

Consultation

Consultation on competitive code manager selection

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We are consulting on our proposed approach to the competitive selection of code managers, a new type of licensed role created by the Energy Act 2023. We would like views from people with an interest in energy code governance. 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 a decision on next steps 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.

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Introduction

- 1.1 We¹ are seeking your views on our proposed approach to evaluating code manager candidates as part of a competitive licensing assessment. We would also like your feedback on our proposed amendments to the guidance on code manager selection.

Background

- 1.2 The [Energy Act 2023](#) gives new powers and responsibilities to Ofgem. This enables us to implement significant reform to the governance of the energy industry codes.
- 1.3 Under the new framework, we will be responsible for selecting and licensing code managers in line with the [Code Manager Selection Regulations 2024](#) and [Code Manager Selection \(Competitive\) Regulations 2025](#) (“the 2025 Regulations”). Each code manager will be responsible for the governance of its respective code.
- 1.4 In November 2024, we launched a [consultation on the code manager selection process and associated guidance](#). This included proposals on introducing a 3-stage assessment process for the selection of code managers, including the criteria and evidence that we proposed to evaluate at each stage, and our approach to determining whether to select code managers on a competitive or non-competitive basis.
- 1.5 In May 2025, we published our [decision on code manager selection](#) and our [guidance on code manager selection](#). Readers should refer to those documents alongside this consultation. We also stated our intention to consult on the draft updated guidance and criteria for the competitive selection process, following the making of the enabling regulations.
- 1.6 On 9th June 2025, the 2025 regulations² were laid before Parliament, and came into force on 7th July 2025.

What we are consulting on

- 1.7 Following the coming into force of the 2025 Regulations, we are now consulting on the additional text on the competitive licensing assessment process that we are proposing to insert into our guidance on code manager selection.
- 1.8 We have proposed to include this additional text in the guidance document for transparency, by providing an indication of what our selection criteria information under Regulation 5 of the 2025 Regulations may be for potential future competitions. However, we reserve the right to review and amend these criteria prior to each competitive process, with a final determination on the

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

² [The Code Manager Selection \(Competitive\) Regulations 2025](#)

relevant criteria to be made prior to any competition via the publication of a notice under Regulation 6.

- 1.9 The draft guidance accompanies this document and contains the text we are proposing to include to reflect the competitive licensing assessment process. New additions are clearly marked with double underlining throughout the document.³
- 1.10 We are only seeking views on our proposed approach to evaluating code manager candidates during the competitive licensing assessment process, and the proposed amendments to the guidance made to reflect that process. We are not seeking views on the remaining guidance, which has already been consulted on as part of the 2024 consultation.

Overview of the updates

- 1.11 The draft guidance accompanying this document sets out our proposed amendments and outlines the process that would apply to a competitive licencing assessment. The updates to the licensing assessment process are as follows: scoring methodology; word limits; weighting; and tie-breaking.

Scoring methodology

- 1.12 We propose that candidate responses to each selection criterion would be assessed on either a pass/fail basis or a scored basis (between 0-4). The guidance sets out which of these two assessment approaches would be applied to each criterion and explains our rationale.

Word limits

- 1.13 Unlike under a non-competitive process, we propose that responses to all scored questions would be limited to 1,000 words. This will ensure fair comparison by enabling candidates to submit responses of the same length, with comparable depth of evidence.

Weighting

- 1.14 Where there is more than one selection criterion, Regulation 5(1)(d) of the 2025 Regulations requires us to provide an indication of their relative importance. We therefore propose to assign a weighting to each scored selection criterion. A weighting of 1 would be assigned to criteria that demonstrate the candidate's ability to perform the role and meet the expectations and requirements set out in the licence, compared to a weighting of 0.5 for criteria focused on longer-

³ When inserting these new additions, it was occasionally necessary to make minor amendments to the text to ensure that it continued to read coherently and/or to strip out redundant information (eg, references to making future updates to the guidance to reflect future proposals on the competitive licensing assessment process). Due to the minor nature of these revisions, we have not identified them directly in the text.

term strategic development. Questions scored on a pass/fail basis would be treated as being mandatory.

1.15 The proposed weighting of questions is as follows:

- Service provision capability - 1
- Value for money to the industry/ consumers – 1
- Stakeholder management capability – 1
- Expertise relevant to applying the code – 1
- Capability in project management – 1
- Innovation – 0.5
- Facilitating the move to net zero and clean energy – 0.5

Tie-breaking

1.16 At the licensing assessment stage, we propose that the candidates be ranked based on their combined score across all weighted criteria, with the intent that the candidate with the highest overall score, would be selected.

1.17 If two or more candidates achieve the same score at the licensing assessment stage, we propose to determine the outcome using the following process.

Step 1: recalculated scores

1.18 In the event of tied scores, candidate scores would be recalculated using only the questions weighted at 1.0. This would ensure that the determination is based on the criteria that we consider to be most important to the code manager role.

Step 2: lead criterion assessment

1.19 If candidates remain tied, we intend to assess scores against a designated lead criterion: expertise relevant to applying the code. The candidate with the highest score in this area would be selected. 'Expertise relevant to applying the code' would be used as the lead criterion because, in our view, it is most closely aligned with the fundamental responsibilities of an effective code manager and serves as a critical indicator of overall capability and performance.

Step 3: additional information request

1.20 If a tie remains, we would request further information from candidates, either through an interview or written correspondence. Any follow-up engagement would be carried out in a controlled manner, and responses would be assessed using a scored approach. In the event that stage 3 is required to break a tie, we would write to the candidates setting out our approach in more detail.

Who should respond

- 1.21 We want to hear views from anyone who has an interest in the selection of code managers, as well as people who work in the energy sector and the public. This includes:
- Code administrators
 - Code parties
 - Central system delivery bodies
 - Consumer groups

How to respond

- 1.22 If you intend to respond to this consultation, please review the changes set out in the updated guidance document. All new additions are clearly marked with double underlining throughout the document.
- 1.23 Please complete the response template published alongside this consultation, which contains a list of questions that we are seeking feedback on (see Appendix 1 for the list of questions). Once completed, please return it via email to industrycodes@ofgem.gov.uk.
- 1.24 Send us your response to our questions by Friday 23 January 2026, either using the provided response template or in one of the following formats: PDF (pdf), Word (doc) or Excel (xls).

Your response, data and confidentiality

- 1.25 You can ask us to keep your response, or parts of your response, confidential. We will 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.
- 1.26 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 will contact 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.
- 1.27 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 United Kingdom'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 3.

- 1.28 If you wish to respond confidentially, we will keep your response confidential, but we will publish the number, but not the names, of confidential responses we receive. We will not 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.

Next steps

- 1.29 This consultation will be open until 23 January 2026. We will publish a decision after we have considered and assessed your responses.
- 1.30 Alongside this consultation, we intend to commence the eligibility assessment process for our two Phase 2 codes,⁴ by publishing an open call for expressions of interest (EOI) in early 2026. We also intend to directly invite the incumbent code administrators of relevant codes to participate in this process, as well as relevant central system delivery bodies.
- 1.31 These EOIs will be open to any organisation or body interested in becoming a code manager candidate for either of these codes. All prospective candidates will be required to complete and submit an eligibility assessment form to us within a two-month period, which we will then use to determine whether they meet the basic requirements required to progress to a more in-depth licensing assessment.
- 1.32 Further information on our code manager selection process, including how we would decide between using a competitive vs a non-competitive licensing assessment process, can be found in the draft guidance document published alongside this consultation.

⁴ The second phase of energy code reform will focus on the creation of two new codes: a consolidated commercial code, containing the provisions currently held within the CUSC and DCUSA; and a consolidated gas network code, containing the provisions currently held within the UNC and IGT UNC. We will need to select a single code manager for each of these codes, using the process that we have set out in our draft guidance on code manager selection.

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Appendix 1 – Consultation Questions

Question 1 - Based on your review of our scoring methodology (the pass/fail assessments and our 0-4 scoring method), do you agree with our approach?

Question 2 - Based on your review of our word limit, do you agree with our approach?

Question 3 - Based on your review of our weighting structure, do you agree with our approach?

Question 4 - Based on your review of our tie-breaking process, do you agree with our approach?

Question 5 - Do you have any additional comments on the proposed approach to evaluating code manager candidates during the competitive licensing assessment stage?

Appendix 2 – Subsidiary documents

The following subsidiary documents have been published on Ofgem’s website alongside this consultation:

- Draft guidance on code manager selection
- Consultation response template

Appendix 3 – Privacy Notice on consultations

Personal data

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

Note that this section only refers to your personal data (your name address and 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

(Include here all organisations outside Ofgem who will be given all or some of the data. There is no need to include organisations that will only receive anonymised data. If different organisations see different set of data then make this clear. Be as specific as possible.)

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 (be as clear as possible but allow room for changes to programmes or policy. It is acceptable to give a relative time e.g., ‘six months after the project is closed’)

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 59 Consultation - Consultation on code manager selection

- 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 (Note that this cannot be claimed if using Survey Monkey for the consultation as their servers are in the US. In that case use “the Data you provide directly will be stored by Survey Monkey on their servers in the United States. We have taken all necessary precautions to ensure that your rights in term of data protection will not be compromised by this”.

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. (If using a third party system such as Survey Monkey to gather the data, you will need to state clearly at which point the data will be moved from there to our internal systems.)

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