

Annie Appleton,
Industry Codes, Ofgem
By email: industrycodes@ofgem.gov.uk

26 May 2026

SEC Panel response – Consultation on the draft second preliminary Strategic Direction Statement for industry codes

Dear Annie,

The SEC Panel welcomes the opportunity to respond to Ofgem's consultation on the draft second preliminary Strategic Direction Statement (SDS). We recognise the value of the SDS in providing a strategic view of how government policy and wider sector developments may drive future code change, and we broadly consider the document to be clear and proportionate given current levels of policy certainty.

As set out in our responses to the individual questions, the Panel has not identified any material omissions at this time in respect of policy developments likely to require SEC code modifications within the next one to five years. However, we have highlighted areas where progression remains dependent on the outcomes of ongoing programmes and consultations, including Reformed National Pricing, smart meter data arrangements, and Consumer Consent. In these areas, we consider that a cautious and staged approach is appropriate, aligned to delivery readiness and evidenced benefits, particularly in light of the continued implementation of MHHS.

The Panel has also provided feedback on the importance of clear governance and role scoping as digitalisation across the sector evolves, to avoid fragmentation, duplication, and unnecessary consumer costs. In this context, we have noted that SECCo may be well positioned to undertake a future Meter Data Coordinator role and to support the coordination of Data Best Practice, subject to clear mandates and responsibilities.

The SEC Panel looks forward to continued engagement with Ofgem, DESNZ and wider industry stakeholders as the SDS evolves, and as further clarity emerges from ongoing policy development and scoping work.

Should you have any queries or wish to discuss our response further, please contact Oli Meggitt, Senior Strategy Manager (oli.meggitt@seccoltd.com), or email consultations@seccoltd.com.

Yours Sincerely,



Angela Love
SEC Panel Chair

Q1. On the basis that the SDS should contain a strategic assessment of government policies and developments relating to the energy sector, that will or may require the making of code modifications, do you think there is anything missing from the SDS that you would expect to require code modifications in the next 1-5 years? If so, please specify.

At this time the SEC Panel has not identified any material omissions in the draft SDS in respect of government policies or sector developments that would be expected to require SEC or related code modifications within the next one to five years.

Q2. Do you agree with the classification of each policy area within the three time horizons (Act now, Think and plan, Listen and wait)? If not, please specify what changes you suggest and why.

The SEC Panel broadly agrees with the classification of policy areas across the three time horizons; however, we consider that Reformed National Pricing (RNP) has been placed prematurely within the “Act now” category for the SEC. The progression of RNP remains highly dependent on the outcome of the recent NESO consultation, including proposals relating to potential moves to 5- or 15-minute settlement periods. With the Market-wide Half Hourly Settlement (MHHS) programme still being in its implementation phase and therefore the anticipated benefits of MHHS have yet to be fully evidenced or realised, the Panel considers it premature to progress considerations relating to settlement period changes at this stage. The Panel therefore suggests that RNP would be more appropriately classified as “Listen and wait” at present, with a transition to “Think and plan” once policy clarity improves and MHHS benefits have been demonstrably realised.

Q3. Do you find the SDS easy to understand and do you think that the level of detail included is sufficient to allow you to begin raising and implementing code modifications, where appropriate?

The SEC Panel considers that while the SDS is generally clear at a high level, a number of areas remain necessarily broad, with much of the content contingent on the outcomes of ongoing programmes and policy decisions. In particular, the Panel notes the joint DESNZ/Ofgem open letter and associated scoping exercise intended to clarify future smart meter data arrangements, including SDR and SMEDR, and considers that the draft SDS reflects the current ambiguity in this area. The Panel would expect the outcomes of the scoping exercise and forthcoming consultation to be reflected in future iterations of the SDS, or for the SDS to reference this ongoing activity more explicitly. The Panel also notes the continuing work on Consumer Consent (CC); while the SDS appropriately highlights that the SEC may need to evolve to support CC, the Panel emphasises that any such evolution should be considered in line with the outcomes of the smart meter data scoping exercise, with SECCo and the Panel remaining actively engaged throughout this process.

Q4. Do you support our proposed approach to convert the SDS from a preliminary document to a hybrid document, following designation of the BSC and the REC?

The SEC Panel agrees with the proposed approach to convert this SDS from a preliminary document to a hybrid document once certain codes are designated as Code Managers later in 2026.

Q5. Do you have any other feedback?

The SEC Panel highlights the importance of clear and coordinated governance, as digitalisation across the energy sector continues to evolve, noting the risk that fragmented governance arrangements could lead to misaligned standards, unclear role boundaries, and duplicative costs ultimately borne by consumers. The Panel therefore stresses that any new energy sector/code roles or functions have clearly scoped responsibilities, interfaces, and accountabilities.

In this context, the Panel considers that the proposed Meter Data Coordinator role is one that SECCo would be well positioned to undertake, given its existing central governance role across both gas and electricity data.

We also support the development and coordination of Data Best Practice across the sector and note SECCo's willingness to contribute effectively to this area.