Consultation name: Proposed Code Manager Standard Licence Modifications relating to Data Best Practice

Issued by: Ofgem

Territorial extent: *Great Britain*

Response author: SGN

Deadline for responding: 10th September 2026

SGN

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Station Approach

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Lucy Jordan

Energy System Digitalisation Team

Ofgem

Via email to: digitalisation@ofgem.gov.uk

10th September 2026

Dear Lucy,

Proposed Code Manager Standard Licence Modifications relating to Data Best Practice

Thank you for the opportunity to respond to the above consultation[1]. SGN have responded to the proposed licence legal text set out in the consultation and the questions posed.

Whilst we broadly support the proposal to introduce Data Best Practice Guidance, we would like to highlight the following observations:

Proposed Legal Text

SGN is not supportive of the use of "best endeavours" within the proposed Code Manager Licence *Condition 33: Digitisation, Part D: Requirement to employ data best practice*.

As indicated in our response to the initial consultation of the *Data Best Practice as a Code Obligation* in June 2025, and comments by SGN in wider licence consultations where "best endeavours" has been inserted, our opinion remains unchanged regarding the unreasonably high standard this places on Licenced Parties including that of the soon to be implemented Code Managers.

We are of the opinion that best endeavours is too high a standard. From a legal perspective, the only incontrovertible limit of a best endeavours obligation is that the actions should not ruin the duty holder or be in disregard of its shareholders. As such, a best endeavours obligation conveys the expectation that compliance should be sought irrespective of costs or proportionality. Consequently, this standard is rarely used in a wider contractual context. This limit also means that best endeavours are particularly inappropriate in a regulatory context, where the funds available to achieve each regulatory aim are determined by the regulator and are expected to be used in an efficient manner.

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General Drafting Comment

We note that within the proposed text an acronym has been used in relation to Data Best Practice (DBP) Guidance across the legal text under *Condition 33*, however this has not been listed as a definition and does not align to other Licenced Parties' obligations set out in Special Condition 9.5.

Should you wish to discuss SGN's response further, please do not hesitate to contact me at Sally.Hardman@SGN.co.uk.

Yours sincerely,

Sally Hardman

Regulatory Process Manager

SGN

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SGN Response to Consultation Questions

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?**

We support the proposal to introduce Data Best Practice Guidance, however the Code Manager Licence indicates the requirement to "follow DBP Guidance" ((33.1 (e)) rather than "comply" as per other Licenced Parities' obligations.

We are mindful that the Code Manager role will be to manage, maintain and change industry codes along with data processing, however they will not necessarily be the controller of the data they manage. As such, a robust data triage and data owner matrix to support oversight will be required, taking into consideration NIST and any changes requested by Security Agencies.

Provided the adequate arrangements – such as those suggested above – are in place to reasonably enable the Code Manager to discharge their licence condition, we would expect the Code Manager to be held to the same level of compliance as other Licenced Parties, and as such this should be reflected in the licence drafting with "**comply with** DBP Guidance".

Additionally, as discussed in our cover letter, whilst we expect compliance standards to be aligned as described above, we maintain the view that "best endeavours" is an inappropriately high standard. As highlighted, from a legal perspective this has clearly defined expectations which are not appropriate for a Licensee operating in a regulated environment. As such, we would expect such wording to be removed from the licence drafting, to reflect a more reasonable delivery standard.

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)?**

No comment.

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.**

No comment.