

CACoP

Code Administration Code of Practice

2021 CACoP Report

Version 1.0

11 January 2022

ABOUT THIS DOCUMENT

This report provides a review of the work and output of the Code Administration Code of Practice (CACoP) Forum during 2021.

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1. INTRODUCTION

The CACoP was established following Ofgem's Code Governance Review in 2010. The purpose of the CACoP is to facilitate best practice and transparency in the Code modification processes while also helping to protect the interests of small market participants and consumers through the adoption of key Code administration principles. The CACoP is underpinned by 14 principles, which are available on [Ofgem's website](#) along with additional information regarding the CACoP.

As part of this, the Code Administrators have set up a Forum to meet and discuss cross-Code changes, facilitate joint working, discuss potential improvements to the principles, and consider additional methods to further the objectives of the CACoP. The Forum is here for energy Code Administrators to collaborate, share best practice and make navigation of all energy Codes easier for all industry participants.

The CACoP Forum has been established to allow Code Administrators to collaboratively:

- Identify cross-Code impacts from change and facilitate joint Workgroups, including:
 - Reviewing knock-on changes including recommendations and suggestions; and
 - Discussing impacts across multiple Codes;
- Share best practice for Critical Friend discussions;
- Strive for continuous improvements across the Codes and Code Administrators (outside of the Code(s) review);
- Innovative Code practices; and
- Enhance Code transparency.

2. CHAIR'S REVIEW OF 2021

In 2021 the CACoP Forum was chaired by Gemserv as the Code Administrator of the Master Registration Agreement (MRA).

Following on from 2020, 2021 was a similarly challenging year as the industry continued with new ways of working in response to the coronavirus. The Forum continued to meet by teleconference and met this way throughout 2021. Despite the continuing challenges, all the Codes on the Forum continued to provide a full or near-full as possible service across the whole year, within the government's restrictions, supporting their Parties during this time.

The industry continues through a period of great change, with several Ofgem-led Significant Code Reviews (SCRs) continuing. Of particular focus to the Forum has been the Retail Code Consolidation (RCC) and Faster Switching SCRs. Through the RCC SCR, the Retail Energy Code went live on 1 September 2021, and the MRA and the Supply Point Administration Agreement (SPAA) were closed at the same time. The Forum welcomed representatives from the REC and thanked the MRA and the SPAA for their input into discussions and products over previous years. Many Forum members have also been inputting to the delivery of Market-wide Half-Hourly Settlement (MHHS) arising from the Electricity Settlement Reform SCR. This is expected to have a much greater impact on Codes in 2022 as modifications begin to arise from this.

As part of the REC was the creation of the Cross-Code Steering Group (CCSG), whose role is to review all new Modifications raised across many of the Codes to identify and co-ordinate any potential cross-Code impacts. The Forum will continue support and facilitate the development of cross-Code change arising from Code modifications or from SCRs.

2022 also saw the delivery of a central CACoP website, which you can find at cacop.co.uk. This is the culmination of two years work by the Forum in response to feedback from stakeholders that a central location for CACoP and cross-Code information would be of value. This website, which went live in October 2021, is now the home of CACoP products such as the Central Modifications Register, the Horizon Scanner and the Newsletter, and Code parties can now subscribe to the latter directly through this website. The website also hosts a central calendar covering all Code Panel and Modification Workgroup meetings.

The Forum set out several specific areas it wanted to work on at the beginning of 2021; its progress against these is discussed in the next section. In 2022, the Forum's chairmanship will rotate to the REC, and Gemserv will continue to chair the Forum as the REC Professional Services provider. The 2022 Forward Work Plan will be agreed by the Forum in January 2022.

3. REVIEW OF THE 2021 FORWARD WORK PLAN

At the beginning of 2021, the CACoP Forum agreed a Forward Work Plan setting out the activities it planned to achieve across the year. This section reflects on the progress made against each area.

IMPLEMENTING AND INTEGRATING THE CENTRAL CACoP WEBSITE

Feedback was received via the 2019 CACoP Survey and Engagement Day that several Parties would be keen to see a central CACoP website for hosting CACoP-related information, to facilitate access to information as efficiently as possible.

The Forum developed the requirements for this website, secured a quote from developers and prepared a business case for the website in 2020. Following general support for the business case and costs from Code Panels, the Forum agreed in February 2021 to proceed to implementation. The website was successfully launched in October 2021 and can be found at cacop.co.uk.

The Forum has also worked to embed this website into the Code Administrators' working practices to ensure full and timely updates of website material are provided for users. Going forward, Forum meeting materials and the CACoP products will only be hosted on the central website, with the Code Administrators' websites providing links to this.

The Forum also defined a set of success criteria in July 2021, which will be measured against in May 2022 once the new website has been live for six months.

COLLATING INFORMATION AND GUIDANCE ON CODE PROCESSES

In 2020, the Forum investigated whether to develop guidance notes to provide Parties with a succinct summary of the processes across the different Codes in one easy-to-read document. This work was put on hold until the central CACoP website was in place, so that any guidance could be effectively integrated into this. It also intended to examine how a centralised glossary of industry terms could be produced through the central website.

The Forum had planned to return this area in the second half of 2021, following the implementation of the central CACoP website. However, delays with the development and testing of the central website meant this was implemented later in the year than originally envisioned in the 2021 Forward Work Plan. As a result, the Forum did not had time to follow up on these guidance notes in 2021. The Forum will determine whether to continue with this proposal in 2022.

ASSESSING AND DOCUMENTING THE IMPACTS OF CHANGE

The CACoP Forum undertook a review of the 'impacts of change' section of the modification proposal form and Modification Report templates. It looked at whether the approach to identifying and documenting the impacts and costs of change, whether on central systems, Parties or other Codes, can be improved.

In October 2021, the Forum concluded that the current sections are broadly fit for purpose but considered that including a consistent ‘check-list’ of Party types that could be impacted by a modification would be beneficial. Proposers and Code Administrators would be able to use this when considering which Party types could be affected by a proposal. In December 2021, the Forum considered a proposal for a central list of Party types to be developed and published on the central website, which Code Administrators could then draw from. This will be implemented in early 2022.

EMBEDDING AND REVIEWING THE CONSUMER BENEFIT ANALYSIS APPROACH

In October 2020, the CACoP Forum implemented a common approach to assessing the benefits of change on the end consumer. Its agreed approach was captured in a guidance note which is now published on the central CACoP website, and each Code Administrator updated their templates and working practices to incorporate this. The Forum agreed to review how this approach was going after six months.

In June 2021, the Code Administrators shared their feedback, experiences and lessons learnt. Noting this, the Forum agreed that the approach is working well and that no changes were required.

REVIEWING THE APPLICABLE CODE OBJECTIVES

The CACoP Forum agreed to undertake a review of the Applicable Code Objectives, to assess if they continue to align with the current drivers for change. In particular, the Applicable Code Objectives do not make any reference to the benefits for end-consumers, despite this becoming an increasingly important area of consideration.

Forum members provided their thoughts and feedback in October 2021. Members considered that the only notable admission was in relation to whether a change is beneficial to consumers, meaning Panels cannot technically consider this when providing recommendations or making decisions on change.

The Applicable Code Objectives are set out in the corresponding Licences, and so any changes would need to be progressed by Ofgem. These changes would fit best under the wider energy Code governance review, and so a recommendation on this on this will be deferred until a suitable point in this review. The Forum will then submit its views to Ofgem as part of a consultation response.

DEVELOPING A CONSISTENT APPROACH TO IDENTIFYING CROSS-CODE IMPACTS

A key goal of the CACoP Forum is to identify cross-Code impacts arising from modifications, and ensure any consequential modifications are raised and progressed in a timely and holistic manner. A variety of different approaches are taken between different subsets of Codes to this, with different degrees of success.

In 2021, the CACoP Forum proposed to review its current approaches to identifying and subsequently co-ordinating cross-Code changes and develop a best practice approach that all the Code Administrators can then adopt.

Responsibility for assessing and co-ordinating cross-Code change has now moved to the CCSG following its creation in September 2021. As a result, the Forum will not now monitor review cross-Code changes, to avoid duplication of effort between the two groups. The Forum now receives updates on the CCSG's discussions, as well as updates on potential cross-Code changes from those Codes not on the CCSG.

REVIEWING THE CACoP FORUM'S TERMS OF REFERENCE

The CACoP Forum's terms of reference were last reviewed and agreed several years ago and have not been reviewed since. The Forum subsequently undertook a full review of its terms of reference to ensure they remain fit for purpose.

The Forum reviewed and subsequently approved updated terms of reference in September 2021, and these are now available on the central CACoP website. Updates to the terms of reference included provision for voting on decisions that would incur costs from the Code Administrator organisations to deliver and, introducing a means for Codes to appeal any Forum decision, and updating the provisions for any confidential material provided to the Forum.

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