

Elxon response to Ofgem consultation – establishing a harmonised prioritisation process in the Industry Codes

12 January 2026

Dear Industry Codes Team,

Thank you for the opportunity to respond to your consultation on establishing a harmonised prioritisation process in the Industry Codes.

About Elxon

Elxon is an independent, not-for-profit delivery body that has operated for 25 years, playing a critical role in opening markets and supporting the transition to a net zero energy system. We provide governance, settlement and data platforms (Elxon Kinnect), and manage the Balancing and Settlement Code (BSC), enabling the smooth and efficient operation of the electricity market in Great Britain. Over the past year, we have supported around 116 new market entrants, fostering a more flexible and innovative energy system.

Our end-to-end expertise in governance, assurance, technology, and data supports the industry, Government and Ofgem, as the energy sector transitions to net zero. Building on our purpose of serving the industry, the data we hold is open and accessible for analysis and distribution. As a trusted, independent market expert, we continuously look to evolve and innovate for the benefit of our customers and consumers.

Ofgem has appointed us as the Market Facilitator, to coordinate local and national flexibility markets. Our role focuses on reducing barriers, aligning transmission and distribution arrangements, and ensuring better coordination. In December 2025, we successfully achieved go-live for starting operations to coordinate local and national flexibility markets and published our first Delivery Plan outlining key milestones for the period January 2026 - March 2028.

We are also the Implementation Manager for the Market-wide Half-Hourly Settlement (MHHS) Programme, a key enabler for the flexibility required for the transition to net zero. In September 2025 Milestone 10 (M10) of the UK's Market-wide Half Hourly Settlement (MHHS) programme was achieved and marked the point where central industry systems became ready to begin migrating Meter Point Administration Numbers (MPANs) to the new Half-Hourly settlement system. This enabled suppliers to start moving customer meters from late October 2025, a crucial step towards the full implementation of MHHS in the electricity retail market.

Once MHHS is fully implemented from mid-2027, Elxon will manage up to 500-billion-meter readings every year. Half-Hourly data is an important enabler for consumer-led flexibility (CLF) and can encourage more flexible use of energy – in turn reducing household bills and rewarding customers.

Summary

We are broadly supportive of the proposals as set out. We do feel that there should be greater emphasis that the default priority is standard and that it is up to parties involved to present the case for a modification to be raised to high.

We would like to highlight that the proposals do not currently encompass the DIP rules, which has its own change process. We would welcome engagement with Ofgem on the merits of the DIP rules being included to be consistent. This was also raised by participants at a 7 January CACoP event on the prioritisation process.

We support the proposed Ofgem guidance but would like to understand better the process for reviewing and changing these guidance notes and that Ofgem making them clearly available for parties who may wish to consult on them when raising a modification.

If you would like to discuss any areas of our response, please contact Chris Welby, Head of Code Reform Readiness (Chris.Welby@elexon.co.uk).

Yours sincerely,

Victoria Moxham
Director of Customer and Code Management
Elexon

Ellexon's response

1. Do you agree with the policy and associated code modifications proposed in Section 1: Prioritisation process?

Yes, we agree. We are supportive of the policies and proposed code modifications.

Additionally, we note that the prioritisation proposals have not been extended to the DIP change process. If the DIP process is required to prioritise changes in line with other codes, this will need to be brought into scope as part of Ofgem's work in this area. In a CACoP event on prioritisation this was raised by participants who felt it was an anomaly.

We also believe changes to BSCP40 'Change Management' to reflect this proposal are needed. However, we suggest it is made as part of the wider Code Reform changes, for efficiency, later in the year.

2. Do you agree with the policy and associated code modifications proposed in Section 2: Prioritisation criteria and governance?

Yes, we agree. Using an approach that relies on Ofgem's guidance means the key elements of prioritisation sit outside the BSC's control and with Ofgem. It would be useful to understand the governance arrangements around Ofgem's guidance and how Code Panels/Managers can propose a change to the guidance.

We would also highlight that for cross-cutting code modifications, a major, complex system change for one code may only require a small consequential amendment for another. In such cases, it would not seem necessary for all codes to share the same priority.

3. Do you agree with the policy and associated code modifications proposed in Section 3: Prioritisation reporting and governance?

Yes, we agree.

4. Do you agree with the policy and associated code modifications proposed in Section 4: Policy implementation?

Yes, we agree.

5. Do you agree with our proposed implementation date of 28 days from the publication of the related prioritisation policy decision notice?

We agree, however revisiting live modifications within 28 days could be challenging if we are required to consult modification raisers before seeking a Panel decision, particularly as proposers will be unfamiliar with the prioritisation process. We are supportive, but with the caveat that while we will seek a proposer's input, we will not delay a Panel decision if the proposer does not respond in a timely manner.

6. Do you agree with the proposed guidance in 'Annex A: Proposed Authority guidance on code modification prioritisation'?

Yes, we agree. We would however like to better understand the governance around amending the guidance and seek assurances that it will be easily accessible and in a fixed position on the Ofgem website so we can hyperlink to it in the relevant guidance and webpages.

We would also like the guidance to emphasise that the default priority is 'Standard' and that it is up to the proposer and/or Panel to make the case for elevating a modification to 'High' priority using the guidance.

7. Do you agree with the proposed code text drafting published in annexes B-L?

We have proposed a number of amendments to the code text which we believe will simplify and clarify the text. Please see the appendix to this response for our suggestions.

See also our comment regarding BSCP40 in question one.

Comments on proposed legal drafting of code modification prioritisation procedure

Reference	Comment
General	<p>As a general point, the proposed text included multiple carve-outs relating to Urgent Modification Proposals. By way of background, F2.9 allows us to deviate from any part of the Modification Procedures but the existing BSC text does not include corresponding carve-outs for each individual part of the Modification Procedures. We suggest the drafting takes the same approach for urgency i.e. there is just one carve out in 2.9, which will enable a simplification of the rest of the text. For example:</p> <p>2.9.4 Subject to paragraph 2.9.4B, for the purposes of this paragraph 2.9, the procedure and timetable in respect of an Urgent Modification Proposal may (with the approval of the Authority pursuant to paragraph 2.9.3) deviate from all or part of the Modification Procedures or follow any other procedure or timetable approved by the Authority. <u>For the avoidance of doubt, the Panel shall not determine a Prioritisation Category for Urgent Modification Proposals and accordingly no Modification Proposal shall have a Prioritisation Category.</u> The Panel must notify the persons listed in paragraph 1.9.3 of any Urgent Modification Proposal and when approving any alternative procedure or timetable, the Authority must consider whether or not such procedure and timetable should allow for the persons listed in paragraph 1.9.3 to be consulted on the Urgent Modification Proposal and if so how much time should be allowed.</p> <p>We have assumed in the rest of the suggested amendments below that this approach is adopted.</p>
1.3.3(b)	<p>Combining existing (b) with the reference to prioritisation makes this drafting less clear. Suggest a new (c) which is combined with proposed (c) which just says:</p> <p>“for each Modification Proposal other than Urgent Modification Proposals, the Prioritisation Category, the Panel’s reasons for determining that Prioritisation Category and the reasons for any change to that Prioritisation Category”.</p>
1.4.2(c)(i)	<p>See general comment above – simplify by removing reference to Urgent Modification Proposals.</p>
2.2.3(c)(ii)	<p>This is unclear drafting given the repeated use of ‘subject to’. We also suggest deleting the reference to other Pending Modification Proposals as this is superfluous in the context of a formal prioritisation process. Suggest amending to read as follows:</p>

Change

Keep as is to avoid unintended consequence

Changed

Changed but kept reference to other mods

	"subject to paragraphs 2.2.8 and 2.2.9, and taking into account the Proposer's assessment made under paragraph 2.1.2(m), the Prioritisation Category accorded to the Modification Proposal (as compared with other Pending Modification Proposals) and the timetable to apply..."	
2.2.3(d)(iv)	Same comments as above Changed but kept reference to other mods	
2.2.8	It's not clear why this needs to refer to the Prioritisation Criteria and the Prioritisation Category, or (as per the above) urgent modifications. Suggest this could just read: "taking due account of its Prioritisation category".	Disagree, needs to take into account all the factors
2.2.9(b)	Same comment as above	
2.2.10	Should this not include an obligation on the Panel to determine the Prioritisation Category i.e. change 'may determine' to 'shall determine' See general comment above i.e. simplify by removing reference to Urgent Modification Proposals.	AMended
2.2.1(e)	This could be simplified as follows: "the Panel shall determine the Prioritisation Category of the amalgamated Modification Proposal, and in so doing shall taking into account the Prioritisation Categories of the Modifications Proposals that have been amalgamated".	No benefit seen to this
2.7A.2	Suggest this can be simplified by removing references to urgency (as per general comment) and just referring to the prioritisation category e.g.: The Panel shall re-submit the revised Modification Report as soon after the Authority's direction pursuant to paragraph 2.7A.1 as is appropriate (taking into account the complexity, importance and urgency Prioritisation Category of the Modification Proposal) and the implementation timetable and the proposed Implementation Date(s) specified in the Modification Report (but no other aspect of that Modification Report) shall be deemed to be suspended for the duration of the Send Back Process.	Done
5.3A	As a general point, this is showing in track changes when the only changes appear to be to 5.3A.3 and 5.3A.5.	Amended
5.3A.3	Suggest this amendment reflects our comment on 2.7A.2 i.e. replace references to urgency with a single carve out (thus reducing complexity in drafting), and refer only to Prioritisation Category, not Prioritisation Criteria.	Done
5.3A.5	Same as above	Done