context and issues with code governance.
- Nov (Discussion Paper) On [Code Governance and Reform](#). This paper wrote up the findings of the above roundtable covering: a summary of existing codes; a history of efforts to reform them; an overview of the issues raised (improving information & access; code simplification & consolidation; code governance, administration and architecture). Plus our recommendations.
- Nov (Submission) To [CMA Code Governance: info request to industry participants](#). Sets out our position on the CMA's work on codes, setting out the IGov approach for code governance reform and a response to the CMA questions to industry participants.
- Dec (Working Paper) [Innovation and energy industry codes in Great Britain](#). Provides detailed insights on codes: their importance; governance; the case for reform; and an agenda for reform.
- Jul (Presentation) [The UK energy system- the challenge of institutional inertia](#). A presentation to a STA event looking specifically at codes and licenses and the issues they create in terms of system inertia.

2014

- Feb (Submission) [DECC consultation on Industry code and licence modifications](#). Flagging why we felt code and licence governance needed to be reviewed to reflect system change, sustainability objectives; and the need to better governance of code panels and review processes.
- Aug (Submission) To CMA [The Energy Market Investigation Statement of Issues](#). Sets out why we think codes & licences are not fit for purpose; calls for them to be brought into the investigation.
- Dec (Oral Evidence) To CMA hearing ([opening statement](#)). Setting out the context of governance in shaping system change and how this is constrained within decision making & codes.