



Data Communications Company
Riverscape, 10 Queen Street Place,
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smartdcc.co.uk

Kate Lloyd
Ofgem Energy Code Reform team

By email only

12 January 2026

Dear Kate,

RE: DCC response to the statutory consultation on modifications to industry codes to implement the harmonised code modification prioritisation process

Thank you for the opportunity to respond to the Ofgem statutory consultation on modifications to industry codes to implement a harmonised code modification prioritisation process. This letter is our response to the relevant questions posed in the consultation and follows our responses to previous consultations on Energy Code Reform (ECR), and particularly our response to the previous Ofgem consultation on these proposals issued in January 2025.

Background

The Data Communications Company (DCC) is a key enabler of the future smart energy system. Our mission is to help digitise Britain's energy network, make a critical contribution in the effort to achieve net zero greenhouse gas emissions, and to improve the nation's connectivity.

We operate mainly under two industry codes, the Smart Energy Code (SEC) and the Retail Energy Code (REC), which govern the end-to-end management of smart metering and the operation of the retail market respectively. DCC therefore has a unique perspective as a central systems and service provider operating under different codes, one of which, the REC, is newer and more in line with the proposed future code governance arrangements. This view underpins our responses.

DCC's view on Ofgem's proposals

DCC supports the intentions of ECR. In broad terms, DCC's view remains that the codes must become more forward looking, agile and able to accommodate the growing number of market participants as well as evolving market needs.



DCC supports Ofgem's intention to harmonise the different code modification processes as part of ECR. We agree that a harmonised code modification prioritisation process will provide a suitable starting point for this work.

We broadly agree with the proposed approach set out in the consultation, although we remain unconvinced that two prioritisation categories will be sufficient in all cases and would like to see a larger number of brackets in line with the current SEC and REC approaches. We also seek clarity on how administrative changes would be seen to fit into this new process, for example those that could be progressed straight to Report Phase (or equivalent) or as a Fast Track Modification.

We also agree with the proposed implementation approach. We would welcome a review taking place after a suitable interval following implementation to assess whether this revised approach to the prioritisation of modifications has been successful and identify if any further improvements could be made.

We understand that Ofgem is expecting to direct further changes to the SEC in March 2026 as part of the implementation of the Successor DCC Licence. We seek confirmation that the planning for the implementation of both sets of changes being made to the SEC are aligned.

DCC's full response to each consultation question is set out in Annex 1 to our response.

Next steps

We would welcome further engagement with Ofgem to discuss our position and to share our experiences in relation to both the SEC and the REC. In the meantime, if you have any questions, please contact David Kemp (david.kemp@smartdcc.co.uk) in the first instance.

Yours sincerely,

A handwritten signature in blue ink that reads 'Arik Dondi'.

Arik Dondi
Head of Regulatory Compliance



Annex 1: DCC responses to the consultation questions

Q1. Do you agree with the policy and associated code modifications proposed in Section 1. Prioritisation process?

DCC broadly agrees with the proposed approach for prioritising modifications set out in the consultation.

The proposal sets out that all non-Urgent modifications will be subject to the new prioritisation process. We seek clarity on how administrative changes would be seen to fit into this new process, for example those that could be progressed straight to Report Phase (or equivalent) or as a Fast Track Modification. We would not expect these sorts of proposals to be deprioritised.

The consultation document states that Code Managers will determine the prioritisation of modifications following their appointment. We ask how Code Managers may be expected to balance the views of their different stakeholders in determining the prioritisation of modifications. We also ask if there needs to be a requirement for the Code Manager to be adequately resourced, to avoid deprioritising any changes due to a lack of available resource from the Code Manager to progress all live modifications.

Q2. Do you agree with the policy and associated code modifications proposed in Section 2. Prioritisation criteria and governance?

DCC agrees with the prioritisation criteria set out in the consultation document. We agree that the perceived value, criticality and risk of a change to consumers is an important area and are pleased to see this more clearly drawn out under the 'Importance' prioritisation criterion.

We remain unconvinced that having only two prioritisation categories will be sufficient. This may still result in many modifications within the 'Standard' prioritisation category that may need to be further prioritised to manage industry workload (for example to avoid issuing too many industry consultations in parallel). We note the prioritisation mechanisms currently applied under the SEC and the REC utilise four prioritisation categories to more clearly articulate which modifications are of greater priority in the event there is insufficient industry resource to progress all live modifications simultaneously. We believe this approach has worked well under both codes to date and should be retained as part of the harmonised process.



Q3. Do you agree with the policy and associated code modifications proposed in Section 3. Prioritisation reporting and governance?

DCC agrees with the proposals set out in the consultation document.

Q4. Do you agree with the policy and associated code modifications proposed in Section 4. Policy implementation?

DCC agrees with the approach to implementing the proposals. We would like to see some measure or review take place after a suitable interval following implementation to assess whether this revised approach to the prioritisation of modifications has been successful.

Separately, we note there is currently a significant difference in the level of engagement and interaction that different code bodies currently have with their Parties as modifications progress. We would like to see this aspect harmonised as well. We consider the SEC to currently have a good level of engagement with SEC Parties on SEC modifications.

Q5. Do you agree with our proposed implementation date of 28 days from the publication of the related prioritisation policy decision notice?

DCC agrees with the proposed implementation date.

We understand that Ofgem is expecting to direct further changes to the SEC in March 2026 as part of the implementation of the Successor DCC Licence. We seek confirmation that the Energy Code Reform and the DCC Licence Renewal teams within Ofgem are aligned on the two sets of changes being made to the SEC.

Q6. Do you agree with the proposed guidance in 'Annex A: Proposed Authority guidance on code modification prioritisation'?

DCC agrees with the proposed guidance and has no comments to raise.

Q7. Do you agree with the proposed code text drafting published in annexes B-L?

DCC agrees with the proposed drafting for the SEC and the REC, and has no comments on the drafting for the other Energy Codes.