

## Guidance

# Authority<sup>1</sup> Guidance on Code Modification Prioritisation

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<sup>1</sup> References to the “Authority”, “Ofgem”, “we” and “our” 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.

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# Guidance

## Executive summary

This document sets out guidance for code parties on the new harmonised prioritisation process.<sup>2</sup> It aims to support consistent implementation across industry codes.<sup>3</sup>

The guidance defines the prioritisation categories and criteria and outlines the process for making prioritisation determinations. It also covers the review process, treatment of cross-code modifications, and the use of modification registers, and considers how the process should be applied to both live<sup>4</sup> and future modification proposals.<sup>5</sup>

This guidance will be kept under review and may be subject to change under the Authority's discretion, including (but not limited to) as part of ongoing engagement between the Authority and existing code panels or following the appointment of a code manager in relation to a relevant code. Any issues/concerns relating to this guidance can be sent to [industrycodes@ofgem.gov.uk](mailto:industrycodes@ofgem.gov.uk). We will also monitor concerns relating to the guidance as part of our existing engagement with relevant code panels.

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<sup>2</sup> We intend for our proposed prioritisation policy and guidance to apply to the current code governance framework, before code managers are appointed. 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.

<sup>3</sup> This refers to the codes specified within the proposed modification notice and associated consultation document that 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 2023](#)

<sup>4</sup> A live modification proposal, for the purposes of implementing this new prioritisation policy, is a modification proposal that has been proposed before the date that these code modifications take effect and that is not a) at the stage of having been sent to the Authority for consent and is awaiting a decision, or b) a self-governance modification awaiting a decision on approval/rejection, or c) a modification that has been approved by either the Authority or the relevant code panel (notwithstanding that its implementation date may not yet have occurred).

<sup>5</sup> For the purposes of this guidance document, modification proposals refer to modification proposals that are not either urgent or fast track self governance (FTSG) modification proposals. This reflects the decision to exclude FTSG modifications, as well as urgent modifications, from the prioritisation process.

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## Introduction

This guidance is intended to promote a consistent and transparent approach to prioritisation across all relevant codes.

It aims to provide guidance on key aspects of the prioritisation process, including:

1. Context
2. Prioritisation process
3. Prioritisation review process
4. Cross-code modifications
5. Modification registers
6. Implementation

This guidance is for consideration by (i) code parties when submitting modification proposals; and (ii) code panels in making prioritisation determinations and conducting prioritisation reviews. It also covers managing cross-code modifications and maintaining modification registers.

# Guidance

## 1. Context

Prioritisation is a crucial part of the modification process. Previously, not all codes contained a codified prioritisation process and, where such processes did exist, they differed in approach and application.<sup>6</sup> To address this inconsistency, we have introduced a standardised prioritisation process across all codes which this guidance supports.<sup>7</sup>

As part of this prioritisation process, panels are required to assess each modification proposal against a set of prioritisation criteria, taking into account an initial prioritisation assessment provided by the proposer. Based on this evaluation, the panel categorises the modification proposal as either standard priority or high priority. This classification determines the expected timeline, pace of development, and resolution pathway through to implementation.

Prioritisation takes place during the proposal and assessment stages of the code modification process, as illustrated in figure 1 below.

### The code modification process

Figure 1 shows the typical stages of the code modification process. Stages 2 and 3 are coloured in blue to indicate where the prioritisation determinations take place. The orange solid line under stages 2, 3, 4, and 5 indicates the stages where modification proposals, which were proposed prior to the date that these code modifications took effect, are considered live for the purposes of implementing this prioritisation process. The green dashed line under stages 4, 5, 6, and 7 indicates the stages where a modification proposal's timeline is impacted by a prioritisation determination.

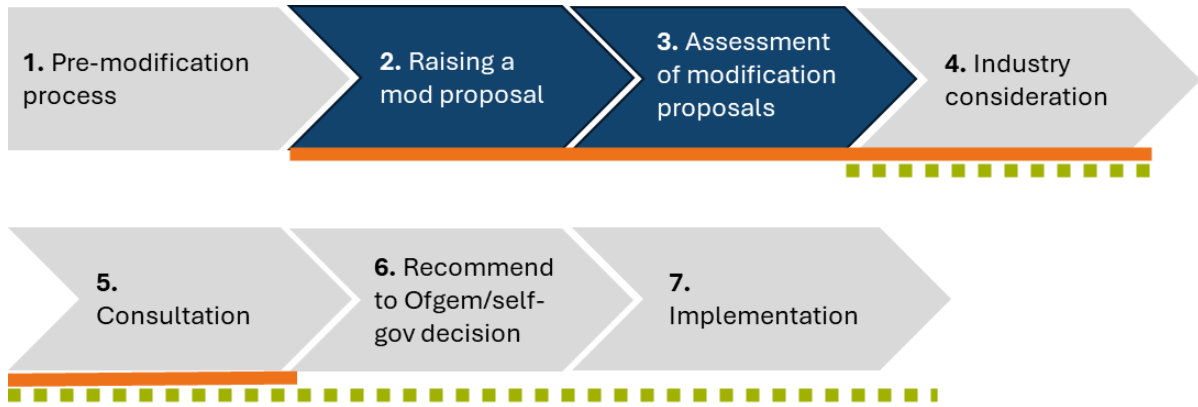
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<sup>6</sup> The BSC, CUSC, Grid Code Panels and REC Code Manager (subject to the REC Change Panel's ability to overrule their determination under defined circumstances) can determine the priority of a modification proposal based on its complexity, importance and urgency. The STC Panel and SEC change sub-committee can also determine the priority of a code modification proposal, but the codes do not set out prioritisation criteria to assess against.

<sup>7</sup> 'All codes' refers to every code text and related document that 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](#)

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**Figure 1 – Prioritisation within the code modification process**



Key:



Orange, solid underlining indicates the stages at which a modification proposal, that has been proposed before the date that these code modifications take effect, would be considered a 'live' modification for the purpose of prioritisation.



Green, dashed underlining indicates the stages that would have their timelines impacted by prioritisation category determinations

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## 2. Prioritisation process

This section provides code parties with guidance on how to interpret and apply the prioritisation criteria to determine a modification proposal's prioritisation category.

It is aimed at supporting effective and consistent determinations of the prioritisation categories of modification proposals.

### a) Interpreting the prioritisation criteria and categories

This sub-section provides guidance on interpreting the prioritisation criteria. The first step in prioritising a modification proposal is to assess it against the criteria to determine its alignment with the Strategic Direction Statement ('SDS'), and its complexity and importance.

A definition of SDS has been included below to help parties involved in the code modification process assess whether a modification proposal aligns with the SDS.

#### Prioritisation criteria

Prioritisation criteria means, in relation to a proposed modification:

- **Alignment with the SDS** includes being able to demonstrate a link to the delivery of government policies and developments relating to the energy sector as set out in the SDS. This should include an assessment of whether the modification supports delivery of policy priorities set out in the 'Act now', 'Think and plan' or 'Listen and wait' SDS categories.
- **Complexity** includes the level of industry resource, knowledge and/or time required to progress the modification through to implementation. This can include the scope of process or system change required to facilitate the modification, whether it is a self-governance modification or not, whether cross-code changes are required, the input and expertise required from code parties, and the number of consequential changes that would arise from implementation of the modification.
- **Importance** includes the perceived value, criticality and risk to industry, consumers, and/or other stakeholders of the implementation of the modification, taking account of written guidance that the Authority may provide. This can include its interaction with or enabling of other financial, regulatory,

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licence and/or compliance obligations, changes to costs for stakeholders, systemic impacts and potential systemic risk arising from non-implementation, and its cross-code impacts.

### Strategic Direction Statement

In this document, references to SDS shall be taken to mean either or both (as the context requires and having regard to the most recently published SDS at the relevant point in time):

- (i) any preliminary Strategic Direction Statement prepared and published prior to a designation by the Secretary of State of a particular industry code pursuant to s.182 of the Energy Act 2023; and
- (ii) any Strategic Direction Statement prepared and published in accordance with s.190 of the Energy Act 2023, following a designation by the Secretary of State of a particular industry code pursuant to s.182 of the Energy Act 2023.

### **b) Applying the prioritisation criteria to the prioritisation categories**

This sub-section sets out some non-exhaustive factors that may be relevant to how the assessments will affect prioritisation categorisation. For example, it covers how a modification proposal of high importance would be more likely to be prioritised as a high priority modification proposal, compared to one of low importance. It also includes guidance about relative prioritisation and comparing a modification proposal to other proposals.

#### **Applying the ‘alignment with the SDS’ criterion to a prioritisation category determination**

A modification that clearly aligns with the SDS is more likely to be prioritised as high priority compared to one that does not. We expect that modifications that relate to policy in the ‘Act now’ category of the SDS will be more likely to be determined as high priority than those associated with the think and plan or listen and wait categories.

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### Applying the ‘importance’ criterion to a prioritisation category determination

If a modification is expected to deliver significant value or addresses a high-risk or critical issue for stakeholders, it is likely to be prioritised as high priority rather than standard priority.

### Applying the ‘complexity’ criterion to a prioritisation category determination

The relationship between a modification proposal’s complexity and its prioritisation category can vary depending on the modification, other modifications, and the wider code modification context.

To support code panels in applying this criterion, the following factors may be considered. They may not all apply to every modification proposal, and may differ in their application between modification proposals:

- **Deadlines** – Consider any relevant deadlines for implementing the modification, and how its complexity, such as required level of stakeholder input or cross-code impacts, must be managed to meet those deadlines. For example, a highly complex modification with an imminent deadline may be prioritised as high priority to allow work to begin sooner to meet such a deadline.
- **Stakeholder engagement** – The number and type of stakeholders who need to be involved in the process. If many specialist stakeholders are required to progress a modification, this may support assigning a complex modification as ‘high priority’ to ensure timely progression.
- **Length of implementation period** – Higher complexity modifications may require longer implementation periods. Starting work earlier could be beneficial which may support a modification being given a high priority determination.
- **Capacity management** - In some cases, delaying the start of a complex modification may allow for better resource planning and allocation. This could justify assigning it standard priority to allow it to then progress when capacity becomes available. The opposite could also apply depending on the situation, where a higher complexity modification should have work started sooner to spread it out, justifying a high priority determination.

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- **Risk and impact of delays** - The risk of delays and any subsequent impact on stakeholders arising specifically from the complexity involved in delivering a modification. Where the risk and impact of a delay is higher, a highly complex modification may benefit from being prioritised ahead of others to manage this risk.

### The prioritisation category determination

We expect prioritisation category determinations to be made through a balanced consideration of all prioritisation criteria. Code panels should assess the criteria in the round to identify the most appropriate prioritisation category. To support transparency and consistency, we expect code panels to provide a clear and well-reasoned justification for their determinations in the relevant modification registers and reports.

There are two prioritisation categories which can be applied to a modification proposal. Prioritisation Category means, in relation to a proposed modification:

- **Standard priority:** Modifications are expected to follow a standard modification timeline. Development may be paused, for example, if the modification is dependent on the outcome of another modification.
- **High priority:** These modifications require faster development and resolution than the standard timeline. High priority could include a modification that has not been deemed urgent under existing code urgency processes but still requires development and implementation within a specific timeframe.

### Criteria weighting

Each of the criteria should be given equal weighting. While they are listed alphabetically in this proposed guidance document, this does not reflect any order of weighting or importance.

### Relative prioritisation

Whether a modification proposal is assigned high priority or standard priority will depend on how it compares to other proposals in terms of alignment with the SDS, complexity, and importance. Given this, the assessment of a modification proposal should be informed by, and assessed relative to, other modification proposals' assessments against the criteria.

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This allows code panels to assess their total workload over given timelines to progress modifications in the most effective way. When a new modification proposal is submitted, we expect code panels to assess the modification proposal against other modification proposals to determine whether it should be standard priority or high priority. It should also be prioritised relative to other modification proposals of the same category to see where it sits within the relative priority order of modification proposals within the standard and high prioritisation categories.

### Amalgamated modifications

Where modification proposals have been amalgamated<sup>8</sup>, code panels are required to evaluate the various prioritisation categories and assessments of the amalgamated modification proposal to determine a singular prioritisation category for the modification going forward.

## 3. Prioritisation review process

### Ad hoc prioritisation reviews

In addition to the codified bi-annual review process, code panels are expected to conduct ad hoc reviews of the prioritisation category for all modification proposals. These reviews should be carried out at the discretion of the panel, when triggered by events such as:

- The publication of an SDS
- Release of other documents authored by the Authority
- Introduction of new government policy

## 4. Cross code modifications

Modification proposals that impact multiple codes follow the relevant procedures established in each code, with relevant direction provided by the Cross Code Steering Group (CCSG).<sup>9</sup> A lead code, as determined by the CCSG, would progress the modification proposal in accordance with its relevant modification procedures, including its prioritisation determination. Where it is reasonably possible, we expect the

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<sup>8</sup> This is relevant for the BSC, CUSC, Grid Code, SQSS, and the STC.

<sup>9</sup> [CCSG Terms of Reference](#).

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non-lead codes to then progress the modification in parallel with the lead code, following the timetable and prioritisation determined by the lead code.

### **Prioritisation reviews of cross code modification proposals**

Where the prioritisation category of a cross-code modification proposal is reviewed or amended by the lead code, the lead code is responsible for informing non-lead codes of the outcome of their prioritisation review. This is important as, where reasonably possible, the non-lead codes should follow the timetable of the lead code.<sup>10</sup> The lead codes must coordinate with the code administrators of other affected codes so that they can manage the progression of a modification in parallel.<sup>11</sup> This applies regardless of whether the prioritisation review takes place as part of the codified bi-annual process, or as part of an ad hoc prioritisation review.

## **5. Publishing prioritisation determinations**

### **Modification registers**

#### **Prioritisation reviews**

When a prioritisation category review takes place, the relevant parties should update modification registers to reflect any change in a modification proposal's prioritisation category, along with the justification for the changes.

#### **Cross-code modification proposals**

Relevant parties must ensure that modification registers reflect whether modification proposals are cross-code or not, which codes they impact, and what the lead code for the modification is.

#### **Urgency**

Relevant parties must ensure that modification registers include whether a modification is urgent or not.<sup>12</sup>

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<sup>10</sup> An example of this clause, relevant to the BSC, can be found in the BSC, Section F, paragraph 1.6A.4(a).

<sup>11</sup> As detailed in the REC, Schedule 5, Paragraph 3.4(b).

<sup>12</sup> The requirement for a code modification register, that also includes whether a modification is urgent, is already included in the BSC, CUSC, DCUSA, Grid Code, and SEC.

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## Modification reports

Relevant parties must ensure that modification reports include details of the prioritisation category of modification proposals, and their related assessments.

## Central modification register

As set out in the Code Administration Code of Practice (CACoP) Forum terms of reference,<sup>13</sup> the Forum is responsible for developing and maintaining a Central Modifications Register, which summarises all open modifications across the codes. We expect that this would include all information relating to prioritisation, as published in the individual codes' registers.

## 6. Implementation

### Applying prioritisation to existing modification proposals

The new process applies to all modification proposals from the date that these code modifications take effect<sup>14</sup>. This includes both already live<sup>15</sup> and newly submitted modification proposals from that point forward.

### Modification proposal re-submission

Modification proposals that have already been submitted by their proposers<sup>16</sup> will not have undergone a prioritisation assessment by the proposer or a formal determination by the code panel under the new process. To address this, all live modification proposals must be assessed using the new prioritisation framework. Code panels are best placed to determine:

- Which live modification proposals contain sufficient information to allow a prioritisation determination, and
- which may need to be re-submitted to enable proper assessment under the new process.

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<sup>13</sup> [CACoP Forum Terms of Reference](#)

<sup>14</sup> Subject to the outcome of this consultation.

<sup>15</sup> A live modification proposal, for the purposes of implementing this new prioritisation policy, is a modification proposal that has been proposed before the date that these code modifications take effect that is not a) at the stage of having been sent to the Authority for consent and is awaiting a decision, or b) a self-governance modification awaiting a decision on approval/rejection, or c) a modification that has been approved by either the Authority or the relevant code panel (notwithstanding that its implementation date may not yet have occurred).

<sup>16</sup> Modifications, therefore, that have passed stage 2 in Figure 1.

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This helps to prevent effort being wasted by a proposer re-submitting modifications unnecessarily.

Where re-assessment may impact the progression of a modification, we expect code panels to engage with the relevant code parties to understand the impact of any delays. This should help to manage the impact of this process on stakeholders.

We recognise that some modification proposals, at the Authority or self-governance decision stage at the date that the code modifications take effect, may not proceed directly to implementation and could be returned for further work. In such cases, these modifications should be re-prioritised under the new process to guide their continued progression.

We expect the process of reviewing and prioritising live modification proposals to be completed in a timely manner to ensure all modifications have a prioritisation determination as soon as reasonably possible. We emphasise that this re-prioritisation process is different from the policy implementation process that we asked stakeholder feedback on in question 5 of the [November 2025 consultation](#).

Applying the new prioritisation process will not affect a modification proposal's current stage in the process. For example, a modification will not be moved backwards due to a change in its prioritisation category. The new category will only influence how the modification progresses from that point onward.