

To the CEOs of Code Panels,
Central System Delivery
Bodies, Code Administrators,
Code Parties, and Licenced
Entities.

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Open Letter regarding Data Best Practice and its future in industry codes

Dear colleagues,

I am writing to you regarding the importance of Data Best Practice (DBP)¹ Guidance as Ofgem's primary tool for surfacing, sharing, and making interoperable, the data held by various actors in the energy sector; and how we expect this Guidance to apply to you in your roles as Central System Delivery Bodies (CSDBs), Code Panels, Code Administrators, and all licensed entities (Relevant Bodies). This Open Letter outlines our intention for DBP Guidance to be integrated into the industry codes, with a particular focus on entities which handle significant portions of data used by code participants (such as CSDBs).

In this letter we will outline our proposed approach for implementing DBP Guidance, including our expectations on activities undertaken by you to support this implementation.

Why Data Best Practice is expanding and why its progress is important to codes.

Data, and its availability, will be crucial in improving efficiencies across the sector and enabling connectivity of low-carbon assets at scale, ensuring benefits, both direct and indirect, are passed to consumers. This will drive the markets needed to ensure the energy system of the future develops effectively and at the lowest cost to consumers; including

¹ [Decision on updates to Data Best Practice Guidance and Digitalisation Strategy and Action Plan Guidance | Ofgem](#)

localisation of generation and systems, grid connections, and many other developments born of innovation. To achieve these aims, the energy system as a whole requires improvement at the foundational level in handling of data.

DBP Guidance is our primary tool for ensuring data is treated as an asset and used effectively for the benefit of consumers, stakeholders, and the public interest. This seeks to achieve the aims of the Energy Data Taskforce² and Energy Digitalisation Taskforce³ through the creation of a culture more focused on the value of data and the principle that Energy System Data is Presumed Open⁴. DBP Guidance has been utilised by Network licensees since November 2021,⁵ and has been reviewed in 2023, with our consultation decision published in August 2023⁶.

DBP Guidance is intended to improve overall data interoperability – the ability for datasets from disparate sources to interact through common syntax and formatting – which is a key requirement for synergising different datasets and creating additional value through being ‘more than the sum of their parts’. To achieve this across the industry codes, we will seek collective engagement and multi-lateral approaches to challenges to make data interoperable and avoid creating siloes.

In our September 2022 Call for Input⁷ and August 2023 Consultation Decision,⁸ we signposted our intent to require that data collected through the operation of industry codes is compliant with DBP Guidance. In this Decision, we stated that we consider industry codes to be the most logical next area of the energy sector to embed and expand the obligation to follow DBP Guidance, and that we planned engagement with relevant stakeholders in industry codes on this in the short to medium term.

² [Energy Data Taskforce | A Modern Digitalised Energy System \(catapult.org.uk\)](https://catapult.org.uk/energy-data-taskforce)

³ [Energy Digitalisation Taskforce publishes recommendations for a digitalised Net Zero energy system - Energy Systems Catapult](#)

⁴ Definition from DBP Supporting Information – “Presumed Open: The treatment of Data Assets, their associated Metadata and Software Scripts used to process Data Assets as Open Data, subject to Open Data Triage.”

⁵ This was also amended in the BSC modification P398, aimed at considering BSC data to be presumed open - [P398 'Increasing access to BSC Data' - Elexon BSC](#)

⁶ [Decision on updates to Data Best Practice Guidance and Digitalisation Strategy and Action Plan Guidance | Ofgem](#)

⁷ [Call for Input for Data Best Practice | Ofgem](#)

⁸ [Decision on updates to Data Best Practice Guidance and Digitalisation Strategy and Action Plan Guidance | Ofgem](#)

How we propose to engage with codes

Industry codes underpin a significant proportion of the working of the energy system. We have seen industry's progress in the digitalisation of codes and believe this good work could benefit from a more standardised approach to drive the digitalisation work and reduce siloes.

We expect the Relevant Bodies to engage with each other through existing fora such as the Code Administrators Code of Practice (CACoP) forum, Energy Market Bodies Forum, industry code panels, or existing working groups. We believe there is a gap best filled with a new cross-codes working group to help codify and share existing best practice across codes and intend to establish one. However, we would welcome input from industry as to whether Ofgem would be best suited in the role of offering guidance and assistance, or with a more direct, establishing and hosting role, prior to handing developed fora to industry once established.

Stakeholders have emphasised to us the importance of Ofgem being open and collegiate in its decision making, and we wish to make our intended direction of travel clear prior to any formal consultation. We want to support the digitalisation of codes as a central pillar of the wider digitalisation of the energy sector.

Ofgem's intended work for 2024

We seek to achieve a common obligation to follow DBP Guidance for all code bodies who handle data. We acknowledge there are significant complexities to work through in achieving this aim, particularly given the heterogeneous nature of codes. We will explore this through engaging on both a bilateral and multilateral basis to ensure our understanding of the requirements of each code, their level of digitalisation, and how DBP Guidance can improve the use of data.

We intend to consult with industry and other relevant parties over the summer on modifications to the various licences, a rough outline of which you can find in Annex 1, with the aim of requiring DBP to be enshrined in all industry codes. The outputs of the above-mentioned workshops, industry engagement, and potential new steering group will form the basis of what we consult upon and is intended to form part of a spectrum of increasing digitalisation of industry codes.

In the medium to longer term, we will take account of changes coming forward through our ongoing energy code reform project.⁹ to ensure the obligations proposed as part of this work evolve as necessary when the new code manager licensing regime is implemented.

Given the proposed timelines for implementing code manager licences, we consider it appropriate to still progress with our proposed licence modifications to deliver value for energy consumers in the absence of code manager licences.

Our expectations of Code Panels and Code Administrators in 2024

With this direction of travel clearly laid out, we would expect those affected, or parties seeking to contribute to consultations to familiarise themselves with the DBP Guidance and Supporting Information as published, and to review these principles with a view to how they would affect business as usual processes. These insights will be valued by Ofgem as we expect they will form the main part of consultation responses.

We would like to see industry bring forward any code modifications they feel would support the integration of DBP Guidance, particularly where it is believed that value can be delivered at greater pace than that of our licence modification process. Consideration should be given, for any appropriate modifications put forward, to ensuring that they synergise with both the licence modifications and Code Governance Reform.

We would also invite industry code parties to give consideration to the fora required to allow for interoperability across codes and across panels, code administrators, CSDBs, etc. Should such considerations suggest new working or steering groups may be appropriate, Ofgem would support the scoping and design of any such group and would commit to attendance of same during and after the consultation period.

We look forward to working with – and hearing the opinions of – various code participants in improving and synergising the use of data under the aegis of DBP Guidance.

Yours sincerely,

Marzia Zafar

Deputy Director, Digitalisation and Decentralisation

⁹ <https://www.ofgem.gov.uk/publications/energy-code-reform-implementation-consultation>

Annex 1

Licence	Affected Code and Standard Licence Condition (SLC)/Standard Special Condition (SSC)	Relevant Bodies
Electricity Transmission Licence	Balancing and Settlement Code - SLC C3 Connection and Use of Service Code - SLC10 Grid Code - SLC C14 System Transmission Owner Code - SLC B12	Elexon, NGENSO, NGET, Transmissions Operators, Suppliers, Generators, Distributors, Interconnectors
Electricity/ Gas Supply Licences	REC - Electricity Supply SLC 11B, Gas Supply 11	RECCo, Electricity/Gas Suppliers
Electricity Distribution Licence	Distribution, Connection, and Use of Service Agreement - SLC 22 Distribution Code - SLC 21	Electralink, DNOs, ENA, Generators, Suppliers, Interconnectors
Smart Meter Communication Licence	SEC - SMCL Condition 22	DCC, Transporters, Shippers, Independent Transporters, Distributors, Electricity/Gas Suppliers, Gemserv
Gas Transmission Licence	Uniform Network Code - Gas Transporter SSC A11 Independent Gas Transporters Uniform Network Code - Gas Transporter SLC 9	Joint Office, Xoserve, Gemserv, all IGTs, & GTs