

Annex D: Legal drafting of code modification prioritisation procedure – Distribution Code (D-Code)

We have set out below the specific sections of the Distribution Code (D-Code)^{1, 2} that we are modifying using our transitional powers contained in schedule 12 to the Energy Act 2023. Deletions are shown in strike-through, and new text is double underlined. Text in red³ shows changes that we have made to the code text contained in the [November 2025 statutory consultation](#), which include changes to take into account stakeholder feedback to our consultation and changes to reflect the current published version of the D-Code.⁴ For brevity, we have not reproduced entire sections of the code in this annex. Instead, we have included only the parts of the code that are changing, along with other parts we consider most relevant to understanding those changes.

Distribution Code⁵ ([Distribution Code](#))

Standard condition 21.1 of the Distribution Licence⁶ ([Distribution Licence](#)) places an obligation upon the licensee to ensure that the Distribution Code⁷ ([Distribution Code](#)) remains in force and its content meets various requirements, as set out further in the Distribution Licence.⁸ These requirements include, among other things, ensuring that the code make provision for the creation of a panel body and a code administrator, whose functions shall include facilitating the procedures for making a modification to the Distribution Code. Furthermore, standard conditions 21.8 to 21.11F (inclusive) set out requirements around the procedure for modifying the code. Paragraph DGC11.1 of the Distribution Code states that “Modifications to the Distribution Code shall be made in accordance with the procedures set out in the Constitution and Rules of the Distribution Code Review Panel”. Therefore, we have set out our proposed changes to

¹ The D-Code, along with all the documents maintained in accordance with distribution standard condition 21, has been designated as a ‘qualifying document’ 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 2023](#)

² The prioritisation policy that we propose to introduce through this consultation relates to code processes before code manager appointment. We intend to keep the provisions under review, and if amendments are required in the future to account for the introduction of a code manager, a consultation will be carried out.

³ Where additional accessibility provisions are required, please contact industrycode@ofgem.gov.uk

⁴ The D-Code refers to the version as of 5 March 2026 against which these changes were checked.

⁵ [Distribution Code](#)

⁶ [Distribution Licence](#)

⁷ [Distribution Code](#)

⁸ This is set out further in the [Distribution Licence](#) through paragraphs 21.2 through to 21.7A.

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*the relevant paragraphs of the Constitution and Rules*⁹ ([Constitution and Rules](#)) document below.

DISTRIBUTION GENERAL CONDITIONS (DGC)

DGC11 MODIFICATIONS TO THE DISTRIBUTION CODE

DGC11.1 Modifications to the Distribution Code shall be made in accordance with the procedures set out in the Constitution and Rules of the Distribution Code Review Panel.

THE CONSTITUTION AND RULES OF THE DISTRIBUTION CODE REVIEW PANEL OF GREAT BRITAIN¹⁰ ([THE CONSTITUTION AND RULES OF THE DISTRIBUTION CODE REVIEW PANEL OF GREAT BRITAIN](#))

Version 10 – 1st October 2024

2. DEFINITIONS AND INTERPRETATIONS

2.1 The following words and expressions shall have the following meanings in this Constitution:

Prioritisation Criteria has the meaning given to that term by the Authority Guidance on Code Modification Prioritisation.

Prioritisation Category has the meaning given to that term by the Authority Guidance on Code Modification Prioritisation.

Authority Guidance on Code Modification Prioritisation means the guidance published by the Authority from time to time on code modification prioritisation.

21. CONSULTATION AND APPROVAL OF DISTRIBUTION CODE MODIFICATIONS

The consultation and approval arrangements of this clause shall apply for all Distribution Code modifications. The consultation and approval arrangements for Qualifying Standards are specified in Standard Procedure 1.

(a) The Panel will publicise its programme for Distribution Code modifications (pursuant to its periodic review of the Distribution Code, or otherwise) on the Distribution Code website in the form of a Distribution Code Modifications Register which shall include brief details of the scope of each proposed modification. This will include details of whether a proposed modification has been determined to be an urgent modification or not, and, where a modification proposal has been determined to not be an urgent modification, the assessment

⁹ [Constitution and Rules](#)

¹⁰ [THE CONSTITUTION AND RULES OF THE DISTRIBUTION CODE REVIEW PANEL OF GREAT BRITAIN](#)

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of the proposed modification against the Prioritisation Criteria, to determine its Prioritisation Category.

- (1) where the Prioritisation Category of a proposed modification is changed, ~~this change confirmation of the change, alongside the reasons for the change,~~ should be ~~reflected recorded~~ within the Distribution Code Modification Register ~~alongside the reasons for its change.~~

(b) If the Panel has been notified by the Authority that the Authority reasonably considers it necessary to comply with or implement the Regulation and/or any Legally Binding Decisions of the European Commission and/or the Agency, the Panel shall proceed with its periodic review in accordance with any timetable(s) directed by the Authority in relation to the progress of the review and/or the implementation of the relevant modification to the Distribution Code.

(c) A report shall be prepared for each Panel meeting on the progress of Distribution Code modifications, which shall be published with other Panel papers and meeting notes on the Distribution Code website.

(d) When agreed by a majority resolution of the Panel a proposed modification will normally go out to public consultation. In certain cases where minor modifications have been approved unanimously, the Panel may decide not to go out to public consultation, subject to the agreement of the Authority.

(e) Any consultation paper required will identify the reasons for the modification, its implications for DNOs and Users, the key points for consultation and shall involve an evaluation of whether any modification would better facilitate the achievement of the Distribution Code objectives, as provided in the DNO's Distribution Licence, and, where the impact on greenhouse gasses is likely to be material, this shall include an assessment of the quantifiable impact of any proposed modification on greenhouse gas emissions, to be conducted in accordance with any guidance (on the treatment of carbon costs and evaluation of greenhouse gas emissions) as may be issued by the Authority from time to time. The consultation paper will be published on the Distribution Code website and provide sufficient time for response, as determined by resolution of the Panel, taking account of the nature of the modification. Unless the Panel determines otherwise, the standard period for consultation shall usually be a minimum of 15 business days. The consultation paper shall include an assessment by the proposer of the proposed modification against the Prioritisation Criteria. The consultation paper shall also include the Panel's assessment of the proposed modification against the Prioritisation Criteria, as compared with other proposed modifications, to determine the Prioritisation Category of the proposed modification, ~~where the proposed modification has been determined to not be an urgent modification.~~ This assessment by the ~~Pp~~ Panel must take into account any assessment made by the proposer of the

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proposed modification against the Prioritisation Criteria. Any urgent modification will have a minimum consultation period of 5 Business Days (if possible).

(f) At the end of the consultation period and after consideration by the Panel, the DNOs will issue a report to the Authority setting out the results of the consultation and any revisions proposed by the Panel to the proposed modification. The report will include an explanation of the reasons why the DNOs reasonably think that the proposed modification is appropriate for the continuing achievement of the objectives set out in DIN2.1(b) of the Distribution Code and a copy of all written representations or objections from Authorised Electricity Operators or Users (including any alternative proposals by such Authorised Electricity Operators or Users for modifications that have not been accepted by the Panel during the course of the review) that were received during the consultation process and have not been withdrawn. This will include details of the assessment of the proposed modification against the Prioritisation Criteria, to determine its Prioritisation Category, where this is required to be determined. The report will be published on the Distribution Code website.

(g) The DNOs will revise and resubmit the report to the Authority in accordance with any direction by the Authority where the Authority has determined that it cannot properly form an opinion on the approval of the modification proposal.

(h) A proposal for a modification that falls within the scope of a Significant Code Review shall not be made during the Significant Code Review Phase, except where the Authority determines that the modification proposal may be made or otherwise at the direction of the Authority. If a modification proposal is made during a Significant Code Review Phase, the DNOs shall (unless exempted by the Authority) notify the Authority as soon as practicable of any representations received in relation to the relevance of the Significant Code Review and the DNOs' assessment of whether the proposal falls within the scope of the Significant Code Review and its reasons for that assessment. If the Authority so directs, the DNOs shall not proceed with the modification proposal until the Significant Code Review Phase has ended. The Authority may make a proposal for modification of the Distribution Code where that modification proposal is in respect of a Significant Code Review.

(i) Where the Authority makes a modification proposal in accordance with paragraph (h), the DNOs shall:

(1) evaluate whether the modification to the Distribution Code would better facilitate the achievement of the objectives set out in DIN2.1(b) of the Distribution Code and, where the impact is likely to be material, this must include an assessment of the quantifiable impact of any such modification on greenhouse gas emissions, to be conducted in accordance with any such guidance (on the treatment of carbon costs

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and evaluation of greenhouse gas emissions) as may be issued by the Authority from time to time; ~~and~~

(2) send to the Authority a report on the outcome of the evaluation conducted in accordance with sub-paragraph (1) above;

(3) send to the Authority any written representations or objections from Authorised Electricity Operators that were received during the consultation process and have not been withdrawn; ~~and~~

(4) proceed in accordance with any timetable(s) directed by the Authority in relation to the procedural steps outlined in this paragraph and/or in relation to implementation of such modification to the Distribution Code; ~~and~~

(5) ~~Where the proposed modification has been determined to not be an urgent modification,~~ assess the proposed modification against the Prioritisation Criteria, as compared with other proposed modifications, and taking into account the assessment of the proposed modification against the Prioritisation Criteria by the proposer, to determine its Prioritisation Category;

(j) If, within 28 days after the Authority has published its Significant Code Review conclusions:

(1) the Authority issues directions to the DNOs, the DNOs must comply with those directions and must treat the Significant Code Review Phase as ended;

(2) the Authority issues to the DNOs a statement that no directions under subparagraph (1) will be issued in relation to the Distribution Code, the DNOs must treat the Significant Code Review Phase as ended;

(3) the Authority makes a modification proposal in accordance with paragraph (h), the DNOs must treat the Significant Code Review Phase as ended;

(4) the Authority issues a statement that it will continue work on the Significant Code Review, DNOs must treat the Significant Code Review Phase as continuing until it is brought to an end in accordance with paragraph (l) below;

(5) neither directions under sub-paragraph (1) nor a statement under subparagraphs (2) or (4) have been issued, nor a modification proposal under sub-paragraph (3) has been made, the Significant Code Review Phase will be deemed to have ended.

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(k) The Authority's published conclusions and directions to the DNOs will not fetter any voting rights of the Members or the procedures informing the report described at paragraph (f).

(l) If the Authority issues a statement under paragraph (j)(4) and/or a direction in accordance with paragraph (p), the Significant Code Review Phase will be deemed to have ended when:

(1) the Authority issues a statement that the Significant Code Review Phase has ended;

(2) one of the circumstances in sub-paragraphs (j)(1) or (3) occurs (irrespective of whether such circumstance occurs within 28 days after the Authority has published its Significant Code Review conclusions); or

(3) the Authority makes a decision consenting or otherwise to the modification of the Distribution Code following the submission of the report under paragraph (n)(2).

(m) Where the Authority has issued a statement in accordance with paragraph (j)(4) and/or a direction in accordance with paragraph (p), the Authority may submit to the DNOs a modification proposal for a modification in respect of a Significant Code Review.

(n) Where the Authority submits a Significant Code Review modification proposal in accordance with paragraph (m) the DNOs shall:

(1) evaluate whether the proposed modification would better facilitate the achievement of the objectives set out in DIN2.1(b) of the Distribution Code and, where the impact is likely to be material, this must include an assessment of the quantifiable impact of any such modification on greenhouse gas emissions, to be conducted in accordance with any such guidance (on the treatment of carbon costs and evaluation of greenhouse gas emissions) as may be issued by the Authority from time to ~~time~~;

(2) for an appropriately appointed representative of the DNOs to send to the Authority a report on the outcome of the evaluation conducted in accordance with sub-paragraph (1); ~~and~~

(3) for an appropriately appointed representative of the DNOs to proceed in accordance with any timetable(s) directed by the Authority in relation to the procedural steps outlined in this paragraph and/or in relation to implementation of such modification to the Distribution Code; ~~and~~

(4) ~~Where the proposed modification has been determined to not be an urgent modification~~; assess the proposed modification against the Prioritisation Criteria, taking into account the proposer's assessment of

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the proposed modification against the Prioritisation Criteria, to determine its Prioritisation Category;

(o) The Authority's published conclusions and Significant Code Review modification proposal will not fetter any voting rights of the Members or the procedures informing the report described at sub-paragraph (n)(2).

(p) Where a proposal has been made in accordance with paragraph (j)(1) or by the Authority under paragraph (j)(3), the Authority may issue a direction (a “backstop direction”), which requires such proposal(s) and any alternatives to be withdrawn and which causes the Significant Code Review Phase to recommence.

(q) Following approval by the Authority the Distribution Code modification will be published on the Distribution Code website as a modification to the Distribution Code.

25 REVIEW OF PRIORITISATION CATEGORY OF PROPOSED MODIFICATIONS

25.1 The Code Panel shall review the Prioritisation Category of proposed modifications on a bi-annual basis and adjust the relevant modification timetable for each proposed modification accordingly.

STANDARD PROCEDURE 1

Governance of Qualifying Standards

4. STANDARDS GOVERNANCE PROCEDURE

4.1 Annex 1 Standards and Annex 2 Standards

The consultation and approval arrangements for Annex 1 Standards and Annex 2 Standards modifications, including new Annex 1 Standards and Annex 2 Standards, shall be as set out below and diagrammatically in Figures 1 and 2 of Appendix 1 to this Standard Procedure.

i. DNOs or Users may bring proposals for modifications to Annex 1 Standards and Annex 2 Standards for consideration by the Panel. DNOs and Users bringing forward proposals for modifications to Annex 1 Standards and Annex 2 Standards shall set out in general terms the aims of their proposal and the likely impact, including costs. The proposer must also include an assessment of the proposed Annex 1 Standards and Annex 2 Standards modification against the Prioritisation Criteria.

ii. The Panel shall assess whether the modification proposal is within the jurisdiction of the Panel, in accordance with Sections 2 and 3, and apply the materiality test set out in Section 6. Where the proposed Annex 1 Standards and Annex 2 Standards modification has been determined not to be an urgent modification, the Panel shall assess the proposed modification against the Prioritisation Criteria, to decide upon the Prioritisation Category of the proposed modification. This assessment must take into account the proposer’s

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assessment of the proposed modification against the Prioritisation Criteria made in paragraph 4.1(i).

iii. The Panel shall determine whether the proposal should be pursued, the relevance to other Network Code Review Panels (NCRPs), timescales for development, the extent of public consultation (including any initial consultation prior to development work), and whether a Standards Working Group is required. If the Panel has been notified by the Authority that the Authority reasonably considers it necessary to comply with or implement the Regulation and/or any Legally Binding Decisions of the European Commission and/or the Agency Law, the Panel shall proceed with a modification proposal in accordance with any timetable directed by the Authority in relation to the progress of the review and/or the implementation of the relevant modification to the Distribution Code.

iv. Where an issue raised by a DNO or User is not determined to be appropriate for review by the Panel then the DNO or User shall be informed of the reasons.

v. Where Annex 1 Standards and Annex 2 Standards are subject to governance by other NCRPs then any development or modification of that Annex 1 Standards and Annex 2 Standards and public consultation will be undertaken jointly by the NCRPs concerned.

vi. The Panel will publicise its program for Annex 1 Standards and Annex 2 Standards modifications on the Distribution Code website in the form of an Annex 1 Standards and Annex 2 Standards Modifications Register which shall include brief details of the scope of the work, ~~including whether a proposed Annex 1 Standards and Annex 2 Standards modification has been determined to be an urgent modification or not, and, where a modification proposal has been determined to not be an urgent modification,~~ the Prioritisation Category attached to the proposed modification, ~~and details of the Panel's assessment of the proposed modification against the Prioritisation Criteria, as compared with other proposed modifications, to determine the Prioritisation Category of the proposed modification.~~ If appropriate a prioritised program of standards will be developed and agreed by Panel based on principles in Section 7,

- (1) where the Prioritisation Category of a proposed Annex 1 Standards and Annex 2 Standards modification is changed, confirmation of this change should be recorded ~~ected~~ within the Annex 1 Standards and Annex 2 Standards Modification Register alongside the reasons for the ~~its~~ change.

vii. A report shall be prepared for each Panel meeting on the progress of Annex 1 Standards and Annex 2 Standards modifications and this shall be published on the Distribution Code website.

viii. The majority of the standards work of DNOs is concerned with keeping industry standards in line with international, European and British standards. This work is considered to be of a routine maintenance nature, the DNOs and

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their Code Administrator may develop modifications independently, subject to the consideration of final proposals for modifications by the Panel. Other standards projects may need to be developed by specialist Standards Working Groups.

ix. Where appropriate the Department for Energy Security and Net Zero (DESNZ) the Health and Safety Executive and the Institution of Engineering and Technology (IET) will be given an early opportunity to comment on Annex 1 Standards and Annex 2 Standards being developed or modified through Panel governance. It is recognised that regulatory bodies may need to understand what is proposed without being party to making decisions on standards which may compromise their regulatory role.

x. Following agreement in the Panel, then the modification will normally progress to public consultation. In certain cases, where the Panel has unanimously agreed minor modifications, the Panel may decide not to go out to public consultation

xi. Any consultation paper required will identify the reasons for the modification, the implications for DNOs and Users, the key points for consultation and shall involve an evaluation of whether any modification would better facilitate the achievement of the Distribution Code objectives, as provided in the DNO's Distribution Licence, and, where the impact on greenhouse gasses is likely to be material, this shall include an assessment of the quantifiable impact of any proposed amendment on greenhouse gas emissions, to be conducted in accordance with any guidance (on the treatment of carbon costs and evaluation of greenhouse gas emissions) as may be issued by the Authority from time to time. The consultation paper will be published on the Distribution Code website and provide sufficient time (as determined by the Panel) for response taking account of the nature of the modification. Unless the Panel determines otherwise, the standard period for consultation shall be a minimum of 15 Business Days. The consultation paper shall also include the Panel's assessment of the proposed Annex 1 Standards and Annex 2 Standards modification against the Prioritisation Criteria to determine its Prioritisation Category, where this has been determined. Any urgent modification will have a minimum consultation period of 5 Business Days (if possible).

xii. For modification to an Annex 1 Standard, at the end of the consultation period and where there is unanimity within the Panel, the Authority will be asked to approve the modification to the Annex 1 Standard and any associated modification to the Distribution Code.

xiii. For modification to an Annex 2 Standard, at the end of the consultation period and where there is unanimity within the Panel, the DNOs may approve the modification to the Annex 2 Standard without reference to the Authority.

xiv. At the end of the modification period for a modification to an Annex 2 Standard where there is not unanimity within the Panel, or an Annex 1 Standard, the DNOs will issue a report to the Authority. The report will include an

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explanation of the reasons why the DNOs reasonably consider that the proposed modification is appropriate for the continuing achievement of the objectives set out in DIN2.1(b) of the Distribution Code and a copy of all written representations or objections from Authorised Electricity Operators (including any proposals by such Authorised Electricity Operators for alternative modifications that have not been accepted by the Panel during the course of the review) that were received during the consultation process and have not been withdrawn. The report will also include details of the Panel's assessment of the proposed Annex 1 Standards and Annex 2 Standards modification against the Prioritisation Criteria to determine its Prioritisation Category, where this is required to have been determined. The report will be published on the Distribution Code website.

xv. The Authority will consider the report and make the executive decision on the proposed modification. The DNOs will revise and resubmit the report to the Authority in accordance with any direction by the Authority where the Authority has determined that it cannot properly form an opinion on the approval of the modification proposal.

xvi. The modification as approved by the DNOs or the Authority will be published on the Distribution Code website as a modification to the Annex 1 Standards and Annex 2 Standards.

xvii A proposal for a modification that falls within the scope of a Significant Code Review shall not be made during the Significant Code Review Phase, except where the Authority determines that the modification proposal may be made, or otherwise at the direction of the Authority. If a modification proposal is made during a Significant Code Review Phase, the DNOs shall (unless exempted by the Authority) notify the Authority as soon as practicable of any representations received in relation to the relevance of the Significant Code Review and the DNO's assessment of whether the proposal falls within the scope of the Significant Code Review and its reasons for that assessment. If the Authority so directs, the DNOs shall not proceed with the modification proposal until the Significant Code Review Phase has ended.

9 REVIEW OF PRIORITISATION CATEGORY OF ANNEX 1 STANDARDS AND ANNEX 2 STANDARDS MODIFICATION PROPOSALS

9.1 The Panel shall review the Prioritisation Category of Annex 1 Standards and Annex 2 Standards Modification Proposals on a bi-annual basis and adjust the relevant modification timetable for each Modification Proposal accordingly.