

Consultation

Notice of statutory consultation on proposed modifications to industry codes to implement a harmonised code modification prioritisation process

To: all interested parties, including (but not limited to) all persons bound by a code (as such term is defined below) by virtue of being a party to it and all holders of a licence who are relevant licence holders for the purposes of paragraph 4(3)(b) of Schedule 12 to the Energy Act 2023.

Energy Act 2023

Schedule 12, paragraphs 4(1), 4(2) and 4(4)

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1. The Gas and Electricity Markets Authority ('the Authority')¹ proposes to modify the following industry codes (collectively referred to as 'the codes')² pursuant to paragraph 4(1) of Schedule 12 to the Energy Act 2023:

- Balancing and Settlement Code (BSC)
- Connection and Use of System Code (CUSC)
- Distribution Code (D-Code)
- Distribution Connection and Use of System Agreement (DCUSA)
- Grid Code
- Independent Gas Transporters' Uniform Network Code (IGT UNC)
- Retail Energy Code (REC)
- Security and Quality of Supply Standard (SQSS)
- Smart Energy Code (SEC)
- System Operator Transmission Owner Code (STC)

¹ The terms 'the Authority', 'Ofgem', 'we' and 'our' are used interchangeably in this document. Ofgem is the Office of the Authority

² [Designation Notice \(amended and consolidated\) under paragraphs 1\(1\)\(b\) and 1\(5\) of Schedule 12 to the Energy Act 2023 designating certain documents and central systems for the purposes of Schedule 12 to the Energy Act 2023](#)

Consultation – Notice of statutory consultation on proposed modifications to industry codes to implement a harmonised code modification prioritisation process

- Uniform Network Code (UNC)

2. The codes have been designated as qualifying documents by the Secretary of State as part of the Designation Notice (amended and consolidated) under paragraphs 1(1)(b) and 1(5) of schedule 12 to the Energy Act 2023 designating certain documents and central systems for the purposes of schedule 12 to the Energy Act 2023³

3. The effect of the proposed modifications is to introduce a consistent code modification prioritisation process across the codes. We are proposing these modifications because we consider that a more harmonised code modification prioritisation process will support industry in dedicating time and resource to focusing on higher priority modifications, as well as facilitating the introduction of the SDS and the transition towards future code manager appointment. We consider that these modifications are appropriate for the purposes of the following paragraphs within schedule 12 of the Energy Act 2023:

- Schedule 12, 2(1)(a) - for the purposes of or in connection with establishing the role of code manager in respect of a document which is expected to become a designated document; and
- Schedule 12, 2(1)(d) - for the purposes of promoting the efficient governance of arrangements under one or more qualifying documents; and
- Schedule 12, 2(1)(e) - for the purposes of harmonising the governance of particular qualifying documents or of qualifying documents in general.

Further detail on the reasons for our proposed modifications relating to these purposes is contained in the accompanying statutory consultation document.

4. Explanations of the proposed modifications, the reasons for introducing them, and their effect are contained in the consultation document published alongside this notice and titled ‘Energy Code Reform Programme – Statutory consultation on modifications to industry codes to implement the harmonised code modification prioritisation process’.⁴ We have also published ‘Annex A: Proposed Authority guidance on code modification prioritisation’, which sets out proposed guidance for code parties on the new harmonised prioritisation process with proposed aims of supporting consistent policy implementation across codes. The full text of the proposed modifications to the codes is set out in annexes B-L with text proposed to be deleted shown with strikethrough and new text proposed to be inserted shown with double underlining.

Alternatively, they are available from information.rights@ofgem.gov.uk.

5. Any representations with respect to the proposed modifications to the Codes must be made on or before 12 January 2026 to: Industry Codes Team, Office of Gas and Electricity Markets, 10 South Colonnade, Canary Wharf, London, E14 4PU or by email to industrycodes@ofgem.gov.uk.

³ [Designation Notice \(amended and consolidated\) under paragraphs 1\(1\)\(b\) and 1\(5\) of Schedule 12 to the Energy Act 2023 designating certain documents and central systems for the purposes of Schedule 12 to the Energy Act 2023](#)

⁴ Link to consultation doc

Consultation – Notice of statutory consultation on proposed modifications to industry codes to implement a harmonised code modification prioritisation process

6. All consultation responses are normally published on Ofgem’s website. 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. We prefer to receive responses in an electronic form so they can be placed easily on Ofgem’s website. For more information on this, please refer to the accompanying statutory consultation document.

7. If we decide to make the proposed modifications, they will take effect 28 days from the publication of the related prioritisation policy decision notice. Further detail on this is contained in the accompanying statutory consultation document.

Yours sincerely,

Kate Lloyd

Head of Code Governance Reform, Industry Rules

Market Oversight & Enforcement