

# Consultation on the preliminary Strategic Direction Statement and code governance arrangements – response template

This document provides a template for responses to our consultation on the preliminary Strategic Direction Statement and code governance arrangements, published on 31 January 2025.

If you are interested in responding to this consultation, please complete this word document and send it to [industrycodes@ofgem.gov.uk](mailto:industrycodes@ofgem.gov.uk) by the end of the day on Friday 28 March 2025.

## Guidance

We typically publish consultation responses when we publish our decision. To ensure that we can correctly attribute your response, please ensure that you enter all relevant details in the “your company’s details” section (template part 1).

If you would like us to treat your response as being confidential, either in full or in part, please indicate this to us below. Further information on how we will treat your response, data and confidentiality can be found at the end of this document.

Please use template part 2 to provide your responses. For all questions, the template below provides space for you to enter free text comments. Some questions also ask whether you agree with our proposals. Please indicate the extent to which you agree or disagree with relevant proposals by deleting all but one of the bullets provided.

There is also a section for “general feedback” (template part 3). Please use this section to provide any views on the overall consultation process.

## Template part 1: Your organisation’s details:

<b>Contact name</b>	<b>David Jones</b>
<b>Role title</b>	<b>Regulation Manager</b>
<b>Company name</b>	<b>Alt HAN Co</b>
<b>Telephone number</b>	<b>07850264678</b>
<b>Email address</b>	<b>David.jones@althanco.com</b>

<b>Date of submission</b>	<b>5 March 2025</b>
<b>Do you want your response treated as confidential?</b>  <b>(If yes, please indicate whether you would like the whole of your response to be confidential, or just particular parts).</b>	          <b>No</b>

## Template part 2: consultation responses

### Consultation section 2 – Approach to the Strategic Direction Statement

**Question 1** – Is the structuring of SDS content into three time horizons (Act now, Think & plan, Listen & wait) helpful?

- Agree

Comments: *The structuring allows industry, code bodies and other stakeholders to start to prioritise change and should allow for those organisations to budget and plan on that basis. There may be a consequential risk that, where a change is proposed that may benefit industry/customers today, it gets deferred as it may relate in part to a strategic area which is in the 'Listen and Wait' category.*

**Question 2** – Do you agree with the way modifications have been categorised into these three time horizons (Act now, Think & plan, Listen & wait)? If not, please specify what changes you suggest and why.

- Neither agree nor disagree

Comments: The allocation of Modifications as set out in Subsidiary Document 1, reflects the reality of where there are changes already in train and policies still in development.

There may be a case however that the actions related to '*Affordability Crisis (1.2)*' and '*Improve consumer protections...particularly for the vulnerable (2.1)*' which are currently in the 'Think&Plan' stage should be in the 'Act now' category. The issues of affordability have been prevalent for some years and, as your consultation notes, energy debt continues to grow, the consultation notes there are existing consultations related to addressing these issues which could be implemented in the 'Act now' window.

In addition the importance of having smart metering in place to deliver other policy proposals means that '*13.2: Continue to drive the benefits of smart meters through*

*regulatory oversight of roll-out and data flows*’ arguably sits better within ‘Act now’. As the rollout will need to continue for a few years to achieve the Government’s business case and there is a need to confirm the regulatory framework for driving rollout priorities and activities beyond 2025.

**Question 3** – On the basis that the SDS should contain a strategic assessment of government policies and developments relating to the energy sector, that will or may require the making of code modifications, do you think there is anything missing from the SDS that you would expect to require code modifications in the next 1-5 years? If so, please specify.

- No

Comments: The SDS seems to have captured all the major policy documents from Government and Ofgem.

**Question 4** – Did you find the SDS easy to understand and do you think that the level of detail included is sufficient to allow you to begin raising and implementing code changes?

- Don’t know/no view

Comments: It is not clear exactly what change is needed beyond those changes already in train for ‘Act now’ or where there is clear policy direction in existing consultation. A number of areas will require cross code change which should not be raised until the impacts across different codes and systems are understood. A mechanism is needed to ensure cross code/system changes are mapped prior to formal changes being drafted and raised.

**Question 5** - If you are a code administrator or code panel what action do you intend to take, if any, to implement the SDS following publication?

Comments: Alt HAN Co and the Alt HAN Forum will continue to assess industry change and policy proposals to identify any relevant impacts and advise on and support any change brought forward.

**Question 6** - Do you have any suggestions about the best way to implement the SDS in the context of budget setting, delivery planning and the introduction of a harmonised prioritisation process? Please note we will be doing stakeholder engagement in early 2025 to discuss this further.

- Yes

Comments:

**Code/system planning:**

To assist in resource planning and assessment each designated Code Manager/Panel and system manager should maintain a forward looking plan for change that includes:

- Known changes in train (which may align with 'Act now')
- Planned changes in development (which may align with 'Think and plan')
- Forecast changes (which may align with 'Listen and Wait')

The plan can include the Code section impacted, system components impacted and stakeholders impacted by the change, the time to progress through the Modification process and the Implementation timeframe.

### **Cross industry planning:**

A person(s) can then maintain an overarching plan of all industry changes at a higher level to assess the volume and burden of change across the whole regulatory framework of codes as this can be used to prioritise across codes and industry. Stakeholders (code users) will need to align their system/process changes to the raft of changes across the various codes and systems. A cross industry group can assess these impacts and make recommendations to Code/system managers as well as Ofgem.

### **Question 7 - Do you have any other feedback?**

Comments: No

## **Consultation section 3 – Code governance arrangements**

### Prioritisation of code modifications

**Question 8 –** Do you agree with our proposed prioritisation process, including the requirements that:

- (a) a proposer of a modification proposal should be required to include an assessment of their proposal against the prioritisation criteria
- (b) that the code panel should then be responsible for determining the prioritisation category of the modification proposal
- (c) that code panels should reassess the prioritisation category of modification proposals on a quarterly basis
- (d) that all codes contain a requirement for a code modification register, that also includes whether a modification is urgent and the prioritisation category

If not, please specify what changes you suggest and why.

- Agree

Comments: N/A

**Question 9** – Do you agree with our proposed prioritisation criteria and prioritisation categories? If not, please specify what changes you suggest and why.

- Agree

Comments: N/A

**Question 10** – Do you agree with our proposed legal drafting of code modification prioritisation procedure included in Annex A? If not, please specify what changes you suggest and why.

- Neither agree nor disagree

Comments: N/A

**Question 11** – Do you agree with our proposed definitions to form future guidance on Code Modification Prioritisation included in Annex B? If not, please specify what changes you suggest and why.

- Agree

Comments: N/A

**Question 12** – Do you have views on whether this proposed prioritisation process should apply to all live modifications that exist at the date that the proposed code changes take effect, as well as newly proposed modifications from this date onwards?

Comments: It would make sense to apply the process to all change from a defined point in time including applying the assessment to existing Modifications in train. This makes it clear which changes are within which category and supports more efficient planning.

### Role of stakeholders

**Question 13** – Do you agree with our proposed drafting of a new principles-based standard condition, for cooperation with code modifications related to SDS, for all gas and electricity licences, included in Annex C?

- Neither agree nor disagree

Comments: N/A

**Question 14** – Do you agree with the proposed criteria the code manager should consider prior to issuing a request for cooperation?

- Agree

Comments: N/A

### Template part 3: General feedback:

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 the following questions.

Question	Response
Do you have any comments about the overall process of this consultation?	None
Do you have any comments about its tone and content?	None
Was it easy to read and understand? Or could it have been better written?	None
Were its conclusions balanced?	None
Did it make reasoned recommendations for improvement?	None
Any further comments?	None

### Your response, data and confidentiality

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.

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.

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.

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.