

Consultation

Data Best Practice as a Code Obligation

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We¹ are consulting on expanding the obligation to follow Data Best Practice Guidance (“DBP Guidance”) to selected code parties. We seek views from organisations and people with an interest in digitalisation of the energy system, administration of energy codes, and code parties. We particularly welcome responses from third parties who operate under energy codes. We would also welcome responses from other stakeholders and the public.

This document outlines the scope, purpose and questions of the consultation and how you can get involved. Once the consultation is closed, we will consider all responses. We want to be transparent in our consultations. We will publish the non-confidential responses we receive alongside this consultation, once a decision is reached, on our website at [ofgem.gov.uk/consultations](https://www.ofgem.gov.uk/consultations). If you want your response – in whole or in part – to be considered confidential, please tell us in your response and explain why. Please clearly mark the parts of your response that you consider to be confidential, and if possible, put the confidential material in separate appendices to your response.

¹ References to the “Authority”, “Ofgem”, “we” and “our” are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day-to-day work.

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Executive Summary

Ofgem's primary duties are to ensure the energy sector meets net zero in a way that both treats consumers fairly and drives the economic growth of the country. To achieve this, Ofgem will need to put policies in place to manage an increasingly complex system.

This complexity is driven by an increasing number of energy assets participating in the energy system, an increasing number of new interactions between sector participants relating to those assets (and the new roles relating to these interactions), and an increasing risk to the stable operation of the energy networks. Digitalisation is fundamental to managing this increasing complexity, as managing these assets and interactions manually would be impossible.

To achieve this, industry requires greater understanding of the data it holds, greater granularity to that data, greater interoperability with data held within and without the energy sector, and greater openness with that data, rooted in an understanding of the value data can have for the business and the wider system.

Ofgem's primary regulatory tool in driving this change is Data Best Practice Guidance (DBP Guidance), a principle-based framework which we seek to apply to all licensed entities in the energy sector.

The DBP Guidance has applied to all network licensees since 2023 and has shown its value in the accelerating of digitalisation within those licensees. We intend to expand the obligation to follow DBP Guidance, starting with industry codes. Industry codes were selected as the next step due to the ubiquity of the codes through the day-to-day operation of the energy sector.

Following our Open Letter to Codes² in March of last year, Ofgem has been engaging with industry to socialise this approach through bilateral meetings with the code panels, industry fora, and the Cross Codes Digitalisation Steering Group (CCDSG), a bespoke steering group consisting of relevant code bodies and licensees to ensure the placement of the proposed obligation was suitable and effective across heterogeneous codes.

Through this work, we have concluded that the most effective route to include DBP Guidance in codes was through modifying the existing licence conditions which give rise to the industry codes. This method creates an obligation on the licensee to raise modifications to the relevant code. In this document, we outline the licence modifications required to enact our proposed change.

² [Open Letter regarding Data Best Practice and its future in Codes | Ofgem](#)

We are proposing modifying the Electricity System Operator, Electricity Distribution, Electricity Supply, Gas Supply, Gas Transporter, and Smart Meter Communication licences with consequential code modifications to oblige code bodies to follow DBP Guidance and produce Digitalisation Strategies and Action Plans (DSAPs). The specifics of our proposed amendments are in Section 3, with proposed legal text in Appendix 2. The logic supporting our proposed changes can be found in Section 2.

This approach combines enshrining DBP Guidance in the business-as-usual operation of the code with an enforceable requirement held in licence to enable Ofgem to monitor compliance and take enforcement action, should it become necessary.

DBP Guidance is, by design, a compromise between the flexibility of principles-based regulation guided by Intended Outcomes, and the consistency and enforceability of regulation. We believe the course of action proposed in this consultation follows this overarching approach of compromise and seek industry views on our proposed changes.

1. Introduction

Section summary

This section introduces the background of DBP Guidance, where it has been deployed as a licence obligation previously, and how it has worked. We also cover the recent changes to how the energy sector is regulated following the Energy Act 2023³ – both the change from ESO to NESO, and the forthcoming introduction of the energy Code Manager Licence.

Background

- 1.1 Data Best Practice (DBP) Guidance is a tested foundational framework for how energy companies must structure, handle, and consider the value of their data, ultimately leading to more open and standardised sharing of data within the energy sector. It has been a licence condition for Transmission Operators (TOs), Gas Distribution Networks (GDNs), and the Energy System Operator/National Energy System Operator (ESO/NESO) since 2021, with DNOs being obligated to follow since March 2023.
- 1.2 Our intent is to expand (Please see links to previous consultations in Appendix 6) the obligation to follow DBP Guidance into other licenced activities. Most recently, this was included in the Carbon Dioxide Transport and Storage Licence.⁴
- 1.3 The next logical step in expansion is to ensure DBP Guidance is embedded within the energy codes which underpin much of the efficient functioning of the energy system. We signposted this aim with an Open Letter in March 2024.⁵ We have since established a Cross Code Digitalisation Steering Group to help facilitate this expansion which has been meeting monthly since August 2024. The aims of this group were to scope and understand the regulatory and business structures and data flows within the codes space; to better place the obligations to follow DBP Guidance.

What are we consulting on

- 1.4 Changes to licence condition resulting in consequential changes to the following codes:

³ [Energy Act 2023](#)

⁴ Standard Condition B25 - [Carbon dioxide transport and storage licence: Net Zero North Sea Storage Limited](#)

⁵ [Why Data Best Practice is expanding and why its progress is important to codes.](#)

- Balancing and Settlement Code (BSC) p23-24
 - Connection and Use of System Code (CUSC) p25-28
 - Grid Code p25-28
 - Security and Quality of Supply Standard (SQSS) p25-28
 - System Operator Transmission Owner Code (STC) p25-28
 - Distribution Code (D-Code) p 28-30
 - Distribution, Connection, and Use of System Agreement (DCUSA) p 30-31
 - Retail Energy Code (REC) p31-32
 - Smart Energy Code (SEC) p32-34
 - Independent Gas Transporter Uniform Network Code (IGTUNC) p 34-35
 - Uniform Network Code (UNC) p34-35
 - Smart Meter Communication Licence (SMCL) p36-38
- 1.5 Licences we propose to amend to affect these changes;
- Electricity Distribution Licence
 - Electricity System Operator Licence
 - Electricity Supply Licence
 - Gas Supply Licence
 - Gas Transporter Licence
 - Smart Meter Communication Licence
- 1.6 The proposed changes to the licence conditions will be promulgated through to the codes via consequential code modifications to the relevant code initiated and managed by the licensees. For example, supply licence SLC 11B gives rise to the Retail Energy Code (REC). By modifying this, supply licensees are obliged to raise a consequential modification to the REC, which we commit to reaching a decision expeditiously. This then creates the obligation on the Retail Energy Code Company Ltd (RECCo Ltd) to follow DBP Guidance in its day-to-day decisions regarding data.
- 1.7 We propose minor changes to the wording of Data Best Practice Guidance and Supporting Information, as well as Digitalisation Strategy and Action Plan Guidance and Supporting Information to reflect this expansion. As we have committed to only change these documents following consultation and by direction; we have included tracked changes versions, with a breakdown of the changes as supplemental documents.
- 1.8 We are cognisant of ongoing reforms to energy code governance and have been working closely with colleagues to ensure alignment with these changes.

Nothing in this consultation should be considered as superseding that work, or as anything other than a complimentary workstream focused on evolving industry codes.

- 1.9 During the development of this policy, the decision was made to establish the National Energy System Operator (NESO) with two new licences; the Electricity System Operator (ESO) and Gas System Operator Planner (GSP) licences. Several industry codes – namely BSC, CUSC, Distribution Code, Grid Code and STC – were moved from Distribution and Transmission licences to the ESO licence. This shift of responsibility for the above codes from Distribution and Transmission licensees to NESO centralises accountability for the required code modifications which are consequential to the licence changes proposed herein with the NESO.
- 1.10 This was a key factor in the decision to propose licence changes to promulgate through codes rather than a Significant Code Review or similar mechanism. To better socialise this with the relevant parties, we have engaged with NESO and other code parties prior to this consultation.

Consultation stages

This consultation forms part of a multi-lateral engagement strategy with code bodies, including the formation of a steering group – the Cross Codes Digitalisation Steering Group, which has been running since August 2024 – to engage all affected parties.

Date	Stage description
30 June 2025	Stage 1: Consultation open
11 August 2025	Stage 2: Consultation closes (awaiting decision), Deadline for responses
30 August 2025	Stage 3: Responses reviewed and analysed
Autumn/Winter 2025	Stage 4: Consultation decision and Associated Directions Published
Ongoing	Stage 5: Development of Consequential Code Modifications through multi-lateral engagements and CCDSG.

How to respond

- 1.11 We want to hear from anyone interested in this consultation. Please send your response to Digitalisation@ofgem.gov.uk.

- 1.12 We've asked for your feedback in each of the questions throughout. Please respond to each one as fully as you can.
- 1.13 We will publish non-confidential responses on our website at www.ofgem.gov.uk/consultations.

Your response, your data and confidentiality

- 1.14 You can ask us to keep your response, or parts of your response, confidential. We'll respect this, subject to obligations to disclose information, for example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.
- 1.15 If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you *do* wish to be kept confidential and those that you *do not* wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we'll get in touch with you to discuss which parts of the information in your response should be kept confidential, and which can be published. We might ask for reasons why.
- 1.16 If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the UK's withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see Appendix 4.
- 1.17 If you wish to respond confidentially, we'll keep your response itself confidential, but we will publish the number (but not the names) of confidential responses we receive. We won't link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.
- 1.18 This Consultation document proposes amendments to the licences underpinning all codes – do not feel obliged to offer a view on codes which you do not have an interest in. See paragraph 1.4 for page numbers for each code.

General feedback

1.19 We believe that consultation is at the heart of good policy development. We welcome any comments about how we've run this consultation. We'd also like to get your answers to these questions:

1. Do you have any comments about the overall process of this consultation?
2. Do you have any comments about its tone and content?
3. Was it easy to read and understand? Or could it have been better written?
4. Were its conclusions balanced?
5. Did it make reasoned recommendations for improvement?
6. Any further comments?

Please send any general feedback comments to stakeholders@ofgem.gov.uk

How to track the progress of the consultation

You can track the progress of a consultation from upcoming to decision status using the 'notify me' function on a consultation page when published on our website. Choose the notify me button and enter your email address into the pop-up window and submit.

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Submit >

Once subscribed to the notifications for a particular consultation, you will receive an email to notify you when it has changed status. Our consultation stages are:

Upcoming > **Open** > **Closed** (awaiting decision) > **Closed** (with decision)

2. Intent behind the proposed changes

Section summary

In this section we detail why we feel industry codes are the next logical choice to expand DBP Guidance into and the rationale behind our proposal for licence changes, rather than another route. We go into detail on how the proposed changes will filter through licence changes to consequential code modifications and how it will align with the current code reform project. Finally, we cover how we expect the proposed changes to work once fully deployed and how Ofgem will monitor and ensure compliance to the DBP Guidance.

Questions

Q1. Do you agree with our intent to expand DBP Guidance into the codes?

Q2. Do you agree with the proposed deadline of six months after the licence condition is applied for consequential code modifications? If not, please state your reasons specific to the relevant code and modification process.

2.1 DBP Guidance is intended as a principles-based framework of regulation. There are multiple routes to demonstrate compliance, and the aim is to foster a culture of awareness of the value of data – both to individual licensee business models, and to the system as a whole. The principles and Intended Outcomes are listed below.

Data Best Practice Guidance principles

1. Identify the roles of stakeholders of Data Assets.

Intended outcome

- The licensee has a process for identifying the roles in its organisation relating to Data Assets and can demonstrate how this process is applied to all Data Assets for which the licensee is the Data Custodian.
- The licensee has a log(s) identifying its Data Assets using the ontology from 3.2.

2. Use common terms within Data Assets, Metadata and supporting information.

Intended Outcome

- The licensee has a taxonomy for describing Data Assets, Metadata, and supporting information.
- The licensee can demonstrate how this taxonomy is “commonly recognised” by practitioners, either through industry engagement or commonality between taxonomy use across the sector.

3. Describe data accurately using industry standard Metadata.

Intended Outcome

- The licensee has a Data Catalogue in a location which is accessible to current and prospective Data Users. The Data Catalogue utilises the Dublin Core Metadata Standard.
- The licensee can demonstrate how it uses the latest version, or a subsequent iteration, of the Dublin Core Metadata Standard when utilising and providing Metadata.
- The licensee can demonstrate its process for updating Metadata in response to an update or extension of a Data Asset.

4. Enable potential Data Users to understand Data Assets by providing supporting information.

Intended Outcome

- The licensee can demonstrate that they provide clear and concise supporting information to both prospective and current Data Users, alongside their Data Assets.
- The licensee has a point of contact that assists with enquiries relating to a Data Asset and its supporting information and can demonstrate how feedback provided to this point of contact helps ensure its supporting information meets the needs of Data Users.

5. Make Data Assets discoverable for potential Data Users.

Intended outcome

- The licensee has a Data Catalogue in a location accessible to Data Users. The Data Catalogue states access levels for different types of Data User.
- The licensee publishes Metadata through their Data Catalogue allowing users to identify the contents of Data Assets.

6. Learn and deliver to the needs of current and prospective Data Users.

Intended outcome

- The licensee can demonstrate its process for gathering information on user needs from its Data Users.

- The licensee can demonstrate its process for assessing what Products and Services are needed to meet the needs of Data Users, and whether these Products and Services deliver benefits for end-consumers, stakeholders or the Public Interest.

7. Ensure data quality maintenance and improvement is prioritised by Data User needs.

Intended outcome

- The licensee can demonstrate it has processes in place for assessing, and ensuring, data quality and can demonstrate that these processes meet the requirements of its Data Users.
- The licensee has a log of data quality issues detailing how these issues were, or will be, resolved.

8. Ensure Data Assets are interoperable with Data Assets from other data and digital services.

Intended outcome

- The licensee can demonstrate how they have created, and will be creating, the Products and Services necessary to enable interoperability.
- The licensee can demonstrate how they have built their Products and Services so that Data Users can easily join their Data Assets with Data Assets of other licensees.

9. Protect Data Assets and systems in accordance with Security, Privacy and Resilience (SPaR) best practice.

Intended outcome

- The licensee can demonstrate how its Products and Services are developed in compliance with the current regulations and legislation relating to cyber and physical security.

10. Store, archive and provide access to Data Assets in ways that ensure sustained benefits.

Intended outcome

- The licensee can demonstrate its process for archiving Data Assets and how this process has been built in consultation with Data Users.

- The licensee can demonstrate regular engagement with Data Users on the archival of Data Assets.

11. Treat all Data Assets, their associated Metadata and Software Scripts used to process Data Assets as Presumed Open.

Intended outcome

- The licensee can demonstrate that it applies the Open Data Triage process as defined in DBP Guidance.
- The licensee can demonstrate that it makes Data Assets available as Open Data by default and takes all reasonable steps to provide suitable options to make Data Assets available in a format or version that mitigates the risk associated with any identified sensitivity.
- The licensee can demonstrate that it shares Open Data using the latest version, or a subsequent iteration, of the Creative Commons Attribution Licence or the Open Government Licence.
- The licensee has a point of contact that assists with enquiries relating to an Open Data Triage.

Open Data Triage – High-level Processes

- 2.2 DBP Guidance defines Open Data Triage as the process carried out by a Data Custodian to determine if there is any evidence of sensitivities associated with Data Assets, their associated Metadata and Software Scripts used to process Data Assets if they are used as Open Data. This process is a requirement of DBP Guidance to ensure safe and pragmatic opening of data, where it is safe to do so. Pages 56-80 of the DBP Supporting Information (Included with this publication) cover methods to approach Open Data Triage.
- 2.3 The goal of the Open Data triage process is to identify where issues exist which would prevent the fully open publication of data in its most granular format and address risks with the lowest level of alteration that ensures mitigation, while maintaining as much utility from the datasets as practicable. A high-level representation of the process in in the diagram in Figure 1.

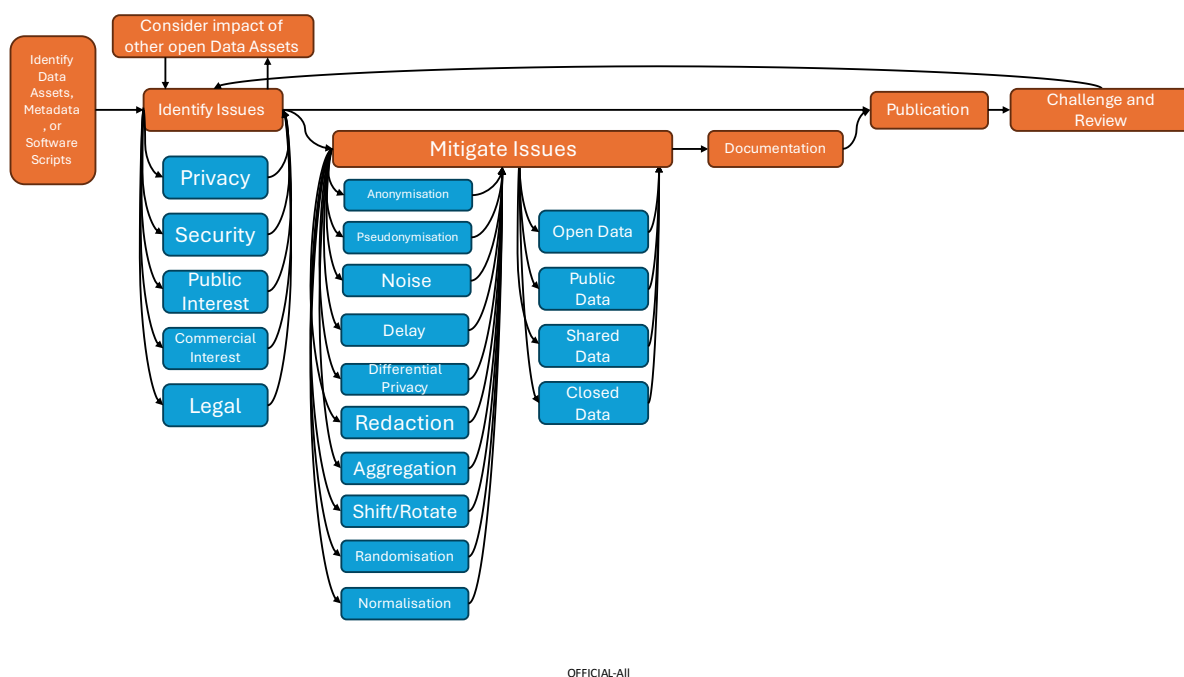


Figure 1: A high-level representation of triage processes and considerations

- 2.4 There is also an Energy Networks Association (ENA) Triage Playbook⁶ which compliments the DBP Supporting Information. This document is currently undergoing a refresh following National Protective Security Authority (NPSA) and National Cyber Security Centre (NCSC) input to focus on security-minded triage. While this document is network-specific, the triage process in DBP Supporting Information is sector agnostic, and the two provide guidance not tied to network datasets or processes.
- 2.5 Following this triage process, the licensee records the triage decision, any amendments or processing made to allow safe and secure publication of the dataset and a point of contact to allow for challenge to be raised to the triage decision. The dataset is then published, if triaged as safe to do so, on an open data platform which can be accessed through a registration and log-in. This light-touch access control allows for auditing, providing the licensee with a degree of security through understanding what datasets are being accessed and by who, and to meet their obligations to be user-led in making decisions about data through usage metrics.
- 2.6 Triage of data and the decision process relating to what data will be made open will remain the responsibility of the code administrators or managers operating under DBP Guidance. Ofgem would support the code managers if they

⁶ [ENA Data Triage Playbook.pdf](#)

collectively created a Code-specific triage guidance, similar to and likely arising from, the ENA Triage Playbook, developed through the CCDSG.

Obligations under DBP Guidance

- 2.7 The obligation for network licensees to follow DBP Guidance is as follows – “Licensees must, when conducting work that involves working with, or making decisions about the use of Energy System Data, use its best endeavours to act in accordance with Data Best Practice Guidance”. This, coupled with a flexible, principle-based structure, was designed to balance the required enforceability of regulation with enough flexibility that Ofgem would not be required to ‘rule’ on the applicability of novel data uses, technologies, or datasets.
- 2.8 The pace of change in energy data made this the preferred method to avoid considerable increases in resourcing cost and delays to the digitalisation progress we see supporting Clean Power 2030 (CP30)⁷ and beyond.
- 2.9 Following our published Decision of August 2023⁸, we required network licensees to publish triaged data as open through data catalogues. This greater openness has resulted in a number of innovative re-uses, such as listed by UK Power Networks (UKPN)⁹, Scottish Power Energy Network’s (SPEN) distributed generation heat maps¹⁰, or Northern Powergrid’s Community DSO & Flexibility First initiative¹¹, and increased the utility and interoperability of energy system data.
- 2.10 The aim of building on this decision, and the inclusion of DBP Guidance in the Carbon Dioxide Transport and Storage (CDTS) Licence¹², is to increase the number of licenced entities working with data and making decisions regarding data following the framework of DBP Guidance. The more entities following these principles means the greater quantities and granularity of data to be standardised, made interoperable, and – where safe to do so – openly published for the benefit of the system as a whole, and the consumer.

⁷ [Clean Power 2030 Action Plan - GOV.UK](#)

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

⁹ [Open Data Portal Reuses — UK Power Networks](#)

¹⁰ [Distributed Generation Heat Maps - SP Energy Networks](#)

¹¹ [ISG-Report-2024-FINAL.pdf/ Independent Stakeholder Group Report 2024](#)

¹² Standard Condition B25 - [Carbon dioxide transport and storage licence: Net Zero North Sea Storage Limited](#)

- 2.11 In our August 2023 Consultation Decision, we signposted our intent to require that data collected through the operation of industry codes to be compliant with DBP Guidance. In that 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, which we have fulfilled with the CCDSG, open letter to codes¹³, and bilateral engagement.
- 2.12 Industry codes are a complex ecosystem which are industry owned and maintained, having evolved over time. We have considered the work currently underway to reform these codes¹⁴, and consider this consultation to align with this wider work. Creating standardisation throughout the codes builds upon the work of the Preliminary Strategic Direction Statement¹⁵ and other workstreams arising from the Energy Act 2023 (EA 23)¹⁶ to harmonise codes as part of the reforms.
- 2.13 EA23 provides a number of powers to both the Secretary of State and the Gas and Electricity Markets Authority (GEMA). Among these is the power for Ofgem to make changes directly to the industry codes, in prescribed circumstances set out in the Act¹⁷. This was considered as a route to bring DBP Guidance into the codes. However, this route was discarded, as it would abrogate the Authority's responsibility to maintain the Guidance and Supporting Information as a critical document to our digitalisation ambitions, so this route was discontinued as a policy position.
- 2.14 Another option was the use of a Significant Code Review (SCR)¹⁸ which can be deployed for 'wide-ranging and holistic change' and which would be considered to have 'significant impact on energy consumers or competition' or are 'significant in relation to our principal objectives and/or our statutory duties'. Given the nature of DBP Guidance as relating specifically to data and digitalisation and being an underpinning foundational change which enables other initiatives, it was deemed not to have the level of impact that would be considered significant to consumers or competition.

¹³ [Why Data Best Practice is expanding and why its progress is important to codes.](#)

¹⁴ [Energy code reform: implementation consultation | Ofgem](#)

¹⁵ [Preliminary Strategic Direction Statement for industry codes](#)

¹⁶ [Energy Act 2023](#)

¹⁷ Section 192 of the Energy Act 2023

¹⁸ [SCR Guidance](#)

- 2.15 To measure this impact, we had compared the effect DBP Compliance would have on code bodies, compared to that of the Net Zero Obligation proposed by the Energy Act 2023. We deemed this change did not justify the resource cost to industry required for an SCR.
- 2.16 Consequently, the decision was reached to progress this change through the amendment of Licence Conditions, with the onus to progress the consequential code modifications falling on the licence holder or holders, with Ofgem acting to support and govern these changes through the code modification process specific to each code.
- 2.17 The reasoning behind this was that the licence conditions provide for the establishment of the codes, and the obligation to create and maintain a code, as well as an administrative body, is common across all codes. This was deemed to give a balance of enforceability and flexibility to the obligation which reflected the balance of principle-based regulation with strict obligation of DBP Guidance.
- 2.18 We are working with Ofgem teams on the reform of energy codes to ensure any changes can be built upon rather than become blockers or delays to this ongoing workstream, as referenced in paragraph 2.25 – 2.27.
- 2.19 Ofgem did consider the addition of a further principle obliging the relevant code panels to consider DBP Guidance when making decisions, however this was deemed to be unnecessary, given the objectives of each code can be met through following DBP Guidance. The specific objective which is fulfilled by following of DBP Guidance is listed in each code section of this consultation.

Licence changes to Code changes

- 2.20 Following this statutory consultation, we will work with the licence holder or holders to progress the code modification reflecting these changes. The CCDSG met regularly to discuss and agree preliminary steps for expediting these consequential modifications.
- 2.21 We acknowledge that each code has different resourcing and prioritisation for modifications, as well as differing 'queues' of modifications already in progress, and do not propose to deem these as 'urgent' modifications¹⁹. However, it was the view of the CCDSG that ensuring timely deployment of the changes to the code would require the Authority to set a deadline for making code modification decisions in order to assist panels with prioritisation.

¹⁹ [Code Modification Urgency Criteria](#)

- 2.22 As such, we propose the requirement that the code modifications resultant from each licence change listed in section 3 of this document to be processed and with Ofgem for decision 6 months after the publication of the Decision and Associated Direction coming into effect following this Consultation.
- 2.23 We would expect the licensee to take steps to ensure that these code changes would be progressed at pace and that the licensee ensure that changes were mindful of the announced Energy Code Licence Consultation²⁰.
- 2.24 Ofgem commits to reaching decisions on these modifications in a timely fashion, and without unreasonable delay.

Code changes to Business as Usual

- 2.25 While Ofgem is currently one step removed from the administration of industry codes, with code administrators or managers covering compliance and governance of the code; this is expected to change through the implementation of Code Governance Reform where Code Managers will be accountable to Ofgem through a licence. In the interim period, we will require code administrators to be bound by the obligation in their respective industry code.
- 2.26 Once Code Reform is complete, we expect compliance with the DBP Guidance to be an obligation under the Code Manager licence, which will be monitored and regulated by Ofgem, subject to the full consultation and decision process for code reform. The DBP Guidance, while principles-based with multiple routes to demonstrate compliance, has clearly stated 'Intended Outcomes' to each principle, which allow compliance with the Guidance to be demonstrated.
- 2.27 During the transition period from Licence modification to inclusion in codes, we commit to maintaining the CCDSG to provide support for obligated parties to understand and develop processes to comply with these obligations. We do not propose to initiate any investigative or compliance action until a period of at least two years after the inclusion of this obligation, in keeping with the monitoring and review cadence previously applied. However, Ofgem has duties to consider as well as regulatory obligations, and may take reactive compliance action in the event of a breach being discovered.

Digitalisation Strategy and Action Plans

- 2.28 The requirement to publish Digitalisation Strategies and Action Plans (DSAPs) is an obligation currently incumbent on network companies by virtue of section D.

²⁰ [Energy code reform: second implementation consultation | Ofgem](#)

The full details of this licence condition can be found in the network licences²¹, but in brief, the condition obliges parties to produce and publish a strategy which details its strategies around data use, data openness and digitalisation for the subsequent two years; with Action Plans giving briefer updates and iterations of the strategy every six months.

- 2.29 The aim behind these documents is to create a dialogue between data holder and data user and to ensure that data is prioritised for publication based upon the needs of data-users and that data holders can meet their obligations under Principle 6: Learn and deliver to the needs of current and prospective Data Users. In addition to ensuring that the needs of data users are the focus of data decisions; this dialogue allows obligated parties to build broader digital activities and timelines in more open collaboration with wider industry. Understanding of user needs is also a key requirement to fulfil principles 1 and 7. The value of publishing DSAPs to make public decisions about data and to show that an obligated party is thinking about the benefits of data for data users and the whole system has been shown in the network space.
- 2.30 We have considered whether an obligation to produce DSAPs would be appropriate for code bodies, and our minded-to position is that code bodies should produce DSAPs. In addition to the reasoning above; consistency of obligation across differing areas of the energy sector – network companies and NESO– makes this requirement a sensible step for code bodies.
- 2.31 As such, we propose to include text from the Digitalisation Special Condition (SpC) to the relevant SLCs which give rise to individual codes, which oblige code bodies to produce Digitalisation Strategies on a two-year cadence, and Digitalisation Action Plans every six months.
- 2.32 We are aware that a number of code bodies have either published DSAPs on a voluntary basis or are in the process of doing so. Nothing in this section should be taken as precluding or delaying this work. We are also cognisant of the level of resourcing required to produce these documents in the first instance. Ofgem commits to offer proportionate advice and support reviewing the DSAPs during the first cycle of two years. We expect the first Digital Strategies to be published by late 2026, and the following Action Plans in early 2027.

²¹ [Licences and licence conditions | Ofgem](#) Special Conditions 9.5.1 to 9.5.12

Question

Q3. Do you agree with the minded-to position that an obligation to produce DSAPs is suitable and proportionate for code bodies? If not, what alternative would you propose to achieve the same or greater benefits?

Review and Compliance

- 2.33 The choice to amend licence conditions, rather than individual code modifications or an SCR process, our minded-to position is that the responsibility for monitoring compliance and, if necessary, taking enforcement action will remain with Ofgem. This approach necessitates policy positions for three areas;
- Information gathering powers and monitoring
 - Assurance reviews and cadence
 - Triggers for formal enforcement action
- 2.34 With regards to information gathering, the wording proposed in Appendix 2 for production of DSAPs stipulate a requirement to inform Ofgem when DSAPs are produced or updated, giving a clear cadence of reviewing information to enable monitoring. Further monitoring will be enabled through the information gathering powers specified through the 'co-operating with the Authority' clauses specified in the relevant licence conditions which give rise to individual code bodies. Informal monitoring will be conducted through bilateral discussions at the CCDSG.
- 2.35 Assurance that the DBP Guidance is complied with will take the form of Authority directed reviews on a proportionate cadence and will follow existing Ofgem Compliance and Assurance guidance²² and HMT Magenta Book²³ principles. Prior to any review, Ofgem will inform obligated parties of the framework, template, or measurements being reviewed against. These will be based on the Intended Outcomes detailed in the DBP Guidance.
- 2.36 We foresee any assurance reviews taking place with the co-operation and collegiate working of obligated parties. This approach is aimed at rectifying any lapse in compliance before formal enforcement action is required. We intend to communicate clearly with obligated parties and allow opportunities to remedy any breaches prior to formal enforcement action.

²² [Compliance and enforcement | Ofgem](#)

²³ [The Magenta Book - GOV.UK](#)

- 2.37 Due to the expansion of the obligation to follow DBP Guidance to newly obligated entities, we do not expect to take any formal action to remedy breaches for two years after this obligation taking effect, in order to allow 'bedding in' time. However, Ofgem has duties to consider as well as regulatory obligations, and may take reactive compliance action in the event of a breach being discovered. We will consider the development of the Code Manager Licence Conditions during this period and applicability of relevant licence conditions on a case-by-case basis.²⁴

Carbon Capture & Storage (CCS) Network Code

- 2.38 The Carbon Dioxide Transport and Storage Licence gave rise to a new code, the CCS Network Code in January 2025.²⁵ Due to the relatively recent development of this code, it was not practicable to analyse the placement of an obligation to follow DBP Guidance through the same procedure of engagement through the CCDSG.
- 2.39 We commit to including representatives from the CCS Network Code in the CCDSG in future and will examine the need for a modification to this code to include similar obligations to follows DBP Guidance with proper policy consideration and full engagement with members of this code.

²⁴ [Implementation of energy code reform: decision | Ofgem](#)

²⁵ The CC Network Code was published in template form by government in January 2025, available at: [CCS Network Code \(January 2025\)](#)

3. Licence Condition Changes by Code

Section summary

This section covers the legal wording we propose to insert into each licence condition and how such amendments will affect the relevant parties – code manager, code administrator, central system delivery body, or similar – through consequential code modifications. We have broken this section down by code and aimed to standardise the wording as much as is practicable.

Balancing and Settlement Code (BSC)

- 3.1 The Balancing and Settlement Code contains the rules and governance arrangements for electricity balancing and settlement in Great Britain. This code is administered by Elexon. It was first introduced as part of the New Electricity Trading Arrangements (NETA) in March 2001.
- 3.2 Elexon published a voluntary Digitalisation Strategy and Action Plan²⁶ in July 2024 and we expect this document to inform development of a more digitalised approach to codes, in line with DBP Guidance.
- 3.3 Parties who are signatories of this code are
 - Generators.
 - Suppliers.
 - NESO
 - Non-physical traders.
 - Distribution Network Operators (DNOs).
 - Interconnectors.
 - Limited third parties.
 - The Administrative body – Elexon Ltd.
 - The company – BSSCo Ltd.
 - The BSC Panel.
- 3.4 Parties who would be affected by the proposed change
 - The Administrative body – Elexon Ltd.
 - The company – BSCCo Ltd.

²⁶ [Elexon publishes its first Digitalisation Strategy and Action Plan to support Net Zero - Elexon](#)

- NESO – while already obliged to comply with DBP Guidance under the C3 (Digitalisation) Condition of the Electricity System Operator Licence, this proposed change is made to that licence, affecting NESO.
- 3.5 Previously, the BSC was derived from Standard Licence Condition (SLC) C3 of the Electricity Transmission Licence. Since the electricity system operator functions transitioned to the National Energy System Operator Limited (NESO) on 1 October 2024, the BSC now emanates from NESO’s Electricity System Operator Licence, specifically condition E1.3.²⁷
- 3.6 We propose to add text to paragraph E1.3 (e), which obliges the licensee to establish a BSC Administrator and the necessary inclusions for said Administrator’s powers, duties and functions. We propose these include following DBP Guidance, and the publication of DSAPs to a schedule as found in the DSAP Guidance²⁸.
- 3.7 Full wording of this section is as follows with the proposed changes to the text in bold is listed in Appendix 2.
- 3.8 The objectives of the BSC, as mentioned in E1.3(b) are found in paragraph E1.13 (a-g) and Ofgem’s position is that each objective – from efficient, economic, and co-ordinated operation to promoting efficiency - can be facilitated by adherence to the DBP Guidance. Ofgem did consider the addition of a further principle obliging the BSC panel to consider DBP Guidance when making decisions. However, given the number of voluntary adherents to DBP Guidance in the code space, and the increasing holistic consideration of digitalisation, we are of the view that it is more appropriate to be included gradually, through engagement, rather than through changes to regulation.
- 3.9 Our expectation is that, following these proposed changes, the licensee NESO, would raise a code modification in line with current BSC change procedures²⁹ to include the obligations as described into the BSC.

Question

Q4. Do you have any concerns, or can you see any risks or issues, with the proposed change to the Electricity System Operator Licence amending the BSC?

²⁷ Section E – p161 [ESO Licensing Direction and Licence Terms and Conditions](#)

²⁸ [Track Changes Digitalisation Strategy and Action Plan Guidance v2.0](#)

²⁹ [BSC Change Process Guidance Note - Elexon Digital BSC](#)

Connection and Use of System Code (CUSC), Grid Code, System Operator Transmission Owner Code (STC), and Security and Quality of Supply Standard (SQSS).

- 3.10 These four codes are administered by NESO and have been grouped together for ease of understanding.

Code Description and arrangements

- 3.11 The CUSC³⁰ is the contractual framework for connecting to and using the National Electricity Transmission System (NETS). NESO is the code administrator for the CUSC, and has amendments reviewed by the CUSC Panel.
- 3.12 The Grid Code³¹ details the technical requirements for connecting to and using the NETS. The CUSC requires users to be compliant with the Grid Code. NESO is the code administrator for the Grid Code, and has amendments reviewed by the Grid Code Review Panel.
- 3.13 The STC³² defines the relationship between the transmission system owners and the system operator. NESO is the code administrator for the STC, and has amendments reviewed by the STC Modification Panel.
- 3.14 The SQSS³³ sets out the criteria and methodology for planning and operating the NETS. NESO is the code administrator for the SQSS, and has amendments reviewed by the SQSS Review Panel. The SQSS is, in effect, a design standard which has been set up to be modified less frequently. Prior to the change from ESO to NESO, this was on an annual basis, with version numbers appended through licence condition changes.
- 3.15 NESO is currently obliged through licence condition C3 Digitalisation to use its best endeavours to follow DBP Guidance when conducting work that involves working with or making decisions about the use of Energy System Data. Consequently, we do not expect that extending this obligation to the administration of the CUSC, Grid Code, STC, and SQSS to create additional regulatory burden.
- 3.16 As the SQSS holds minimal data and all participants (NESO and Authorised Electricity Operators, as per LC E7.2) are currently obliged to follow DBP Guidance through other licence conditions, we do not propose to amend the

³⁰ [Connection and Use of System Code \(CUSC\) | National Energy System Operator](#)

³¹ [Grid Code \(GC\) | National Energy System Operator](#)

³² [System Operator Transmission Owner Code \(STC\) | National Energy System Operator](#)

³³ [Security and Quality of Supply Standard \(SQSS\) | National Energy System Operator](#)

ESOL to create a supplemental 'pointer condition', as we have for the CUSC, Grid Code, and STC.

Applicable Licence Conditions

3.17 Relevant licence conditions which provide for the establishment of the codes –

3.18 CUSC - Electricity System Operator Licence E2.5³⁴, with the CUSC Administrator provisions in E2.6 (a)

- Grid Code – Electricity System Operator Licence E3.2, with the Grid

Code Administrator provisions in E3.4 (c)

- STC – Electricity System Operator Licence E4.2, with the Grid Code Administrator provisions in E4.6 (d)
- SQSS – This would necessitate amendments to the Electricity System Operator Licence E7.1, however as discussed in paragraph 3.16, we do not propose to create an obligation to follow DBP Guidance for this code only.

Membership

3.19 Parties who are members of these codes

- CUSC – NESO, Generators, Suppliers, DNOs, Interconnectors, Transmission Owners, offshore and onshore
- Grid Code - NESO, Generators, Suppliers, Interconnectors, Transmission Owners, offshore and onshore
- STC - NESO, Generators, Suppliers, Interconnectors, Transmission Owners, offshore and onshore

3.20 Parties who are affected by this change

- CUSC Code Administrator
- Grid Code Administrator
- STC Code Administrator

Proposed Changes by Code

3.21 We propose that the CUSC Code Administrator powers, duties and functions set out in E2.6(a) now include following DBP Guidance, and the publication of DSAPs to a schedule as found in the DSAP Guidance, which can be found published alongside this document.

³⁴ [ESO Licensing Direction and Licence Terms and Conditions](#)

- 3.22 Full wording of the legal text as described above for the CUSC can be found in Appendix 2 with the proposed changes to the text in bold.
- 3.23 Our expectation is that, following these proposed changes, the licensee NESO, would raise a code modification in line with current CUSC change procedures³⁵ to include the obligations as described into the CUSC. Ofgem would resource the review and approval of this modification as a workstream priority. We would expect the licensee to take steps to ensure that these code changes would be progressed at pace and that the licensee ensure that changes were aligned with the announced Energy Code Licence Consultation³⁶.
- 3.24 The objectives of the CUSC, as mentioned in E2.2 are found in paragraph E2.4 and Ofgem's position is that each objective – from efficient discharge by the licensee of the obligations to promoting efficiency - can be facilitated by adherence to the DBP Guidance.
- 3.25 We propose that the Grid Code Administrator powers, duties and functions set out in E3.4 (c) now include following DBP Guidance, and the publication of DSAPs to a schedule as found in the DSAP Guidance.
- 3.26 Full wording of the legal text as described above for the Grid Code can be found in Appendix 2 with the proposed changes to the text in bold.
- 3.27 Similar to paragraph 3.21, our expectation is that the licensee NESO would raise a modification in accordance with the current Grid Code change procedures³⁷, with concomitant prioritisation from Ofgem, and alignment with Energy Code Licence Condition.
- 3.28 The objectives of the Grid Code are found in paragraph E3.2 (b) and Ofgem's position is that each objective – from developing, maintaining and operating and efficient, co-ordinated and economical system to promoting efficiency in implementation and administration - can be facilitated by adherence to the DBP Guidance.
- 3.29 We propose that the STC Code Administrator powers, duties and functions set out in E4.6 (d) now include following DBP Guidance, and the publication of DSAPs to a schedule as found in the DSAP Guidance.
- 3.30 Full wording of the legal text as described above for the STC can be found in Appendix 2 with the proposed changes to the text in bold.

³⁵ [CUSC Modifications | National Energy System Operator](#)

³⁶ [Energy code reform: second implementation consultation | Ofgem](#)

³⁷ [Grid Code Modifications | National Energy System Operator](#)

- 3.31 Similar to paragraph 3.21, our expectation is that the licensee NESO would raise a modification in accordance with the current STC Code change procedures³⁸, with concomitant prioritisation from Ofgem, and alignment with Energy Code Licence Condition.
- 3.32 The objectives of the STC as referred to in E4.2 (c) are found in paragraph E4.5 and Ofgem's position is that each objective – from developing, maintaining and operating an efficient, co-ordinated and economical system to promoting good industry practice and efficiency - can be facilitated by adherence to the DBP Guidance.

Question

Q5. Do you have any concerns, or can you see any risks or issues, with the proposed change to the Electricity System Operator Licence amending the CUSC, STC, and Grid Code?

Distribution Code

- 3.33 The Distribution Code is a comprehensive document containing the minimum technical specifications for operation and development of distribution networks in Great Britain, and for the connection of equipment to them. It is designed to allow the development, maintenance and operation of an efficient, economical and coordinated electricity system. All users of and connectors to the distribution system in Great Britain must conform to the specifications as laid out in the Distribution Code and, where applicable, also with their individual Connection and Use of System Agreements as made between individual parties and Distribution Networks Operators (DNOs)³⁹.
- 3.34 Distribution Code is designed to:
- Permit the development, maintenance, and operation of an efficient, coordinated and economical system for the distribution of electricity.
 - Facilitate competition in electricity generation and supply.
 - Discharge the obligations on DNOs from their licence conditions and other European regulations.⁴⁰

³⁸ [STC Modifications | National Energy System Operator](#)

³⁹ [Home](#)-Distribution code

⁴⁰ [DCode_Summary-May_2017.pdf](#)

- 3.35 Relevant licence condition which provides that the licensee must keep the code in force - Electricity Distribution licence SLC 21, and Electricity System Operator Licence E5.2⁴¹ holds an obligation on NESO but does not establish the code.
- 3.36 Parties who are members of this code⁴²
- NESO
 - Suppliers
 - Embedded generators
 - Other Authorised Distributors – i.e. Independent Distribution Network Operators (IDNOs) or private networks
 - Meter Operators
 - Distributed Energy Resources
 - Distribution System Operators (DSOs)
 - Transmission System Operators (TSOs)
 - The Administrative body
 - Distribution Code Panel
- 3.37 Parties who are affected by this change
- The Panel body –Distribution Code Review Panel
 - The code administrator- Energy Networks Association
- 3.38 We propose to add text to paragraph 21.7A (b), which obliges the licensee to establish a Distribution Code Administrator and the necessary inclusions for said Administrator’s powers, duties and functions. We propose these include following DBP Guidance, and the publication of DSAPs to a schedule as found in the DSAP Guidance⁴³.
- 3.39 Full wording of this section can be found in Appendix 2 with the proposed changes to the text in bold.
- 3.40 Our expectation is that, following these proposed changes, the licensees, would raise a code modification in line with current Distribution Code change procedures⁴⁴ to include the obligations as described into the Distribution Code.

⁴¹ [ESO Licensing Direction and Licence Terms and Conditions](#)

⁴² [DCode_Summary-May_2017.pdf](#)

⁴³ [Track Changes Digitalisation Strategy and Action Plan Guidance v2.0](#)

⁴⁴ [Distribution Code Modifications](#)

Question

Q6. Do you have any concerns, or can you see any risks or issues, with the proposed change to the Electricity Distribution Licence amending the Distribution Code?

Distribution, Connection, and Use of Service Agreement (DCUSA)

- 3.41 The Distribution Connection and Use of System Agreement (DCUSA) is a multi-party contract between licensed electricity distributors, suppliers and generators in Great Britain concerned with the use of the electricity distribution system. The DCUSA was established in October 2006 as a multi-party contract between the licensed electricity Distributors, Suppliers and Generators of Great Britain⁴⁵.
- 3.42 The relevant licence conditions which provides that the licensee must keep the code in force are in the E5.4⁴⁶ Electricity Distribution, SLC 22 and Electricity System Operator Licence E5.4⁴⁷ holds an obligation on NESO but does not establish the code.
- 3.43 Parties who are members of this code⁴⁸
- Suppliers
 - Distributors
 - Generators
 - National Electricity Transmission System Operator
- 3.44 Parties who are affected by this change
- The Administrative body – ElectraLink Ltd.
 - The company – DCUSA Ltd.
- 3.45 We propose to add text to paragraph A3, which obliges the licensee to establish a DCUSA Administrator and the necessary inclusions for said Administrator’s powers, duties and functions. We propose these include following DBP Guidance, and the publication of DSAPs to a schedule as found in the DSAP Guidance⁴⁹.
- 3.46 Full wording of this section can be found in Appendix 2 with the proposed changes to the text in bold.

⁴⁵ [About DCUSA - DCUSA](#)

⁴⁸ [DCUSA Parties - DCUSA](#)

⁴⁹ [Track Changes Digitalisation Strategy and Action Plan Guidance v2.0](#)

- 3.47 The objectives of the DCUSA are found in paragraph 22.2 (a-d) and Ofgem's position is that each objective – from developing, maintaining and operating an efficient, co-ordinated and economical Distribution System to promoting efficiency in implementation and administration of DCUSA Arrangements - can be facilitated by adherence to the DBP Guidance.
- 3.48 Our expectation is that, following these proposed changes, the licensees would raise a code modification in line with current DCUSA changes procedure⁵⁰ to include the obligations as described into the DCUSA.

Question

Q7. Do you have any concerns, or can you see any risks or issues, with the proposed change to the Electricity Distribution Licence amending the DCUSA?

Retail Energy Code (REC)

- 3.49 The Retail Energy Code (REC) was established under SLC 11B of the Electricity Supply Licence and SLC 11 of the Gas Supply Licence, and Retail Energy Code Company Ltd (RECCo) was established pursuant to the code.⁵¹ RECCo is a not-for-profit organisation that owns and manages the REC⁵². All licensed energy suppliers, gas transporters, electricity distribution network operators, metering operators and Smart DCC must comply with the REC.
- 3.50 As part of managing the REC, RECCo are also responsible for procuring and supplying a number of sector-wide digital services, such as the Gas and Electricity Enquiry Services and the Energy Theft Tip Off Service (ETTOS) which is operated by Crimestoppers, under contract with RECCo.^{53 54}
- 3.51 Parties who are members of this code
- Smart DCC
 - RECCo
 - Gas and Electricity Suppliers
 - Gas Transporters
 - Distribution Network Operators

⁵⁰ [Electricity Distribution Consolidated Standard Licence Conditions](#)

⁵¹ [Electricity Supply Standard Licence Conditions 25 10 2021](#)

⁵² [REC-Main-Body-v2.0.pdf](#)

⁵³ The Energy Theft Tip Off Service (ETTOS) is a service operated to report suspected theft of gas and electricity.

⁵⁴ [The Services We Manage - Retail Energy Code Company](#)

- Metering Equipment Managers
 - Approved Meter Installers; and
 - Electricity Metering Operatives
- 3.52 Parties who are affected by this change
- The Company- RECCo Ltd
- 3.53 We propose to add text to paragraph 11B.8, which obliges the licensee to establish a REC manager and the necessary inclusions for said manager's powers, duties and functions. We propose these include following DBP Guidance, and the publication of DSAPs to a schedule as found in the DSAP Guidance published alongside this document.
- 3.54 Full wording of this section can be found in Appendix 2 with the proposed changes to the text in bold.
- 3.55 The objectives of the REC as mentioned in sub-paragraph 11B.5 (a) are found in paragraph 11B.6 and Ofgem's position is that each objective – from achievement of its mission statement, consumer protection , drive continuous improvements and efficiency in the operation of the REC and the central systems and communication infrastructures it governs, - can be facilitated by adherence to the DBP Guidance.
- 3.56 Our expectation is that, following these proposed changes, the Supply licensees would raise a code modification in line with current REC changes procedure⁵⁵ to include the obligations as described into the REC.

Q8. Do you have any concerns, or can you see any risks or issues, with the proposed change to the Electricity and Gas Supply Licences amending the REC?

Smart Energy Code

- 3.57 The Smart Energy Code is a multi-Party agreement which defines the rights and obligations of energy suppliers, network operators and other relevant parties involved in the end-to-end management of smart metering in Great Britain. The SEC is the agreement that defines the rights and obligations of energy suppliers, network operators and other relevant parties involved in the management of smart metering in Great Britain.⁵⁶ The Smart Energy Code means the document of that name, as was designated by the Secretary of State that is maintained for

⁵⁵ [REC Main Body & Schedules - REC Portal – Schedule 5](#)

⁵⁶ [About the Smart Energy Code - Smart Energy Code](#)

the purposes of Conditions 21 and 22 of the Smart Meter Communication Licence (SMCL).⁵⁷ That is subject to modification pursuant to Condition 23 (Change control for Smart Energy Code), and that may be referred to in the Licence as “the SEC”.⁵⁸

- 3.58 The SEC is enforced under the Smart Meter Communication Licence. The SMCL is currently held by Smart DCC Ltd, which was established to hold the licence and manage the smart metering communications infrastructure.
- 3.59 Parties who are members of this code⁵⁹
- Smart DCC Ltd
 - Gas Networks
 - Electricity Networks
 - Gas and Electricity Suppliers
 - Other SEC Parties
- 3.60 Parties who are affected by this change
- The Administrative body – SECAS
 - The Company-SECCo Ltd
 - The joint venture company- AlthANCo Ltd
 - SEC Panel
- 3.61 We propose to add text to paragraph 22.27 of the Smart Meter Communication Licence, which obliges the licensee to establish a SEC Administrator and the necessary inclusions for said Administrator’s powers, duties and functions. We propose these include following DBP Guidance, and the publication of DSAPs to a schedule as found in the DSAP Guidance published alongside this document.
- 3.62 Full wordings of this section can be found in Appendix 2 with the proposed changes to the text in bold;
- 3.63 The objectives of the SEC as mentioned in paragraph 22.3 of the Smart Meter Communication Licence are found in Part D, paragraphs 22(11-19) of the Smart Meter Communication Licence and Ofgem’s position is that each objective – from efficiency, compliance with DCC Licence, consumer energy management, supporting the establishment and operation of Alt HAN arrangements, and

⁵⁸ [Smart Meter Communication Licence 06 10 2021](#)

⁵⁹ [Current SEC Parties - Smart Energy Code](#)

transparent administration of SEC - can be facilitated by adherence to the DBP Guidance.

- 3.64 Our expectation is that, following these proposed changes, the licensee would raise a code modification in line with current SEC change procedures⁶⁰ to include the obligations as described into the SEC.

Question

Q9. Do you have any concerns, or can you see any risks or issues, with the proposed change to the Smart Meter Communication Licence amending the SEC?

Independent Gas Transporter Uniform Network Code (IGT UNC) and Uniform Network Code (UNC)

- 3.65 Independent Gas Transporters (IGTs) develop, operate and maintain local gas transportation networks. IGT networks are directly connected to the Gas Distribution Network (GDN) via a Connected System Entry Point or indirectly to the GDN via another IGT. Although domestic, industrial and commercial premises are connected to IGT networks, new housing and commercial developments form the largest share of the IGT market⁶¹. The Independent Gas Transporters' Uniform Network Code (IGT UNC) is a framework that governs the operation and administration of gas transportation networks operated by Independent Gas Transporters (IGTs).
- 3.66 Parties who are members of this code
- Independent Gas Transporters (IGTs)
 - Gas shippers
- 3.67 Parties who are affected by this change
- The Administrative body – Network Code and Uniform Network Code manager
 - The company – Gemserv Ltd
- 3.68 We propose to add text to Condition 9, paragraph 7hA of the Gas Transporter licence, which obliges the licensee to establish a code administrator for the Uniform Network Code and the necessary inclusions for said Administrator's powers and duties. We propose these include following DBP Guidance, and the

⁶⁰ [Smart Meter Communication Licence 06 10 2021](#)

⁶¹ [Independent Gas Transporters \(IGTs\) - IGT UNC](#)

publication of DSAPs to a schedule as found in the DSAP Guidance published alongside this document.

- 3.69 The full wording of applicable section can be found in Appendix 2 with the proposed changes to the text in bold.
- 3.70 The objectives of the Uniform Network Code as mentioned in Standard Condition 9(1) of the Gas Transporter Licence are found in paragraph 1(a-g) of the Condition 9 of the Gas Transporter Licence and Ofgem's position is that each objective – from efficiency, competition, supply security, coordination and ensure regulatory and licence compliance - can be facilitated by adherence to the DBP Guidance.
- 3.71 Our expectation is that, following these proposed changes, the licensees would raise a code modification in line with current Network Code and Uniform Network Code change procedures to include the obligations as described into the Network Code and Uniform Network Code.

Question

Q10. Do you have any concerns, or can you see any risks or issues, with the proposed change to the Gas Transporter Licence amending the UNC and IGTUNC?

Adding a principle to Code Administration Code of Practice

- 3.72 Established in 2010 following our Code Governance Review, the Code Administration Code of Practice (CACoP)⁶² is a cross-code document aimed at providing consistency in the approach and level of service provided by code administrators, particularly around code modification processes. CACoP contains 16 principles which can be read in Appendix 5 of this document.
- 3.73 There are currently ten Energy Codes subject to the CACoP
- BSC
 - CUSC
 - D-Code
 - DCUSA
 - Grid Code

⁶² <https://cacop.co.uk/wp-content/uploads/2024/01/Code-Administration-Code-of-Practice-v6.0.pdf>

- IGT UNC
- REC
- SEC
- STC
- UNC

- 3.74 The most recent update to the CACoP was approved by Ofgem in January 2024⁶³ following a user-driven review and amendment process, as stated in Principle 4. This update, labelled version 6.0, added two new principles; 15, which sets out that code administrators will endeavour to assess and consider the net zero impacts of any code modification; and 16, which requires code administrators to provide support to Ofgem on energy code reform. This amendment was discussed and proposed through the CACoP Forum.
- 3.75 We recognise that code administrators are the experts in code governance arrangements, and that the CACoP Forum is the best equipped forum to discuss and rationalise a principle obliging code administrators following CACoP to follow of DBP & DSAP Guidance as a 17th principle.
- 3.76 We are working with CACoP Forum to facilitate fully informed discussions and will support any amendment to the CACoP principles to include obligations to follows DBP Guidance.

Question

Q11. Do you think this proposed principle merits discussion at the CACoP forum for inclusion in CACoP v7.0?

Smart Meter Communication Licence

- 3.77 The Data Communications Company (DCC) is responsible under the Smart Meter Communication Licence (SMCL)⁶⁴ for establishing and operating a secure national communications network for smart metering in Great Britain. The current SMCL Licensee is Smart DCC Ltd.⁶⁵ Ofgem is currently consulting on the Operating Model and future role of the SMCL⁶⁶ with regards to Authorised Business and Mandatory Business. The changes we are proposing in this consultation are noted in paragraphs 4.28-4.29 and 4.49-4.51 of the DCC

⁶³ [Authority decision to approve CACoP v6.0](#)

⁶⁴ [Smart Meter Communication Licence 06 10 2021](#)

⁶⁵ A wholly owned subsidiary of Capita Plc

⁶⁶ [DCC Review Phase 2: Objectives, operational model and future role of DCC | Ofgem](#)

Review Phase 2 Consultation published on 2 June 2025, and the changes for each are considered and aligned between the two consultations.

- 3.78 Unlike the previous proposed changes, amendments to the SMCL will directly oblige the licensee in question, Smart DCC Ltd, to follow DBP Guidance and produce DSAPs without requiring consequential code modifications to any specific code, notwithstanding the changes proposed in paragraphs 3.57-3.63 above, which would not apply to Smart DCC Ltd, but would oblige SECCo Ltd and the SEC Panel. Furthermore, this proposed change will not require amendment to the definition of Energy System Data in the DBP Guidance,⁶⁷ as the definition encompassed the originating legislation for the SMCL activities, namely Section 7AB of the Gas Act 1986⁶⁸ and Section 6 of the Electricity Act 1989.⁶⁹
- 3.79 Our minded to position is that the direction of travel towards greater digitalisation and more data-driven decision-making to enable the flexible energy system of the future justifies making Data Best Practice Guidance a 'Core Industry Document' as defined under the SMCL. To provide clarity and stability for industry we maintain the existing commitment that DBP Guidance will only be amended following formal statutory consultation and by direction.
- 3.80 In order to align with the proposed changes currently under consultation,⁷⁰ we also propose amending Condition 6 Part B: Services forming the Mandatory Business of the Licensee; in order to ensure that obligation to follow DBP Guidance when making decisions with regards to data becomes part of the Mandatory Business, as covered in paragraphs 4.28-4.29 of the DCC Review Phase 2 Consultation. We also propose requiring the publication of DSAPs to a schedule as found in the DSAP Guidance published alongside this document.
- 3.81 The exact wording of the proposed changes can be found in Appendix 2 with changes in bold.

Question

Q12. Do you have any concerns, or can you see any risks or issues, with the proposed change to the Smart Meter Communication Licence?

⁶⁷ [Decision on definition of Energy System Data in data best practice guidance | Ofgem](#)

⁶⁸ [Gas Act 1986](#)

⁶⁹ [Electricity Act 1989](#)

⁷⁰ [DCC Review Phase 2: Objectives, operational model and future role of DCC | Ofgem](#)

4. Conclusion and next steps

- 4.1 From the outset, Ofgem has been clear in our intent to expand the Data Best Practice Guidance to cover the energy sector. This consultation aims to introduce DBP Guidance to Codes by amending the Energy System Operator, Gas and Electricity Supply, Electricity Distribution, Gas Transporter, and Smart Meter Communication licences. The specifics are detailed in Section 3 of this consultation and proposed licence amendment text is detailed in Appendix 2
- 4.2 This consultation builds upon a foundation of engagement through code panels, and the creation and development of the Cross Codes Digitalisation Steering Group to best understand where DBP Guidance can add value within existing structures of industry codes, given the Code Reform project arising from the Energy Act 2023.
- 4.3 We are of the view, supported by our engagement with industry, that the approach delineated in this consultation – namely the amendment of Licence Conditions creating consequential code modifications – is the most effective route.
- 4.4 From the outset, Ofgem has made its position clear that DBP Guidance would be a key foundation for the digital evolution we saw as critical to the net zero future of 2030 and beyond. Interoperability, standardisation, openness, and truly understanding the value of good quality, reliable, real-time data are vital for almost all the steps of the journey Ofgem, NESO, and the government are embarking on towards a carbon-free future.
- 4.5 We commit to working with industry to develop the code modifications which arise from the changes proposed in this consultation through the forum of the CCDSG and other engagements.

Next Steps

- 4.6 Following this Consultation, we aim to have a decision published by late 2025. Following this, we expect the consequential code modifications to be raised by code bodies within six months of the change being made to the respective licence conditions. This will, by statute, be 56 days after the decision and associated directions are published.
- 4.7 Following the Energy Act 2023, work is underway to implement code governance reforms. This consultation is intended to align with the timeline of these reforms, but we acknowledge this work is ongoing and the timeline for aspects of the reforms is still uncertain.

- 4.8 Following the conclusion of this process, we seek to engage further with licenced suppliers and aggregators seeking to be licenced under the upcoming load controller licence with a view to creating the obligation to follow DBP Guidance in those licences, ensuring the majority of network and consumer-facing licensees in the energy sector are compliant with DBP Guidance. This work will commence in Spring 2026.

Appendices

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Appendix 1 – List of Questions

Section 2 – Intent behind the Proposed Changes

- Q1. Do you agree with our intent to expand DBP Guidance into the codes?
- Q2. Do you agree with the proposed deadline six months after the licence condition is applied for consequential code modifications? If not, please state your reasons specific to the relevant code and modification process.
- Q3. Do you agree with the minded-to position that an obligation to produce DSAPs is suitable and proportionate for code bodies? If not, what alternative would you propose to achieve the same or greater benefits?

Section 3 – Licence Condition Changes by Code

- Q4. Do you have any concerns, or can you see any risks or issues, with the proposed change to the Electricity System Operator Licence amending the BSC?
- Q5. Do you have any concerns, or can you see any risks or issues, with the proposed change to the Electricity System Operator Licence amending the CUSC, STC, and Grid Code?
- Q6. Do you have any concerns, or can you see any risks or issues, with the proposed change to the Electricity Distribution Licence amending the Distribution Code?
- Q7. Do you have any concerns, or can you see any risks or issues, with the proposed change to the Electricity Distribution Licence amending the DCUSA?
- Q8. Do you have any concerns, or can you see any risks or issues, with the proposed change to the Electricity and Gas Supply Licences amending the REC?
- Q9. Do you have any concerns, or can you see any risks or issues, with the proposed change to the Smart Meter Communication Licence amending the SEC?
- Q10. Do you have any concerns, or can you see any risks or issues, with the proposed change to the Gas Transporter Licence amending the UNC and IGTUNC?

Q11. Do you think this proposed principle merits discussion at the CACoP forum for inclusion in CACoP v7.0?

Q12. Do you have any concerns, or can you see any risks or issues, with the proposed change to the Smart Meter Communication Licence?

Appendix 2 – Legal Wording

Balancing and Settlement Code

Energy System Operator Licence Condition E1

E1.3. The licensee must have in force a BSC, being a document:

- (a) setting out the terms of the Balancing and Settlement Arrangements described in paragraph E1.12;
- (b) designed so that the Balancing and Settlement Arrangements facilitate achievement of the Applicable BSC Objectives set out in paragraph E1.13;
- (c) including the modification procedures required by paragraphs E1.18 to E1.32;
- (d) including the matters required by paragraph E1.14;
- (e) establishing the BSC Code Administrator and setting out the BSC Code Administrator's powers, duties and functions, which must:
 - (i) include a requirement that, in conjunction with other code administrators, the BSC Code Administrator will maintain, publish, review and (where appropriate) amend the Code of Practice approved by the Authority and any amendments to the Code of Practice are to be approved by the Authority;
 - (ii) include facilitating the matters required by paragraphs E1.18 and E1.14;
 - (iii) have regard to and, in particular to the extent that they are relevant, be consistent with the principles contained in, the Code of Practice;
 - (iv) include a requirement that the BSC Code Administrator must, when conducting work that involves working with or making decisions about the use of Energy System Data, use its best endeavours to act in accordance with Data Best Practice Guidance.**
 - (v) include a requirement that the BSC Code Administrator must, publish a Digitalisation Strategy and Digitalisation Action Plan at intervals specified in the DSAP Guidance. The BSC Code Administrator must;**
 - (a) publish its Digitalisation Strategy and Action Plan and updates to the Digitalisation Strategy and Action Plan on its website where they are readily accessible to the public.**
 - (b) maintain an archive of all published versions of its Digitalisation Strategy and Action Plan on the licensee's website where they are readily accessible to the public.**

(c) notify the Authority of any updates to its Digitalisation Strategy and Action.

(f) establishing the BSC Panel and whose composition must include:

(i) an independent chairperson approved by the Authority; and

(ii) a consumer representative (appointed by Citizens Advice, Citizens Advice Scotland, Consumer Scotland, or any successor body) who has a vote as specified in the BSC,

and the licensee shall be taken to comply with this paragraph by modifying the BSC in accordance with the provisions of paragraphs E1.18 and E1.33,

Connection and Use of System Code

Energy System Operator Licence Condition E2

E2.6. The CUSC prepared by the licensee must establish:

(a) The CUSC Code Administrator, and sets out the CUSC Code Administrator's powers, duties and functions which must:

(i) include a requirement that, in conjunction with other Relevant Code Administrators, the CUSC Code Administrator must maintain, publish, review and (where appropriate) amend the Code of Practice approved by the Authority and any amendments to the Code of Practice are to be approved by the Authority;

(ii) include facilitating the matters required by paragraph E2.10; and

(iii) have regard to and, in particular to the extent that they are relevant, be consistent with the principles contained in, the Code of Practice;

(iv) include a requirement that the CUSC Code Administrator must, when conducting work that involves working with or making decisions about the use of Energy System Data, use its best endeavours to act in accordance with Data Best Practice Guidance.

(v) include a requirement that the CUSC Code Administrator must, publish a Digitalisation Strategy and Digitalisation Action Plan at intervals specified in the DSAP Guidance. The CUSC Code Administrator must;

(a) publish its Digitalisation Strategy and Action Plan and updates to the Digitalisation Strategy and Action Plan on its website where they are readily accessible to the public.

(b) maintain an archive of all published versions of its Digitalisation Strategy and Action Plan on the licensee's website where they are readily accessible to the public.

(c) notify the Authority of any updates to its Digitalisation Strategy and Action.

Grid Code

Energy System Operator Licence Condition E3

E3.4 The Grid Code must provide for:

(a) the procedures established in accordance with paragraph E3.6 and paragraphs E3.10 to E3.19;

(b) the Grid Code Panel, a panel body as specified in the Grid Code whose functions must include the matters required by this condition and as set out in the Grid Code and any ancillary documents and whose composition must include:

(i) a chairperson; and,

(ii) a consumer representative (appointed by Citizens Advice or Citizen Advice Scotland, or any successor body) who has a vote as specified in the Grid Code;

(c) the Grid Code Administrator. In addition to any powers, duties or functions set out in the Grid Code and any ancillary documents, the Grid Code Administrator must:

(i) together with other Relevant Code Administrators, maintain, publish, review and (where appropriate) amend the Code of Practice approved by the Authority (with any amendments to the Code of Practice as approved by the Authority);

(ii) facilitate the procedures for making a modification to the Grid Code;

(iii) have regard to, and (to the extent relevant) be consistent with the principles contained in the Code of Practice; and

(iv) provide assistance, as is reasonably practicable and on reasonable request, to Authorised Electricity Operators (including, in particular, Small Participants) and, where relevant, consumer representatives that request the Grid Code Administrator's assistance in relation to the Grid Code including, but not limited to, assistance with:

(1) drafting a modification proposal;

(2) understanding the operation of the Grid Code;

(3) their involvement in, and representation during, the modification procedure processes (including, but not limited to Grid Code Panel and/or

workgroup meetings) as required by this condition, specified in the Grid Code, or described in the Code of Practice; and

(4) accessing information relating to modification proposals and/or modifications.

(d) The Grid Code Administrator must, when conducting work that involves working with or making decisions about the use of Energy System Data, use its best endeavours to act in accordance with Data Best Practice Guidance, and

(e) include a requirement that the Grid Code Administrator must, publish a Digitalisation Strategy and Digitalisation Action Plan at intervals specified in the DSAP Guidance. The Grid Code Administrator must;

(a) publish its Digitalisation Strategy and Action Plan and updates to the Digitalisation Strategy and Action Plan on its website where they are readily accessible to the public.

(b) maintain an archive of all published versions of its Digitalisation Strategy and Action Plan on the licensee's website where they are readily accessible to the public.

(c) notify the Authority of any updates to its Digitalisation Strategy and Action.

System Operator Transmission Owner Code

Energy System Operator Licence Condition E4

E4.6. The STC must provide for:

(a) there to be referred to the Authority for determination such matters arising under the STC as may be specified in the STC;

(b) a copy of the STC and any part thereof, excluding any confidential information contained in the STC as provided in the STC, to be provided to any person requesting the same upon payment of an amount not exceeding the reasonable costs of making and providing such copy;

(c) the STC Panel;

(d) the STC Code Administrator to perform the role of code administrator. In addition to any powers, duties, or functions set out in the STC, the STC Code Administrator must:

(i) together with other Relevant Code Administrators, publish, review and, where appropriate, amend from time to time the Code of Practice approved by the Authority. Any amendments to the Code of Practice are to be approved by the Authority;

(ii) facilitate the procedures for making a modification to the STC; and

(iii) have regard to in particular, and, to the extent relevant, be consistent with the principles contained in, the Code of Practice,

(e) The STC Code Administrator must, when conducting work that involves working with or making decisions about the use of Energy System Data, use its best endeavours to act in accordance with Data Best Practice Guidance, and

(f) include a requirement that the STC Code Manager must, publish a Digitalisation Strategy and Digitalisation Action Plan at intervals specified in the DSAP Guidance. The STC Code Manager must;

(i) publish its Digitalisation Strategy and Action Plan and updates to the Digitalisation Strategy and Action Plan on its website where they are readily accessible to the public.

(ii) maintain an archive of all published versions of its Digitalisation Strategy and Action Plan on the licensee's website where they are readily accessible to the public.

(iii) notify the Authority of any updates to its Digitalisation Strategy and Action.

Security and Quality of Supply Standard

A2.1 While the SQSS is an industry code, the cadence of changes, requirements for membership, nature of the code relating to technical standards, and small amount of relevant data held by members of this code, we have deemed it unnecessary to make any amendment to this code requiring members to follow DBP Guidance. As such, there are no changes to the text.

Distribution Code

Electricity Distribution Licence Condition 21

21.7A The Distribution Code must provide for:

(a) a panel body, as specified in the Distribution Code (the "panel"), whose functions shall include the matters required by this condition and as set out in the Distribution Code and any ancillary documents; and

(b) a secretarial or administrative person or body, as specified in the Distribution Code, to perform the role of code administrator (the "code administrator"). In addition to any powers, duties, or functions set out in the Distribution Code and any ancillary documents, the code administrator shall:

(i) together with other code administrators, publish, review, and (where appropriate) amend from time to time the Code of Practice approved by the Authority (any amendments to the Code of Practice are to be approved by the Authority);

(ii) facilitate the procedures for making a modification to the Distribution Code;

(iii) have regard to, and in particular (to the extent relevant) be consistent with the principles contained in, the Code of Practice; and

(iv) provide assistance, insofar as is reasonably practicable and on reasonable request, to Authorised Electricity Operators (including, in particular, Small Participants) and, to the extent relevant, consumer representatives that request the code administrator's assistance in relation to the Distribution Code including, but not limited to, assistance with:

a. understanding the operation of the Distribution Code;

b. their involvement in, and representation during, the modification procedure processes (including, but not limited to, code panel and/or workgroup meetings);

c. accessing information relating to modification proposals and/or modifications.

(c) include a requirement that the Distribution Code Panel and Distribution Code Administrator must, when conducting work that involves working with or making decisions about the use of Energy System Data, use their best endeavours to act in accordance with Data Best Practice Guidance, and

(d) include a requirement that the Distribution Code Administrator must, publish a Digitalisation Strategy and Digitalisation Action Plan at intervals specified in the DSAP Guidance. The Distribution Code Panel and Distribution Code Administrator must;

(i) publish its Digitalisation Strategy and Action Plan and updates to the Digitalisation Strategy and Action Plan on its website where they are readily accessible to the public.

(ii) maintain an archive of all published versions of its Digitalisation Strategy and Action Plan on the licensee's website where they are readily accessible to the public.

(iii) notify the Authority of any updates to its Digitalisation Strategy and Action.

Distribution, Connection, and Use of Service Code

Electricity Distribution Licence Condition 22 Appendix 1

Without prejudice to any of the matters set out in paragraph A2, the DCUSA must also include:

(a) Terms for the creation of an agreement, to which the licensee, every other Electricity Distributor, and any other Authorised Electricity Operator (not being an Electricity Distributor, and so far as the DCUSA is applicable to

it) must be a party on such terms and conditions of accession as may be Specified ("the DCUSA Accession Agreement").

(b) Provisions for the referral for determination by the Authority of any dispute arising as to whether a person seeking to be admitted as a party to the DCUSA Accession Agreement has fulfilled any such accession conditions.

(c) Terms that provide for the licensee and such other parties to the DCUSA Accession Agreement as may be Specified to be contractually bound by some or all of the provisions of the DCUSA.

(d) Arrangements for establishing and maintaining, in accordance with such procedures for appointment or election as may be Specified, a panel ("the panel") which is to be responsible, by way of such proceedings as may be Specified, for the governance and administration of the DCUSA and whose members are to be required as a condition of appointment or election to act independently and not as delegates.

(e) Arrangements for the establishment and funding of a secretariat that is able to service the panel to such extent and in respect of such matters as may be Specified.

(f) Arrangements for a secretarial or administrative person or body, as specified in the DCUSA, to perform the role of code administrator (the "code administrator"). In addition to any power, duties, or functions set out in the DCUSA, the code administrator shall:

(i) together with other code administrators, publish, review, and (where appropriate) amend from time to time the Code of Practice approved by the Authority (any amendments to the Code of Practice are to be approved by the Authority);

(ii) facilitate the procedures for making a modification to the DCUSA;

(iii) have regard to, and in particular (to the extent relevant) be consistent with the principles contained in, the Code of Practice; and

(iv) provide assistance, insofar as is reasonably practicable and on reasonable request, to parties (including, in particular, Small Participants) and, to the extent relevant, consumer representatives that request the code administrator's assistance in relation to the DCUSA including, but not limited to, assistance with:

(1) drafting a modification proposal;

(2) understanding the operation of the DCUSA;

(3) their involvement in, and representation during, the modification procedure processes (including, but not limited to, panel and/or workgroup meetings);

(4) accessing information relating to modification proposals and/or modifications.

(g) Such criteria as are Specified for the modification of the DCUSA without the Authority's approval, in accordance with Parts B to D of this condition.

(h) Not used.

(i) include a requirement that the DCUSA code administrator and DCUSA panel must, when conducting work that involves working with or making decisions about the use of Energy System Data, use their best endeavours to act in accordance with Data Best Practice Guidance, and

(j) include a requirement that the DCUSA code administrator must, publish a Digitalisation Strategy and Digitalisation Action Plan at intervals specified in the DSAP Guidance. The DCUSA code administrator must;

(a) publish its Digitalisation Strategy and Action Plan and updates to the Digitalisation Strategy and Action Plan on its website where they are readily accessible to the public.

(b) maintain an archive of all published versions of its Digitalisation Strategy and Action Plan on its website where they are readily accessible to the public.

(c) notify the Authority of any updates to its Digitalisation Strategy and Action.

Retail Energy Code

Electricity Supply Licence

11B.8 The REC must provide for:

(a) a panel body, as specified in the REC (the “panel”) whose functions shall include the matters required by this condition and as set out in the REC; and

(b) a person or body, as specified in the REC, to perform the role of code manager (the “REC manager”). In addition to any powers, duties or functions set out in the REC, the REC manager shall:

(i) together with other code managers and/or code administrators, publish, review and (where appropriate) amend from time to time the Code of Practice approved by the Authority (any amendments to the Code of Practice are to be approved by the Authority);

(ii) facilitate the procedures for making a modification to the REC;

(iii) have regard to, and in particular (to the extent relevant) be consistent with the principles contained in, the Code of Practice; and

(iv) provide assistance, insofar as is reasonably practicable and on reasonable request, to parties (including, in particular, Small Participants) and, to the extent relevant, consumer representatives that request the code manager’s assistance in relation to the REC including, but not limited to, assistance with:

(a) drafting a modification proposal;

(b) understanding the operation of the REC;

(c) their involvement in, and representation during, the modification procedure processes (including, but not limited to, code panel and/or workgroup meetings);

(d) accessing information relating to modification proposals and/or modifications.

(e) include a requirement that the REC Manager must, when conducting work that involves working with or making decisions about the use of Energy System Data, use its best endeavours to act in accordance with Data Best Practice Guidance.

(f) include a requirement that the REC Manager must, publish a Digitalisation Strategy and Digitalisation Action Plan at intervals specified in the DSAP Guidance. The REC Manager must;

(a) publish its Digitalisation Strategy and Action Plan and updates to the Digitalisation Strategy and Action Plan on its website where they are readily accessible to the public.

(b) maintain an archive of all published versions of its Digitalisation Strategy and Action Plan on its website where they are readily accessible to the public.

(c) notify the Authority of any updates to its Digitalisation Strategy and Action.

and

(c) a “performance assurance board” to conduct and administer activities identified within the REC and being appropriate to provide assurance that all participants in the REC arrangements, particularly those relating to switching activities, are suitably qualified and that the relevant standards are maintained.

Smart Energy Code

Smart Meter Communication Licence

22.27 Without prejudice to such matters as are required to be included in the SEC by virtue of Part E above, the SEC must also include:

(a) arrangements for the establishment and funding of a Secretariat to service the SEC Panel in connection with such matters of governance and administration as are specified in the SEC, including the maintenance of a conformed and up-to-date copy of the SEC as from time to time modified in accordance with such arrangements as are in place by virtue of Condition 23;

(b) arrangements for the establishment and funding of a person to be known as the Code Administrator to advise and assist the SEC Panel (including, in particular, the Consumer Members), SEC Parties, and other interested persons with respect to the policy and administration of the SEC, to such extent and in relation to such matters as are specified in the SEC;

(c) provision for the establishment of a joint venture company, SECCo Ltd,

(i) the shareholders of which are to be such SEC Parties as may be specified for that purpose in the SEC,

(ii) the sole business of which is to act as a corporate vehicle to assist the SEC Panel in exercising its powers, duties, and functions (including by entering into contracts where necessary or desirable in order to implement any decision of the SEC Panel), and

(iii) the affairs of which are to be conducted in accordance with good business practice;

(d) arrangements for the establishment and funding of one or more bodies that may be required to support the Certificate Policy Management Authority in the implementation of the Certificate Policy, including arrangements that provide for such bodies to become SEC Parties to such extent, for such purposes, and in such circumstances as may be specified in the SEC; and

(e) terms requiring the Code Administrator to act in accordance with any Code of Practice approved by the Authority that relates to the performance of their duties by persons or bodies responsible for administering documents of the kind that are described in Condition 21 (Roles in relation to Core Industry Documents); and

(f) provision for the establishment of a joint venture company, AlthANCo Ltd,

(i) the shareholders of which are to be Relevant Suppliers which are SEC Parties,

(ii) the sole business of which is to act as a corporate vehicle to assist the Alt HAN Forum in exercising its powers, duties and functions (including by entering into contracts where necessary or desirable in order to implement any decision of the Alt HAN Forum), and

(iii) the affairs of which are to be conducted in accordance with good business practice.

(g) a requirement that the SEC Panel, AlthANCo Ltd, and SECCo Ltd must, when conducting work that involves working with or making decisions about the use of Energy System Data, use its best endeavours to act in accordance with Data Best Practice Guidance.

(g) a requirement that the SEC Panel, AlthANCo Ltd, and SECCo Ltd. must, publish a Digitalisation Strategy and Digitalisation Action Plan at intervals specified in the DSAP Guidance. The SEC Panel, AlthANCo Ltd, and SECCo Ltd. must;

(a) publish their Digitalisation Strategy and Action Plan and updates to the Digitalisation Strategy and Action Plan on their respective websites where they are readily accessible to the public.

(b) maintain an archive of all published versions of their Digitalisation Strategy and Action Plan on their respective websites where they are readily accessible to the public.

(c) notify the Authority of any updates to its Digitalisation Strategy and Action.

Uniform Network Code (Including Independent Gas Transporter Uniform Network Code)

Gas Transporter Licence

Condition 9: Network Code and Uniform Code

7(h). establishing and maintaining, in accordance with such procedures for appointment or election as may be specified, a panel (the "panel") which is to be responsible, by way of proceedings as may be specified, for the governance and administration of the uniform network code;

(hA). a secretarial or administrative person or body, as specified in the uniform network code, to perform the role of code administrator (the "code administrator"). In addition to any powers, duties or functions set out in the uniform network code, the code administrator shall:

(i) together with other code administrators, publish, review and (where appropriate) amend from time to time the Code of Practice approved by the Authority (any amendments to the Code of Practice are to be approved by the Authority);

(ii) facilitate the network code modification procedures;

(iii) have regard to, and in particular (to the extent relevant) be consistent with the principles contained in, the Code of Practice; and

(iv) provide assistance, insofar as is reasonably practicable and on reasonable request, to parties (including, in particular, small participants) and, to the extent relevant, consumer representatives that request the code administrator's assistance in relation to the uniform network code including, but not limited to, assistance with:

- drafting a modification proposal;
- understanding the operation of the uniform network code;
- their involvement in, and representation during, the modification procedure processes (including but not limited to code panel and/or workgroup meetings);
- accessing information relating to modification proposals and/or modifications.

(hB) include a requirement that the Uniform Network Code Panel must, when conducting work that involves working with or making decisions about the use of Energy System Data, use its best endeavours to act in accordance with Data Best Practice Guidance.

(hC) include a requirement that the Uniform Network Code Panel must, publish a Digitalisation Strategy and Digitalisation Action Plan at intervals specified in the DSAP Guidance. The Uniform Network Code Panel must;

(a) publish its Digitalisation Strategy and Action Plan and updates to the Digitalisation Strategy and Action Plan on its website where they are readily accessible to the public.

(b) maintain an archive of all published versions of its Digitalisation Strategy and Action Plan on its website where they are readily accessible to the public.

(c) notify the Authority of any updates to its Digitalisation Strategy and Action.

Smart Meter Communication Licence

Part B: Services forming the Mandatory Business of the Licensee

6.5 The Mandatory Business of the Licensee comprises the provision, for and on behalf of parties to the Smart Energy Code, where relevant, the Retail Energy Code, of the following Mandatory Business Services:

(a) Core Communication Services, being communication services (as specified and defined in the SEC) that relate solely to the Supply of Energy (or its use) under the Principal Energy Legislation, and that are provided by the Licensee under or pursuant to an Agreement for Services in accordance with Part B of Condition 17 (Requirements for the provision of Services);

(b) Elective Communication Services, being communication services (excluding Core Communication Services) that relate solely to the Supply of Energy (or its use) under the Principal Energy Legislation, and that are provided by the Licensee under or pursuant to an Agreement for Services in accordance with Part C of Condition 17;

(c) Enabling Services (as to which, see paragraph 6.6), being services that fulfil an enabling role (including making provision for the testing of services and equipment, and for ensuring the security of services) relating to the provision of Core Communication Services and Elective Communication Services, and the procurement and utilisation of all such resources (including, in particular, the Fundamental Service Capability that is detailed at Schedule 1 to this Licence) as may be necessary or expedient for the purposes of securing such provision; and

(d) The incorporation, delivery and provision of the Centralised Registration Service, in accordance with Condition 15.

6.5A As part of Mandatory Business, the licensee must, when conducting work that involves working with or making decisions about the use of Energy System

Data, use its best endeavours to act in accordance with Data Best Practice Guidance.

6.5B As part of Mandatory Business, the licensee must, publish a Digitalisation Strategy and Digitalisation Action Plan at intervals specified in the DSAP Guidance. The licensee must;

(a) publish its Digitalisation Strategy and Action Plan and updates to the Digitalisation Strategy and Action Plan on the licensee's website where they are readily accessible to the public.

(b) maintain an archive of all published versions of its Digitalisation Strategy and Action Plan on the licensee's website where they are readily accessible to the public.

(c) notify the Authority of any updates to its Digitalisation Strategy and Action Plan.

Appendix 3 – Glossary

Terms	Definitions
Balancing and Settlement Code (BSC)	The Balancing and Settlement Code contains the rules and governance arrangements for electricity balancing and settlement in Great Britain. This code is administered by Elexon
Certificate	A file or electronic password that proves the authenticity of a device, server, or user through the use of cryptography and the Public Key Infrastructure (PKI) Authentication of same helps ensure that only trusted devices and users can connect to their networks.
Data Asset	Any entity that is comprised of data. For example, a database is a data asset that is comprised of data records. A data asset may be a system or application output file, database, document, or web page. A data asset also includes a service that may be provided to access data from an application. For example, a service that returns individual records from a database would be a data asset. Similarly, a web site that returns data in response to specific queries (e.g. www.weather.com) would be a data asset. This definition is taken from National Institute of Standards and Technology (NIST).
Data Best Practice Guidance	Principles and expectations for licensees to follow when preparing Digitalisation Strategies and Action Plans. Part of Ofgem's standards for data and digitalisation.
Data Controller	The person (usually an organisation) who decides how and why to process data. Definition taken from ICO.
Delivery Body	An entity responsible for overseeing, managing and driving forward initiatives, to meet the expectations of the role.
Digitalisation	Integration of data tools into energy system planning and operations.

Digitalisation Strategy and Action Plan (DSAP)	As part of RIIO-2 price controls and Ofgem's standards for data and digitalisation, relevant licensees must prepare and update Digitalisation Strategy and Digitalisation Action Plans detailing the strategic approach taken by an organisation and the organisation's plan to digitalise its Products and Services.
Energy Networks Association (ENA)	The Energy Networks Association is a not-for-profit industry body representing energy network operators in the UK and Ireland.
Energy System Data	Data which describes the energy system and its operation (current, historic and forecast), including the presence and state of infrastructure, operation of the system, associated market operations, policy and regulation.
Gas Distribution Network (GDN)	A company that operates the gas distribution network that transports gas from the transmission system to homes and businesses.
Metadata	Data that provides information about a dataset that makes tracking and working with multiple datasets easier.
National Cyber Security Centre (NCSC)	The NCSC acts as a bridge between industry and government, providing a unified source of advice, guidance and support on cyber security, including the management of cyber security incidents.
National Energy System Operator (NESO)	The company that, in future, is expected to be designated as the ISOP. NESO will be an independent, public corporation responsible for planning Britain's electricity and gas networks and operating the electricity system. See also the definition of 'System Operator'.
Personal Data	Any information relating to an identified or identifiable natural person ('data subject'). Definition taken from ICO.
Smart Energy Code (SEC)	The Smart Energy Code (SEC) is a multi-Party agreement which defines the rights and obligations of energy suppliers, network operators and other relevant parties involved in the end-to-end management of smart metering in Great Britain.

Smart Meter Communication Licence	Smart DCC operates under the Smart Meter Communication Licence which was granted by Government and is regulated by Ofgem. The licence allows Smart DCC to establish and manage the smart metering data and communications infrastructure.
Standard Licence Condition (SLC)	Standard Licence Conditions are conditions that apply to all licensees of a particular licence type. These can be in and out of effect for licensees.
UK GDPR	The UK version of the EU General Data Protection Regulation, as amended and incorporated into UK law from the end of the transition period by the European Union (Withdrawal) Act 2018 and associated Exit Regulations. The government has published a Keeling Schedule for the UK GDPR which shows the planned amendments.
Whole system	An approach that considers the gas, electricity (transmission and distribution) networks as well as the impact the heat and transport sectors and wider industry have on the system.

Appendix 4 – Privacy notice on consultations

Personal data

The following explains your rights and gives you the information you are entitled to under the UK General Data Protection Regulation (UK GDPR).

Note that this section only refers to your personal data (your name, address, or anything that could be used to identify you personally) not the content of your response to the consultation.

1. The identity of the controller and contact details of our Data Protection Officer

The Gas and Electricity Markets Authority is the controller, (for ease of reference, “Ofgem”). The Data Protection Officer can be contacted at dpo@ofgem.gov.uk

2. Why we are collecting your personal data

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

3. Our legal basis for processing your personal data

As a public authority, the GDPR makes provision for Ofgem to process personal data as necessary for the effective performance of a task carried out in the public interest. i.e. a consultation.

4. With whom we will be sharing your personal data

All consultation responses which are not marked as confidential will be published, with any personal details redacted. Any consultations marked as confidential will be retained for internal analysis and not shared outside the Authority.

5. For how long we will keep your personal data, or criteria used to determine the retention period.

Your personal data will be held for seven years after the decision has been made for subsequent analysis and to provide evidence of decision-making in future.

6. Your rights

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right to:

- know how we use your personal data
- access your personal data
- have personal data corrected if it is inaccurate or incomplete
- ask us to delete personal data when we no longer need it

- ask us to restrict how we process your data
- get your data from us and re-use it across other services
- object to certain ways we use your data
- be safeguarded against risks where decisions based on your data are taken entirely automatically
- tell us if we can share your information with 3rd parties
- tell us your preferred frequency, content and format of our communications with you
- to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at <https://ico.org.uk/>, or telephone 0303 123 1113.

7. Your personal data will not be sent overseas

8. Your personal data will not be used for any automated decision making.

9. Your personal data will be stored in a secure government IT system.

10. More information: For more information on how Ofgem processes your data, click on the link to our "[ofgem privacy promise](#)".

Appendix 5 – CACoP Listed Principles

What are the Code Administration Code of Practice Principles?

The 16 CACoP principles are: (with proposed principles in bold.)

1. Code Administrators shall be critical friends
2. Documentation published by Code Administrators shall be in clear English
3. Information will be promptly and publicly available to users
4. The CACoP will be reviewed periodically and subject to amendment by users
5. Code Administrators shall support processes which enable users to access a 'pre-Modification' process to discuss and develop Modifications
6. A proposer of a Modification will retain ownership of the detail of their solution
7. Code Administrators will facilitate alternative solutions to issues being developed to the same degree as an original solution
8. Estimates of implementation costs to central systems will be produced and consulted upon prior to a Modification being recommended for approval
9. Legal text will be produced and consulted upon prior to a Modification being recommended for approval
10. Modifications will be consulted upon and easily accessible to users, who will be given reasonable time to respond
11. There will be flexibility for implementation, to allow proportionate delivery times and realisation of benefits
12. The Code Administrators will report annually on agreed metrics
13. Code Administrators will ensure cross Code coordination to progress changes efficiently where Modifications impact multiple Codes
14. Code Administrators shall support prospective energy innovators
15. Code Administrators shall endeavour to provide an assessment of the impacts of a Modification on the end consumer and on the drive for net zero
16. Code Administrators shall provide support for Code Reform
- 17. Code Administrators shall, when conducting work that involves working with or making decisions about the use of Energy System Data, use its best endeavours to act in accordance with Data Best Practice Guidance.**

18. **Code Administrators shall publish a Digitalisation Strategy and Digitalisation Action Plan (DSAP) at intervals specified in the DSAP Guidance.**

Appendix 6 Applicable consultations

Consultation – Preliminary Strategic Direction Statement for industry codes

[Preliminary Strategic Direction Statement for industry codes.](#)

Consultation on the preliminary Strategic Direction Statement (SDS) and accompanying governance changes for industry codes- 31 January 2025

[Consultation on the preliminary Strategic Direction Statement and governance arrangements for industry codes | Ofgem.](#)

Consultation on reforming the energy industry codes- 23 July 2019.

[Consultation on reforming the energy industry codes | Ofgem.](#)

Consultation – Second consultation on the implementation of the energy code reform- 3 April 2025

[Energy code reform: second implementation consultation | Ofgem](#)

Consultation on changing the definition of Energy System Data (ESD) in Data Best Practice (DBP) Guidance- 22 April 2024

[Consultation on changing the definition of Energy Systems Data in Data Best Practice | Ofgem](#)

Decision to change the definition of Energy System Data (ESD) in Data Best Practice (DBP) Guidance- 8 October 2024

[Decision on definition of Energy System Data in data best practice guidance | Ofgem](#)

Open letter regarding Data Best Practice and its future in codes- 14 March 2024

[Open Letter regarding Data Best Practice and its future in Codes | Ofgem](#)

Decision on the amended DBP Guidance and DSAP Guidance- 7 August 2023.

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

Revisions to Data Best Practice Guidance and Digitalisation Strategy and Action Plan Guidance- 28 February 2023.

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

Consultation on Data Best Practice and Digitalisation Strategy and Action Plan Guidance- 25 May 2021

[Consultation on Data Best Practice guidance and Digitalisation Strategy and Action Plan guidance | Ofgem](#)

Decision on Data Best Practice and Digitalisation Strategy and Action Plan Guidance- 15 November 2021.

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