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

Lucy Jordan,
Energy System Digitalisation Team, Ofgem
By email: digitalisation@ofgem.gov.uk

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SEC Panel Response – Code Manager Standard Licence Conditions: Data Best Practice

Dear Lucy,

Thank you for the opportunity to respond to the consultation on the proposed introduction of Data Best Practice (DBP) obligations for licensed Code Managers.

The SEC Panel oversees the governance of the Smart Energy Code, which provides the established governance framework for smart metering across both electricity and gas, to ensure the secure, reliable and effective operation of smart metering arrangements. The SEC has supported the objectives of improved data coordination and accessibility for over a decade, which include arrangements that enable authorised third parties (Other Users) to access smart metering data through the DCC, subject to the SEC's stringent privacy, security and governance arrangements. These security and privacy arrangements cover all SEC Parties and have developed over many years, with the smart metering security framework having been developed with support from Government and the National Cyber Security Centre.

The SEC Panel broadly supports the proposed approach and welcomes the use of the Code Manager licensing framework to promote consistent and effective data governance across industry codes. The Panel also welcomes Ofgem's principles-based approach and considers that the existing DBP Guidance provides an appropriate foundation for implementation.

The Panel notes that the SEC already incorporates a range of established practices that align with the objectives of the DBP Guidance. In particular, the SEC contains mature governance arrangements for privacy, security and controlled access to smart metering data, supported by dedicated Privacy and Security Sub-Committees, alongside established arrangements enabling DCC Other Users to access data subject to appropriate accreditation and governance requirements. These arrangements reflect the distinctive nature of the SEC, where the governance of data access, privacy and security is integral to the operation of the Code and the national smart metering infrastructure.

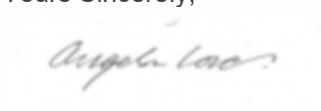
As the framework develops, the Panel believes that continued collaboration between Code Managers will be important to support consistent implementation of DBP Guidance across industry codes, including where data and digitalisation activities span code boundaries. The Panel therefore welcomes the existing cross-code engagement and considers that appropriate mechanisms for coordination should continue as Code Managers become licensed.

The Panel also considers that implementation should be clearly aligned with the wider Energy Digitalisation Framework, including the emerging Data Domain Coordinator arrangements. Common DBP obligations across licensed Code Managers should provide a strong baseline for consistent data practices, and the respective roles of Code Managers and Data Domain Coordinators should therefore be clearly defined. Coordination arrangements should focus on

areas requiring cross-domain or cross-organisational alignment and avoid duplicating activities already undertaken through individual codes.

Our responses to the specific consultation questions are set out on the following pages.
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. 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?

The SEC Panel broadly supports the proposed amendments to the Code Manager Standard Licence Conditions. We consider that implementation through the Code Manager licensing framework provides a clearer and more coherent approach than applying obligations indirectly through code modifications and should support greater consistency in data governance across industry codes.

The Panel welcomes the principles-based approach adopted by Ofgem and notes that the existing DBP Guidance and supporting information provide direction on the application of the principles.

The Panel notes that the proposed condition requires Code Managers to operate in accordance with DBP Guidance on a best endeavours basis. The Panel believes that, as Code Manager licensing is implemented, continued engagement and the sharing of implementation experience across Code Managers could help promote a consistent understanding of the Authority's expectations while retaining flexibility in how compliance is achieved.

The Panel also considers that implementation should be proportionate and supported by appropriate transitional arrangements. This should include sufficient time for newly appointed Code Managers to assess their existing arrangements against the DBP Guidance, identify any gaps and implement proportionate changes where required. This is particularly relevant given the phased appointment of Code Managers between 2026 and 2029, meaning that organisations will enter the licensing framework at different times and have differing levels of experience in applying DBP requirements within that framework. Clear guidance from Ofgem on its expectations during transition, alongside the sharing of practical experience between Code Managers, would support consistent implementation while avoiding unnecessary or duplicative processes.

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)?

The SEC Panel emphasises that the SEC arrangements already incorporate a range of well-established practices that align with the principles and objectives of the DBP Guidance, including stakeholder engagement, transparent governance processes, publication of information, digitalisation initiatives and the consideration of data-related matters through established governance arrangements (this includes discussions with SEC Parties through our Sub-Committee structure).

The Panel considers that these arrangements already demonstrate a significant number of the behaviours encouraged by the Guidance, particularly in relation to stakeholder engagement, discoverability of information, accessibility of documentation, interoperability, and security, privacy and resilience. The SEC has voluntarily sought to embed these principles within its governance and operational activities and expects to continue progressing its approach as industry governance and digitalisation practices evolve.

As the future Code Manager arrangements continue to develop, the Panel does not currently identify any material barriers to the further application of these principles. However, implementation will require ongoing consideration of how DBP obligations interact with existing security, confidentiality and data protection requirements associated with the smart metering ecosystem, which are already embedded in the SEC arrangements.

The Panel expects that the principal challenge the SEC will face in fully adopting the DBP guidance will be ensuring that compliance and reporting requirements are implemented in a proportionate and coordinated manner. Where similar reporting already exists, the Panel believes that this should be used wherever it provides sufficient information, avoiding unnecessary changes to existing arrangements or additional reporting requirements that could add cost and complexity for limited benefit.

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?

The Panel considers that the existing DBP Guidance and supporting information provide a strong foundation for implementation and welcomes the principles-based approach adopted by Ofgem.

To support consistent implementation across Code Managers, the Panel would welcome continued engagement through existing cross-code forums, opportunities to share good practice and implementation experience, and the publication of practical examples illustrating how the principles can be applied in different code environments. The Panel also considers that any supporting materials relating to Digitalisation Strategies and Action Plans (DSAPs) should promote consistency while allowing sufficient flexibility to reflect the differing responsibilities, maturity and operational characteristics of individual Code Managers.

The Panel believes that clarity of governance, roles and accountability will be critical to the effective implementation of the DBP framework. In particular, clear delineation between Code Manager responsibilities, Data Domain Coordinator (DDC) activities, and the ownership and stewardship of operational or central system data will be important to avoid ambiguity, duplication of effort and potentially overlapping obligations. In addition, arrangements should clearly set out how DSAPs, DDC delivery plans and other reporting requirements interact, ensuring that data-related activities remain coordinated, proportionate and efficient.

Finally, the Panel would welcome continued dialogue on the application of DBP principles where data is subject to security, privacy, confidentiality or other legal constraints, to support a consistent and proportionate implementation approach across the sector. The Panel and SEC should be closely involved in these discussions, drawing on our experience of operating within the SEC governance framework, where balancing data accessibility with security, privacy and confidentiality requirements is an established feature of the arrangements. Given SEC's prospective role as a future Code Manager and its established expertise in data governance and DBP methodologies, our involvement will be important in ensuring that practical, robust and effective arrangements are developed.