
Energy code reform programme– statutory consultation on modifications to industry codes to implement the harmonised code modification prioritisation process – response template

This document provides a template for responses to our statutory consultation on modifications to industry codes to implement the harmonised code modification prioritisation process, published on 20 November 2025.

If you are interested in responding to this consultation, please complete this word document and send it to industrycodes@ofgem.gov.uk by the end of the day on 12 January 2026.

Guidance

We typically publish consultation responses when we publish our decision. To ensure that we can correctly attribute your response, please ensure that you enter all relevant details in the “your company’s details” section (template part 1).

If you would like us to treat your response as being confidential, either in full or in part, please indicate this to us below. Further information on how we will treat your response, data and confidentiality can be found at the end of this document.

Please use template part 2 to provide your responses. For all questions, the template below provides space for you to enter free text comments. Some questions also ask whether you agree with our proposals. Please indicate the extent to which you agree or disagree with relevant proposals by deleting all but one of the bullets provided.

There is also a section for “general feedback” (template part 3). Please use this section to provide any views on the overall consultation process.

Template part 1: your organisation's details

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Date of submission	12/01/2026
Do you want your response treated as confidential? (If yes, please indicate whether you would like the whole of your response to be confidential, or just particular parts).	No

Template part 2: consultation responses

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

- **Qualified support**

Comments: We have concerns with the requirement for modification proposers to assess their proposal against the prioritisation criteria. Expanding the role of the proposers in this way risks undermining the original objectives of code reform: to deliver empowered and accountable code management, independent and agile decision making and simplified, accessible codes that remove barriers to participation.

The proposer’s perspective on importance and urgency can be helpful, but the Code Manager is best placed to undertake prioritisation. The Code Manager has the necessary expertise and visibility of the wider change portfolio, including interdependencies and competing demands that proposers cannot reasonably be expected to know.

Requiring proposers to perform this assessment risks duplicating the Code Manager’s role and diluting accountability for empowered, agile decision-making. It may also deter parties—particularly those with limited resources—from bringing forward otherwise valid proposals.

Ofgem’s rationale for this requirement¹ is that it aligns with existing code processes. However, it does not follow the processes under the REC which were specifically designed to overcome some of the issues with its predecessor codes. Under the REC, proposers are currently required to describe the problem the modification is intended to address. They may also, if they wish, provide views on urgency or other factors affecting the desired implementation timetable, but they are **not** required to undertake a prioritisation assessment - either in isolation or relative to other proposals.

Making a preliminary prioritisation mandatory would impose unnecessary burden and expertise requirements on proposers, who should not need detailed knowledge of

¹ Paragraphs 2.12 and 2.13 of the decision document for ‘The preliminary Strategic Direction Statement and governance arrangements for industry codes’ 1 August 2025

prioritisation criteria or the wider change portfolio simply to raise a modification. In many cases, any such assessment would be nugatory, given the Code Manager would still need to undertake its own prioritisation assessment in any event. This risks skewing participation towards better-resourced parties and creating an avoidable barrier for those with fewer resources. Stakeholders should remain free to offer views on urgency and prioritisation where they can add value, but this should be **optional rather than mandatory**.

There is also a conflict-of-interest risk: proposers may be incentivised to overstate the priority of their own proposals without the context needed to judge their relative importance against other modifications.

Ofgem also states that this will provide valuable information to code panels to support accurate and consistent panel determinations. However, code panels will – at least for the REC and BSC - shortly be replaced by the Stakeholder Advisory Forum, which will have no decision-making powers.

Moreover, code managers are required to have the expertise and the impartiality to make prioritisation decisions and will not need assessments by the proposer to ensure consistency.

We agree with the proposal that, for the REC, the code manager continues to undertake this assessment. However, as set out above there should not be a requirement for the proposer to undertake an initial assessment based on asymmetric information.

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

- **Qualified support**

Comments: While the prioritisation criteria appear broadly sensible, we have some concerns about the limitations of the policy. As set out in our response to the previous consultation, for the REC we have developed prioritisation criteria that are more sophisticated than those proposed by Ofgem. Our current approach assigns a

prioritisation score to each modification, enabling limited resources to be targeted at the highest priority modifications. By contrast, the use of only ‘standard’ and ‘high’ priority categories is a relatively blunt tool and provides less clarity on which high priority modifications should be prioritised and resourced within the two categories.

In its decision Ofgem acknowledges this and the guidance document notes that modifications should be prioritised relative to other modifications in the same category. However, it remains unclear how code managers should determine the relative ordering of modification proposals within the standard and high prioritisation categories. We consider that greater clarity is needed, particularly to support consistent decision-making.

We see value in adopting a common approach to relative prioritisation across codes, especially where modifications have cross-code impacts. A consistent methodology would help ensure that such modifications are progressed in a coordinated and efficient manner. Code bodies and the stakeholders they serve recognise the benefits of this coordination and we consider that there is an opportunity for greater collaboration to develop a shared relative prioritisation methodology.

We support Ofgem’s proposal that through the cross-code steering group (CCSG) a lead code would determine the prioritisation of a cross-code modification with non-lead codes expected to progress the modification in alignment with the lead code where possible. We envisage the CCSG will have a key role in designating the lead code and ensuring non lead codes align with the lead code and consider that a consistent relative prioritisation methodology would support this.

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

- **Qualified Support**

Comments: We agree with the proposal to allow ad hoc reviews of the prioritisation category of modification proposals as this would enable code managers to reprioritise modifications in light of new information, particularly from the government or Ofgem. We also see the merit in undertaking a bi-annual review following the publication of the

Strategic Direction Statement (SDS) which could potentially support a prioritisation review following the SDS consultation and a second review following the SDS decision.

We support Ofgem’s position that a new appeals process for prioritisation determinations is not required at this time, and that existing code-specific referral/oversight mechanisms - through which Ofgem may overturn a determination where necessary - provide sufficient scrutiny. This avoids the delay and complexity of a uniform appeals route across all codes, supports timely progression of modifications, and reinforces the need for Code Managers to provide clear, robust rationales for prioritisation decisions. As Code Manager licensing is implemented across all codes and change processes become more aligned, this may warrant further review to ensure clarity and consistency for stakeholders. However, we consider the requirements for the modification register to be overly prescriptive. The register is intended to provide high-level information and meta-data on modification proposals, and should not, for example, include the detailed reasons for prioritisation determinations or for changes to these determinations. Instead, this level of detail should be set out in proposal specific documents or portal pages, ideally indicating that there has been a change to the register and a link to the proposal-specific portal page or documentation so that stakeholders can easily access the rationale and further details.

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

- **Agree**

Comments: We agree that upon the modified text becoming effective, all live modifications should be assessed against Ofgem’s proposed prioritisation criteria, except where the modification has already been submitted to Ofgem and is awaiting decision, is a self governance modification awaiting determination or has been approved but not yet implemented. We also agree that the proposer should be notified where the priority of their modification changes as a result of the reprioritisation review. For modifications that are returned by Ofgem for further development we consider that the

decision on whether to reprioritise the modification should depend on assessment by the code manager of the work needed to the modification.

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

- **Qualified support**

Comments: We consider that we will be able to develop implementation arrangements in the timescales set out in the consultation document. However, we note that the statutory consultation does not provide a clear implementation timetable beyond an indicative window of Spring 2026. Greater clarity on the expected timescales would be helpful.

Notwithstanding this, we consider that the required changes can be implemented. However, some enhancements such as those relating to the digital change register, will align more appropriately with the implementation of our improvements to digital services in September 2026.

Question 6: Do you agree with the proposed guidance in ‘Annex A: Proposed Authority guidance on code modification prioritisation’?

- **Agree**

Comments: We note that the guidance sets out that a modification proposal ‘should be prioritised relative to other modification proposals of the same category to see where it sits within the relative priority order....’. We would welcome Ofgem’s support for code bodies working collaboratively to develop a consistent approach to the relative priority methodology to ensure consistency, particularly to cross code modifications. We would also welcome a commitment to this prioritisation of proposals relative to each other will be retained in the subsequent modifications to change management procedures that we anticipate will be given effective alongside the code manager licence.

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

- **Qualified support**

Comments: While we consider most of the proposed text to be clear and appropriate, for the reasons set out in answer to Question 1, we disagree with the proposed drafting to paragraph 7.2 of Schedule 5 of the REC which places a requirement for the proposer of an issue or change proposal to include an assessment of the prioritisation criteria. We would welcome a revision that clarifies the optionality of proposers providing such assessments and avoiding any doubt that proposals will otherwise not be accepted.

Template part 3: general feedback

We believe that consultation is at the heart of good policy development. We welcome any comments about how we've run this consultation. We'd also like to get your answers to the following questions.

Question	Response
Do you have any comments about the overall process of this consultation?	We would have welcomed clearer planning around when these proposed changes will be decided upon and take effect, particularly as these are only interim changes to the REC (and BSC) pending more substantive changes to align with the Code Manager licence, expected later in 2026.
Do you have any comments about its tone and content?	
Was it easy to read and understand? Or could it have been better written?	Yes, it was easy to read and we welcome the provision of accompanying legal text to each of the relevant codes.
Were its conclusions balanced?	Yes.
Did it make reasoned recommendations for improvement?	Yes, though we did not in all cases agree with that reasoning.
Any further comments?	

Your response, data and confidentiality

You can ask us to keep your response, or parts of your response, confidential. We'll respect this, subject to obligations to disclose information, for example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.

If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you *do* wish to be kept confidential and those that you *do not* wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we'll get in touch with you to discuss which parts of the information in your response should be kept confidential, and which can be published. We might ask for reasons why.

If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the UK's withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see Appendix 4.

If you wish to respond confidentially, we'll keep your response itself confidential, but we will publish the number (but not the names) of confidential responses we receive. We won't link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.