

## How Code Administrators are preparing for Brexit

Dear Industry Members,

The withdrawal of the United Kingdom from the European Union (EU), known as Brexit, is scheduled for **23:00** on **29 March 2019**. As this date approaches, the UK will leave the EU, following a period of negotiation, unless an extension is agreed.

To prepare for Brexit, we are working closely with other Code Administrators (CAs), via the Code Administrators Code of Practice (CACoP) group to manage the potential changes that Brexit will bring. To ensure consistency across the industry, CACoP is collectively engaging with Ofgem and the Department for Business, Energy and Industrial Strategy (BEIS) to make the necessary amendments to industry codes and licences.

As the outcome of the EU Exit negotiations is not yet finalised, each CA has identified areas of their respective codes that may require changing. The extent of the changes will vary from code to code, we anticipate that such modifications will follow self - governance modification process, and all CAs are working together to ensure that potential changes are coordinated. In February 2018 Ofgem had carried out an equivalent exercise for industry licences and consulted on the joint findings.

Although the exact scope of the changes and final details of the UK's relationship with the EU are unknown, we have not identified any parts of our codes that being CUSC, Grid Code & STC that would be inoperable on Exit Day. This is because The 'European Union' (Withdrawal) Bill', also known as the 'Great Repeal Bill' will enable any EU legislation to continue functioning until UK laws are introduced to replace or amend EU equivalents. However, there may be a requirement for further modifications dependent on government policy and legislation brought into force but until we see this we will not know further. Ofgem are inviting any stakeholders who have concerns on the operability of the regulatory framework after EU exit to contact them at [EUExit@ofgem.gov.uk](mailto:EUExit@ofgem.gov.uk), alternatively you can forward any concerns to us on the contact details outlined below.

We have not received any advance information on proposed changes that are not already in the public domain. Until further information is released on how EU legislation may be incorporated or replaced in UK law we are unable to make the required changes to our codes. This may mean that they will remain unchanged after Brexit day until new UK legislation comes into force. By working with other CA's, Ofgem & BEIS, we will ensure that you are informed of any announcements that will impact industry codes as soon as possible, and remain committed to ensuring a smooth transition for the UK's departure from the EU.

For any queries or if you would like to discuss further please contact myself or Rachel Hinsley Senior Frameworks Officer us via [box.codes.mce@nationalgrid.com](mailto:box.codes.mce@nationalgrid.com)

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