Making a positive difference for energy consumers

Decision

Proposed Code Manager Standard Licence Modifications relating to Data Best Practice

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In July 2026, we[1] consulted on the proposed modification of the Code Manager Standard Licence Conditions to require licensed Code Managers to follow Data Best Practice Guidance ("DBP Guidance"). Respondents broadly supported the proposed licence approach, while raising points regarding the proportionality, implementation, and drafting of the requirements.

Having considered stakeholder feedback, Ofgem has decided to proceed with the proposed modifications. Licensed Code Managers will be required to use best endeavours to follow DBP Guidance and to prepare, publish, and maintain Digitalisation Strategies and Action Plans. These requirements will apply to each Code Manager when they become licensed. This approach reflects the phased licensing of Code Managers, while establishing consistent Data Best Practice requirements for licensed Code Managers.

[1] References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day-to-day work.

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Executive summary

In July 2026, Ofgem consulted on modifications to the Code Manager Standard Licence Conditions, which would require licensed Code Managers to use best endeavours to follow DBP Guidance and to prepare, publish, and maintain Digitalisation Strategies and Action Plans.

We received 13 responses from stakeholders across the energy sector. Respondents broadly supported the proposed introduction of DBP Guidance requirements for licensed Code Managers, while raising questions regarding scope, accountability, and implementation. Respondents also requested practical guidance and proportionate transition arrangements as forms of additional support.

Having considered stakeholder feedback, we have decided to proceed with the proposed modifications. Licensed Code Managers will be required to use best endeavours to follow DBP Guidance, and to prepare, publish and maintain Digitalisation Strategies and Action Plans. This creates a clear licence obligation, while allowing licensed Code Managers flexibility to determine and demonstrate how they are following DBP Guidance, taking account of their functions and circumstances.

Code Managers will be licensed in phases. The formal requirements will therefore apply to each Code Manager when they become licensed, initiating all relevant timelines within which certain requirements must be fulfilled, such as the two-year window in which to publish a Digitalisation Strategy. Prospective Code Managers may use the period before licensing to review their existing arrangements, and align voluntarily with DBP Guidance.

Further details of the consultation responses and our decision are set out in this document.

1. Introduction

This section covers the policy context of the consultation and sets out a timeline for the decision-making stages.

Policy Context

1.1 Data Best Practice (DBP) Guidance supports the effective management, accessibility and sharing of Energy System Data. DBP Guidance has been a licence condition for Transmission Operators (TOs), Gas Distribution Networks (GDNs), and the Electricity System Operator/National Energy System Operator (ESO/NESO) since 2021. DNOs were subsequently obligated to follow DBP Guidance beginning in 2023 and, following the publication of our Decision in January 2026, the holder of the Smart Meter Communication Licence (SMCL) is now also obliged to follow DBP Guidance. Extending DBP requirements to licensed Code Managers is therefore intended to support a consistent approach to data and digitalisation across code governance arrangements.

1.2 In our 2025 consultation and January 2026 decision, we set out our position that, once licensed, Code Managers would be required to comply with DBP Guidance as a Standard Licence Condition. This position is intended to introduce targeted changes to Code Managers' responsibilities, including requirements to:

- operate, on a best endeavours basis, in accordance with the DBP Guidance,
- improve the sharing and accessibility of data; and
- support transparency and discoverability via publication of Digitalisation Strategies and Action Plans (DSAPs), providing data users with greater visibility of what data is expected to become available in the future.

1.3 In July 2026, we consulted on incorporating a 33rd Licence Condition as part of the Code Manager Standard Licence Conditions, which will set out the licensee's obligations to:

a) have a Digitalisation Strategy;

b) have a Digitalisation Action Plan;

c) update its Digitalisation Strategy and its Digitalisation Action Plan;

d) comply with DSAP Guidance; and

e) take account of DBP Guidance when using or making decisions relating to Energy System Data.

1.4 The condition also sets out the process the Authority will follow when issuing and amending DSAP Guidance and DBP Guidance. The proposed condition is substantially unchanged from the equivalent digitalisation licence condition currently applied to network licensees[2].

1.5 We consider this approach appropriate to ensure consistency of obligations across different licensed parties within the energy sector. The consultation sought views on the proposed licence condition, how it should operate alongside wider Code Manager responsibilities, whether prospective Code Managers were already applying DBP Guidance voluntarily, and any support or transitional arrangements required to support implementation.

1.6 Code Managers will be licensed in phases meaning these requirements, as set out in the Standard Licence Condition, will apply to each Code Manager as and when they become licensed, initiating all relevant timelines within which certain requirements must be fulfilled, such as the two-year window in which to publish a Digitalisation Strategy. Prospective Code Managers will not be subject to the formal licence requirements before licensing, but, where relevant, may wish to follow DBP Guidance voluntarily in preparation for the future requirements.

Decision-making Stages

Stage 1: Consultation open: 23 July 2026

Stage 2: Consultation closes (awaiting decision). Deadline for responses: 11 September 2026

Stage 3: Responses reviewed and published: 5 November 2026

Stage 4: Decision published: 5 November 2026

[2] See ‘Special Condition 9.5 Digitalisation’ of the Electricity Transmission Licence Special Conditions

2. Responses and Analysis

This section details the feedback received in response to the questions asked in the consultation.

Q1. Do you agree with the structure of our proposed amendments to the Code Manager Standard Licence Conditions, to introduce the requirement to follow Data Best Practice Guidance for licensed Code Managers?

2.1 We received 13 responses to the consultation. 12 respondents supported the proposed licence approach. One respondent did not express a position on the proposal.

2.2 Respondents generally supported the introduction of the DBP Guidance through a dedicated Code Manager Standard Licence Condition, including the associated requirements for Digitalisation Strategies and Action Plans (DSAPs). Respondents noted that this would align licensed Code Managers with other parties already subject to DBP-related requirements.

2.3 While most respondents supported the best endeavours requirement, subject to clear and proportionate application, others considered it to be a disproportionate legal threshold and requested for its removal from the Licence Condition.

2.4 Several respondents raised other concerns regarding proportionality, notably regarding the timing of the transition and the expectations for compliance. Respondents noted that some DBP principles could be progressed more quickly than others and that implementation may depend on other industry stakeholders. One respondent also requested clarity on how the proposed requirements for Code Managers compare with existing network obligations.

2.5 In relation to DSAPs, one respondent considered that a six-monthly Action Plan cycle would be disproportionate for Code Managers compared with larger network organisations and could result in updates being made for process reasons rather than to reflect meaningful progress or change. They instead suggested an annual update cycle.

2.6 Respondents requested clarity on the scope of the obligation, including whether it would apply only to licensed Code Manager functions or extend to all work carried out by the organisation. Respondents noted that Code Managers may manage or process data without owning or controlling it, creating uncertainty about accountability where responsibilities are shared, delegated, or delivered through data owners, service providers, or other third parties. Some respondents also raised the potential for duplication between

the proposed obligation and existing licence, reporting, and digitalisation arrangements, including the Energy Digitalisation Framework, and Data Domain Coordinator arrangements. Respondents requested alignment with existing arrangements to avoid duplication.

2.7 Some respondents requested recognition of existing strategies, controls and voluntary DBP-related activity. They also sought clarity on the information that DSAPs should contain, how frequently they should be reviewed and updated, and whether existing strategies and controls could be used or adapted to meet the requirements. Some respondents asked whether preparing a DSAP would form part of assessing a prospective Code Manager's readiness for licensing. Respondents also requested consistent use of the terms "follow", "comply with", "take account of" and "best endeavours".

2.8 Overall, respondents supported introducing the requirements through the Code Manager licence, while seeking clear, consistent and proportionate implementation.

Q2. If you are not currently a licensed Code Manager, do you voluntarily follow DBP Guidance? If not, what are the key blockers preventing adoption (e.g. data maturity, capability, resource constraints, legacy systems, governance arrangements)?

2.9 Eight respondents reported that they already follow DBP Guidance, apply some of its principles voluntarily, or have existing organisational arrangements aligned with the Guidance. This included the implementation of Digitalisation Strategies and Action Plans, metadata catalogues, data-quality frameworks, open-data activities, and internal data strategies.

2.10 The extent of adoption varied. Some respondents considered that the majority of the guidance was already reflected in their standard operating arrangements, while others were undertaking gap assessments or working progressively towards fuller alignment. Some respondents were already subject to DBP Guidance requirements through other licence conditions, and highlighted the need to consider how existing and future obligations would interact.

2.11 Several respondents noted that prospective Code Managers have different levels of organisational and data maturity and will become licensed at different times. Respondents identified legacy systems as a potential barrier and noted that individual Data Best Practice principles may be implemented at different rates. Respondents also highlighted dependencies on data owners, service providers and other industry participants.

2.12 Overall, the responses demonstrate that voluntary adoption is already taking place, but differences in maturity, legacy systems, shared responsibilities and existing obligations may affect implementation.

Q3. What forms of support, clarification or guidance from Ofgem would help you, or future Code Managers, to comply with the DBP obligation once it becomes a licence requirement? Please include examples of tools, documentation or transitional arrangements.

2.13 We received 8 responses to this question. Respondents generally requested practical guidance, clearer expectations, and proportionate transition arrangements to support implementation of the proposed Data Best Practice obligation.

2.14 Several respondents requested worked examples showing what good implementation looks like, including examples of DSAP and Open Data Triage assessments. Suggested support also included guidance, webinars, workshops, and opportunities to share implementation experience. One respondent proposed a gap-analysis tool based on the 11 DBP principles, together with a cross-code data dictionary and common metadata schema.

2.15 Respondents requested further clarity on the information that DSAPs should contain, how frequently they should be reviewed and updated, and whether Code Managers could use or adapt existing strategies and controls to meet the requirements. Some respondents also asked whether preparing a DSAP would form part of the assessment of a prospective Code Manager's readiness for licensing.

2.16 Some respondents requested sufficient preparation time or a transition period for code managers, requesting a focus on continuous improvement, and for Data Best Practice to be assessed as an iterative process. Most respondents similarly favoured a progressive implementation process that recognises different levels of maturity and existing arrangements.

2.17 Overall, respondents favoured practical examples, clear implementation expectations, proportionate transition arrangements, clarity on responsibilities, and continued cross-code collaboration.

3. Decision

This section details our response to industry feedback, and policy decisions reached as a result.

3.1 We welcome the broad support for introducing DBP Guidance through the Code Manager Standard Licence Conditions. Having considered the consultation responses, we have decided to proceed with the proposed amendments, which will require licensed Code Managers to follow DBP Guidance, and to prepare, publish and maintain DSAPs.

3.2 This requirement will remain on a best endeavours basis. DBP Guidance is non-prescriptive in implementation and sets out the outcomes and principles that licensed Code Managers should follow without prescribing a singular method of implementation. The best endeavours requirement maintains a clear licence obligation while allowing each licensed Code Manager flexibility to determine and demonstrate how it is following DBP Guidance, taking account of its functions, responsibilities and circumstances. Where implementation depends on other organisations, the licensed Code Manager will be able to demonstrate the reasonable steps it has taken within the areas it controls.

3.3 The requirements will apply to licensed Code Managers in relation to their Code Manager functions. Existing strategies, controls, and voluntary DBP-related activity may support prospective Code Managers in preparing for licensing. However, each Code Manager will be required to meet the applicable requirements only when it becomes licensed, including, at which point, the commencement of all prescribed timelines, such as the two-year window in which to publish an initial Digitalisation Strategy.

3.4 We recognise that prospective Code Managers are at different stages of DBP Guidance adoption and may face different implementation barriers. As Code Managers will be licensed in phases, those in later licensing batches will not be subject to the formal requirements until they become licensed. They may use the intervening period to review their existing arrangements and align voluntarily with DBP Guidance.

3.5 Given this phased approach, we believe that Code Managers should have sufficient preparatory time ahead of licensing to align strategy with the requirements set out in the licence condition. This also reflects the preparatory adoption of relevant requirements ahead of licencing by several respondents, as highlighted in response to Question 3.

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3.6 We acknowledge the request for support and guidance set out within responses. Ofgem's Digitalisation team are available to review DSAPs and provide advice on how to improve alignment with DSAP guidance. We will reflect on guidance and support materials suitable to develop in line with the phased licensing of Code Managers.

4. Conclusion

4.1 DBP Guidance supports the effective management, accessibility, and sharing of data across the energy system. Applying the guidance to licensed Code Managers will help establish a consistent approach to data and digitalisation within the future code governance framework.

4.2 The consultation responses broadly supported introducing the requirement through the Code Manager Standard Licence Conditions. The evidence provided also demonstrates that voluntary adoption is already taking place, with several organisations applying DBP principles through existing strategies, governance arrangements and operational activities. Respondents nevertheless identified differences in organisational maturity, legacy systems, shared responsibilities, and dependencies on other parties that may affect implementation. They also highlighted the importance of practical guidance, clear responsibilities, and proportionate transition arrangements.

4.3 Having considered the responses received, we have decided to proceed with the proposed amendments to the Code Manager Standard Licence Conditions. The amendments will require licensed Code Managers to follow DBP Guidance on a best endeavours basis. The licence condition will apply to each Code Manager when it becomes licensed. The condition provides transitional periods for publication of the initial Digitalisation Strategy and Digitalisation Action Plan.

4.4 We are not publishing the Associated Directions at this time, as there are currently no licensed Code Managers to whom the directions could apply.

4.5 We consider that this approach provides a proportionate basis for extending DBP requirements to Code Managers. We will explore guidance materials that we can provide to support in their implementation of DBP principles.

Send us your feedback

We believe that consultation is at the heart of good policy development. We are keen to receive your comments about this consultation. We would also like to get your answers to these questions:

- Do you have any comments about the quality of this document?
- Do you have any comments about its tone and content?
- Was it easy to read and understand? Or could it have been better written?
- Are its conclusions balanced?
- Did it make reasoned recommendations?
- Do you have any further comments?

Please send your feedback to stakeholders@ofgem.gov.uk.

Appendix 1

Legal Wording To be inserted in “Condition 1: Definitions”

Data Best Practice Guidance means the document of that name issued by the Authority in accordance with standard condition 33 (Digitalisation).

Digitalisation Strategy means a document prepared and published by the Licensee in accordance with Part A of standard condition 33 (Digitalisation).

Digitalisation Action Plan means a document prepared and published by the Licensee in accordance with Part B of standard condition 33 (Digitalisation).

DSAP Guidance means the document of that name issued by the Authority in accordance with Part C of standard condition 33.

Energy System Data has the meaning given to that term in the Data Best Practice Guidance.

Condition 33: Digitalisation

Introduction

33.1. The purpose of this condition is to set out the Licensee's obligations to:

(a) have a Digitalisation Strategy;

(b) have a Digitalisation Action Plan;

(c) update its Digitalisation Strategy and its Digitalisation Action Plan;

(d) comply with DSAP Guidance; and

(e) follow DBP Guidance.

33.2. This condition also sets out the process the Authority will follow when issuing and amending DSAP Guidance and DBP Guidance.

Part A: Requirements of the Digitalisation Strategy

33.3. The licensee must publish its Digitalisation Strategy within the first two years of the commencement of licence.

33.4. The licensee must review the progress it has made against its Digitalisation Strategy and update its Digitalisation Strategy at intervals specified in the DSAP Guidance.

33.5. The Licensee must:

(a) publish its Digitalisation Strategy, and updates to its Digitalisation Strategy, on its website where they are readily accessible to the public;

(b) maintain an archive of all published versions of its Digitalisation Strategy on its website where they are readily accessible to the public; and

(c) notify the Authority of any updates to the Digitalisation Strategy.

Part B: Requirements of the Digitalisation Action Plan

33.6. The Licensee must publish a Digitalisation Action Plan within six months of the date of publication of the initial Digitalisation Strategy.

33.7. The Licensee must review the progress it has made against and update its Digitalisation Action Plan at intervals specified in the DSAP Guidance.

33.8. The Licensee must:

(a) publish its Digitalisation Action Plan, and each update to its Digitalisation Action Plan, on the licensee's website where they are readily accessible to the public;

(b) maintain an archive of all published versions of its Digitalisation Action Plan on the licensee's website where they are readily accessible to the public; and

(c) notify the Authority of any updates to the Digitalisation Action Plan.

Part C: DSAP Guidance

33.9. The licensee must comply with the DSAP Guidance when:

(a) preparing and updating its Digitalisation Strategy; and

(b) preparing and updating its Digitalisation Action Plan.

33.10. The Authority will issue and amend the DSAP Guidance by direction.

33.11. The Authority will publish the DSAP Guidance on the Authority's Website.

33.12 The DSAP Guidance will make provision about:

(a) how the licensee should work towards digitalisation;

(b) how the licensee should set out in its Digitalisation Strategy and Digitalisation Action Plan how it intends to use Energy System Data to generate benefits for consumers and stakeholders and the specific actions it will take to achieve that outcome;

(c) the form and content of the Digitalisation Strategy and the Digitalisation Action Plan, including:

(i) the structure, content and level of detail of each;

(ii) the types of activities that should be covered in each;

(iii) any required information associated with those activities; and

(iv) the engagement the Licensee is required to undertake with stakeholders to help inform the development of its Digitalisation Strategy and its Digitalisation Action Plan.

Part D: Requirement to employ data best practice

33.13 The licensee must, when conducting work that involves working with or making decisions about the use of Energy System Data, use its best endeavours to act in accordance with Data Best Practice Guidance.

33.14 The Authority will issue and amend Data Best Practice Guidance by direction.
33.15 The Authority will publish Data Best Practice Guidance on the Authority's Website.

33.16 Data Best Practice Guidance will make provision about how the Authority expects the licensee to comply with data best practice to generate benefits for consumers and stakeholders, including but not limited to ensuring services that involve Energy System

Data are designed to meet the needs of consumers and those who directly use the services.

Part E: Process for issuing and amending guidance

33.17 Before amending DSAP Guidance or Data Best Practice Guidance by direction, the Authority will publish on the Authority's Website:

(a) the text of the amended guidance;

(b) the date on which the Authority intends the amended guidance to come into effect; and

(c) the reasons for the amendments to the guidance; and

(d) a period during which representations may be made on the amendments to the guidance, which will not be less than 28 days.

Appendix 2 – Glossary

Terms	Definitions
Data Best Practice Guidance	Guidance issued by Ofgem and published at: Data Best Practice guidance | Ofgem
Digitalisation Action Plan	A licensee's plan to digitalise its Products and Services prepared and published in accordance with Part B of; Special Condition 9.5 (Digitalisation) of the RIIO-2 price controls for Electricity Transmission, Gas Transmission and Gas Distribution, Condition C3 of the Electricity System Operator Licence and Gas System Planner Licence for the National Energy System Operator, and Special Condition 9.5 (Digitalisation) of the RIIO-ED2 price control for Electricity Distribution.
Digitalisation Strategy	The strategic approach taken by a licensee to digitalise its Products and Services and evidenced by the archive prepared and published by the licensee in accordance with Part A of; Special Condition 9.5 (Digitalisation) of the RIIO2 price controls for Electricity Transmission, Gas Transmission and Gas Distribution, Condition C3 of the Electricity System Operator Licence and Gas System Planner Licence for the National Energy System Operator, and Special Condition 9.5 (Digitalisation) of the RIIO-ED2 price control for Electricity Distribution.
Energy System Data	All Data Assets for which an entity is a Data Custodian as a consequence of it exercising its rights and obligations under a licence granted under Section 6 or Section 56FBA of the Electricity Act 1989, or Sections 7, 7ZA, 7A, 7AA, 7AB or 7AC of the Gas Act 1986; or under Section 7(1) of the Energy Act 2023, or by exercising rights and obligations under regulations enacted by Section 219 and Schedule 18 of the Energy Act 2023.
Standard Licence Condition	Standard Licence Conditions are conditions that apply to all licensees of a particular licence type.

Appendix 3 - Linked Publications

Ofgem. (2024). Data Best Practice Guidance.

https://www.ofgem.gov.uk/sites/default/files/2025-11/Data_Best_Practice_Guidance_CLEAN%26ACC.pdf

Ofgem. (2024). Data Best Practice Supporting Information.

https://www.ofgem.gov.uk/sites/default/files/2025-11/Data_Best_Practice_Supporting_Information_CLEAN%26ACC.pdf

Ofgem. (2024). Digitalisation Strategy and Action Plan Guidance.

https://www.ofgem.gov.uk/sites/default/files/2025-11/Digitalisation_Strategy_and_Action_Plan_Guidance_CLEAN%26ACC.pdf

Ofgem. (2024). Digitalisation Strategy and Action Plan Supporting Information.

https://www.ofgem.gov.uk/sites/default/files/2025-11/Digitalisation_Strategy_and_Action_Plan_Supporting_Information_CLEAN%26ACC.pdf.

Ofgem. (2025). Data Best Practice as a Code Obligation.

https://www.ofgem.gov.uk/consultation/data-best-practice-code-obligation.

Appendix 4- Privacy policy

The following explains your rights and gives you the information you are entitled to under the General Data Protection Regulation (GDPR).

Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally) not the content of your response to the consultation.

1. The identity of the controller and contact details of our Data Protection Officer

The Gas and Electricity Markets Authority is the controller, (for ease of reference, "Ofgem"). The Data Protection Officer can be contacted at dpo@ofgem.gov.uk

2. Why we are collecting your personal data

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

3. Our legal basis for processing your personal data

As a public authority, the GDPR makes provision for Ofgem to process personal data as necessary for the effective performance of a task carried out in the public interest. i.e. a consultation.

4. With whom we will be sharing your personal data

All responses which are not clearly marked as 'Confidential' will be published on the Ofgem website alongside this consultation in the interests of transparency. If you wish your response to be confidential, whole or in part, please clearly mark the parts you consider confidential. Responses marked as confidential may be anonymised or summarised in order to share views with other government departments/

5. For how long we will keep your personal data, or criteria used to determine the retention period.

Your personal data will be held for up to seven years after this consultation is closed to allow for any legal challenge or review to be properly evidenced.

6. Your rights

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right to:

- know how we use your personal data
- access your personal data

- have personal data corrected if it is inaccurate or incomplete
- ask us to delete personal data when we no longer need it
- ask us to restrict how we process your data
- get your data from us and re-use it across other services
- object to certain ways we use your data
- be safeguarded against risks where decisions based on your data are taken entirely automatically
- tell us if we can share your information with 3rd parties
- tell us your preferred frequency, content and format of our communications with you
- to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at https://ico.org.uk/, or telephone 0303 123 1113.

7. Your personal data will not be sent overseas

8. Your personal data will not be used for any automated decision making.

9. Your personal data will be stored in a secure government IT system.

10. More information For more information on how Ofgem processes your data, click on the link to our "ofgem privacy promise".