

Angela Love – SEC Panel Chair  
Smart Energy Code Company Limited  
77 Gracechurch Street  
London, EC3V 0AS

Kate Lloyd,  
Energy Code Reform, Ofgem  
By email: [industrycodes@ofgem.gov.uk](mailto:industrycodes@ofgem.gov.uk)

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## Establishing a harmonised prioritisation process in the Industry Codes

Dear Kate,

The SEC Panel welcomes the opportunity to respond to Ofgem's statutory consultation on proposals to harmonise the code modification prioritisation process across all codes. We agree that greater consistency in prioritisation will improve transparency, reduce inefficiencies, and support stronger alignment with the Strategic Direction Statement (SDS).

We particularly support the introduction of clear criteria and categorisation, as these will help stakeholders to allocate resources effectively and ensure timely progression of high-impact modifications.

We are grateful for Ofgem's proactive engagement with industry to date – particularly with Code Bodies and prospective Code Managers. This collaboration has been instrumental in shaping proposals that are practical and reflect operational realities, which will be essential for successful implementation.

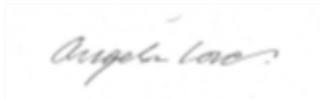
However, we wish to highlight several points where clarification or refinement would strengthen the proposals:

- **Flexibility and simplicity** – While supportive of the framework, the SEC Panel wish to emphasise that it is important that the process does not introduce unnecessary complexity or discourage Parties from raising changes, for example, if Standard Priority modifications remain in a backlog for an unreasonable length of time, Parties may be less inclined to raise future changes which, in turn, could stifle progress and innovation. We encourage Ofgem to maintain flexibility so Codes can continue to work with their Parties in ways that best suit their needs.
- **Terminology in guidance** – The phrase “equal weighting” of prioritisation criteria in Annex A could imply a rigid scoring model where each criterion is treated identically in all scenarios. We recommend replacing this with “joint consideration” (or similar) to reflect proportional judgment informed by context and practical realities.
- **Cross-Code Steering Group (CCSG)** – For cross-code modifications, the CCSG must have appropriate structure and representation, including expertise across impacted codes, to ensure decisions are informed and consistent. We would like the code bodies to collectively explore the most effective approach to Chairing and facilitating this group to ensure it has the appropriate authority, continuity, and influence to enable effective and impartial decision-making.
- **Central modifications register** – We seek clarification on how bi-annual and ad-hoc reviews, and justification for prioritisation decisions, will be incorporated into the central register to maintain transparency.

- **SEC text changes** – We strongly recommend correcting references to “Panel’s Change Sub-Committee” to simply “Change Sub-Committee” to avoid confusion over governance roles. We note that the SEC Panel is not congruent with other code Panels, in that it does not make recommendations on modifications. This is carried out by the Panel's Change Sub-Committee/Change Board, with the Panel's role limited to determining on appeals.
- **Implementation timeline** – While we agree with the proposed 28-day implementation notice, applying the new criteria to all live SEC modifications will require until the end of August 2026 to ensure a thorough and fair process without disrupting progression during the winter peak. We seek to clarify that there would not be an expectation on Code Bodies to review all in-flight modifications and set prioritisation within this 28-day period.

Our detailed responses to the specific consultation questions are set out below. Should you have any queries or wish to discuss our response further, please contact Oli Meggitt, Senior Strategy Manager ([oli.meggitt@seccoltd.com](mailto:oli.meggitt@seccoltd.com)), or email [consultations@seccoltd.com](mailto:consultations@seccoltd.com).

Yours Sincerely,



Angela Love  
SEC Panel Chair

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

The SEC Panel agrees with the proposed policy and associated code modifications in the section 'prioritisation process'. We believe the changes will strengthen governance, improve transparency, and ensure a fair and consistent approach to prioritising modification proposals. Specifically, we support the following elements:

- **Role of the proposer** – We agree that proposers should provide an assessment of their proposal against the prioritisation criteria. Taking the proposer's view into account will add valuable context and help Code Panel's make well-balanced decisions.
- **Role of Code Panels** – We support Code Panels (or in the case of the SEC, Change Sub-Committee) being the decision-maker for prioritisation prior to Code Manager licences being awarded. We believe the requirement for Panels to assess non-urgent modification proposals against the agree criteria, while giving due regard to the proposer's assessment, provides a robust and transparent framework. This approach will ensure prioritisation decisions remain objective and consistent, while benefiting from the proposer's insight.
- **Modification types** – We agree that no changes should be made to the urgency process for modifications. Maintaining the current urgency process preserves the ability to act swiftly when necessary. For all other types of modifications, applying the new prioritisation process is appropriate and will help ensure resources are allocated effectively to deliver the greatest benefit.
- **Cross-code modifications** – We agree that modification proposals impacting multiple codes should follow the relevant procedures established in each code, with direction provided by the Cross Code Steering Group (CCSG). We support the principle that a lead code, as determined by the CCSG, should progress the modification in line with its own procedures, including prioritisation determination. Where reasonably possible, non-lead codes should progress in parallel with the lead code and align with its prioritisation and timetable. The lead code should also consult with the other impacted codes to confirm that the proposed timeline is achievable. This approach should promote consistency and coordination across codes.

For this model to work effectively, CCSG must have the right structure and membership. We believe that attendance should include representatives from all relevant codes and code bodies when decisions are made, ensuring the group brings together individuals with the necessary expertise across impacted codes and processes. Additionally, as noted in the cover letter, we would like the code bodies to collectively explore the most effective approach to Chairing and facilitating this group to ensure it has the appropriate authority, continuity, and influence to enable effective and impartial decision-making. This will help ensure that decisions are informed, consistent, and reflect the full range of technical and operational considerations.

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

The SEC Panel agrees with the proposed policy and associated code modifications in the section 'prioritisation criteria governance'. We believe the governance arrangements for prioritisation criteria will deliver greater consistency, transparency, and clarity across codes. Specifically, we note the following:

- **Prioritisation criteria** – We support the clarification and further guidance provided on the prioritisation criteria. The inclusion of clear definitions and examples will help ensure consistent interpretation. We also agree with the removal of time sensitivity as a criterion.
- **Prioritisation categories** – We agree with the introduction of two prioritisation categories: Standard and High Priority. This simplified approach will provide clarity and avoid unnecessary complexity in categorisation. We support linking defined timelines to these categories as a sensible measure that will improve planning and resource allocation. However, it is important to ensure that Standard Priority modifications do not remain in a backlog for an unreasonable length of time. Extended delays could discourage parties from raising modifications if they anticipate that these will not be actioned promptly. We recommend that this risk be considered during the reprioritisation process and kept under review to maintain confidence in the framework.
- **Interpreting and applying the criteria and categories** – We welcome the guidance on how to interpret and apply the criteria and categories. It is particularly helpful that the guidance notes how factors such as high complexity can influence prioritisation in different ways depending on context. We welcome this recognition, as it provides flexibility and acknowledges that meeting individual criteria does not automatically determine priority; and that it must be considered alongside other factors.

We also note that the guidance states that each of the criteria should be given equal weighting. However, the term “*equal weighting*” can be misleading, as it suggests a rigid scoring model that may not reflect the varying significance of different criteria in practice. A phrase such as “*joint consideration*” (or “*considered in conjunction*”) we believe would better convey the expectation that panels review criteria collectively, applying proportionate judgment informed by context and practical realities.

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

We have reviewed the policy and associated code modifications outlined in the section ‘prioritisation reporting and governance’ and broadly agree with the proposals. However, we would like to highlight the following specific points:

- **Text changes** – We agree in principle with the proposed text changes to Section D of the SEC, including the insertion of “D13. REVIEW OF PRIORITISATION CATEGORY OF MODIFICATION PROPOSALS”, as they align with the policy intent. However, to ensure the proposed text changes are legally sound we strongly recommend that any reference to the “**Change Sub-Committee Panel**” or “**Panel’s Change Sub-Committee**” should instead refer to the “**Change Sub-Committee**” as already defined in the SEC. The Change Sub-Committee and the SEC Panel are distinct bodies and using “Panel” before or after “Change Sub-Committee” incorrectly implies equivalence with the SEC Panel, which is not the case. This could cause confusion and lead to misunderstanding of roles and responsibilities. Precise terminology is critical to ensure governance arrangements remain clear, transparent, effective and legally sound.
- **Bi-annual and ad-hoc modification review process** – We agree with moving from quarterly reassessment of live modification prioritisation to a bi-annual schedule, supported by ad-hoc reviews. This approach reduces unnecessary administrative burden while maintaining flexibility to respond to emerging priorities.

- **Prioritisation appeals process** – We support the proposal not to include an appeals process at this stage and note the intention to consult in future on appeals processes post-Code Manager appointments.
- **Prioritisation in modification registers and reports** – We support the requirement to publish prioritisation determinations in modification registers and reports. This measure will strengthen transparency, give stakeholders clear visibility of decision-making, and promote consistency across all codes. Including the reasons for prioritisation and updating registers to reflect any changes will help maintain trust and enable efficient engagement throughout the modification process.

While this requirement applies to individual codes and code bodies, we seek clarification on how the central modifications register will be updated to reflect the new prioritisation process. In particular, we would welcome confirmation on how bi-annual and ad-hoc reviews, as well as the requirement to publish justification for prioritisation decisions, will be incorporated.

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

We agree with the proposals outlined in the section on policy implementation. In particular, we support applying the new Prioritisation Criteria to all Live Modifications, as well as to newly raised modifications thereafter. We also agree with the proposed definition of a 'Live Modification' as it provides clarity and consistency across the process.

Our initial analysis indicates that, to apply the new criteria effectively – including engaging with proposers and securing Change Sub-Committee approval – we would require until the end of August 2026 to prioritise all Live Modifications. This timeline is essential to ensure a thorough and fair prioritisation process without detracting from the progression of new modifications, especially given the seasonal peak in proposals during the winter months.

We seek clarification that there would not be an expectation on Code Bodies to review all in-flight modifications and set prioritisation within this 28-day period.

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

We agree with the proposed implementation date of 28 days from the publication of the related prioritisation policy decision notice. However, as noted in our response to question 4, while we support applying the new Prioritisation Criteria to all live modifications once the policy takes effect, our initial analysis indicates that we would require until the end of August 2026 to complete this process properly. As the guidance clearly states that the process should be completed in a timely manner, we believe this is an appropriate period to ensure all modifications are considered thoroughly and have a prioritisation determination as soon as reasonably possible. Our proposed timeline reflects this principle while balancing the need to maintain progress on new modifications during the winter peak period.

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

We have reviewed the guidance in Annex A and, as mentioned in our response to question 2, we are concerned about the use of the term "equal weighting", as decisions in practice need to reflect context

and practical realities rather than applying a rigid interpretation. We believe the proposed prioritisation process is aiming for this approach, and clearer wording would help avoid any misunderstanding.

Separately, we welcome the additional guidance provided in Annex A, as we believe this adds clarity to the process.

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

We have reviewed the proposed code text drafting in annexes B-L. Our key concern remains the use of terminology explained in our answer to question 3: any reference to the 'Change Sub-Committee Panel' or 'Panel's Change Sub-Committee' should instead refer to the 'Change Sub-Committee,' as defined in the SEC. This distinction is essential to avoid confusion between the Change Sub-Committee and the SEC Panel and to maintain clarity in governance arrangements and to ensure that any changes introduced are legally sound.