ELEXON

10 September 2026

By e-mail to: digitalisation@ofgem.gov.uk

Dear Energy System Digitalisation Team

Re: Consultation on Proposed Code Manager Standard Licence Modifications relating to Data Best Practice.

Thank you for the opportunity to respond to your consultation on proposed changes to the Code Manager Standard Licence to embed Data Best Practice within code manager licensing.

Elexon is an independent, not-for-profit delivery body that has been operating for 25 years, playing a critical role opening up markets and supporting the transition to a net zero energy system. We provide governance, settlement and data platforms (Elexon Kinnect), and specifically manage the Balancing and Settlement Code (BSC). This enables the smooth and effective operation of the electricity market, which includes energy suppliers, generators, flexibility service providers and network companies across Great Britain. Over the past year, we have helped around 50 new companies enter the market, enabling a more flexible and innovative energy system.

Our end-to-end expertise in governance, assurance, technology platform development and electricity market data is available to support the industry, Government and Ofgem, as the energy sector transitions to net zero. Building on our purpose of serving the industry, the electricity market data we hold is open, and available for anyone to access, analyse and distribute. As a trusted, independent and reliable market expert, we continuously look to evolve and innovate for the benefit of our customers and consumers.

Ofgem has appointed us as the market facilitator for flexibility markets across both local and national markets, and we went live in December 2025. The market facilitator will focus on reducing friction for all parties, aligning system, transmission and distribution arrangements, and developing these markets, ensuring better coordination and alignment. We will also be responsible for delivering the Flexibility Market Asset Registration (FMAR) by end of Q3 2027. FMAR will serve as a common asset registration platform and the ‘single source of truth’ for recording details of registered assets participating within flexibility markets. This vital digital infrastructure will enhance visibility of flexibility assets and unlock their full value for service providers. It will also support the growth of consumer-led flexibility, which must scale from 2.5GW today to 12GW by 2030.

Ofgem has also appointed us as the Implementation Manager for implementing the Market-wide Half Hourly Settlement (MHHS) Programme, a key enabler of the flexibility required for the transition to net zero. Once MHHS is live, Elexon will manage up to 500-billion-meter readings every year. Half-hourly data is an important enabler for demand side response, and used effectively, can encourage more flexible use of energy – reducing household bills and rewarding customers. Ofgem estimates half

hourly settlement will deliver up to £4.5bn of net benefits to consumers by 2045.

In November 2025, the Government confirmed that Elexon will deliver the enduring governance for the Smart Secure Electricity Systems (SSES) Programme from mid-2026. Elexon will oversee and maintain the technical standards that enable interoperability of energy smart appliances, as well as the security requirements for both those appliances and flexibility service providers. The SSES Programme is a key enabler of the transition to a smarter, more flexible and cleaner energy system. It is a core part of the Government's Clean Flexibility Roadmap, which aims to unlock greater levels of consumer-led flexibility.

Taken together, these initiatives position Elexon uniquely at the heart of Great Britain's energy system. As an independent, trusted, and not-for-profit delivery body, Elexon combines deep expertise in governance, market operations, data management, and digital platform delivery. This enables us to act as a neutral facilitator, opening up markets, supporting innovation, and driving coordination across industry participants. Our role in delivering FMAR, MHHS, and SSES, alongside our established oversight and technical capabilities, allows Elexon to support the transition to a more flexible, decentralised, and decarbonised energy system, helping to realise the Government's net zero and flexibility objectives efficiently and reliably.

We have limited our response to areas where we feel we can add value. If you would like to discuss any areas of our response, please contact Hussein Osman, Senior Market Advisor (hussein.osman@elexon.co.uk).

Yours sincerely,

Anthony Riding
Chief Digital Officer

Elexon's consultation response

1. **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 (DBP) Guidance for licensed Code Managers?**

   Elexon mostly supports Ofgem's proposal to introduce a requirement for licensed Code Managers to follow Data Best Practice (DBP) Guidance through the Code Manager Standard Licence Conditions. We have supported the development of DBP by embedding its principles and activities over a number years and have consistently advocated for its wider adoption across the energy sector, including through our response to Ofgem's 2023 consultation.[1].

   We agree with the overall intent of embedding DBP within the Code Manager licensing framework. This should help support more consistent, transparent and user-focused data practices across industry codes. However, we recommend that Ofgem clarifies a small number of points to ensure the obligation is proportionate, well understood and practical to implement.

   1) **Frequency of Digitalisation Action Plan updates –** Elexon currently publishes a Digitalisation Strategy and Action Plan (DSAP) every two years, with an annual action plan update. Ofgem's proposed six-monthly action plan cycle is consistent with the approach currently used by network operators. However, we do not consider that this frequency is proportionate for Code Managers, which are smaller in size, capacity and the amount of digital activity they manage. A six-monthly cycle could create a risk that action plans are updated for process reasons rather than because there has been meaningful progress or change. We therefore encourage Ofgem to consider an annual update cycle for Code Managers. In our view, this would be more proportionate, support higher-quality updates and better reflect the scale and nature of the Code Manager role.

   2) **DSAP Guidance –** We would welcome confirmation from Ofgem whether the DSAP Guidance which currently applies to existing licensees will also apply to licensed Code Managers. This would help ensure consistency across DSAP publications and give Code Managers a clear understanding of what is expected when preparing their own strategies and action plans. As this is not set out explicitly in the consultation, we think it would be helpful for Ofgem to confirm this point in its decision.

   3) **Scope of the obligation –** We would welcome further clarity on the scope of the proposed obligation, particularly where an organisation undertakes activities both within and outside the Code Manager licence. Elexon intends to continue embedding DBP principles across its wider estate. However, it would be helpful for Ofgem to confirm that the formal licence obligation applies to activities carried out under the Code Manager licence, and to share how it expects DBP principles to be encouraged or maintained for relevant activities that sit outside that formal licence scope (i.e. Permitted Business). This will help avoid uncertainty and reduce the risk of gaps in application.

[1] https://www.elexon.co.uk/2023/04/17/elexons-response-to-ofgems-consultation-on-data-best-practice-guidance-and-digitalisation-strategy-guidance/

4) **Coordination of publications and stakeholder engagement –** We recommend that Ofgem supports a joined-up approach to DSAP publication and engagement across Code Managers and other relevant licensees. Industry stakeholders are likely to be asked to engage with an increasing number of publications under the new licence arrangements, including DSAPs. Alongside other publications, such as Business Plans, Delivery Plans and Forward Work Plans, this could create stakeholder fatigue if publication timelines are not coordinated. This could reduce the quality of engagement and limit the transparency benefits that DSAPs are intended to deliver. An appropriate industry forum could help coordinate publication timelines, share good practice and support more effective engagement with data users and wider stakeholders.

5) **Open Data Triage –** As set out in our response to Ofgem's Open Data Triage consultation, Elexon supports the need to maintain sector security and manage genuine risks associated with data publication. However, we consider that any intervention should be proportionate and reflect the role of the organisation, the type of data it holds and the sensitivity of that data. For DBP within codes, we do not consider that options outside the education model would be proportionate for code bodies as a whole. Instead, the appropriate approach should be assessed on a case-by-case basis, taking account of each licensee's market role and the nature of the data they manage, rather than applying a uniform approach across all data types and obligated parties.

2. **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)?**

Elexon has already applied some of the principles and intended outcomes of DBP across its data and technology activities. We have a strong track record in making data discoverable, accessible and interoperable, including through the application of presumed open principles within the BSC, the use of Dublin Core metadata standards, comprehensive API documentation on Elexon Insights, and have established data governance capabilities that support ownership, accountability and access to data, including standards, catalogues, quality controls and processes that help manage data across its lifecycle.

Over 2026/27, we have a program of work underway to further apply principles across the organisation, where appropriate. This includes newer programmes, such as the Smart Data Repository, as well as work to assess the most appropriate approach for legacy systems and services.

Challenges that may prevent voluntary adoption

Many organisations across the energy ecosystem are managing significant digital activity, change programmes and tight delivery timelines. For smaller organisations, or those with limited data governance capacity, voluntarily embedding all DBP principles into business-as-usual activity may be a substantial undertaking.

Legacy systems may also present challenges. In some cases, it may not be

proportionate or practical to retrofit all DBP principles immediately into older systems, particularly where replacement or major change is already planned. Organisations may need to take a risk-based and phased approach, prioritising higher-value or higher-risk data assets while building DBP requirements into new systems and change programmes from the outset.

There may also be a practical challenge for Ofgem in managing the level of support needed during implementation. Existing forums are useful for sharing general updates and good practice, but organisations are likely to need more direct support as they work through how DBP applies to their own systems and data assets. This could create a high volume of requests for clarification, particularly in the early stages of implementation.

3. **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 that would be beneficial.**

   We recognise that a significant amount of guidance is already available, reflecting the development of DBP over a number of years. Ofgem's DBP landing page already signposts guidance and supporting material on both DBP and DSAPs, and existing forums, such as the Cross Code Digitalisation Steering Group, provide a useful baseline for discussion and shared learning. This provides a strong starting point for implementation.

   However, unlike the DSAP requirements, the consultation does not appear to set out an explicit transition period for demonstrating DBP adherence. We recommend that Ofgem considers an initial development period, particularly for organisations that will be licensed earlier in the process. This would allow Code Managers time to build capability, embed DBP into processes and understand the evidence needed to demonstrate compliance before the obligation is treated as fully enforceable.

   It would also be helpful for Ofgem to set out what proportionate compliance looks like at different stages of implementation. For example, expectations during an initial capability-building period may be different from expectations once the obligation is fully embedded. Clearer guidance on this distinction would help Code Managers plan their approach and reduce uncertainty.

   We would also welcome clarity on how and when Ofgem intends to assess DBP compliance. For example, it would be useful to understand whether assessment will take place alongside DSAP submissions, through a regular reporting cycle, or through a separate process. Greater clarity on the assessment approach would help organisations understand the level of evidence expected and how this should be maintained over time.

   Ofgem could also build on the guidance already available by providing practical examples of what good looks like. This could include examples from DSAPs that have already been produced by existing licensees, as well as examples of how DBP could be applied in different situations. We recognise that DBP is intended to be principles-based rather than prescriptive. However, practical examples would help organisations understand the guidance more clearly and apply it in a

consistent and proportionate way.

Finally, as noted in our response to Question 2, there may be value in more direct Ofgem bilateral support during the early stages of implementation, particularly for organisations voluntarily adopting DBP ahead of licensing. This could include early engagement and/or reviews on DSAPs before publication, clarification on expectations for DBP evidence etc. We recognise that this would require Ofgem resource, but targeted support during the initial adoption period would be highly beneficial and may help reduce issues later in implementation.