

Industry Codes Team, Ofgem

By email only: [industrycodes@ofgem.gov.uk](mailto:industrycodes@ofgem.gov.uk)

11 December 2025

Dear Industry Codes Team,

**Re: 'Establishing a harmonised prioritisation process in the Industry Code'**

We welcome Ofgem's continued work on improving code governance and support the ambition to develop a consistent and transparent prioritisation framework. However, as drafted, the proposals do not resolve the issues stakeholders experience today and risk making the process more complicated without improving clarity or how change is prioritised in practice. Instead, they are a missed opportunity of making the codes work better; streamline processes; reduce friction, and enable industry to focus on the changes that matter most.

**The proposed criteria remain highly subjective and difficult to apply consistently across codes.** Without measurable criteria, the framework risks yielding different outcomes depending on who applies it. This is particularly evident when assessing 'complexity'. A criterion that can place a modification either at the top or bottom of the pile depending on interpretation undermines confidence in the process and may increase, rather than reduce, disputes around prioritisation. To make the process more robust and less open to inconsistent application across codes, we believe prioritisation should instead be based on consistent, objective and measurable impacts. This could include: quantifiable consumer outcomes, demonstrable cost implications, or clear statutory or regulatory drivers. Using clearer, evidence based measures would help panels apply the process more consistently and make the assessment approach easier for industry to follow.

**Requiring code panels to review categories twice a year *and* on an ad hoc basis risks creating disproportionate and unnecessary reassessment cycles.** It also shifts focus away from effectively progressing change and towards repeatedly assessing and re-assessing modifications. A prioritisation framework should simplify the path to change, not add more process and/or create new opportunities for dispute. Introducing a de minimis threshold for where a broader change requires reassessment of codes would help ensure that reprioritisation occurs only where it is genuinely necessary and proportionate.

The challenges intensify when considering cross code modifications. These proposals require coordination not only of prioritisation, but also of technical

understanding, resource availability and expertise across multiple codes and organisations. In practice, because each code body operates with its own objectives, it is unlikely that they would reach the same conclusion on the relative importance of a given modification. As a result, progress could stall while both parties attempt to agree on a way forward. In our view, this risk of delay introduces operational inefficiency and is not sufficiently mitigated within the current framework.

A more effective approach would be to introduce a mechanism that provides a fallback route when consensus on priority cannot be reached. For example, if code bodies are unable to agree on prioritisation, an objective assessment could be applied e.g. evaluating customer benefit, financial impact, or another agreed metric to determine the appropriate priority and allow progression.

Finally, we would welcome the opportunity to engage with Ofgem bilaterally and support establishing a prioritisation process that is workable, proportionate and genuinely improves outcomes for stakeholders and customers.

Kind regards,  
Baiba Delvere  
*Head of Regulation, Octopus Energy*

## **Appendix - Consultation question responses**

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

No, please refer to the cover letter.

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

No, please refer to the cover letter.

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

No, please refer to the cover letter.

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

Yes, we agree but note other concerns outlined in the cover letter.

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

Yes, we agree but note other concerns outlined in the cover letter.

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

No, please refer to the cover letter.

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

No, please refer to the cover letter.

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