

Designation Notice under paragraphs 1(1)(b) and 1(5) of Schedule 12 to the Energy Act 2023 designating certain documents and central systems for the purposes of Schedule 12 to the Energy Act 2023

1 Background

- 1.1 Schedule 12 to the Energy Act 2023 (**Schedule 12**) provides certain powers to the Gas and Electricity Markets Authority (**GEMA**) in relation to "qualifying documents" and "qualifying central systems" for the purposes set out in paragraph 2 of Schedule 12.
- 1.2 Pursuant to paragraph 1(1)(b) of Schedule 12, qualifying documents are those documents maintained in accordance with conditions of a relevant licence and which are designated for the purposes of Schedule 12 by notice given by the Secretary of State.
- 1.3 Pursuant to paragraph 1(5) of Schedule 12, qualifying central systems are central systems that are designated for the purposes of Schedule 12 by notice given by the Secretary of State.
- 1.4 On 10 December 2024, the GEMA, having consulted such persons as it considered appropriate, made a recommendation (the **Recommendation**) to the Secretary of State that he should designate certain documents and central systems specified in the Recommendation for the purposes of Schedule 12.
- 1.5 The date of this Designation Notice is 29 January 2025.

2 Designation of codes

- 2.1 The Secretary of State, having received the Recommendation to do so from the GEMA pursuant to paragraph 1(7) of Schedule 12, hereby gives notice pursuant to paragraph 1(1)(b) of Schedule 12 that each of the following documents (being documents specified in the Recommendation) is designated for the purposes of Schedule 12:
 - (a) the Balancing and Settlement Code (**BSC**), being the document of that title maintained in accordance with Condition E1 of the electricity system operator licence granted pursuant to section 6(1ZA) of the Electricity Act 1989;
 - (b) the Connection and Use of System Code, being the document of that title maintained in accordance with Condition E2 of the electricity system operator licence granted pursuant to section 6(1ZA) of the Electricity Act 1989;
 - (c) the Grid Code, being the document of that title maintained in accordance with Condition E3 of the electricity system operator licence granted pursuant to section 6(1ZA) of the Electricity Act 1989;
 - (d) the Distribution Connection and Use of System Agreement, being the document of that title maintained in accordance with Standard Condition 22 of an electricity distribution licence granted pursuant to section 6(1)(c) of the Electricity Act 1989;
 - (e) the Distribution Code, being the document of that title maintained in accordance with Standard Condition 20 of an electricity distribution licence granted pursuant to section 6(1)(c) of the Electricity Act 1989;

- (f) the System Operator Transmission Owner Code, being the document of that title maintained in accordance with Condition E4 of the electricity system operator licence granted pursuant to section 6(1ZA) of the Electricity Act 1989;
- (g) the Uniform Network Code (**UNC**), being the document of that title maintained in accordance with Standard Special Condition A11(6) of a gas transportation licence granted pursuant to section 7 of the Gas Act 1986 (a **gas transportation licence**);
- (h) the independent gas transporters' Uniform Network Code, being the document of that title maintained in accordance with Standard Condition 9(5) of a gas transportation licence;
- (i) the Smart Energy Code (**SEC**), being the document of that title maintained in accordance with Condition 21 of the smart meter communication licence granted pursuant to section 7AB(2) of the Gas Act 1986 and section 6(1A) of the Electricity Act 1989; and
- (j) the Retail Energy Code (**REC**), being the document of that title required maintained in accordance with standard condition 11B of an electricity supply licence granted pursuant to section 6(1)(a) of the Electricity Act 1989.

2.2 The designations set out in paragraph 2.1 shall take effect on the Designation Notice Date.

3 Designation of individual network codes

3.1 The Secretary of State, having received the Recommendation to do so from the GEMA pursuant to paragraph 1(7) of Schedule 12, hereby gives notice pursuant to paragraph 1(1)(b) of Schedule 12 that each of the following documents (being documents specified in the Recommendation) is designated for the purposes of Schedule 12:

- (a) the Network Code of each relevant gas transporter, being the document of that title maintained in accordance with Standard Special Condition A11(3) of a gas transportation licence;
- (b) subject to paragraph 3.3, the Network Code of each relevant gas transporter, being the document of that title maintained in accordance with Standard Condition 9(2) of a gas transportation licence.

3.2 For the purposes of paragraphs 3.1(a) and 3.1(b) respectively, a relevant gas transporter is a gas transporter in whose gas transportation licence the condition specified in that paragraph is in force, including (in the case of paragraph 3.1(b)) a gas transporter whose gas transportation licence is granted after the Designation Notice Date.

3.3 The designation of a Network Code under paragraph 3.1(b) is effective if,

- (a) the relevant Network Code is in force on the Designation Notice Date; or
- (b) on the date specified in paragraph 3.5(b), the Network Code does not contain any provision of a substantive nature other than the provisions of the independent gas transporters' Uniform Network Code incorporated into it by reference.

3.4 The designation of a Network Code set out in paragraph 3.1(a) shall take effect on the Designation Notice Date.

- 3.5 The designation of a Network Code set out in paragraph 3.1(b) shall take effect:
- (a) where the Standard Condition referred to in that paragraph is effective in the relevant gas transporter's licence on the Designation Notice Date, on that date;
 - (b) otherwise, on the date on which the Standard Condition referred to in that paragraph becomes effective in the relevant gas transporter's licence.

4 Designation of Central Systems

- 4.1 The Secretary of State, having received the Recommendation to do so from the GEMA pursuant to paragraph 1(7) of Schedule 12, hereby gives notice pursuant to paragraph 1(5) of Schedule 12 that each of the following central systems (being central systems specified in the Recommendation) is designated for the purposes of Schedule 12:
- (a) the central system operated by the Central Data Service Provider (CDSP) (as defined in Standard Special Condition A15 of the gas transportation licence) for the purposes of providing CDSP Services (as defined in Section D of the General Terms of the UNC). The person currently responsible for operating or procuring the operation of the central system is Xoserve Limited;
 - (b) the central system comprising the BSC Systems as defined in section X-1 of the BSC. The person currently responsible for operating or procuring the operation of the central system is Elexon Limited;
 - (c) the central system operated for the purposes of providing Data Transfer Services in accordance with Standard Condition 37 of the electricity distribution licence. The person currently responsible for operating or procuring the operation of the central system is ElectraLink Limited;
 - (d) the central system operated for the purposes of providing smart metering services, namely the Core Communication Services and Enabling Services as defined in condition 6.5(a) and condition 6.5(c) of the smart meter communication licence. The person currently responsible for operating or procuring the operation of the central system is Smart DCC Limited;
 - (e) the central system comprising the Central Switching Service, as defined in Schedule 25 of the REC. The person currently responsible for operating or procuring the operation of the central system is Smart DCC Limited.
- 4.2 The designations set out in paragraph 4.1 do not extend to any central system that is not in operation on the Recommendation Date.
- 4.3 The designations set out in paragraph 4.1 shall take effect on the Designation Notice Date.



Secretary of State Ed Miliband