The voice of the energy industry

Energy UK response to Data Best Practice as a Code Obligation

11/08/2025

Submitted via email to Digitalisation@ofgem.gov.uk

About Energy UK

Energy UK is the trade association for the energy industry, representing companies investing billions of pounds to secure our country's current and future energy needs.

From growing start-ups to major electricity generators, grid and infrastructure developers and energy suppliers, our members are driving change across power, heat, transport and flexibility.

We provide a collective voice for the sector working with governments, regulators, charities and other organisations to provide crucial insight that shapes policy, offers solutions and promotes best practice.

Our broad view across the whole system supports evidence-based positions which are not tied to particular technologies, and are focused on delivering strategic benefits for people, businesses and the economy.

We champion initiatives such as our Vulnerability Commitment, which pushes suppliers to go beyond regulation to support customers with additional needs, and TIDE, the industry's drive for greater inclusion and diversity. Through our Young Energy Professionals Forum, we support the development of future leaders.
We are equally committed to our team and are proud to be recognised as a 'Gold' Investors in People employer.

Executive Summary

- Energy UK welcomes the existing use of Data Best Practice by NESO and network companies, and welcomes the proposed extension to code bodies.
- There may be simpler ways to implement the requirement, such as waiting for the imminent introduction of licences for code managers.
- Energy UK strongly recommends that any future extension or read-across of Data Best Practice (DBP) obligations to suppliers and FSPs is highly tailored to their roles in the energy system and subject to thorough industry consultation and a detailed cost-benefit analysis.

If you would like to discuss anything noted in this response in more detail, please do get in touch.

Sincerely,

Louise Evans
Policy Executive
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Consultation Response

Section 2 – Intent behind the Proposed Changes

Q1. Do you agree with our intent to expand DBP Guidance into the codes?

Yes. Providing clear data practice guidelines ensures that data is well managed across the system.

However, there may be better ways to achieve the desired outcomes, such as waiting for the imminent introduction of licences for code managers.

It's useful to note that some code bodies are voluntarily adhering to DBP already – illustrating that this is a welcome practice for system operators. Ofgem could encourage other central bodies to introduce DBP proactively, and include the obligation in the licence condition of code managers. Further details are outlined in Q8.

Each licence condition for code managers could include a digitalisation requirement, similar to those in NESO and network licences.

Q2. Do you agree with the proposed deadline six months after the licence condition is applied for consequential code modifications? If not, please state your reasons specific to the relevant code and modification process.

If changes are introduced into licenses, the six month period is likely insufficient.

Code changes can be lengthy, particularly if code bodies need to prioritise other modifications.

Q3. Do you agree with the minded-to position that an obligation to produce DSAPs is suitable and proportionate for code bodies? If not, what alternative would you propose to achieve the same or greater benefits?

Energy UK is supportive of the principle of this position – coordinated digitalisation strategies are beneficial for the system.

It may be that, in practice, a coordinated, collaborative approach between code bodies could be more beneficial, rather than individual strategies by each code body. It may be that Ofgem encourages code bodies to do these initiatives in a coordinated manner to avoid any work being developed in silo.

This could also help to streamline stakeholder engagement, making it easier for industry participants to contribute to meaningful digitalisation initiatives across the energy system.

Section 3 – Licence Condition Changes by Code

Q4. Do you have any concerns, or can you see any risks or issues, with the proposed change to the Electricity System Operator Licence amending the BSC?

Throughout the consultation, Energy UK supports the DBP requirements, although note that the delivery may be best suited to imminent introduction of licences for code managers.

Q5. Do you have any concerns, or can you see any risks or issues, with the proposed change to the Electricity System Operator Licence amending the CUSC, STC, and Grid Code?

See question 4 and 8.

Q6. Do you have any concerns, or can you see any risks or issues, with the proposed change to the Electricity Distribution Licence amending the Distribution Code?

See question 4 and 8.

Q7. Do you have any concerns, or can you see any risks or issues, with the proposed change to the Electricity Distribution Licence amending the DCUSA?

See question 4 and 8.

Q8. Do you have any concerns, or can you see any risks or issues, with the proposed change to the Electricity and Gas Supply Licences amending the REC?

Energy UK welcomes the proposals to expand DBP. The obligation seems appropriate, and it seems sensible for the REC to follow DBP Guidance.

Delivery and implementation

Energy UK would raise slight concerns over the way this is delivered.

Some codes (like the BSC, CUSC, STC, Grid Code, SEC) have a single licensed organisation that is responsible for maintaining them. In those cases, it is relatively simple to put a licence obligation on that single party, for example NESO or the Smart DCC, to ensure the code includes the DBP requirement.

However, the REC does not have a single owner, as it is governed by all suppliers, and each supplier has an obligation in their licence to maintain the REC.

Ofgem is proposing to put this new obligation in every supplier's licence. In practice, however, only one supplier needs to propose a REC Modification to make this happen and, even then, the Code Manager can raise it without any supplier being involved.

Placing a license obligation on all suppliers seems potentially confusing and complicated, for a role only one supplier or code manager needs to perform.

Suggested approach:

As part of DESNZ and Ofgem's broader plans for future code reform, an introduction of licensed code managers is expected over the coming years.

It may be simpler and more effective to align the implementation of DBP requirements with these licensed bodies.

In the meantime, whilst licensed code managers are formally introduced, code administrators could actively be encouraged to align their work with DBP voluntarily, without placing formal or indirect obligations on them through changes in other licences.

Further expansion of the obligation

More broadly, Ofgem plans to work to include suppliers and Flexibility Service Providers (FSPs) in Spring 2026. It is worth noting that suppliers and FSPs hold different roles in the energy system.

DBP was initially developed to address siloed data within monopoly and structural system operators, where a lack of openness has historically restricted innovation and value in the energy system. This is also relevant as customers can't switch away from them, they are central to system operation.

Suppliers and FSPs, on the other hand, have individual customer relationships, and their role is to safeguard customer data, and to give customers control over how their data is used. Customers can change who their supplier is, and therefore which entity safeguards their data.

The obligation for these parties is to ensure that customers can be effective gatekeepers to their data, in contrast to the obligation on monopoly and governance organisations to remove the barriers to system value created by siloing of data within the energy system.

These parties, and the data they hold, therefore have different roles in the system, and there is no direct read-across between them. Any data requirements must be carefully tailored to reflect their roles and regulatory frameworks.

Additionally, there are several existing digitalisation initiatives in the retail energy market, such as the consumer consent solution, tariff interoperability, and market wide half hourly settlements (MHHS), which are expected to improve the customer proposition and are better tailored to the role suppliers play in the market.

Given this context, the future inclusion of suppliers and FSPs in DBP is unlikely to deliver significant additional value beyond these ongoing reforms.

Energy UK strongly recommends that any proposed extension or read-across of DBP obligations to suppliers and FSPs is highly tailored and subject to thorough industry consultation and a detailed cost-benefit analysis. This is essential to ensure that unnecessary complexity, cost or impact on competition is not inadvertently introduced, ultimately to the detriment of customers and the wider energy system.

Q9. Do you have any concerns, or can you see any risks or issues, with the proposed change to the Smart Meter Communication Licence amending the SEC?

Energy UK is supportive of the proposed changes, noting the additional considerations set out in response to Q12.

Q10. Do you have any concerns, or can you see any risks or issues, with the proposed change to the Gas Transporter Licence amending the UNC and IGTUNC?

See question 4 and 8.

Q11. Do you think this proposed principle merits discussion at the CACoP forum for inclusion in CACoP v7.0?

Yes.

This would reduce the need to make broader licence changes.

Q12. Do you have any concerns, or can you see any risks or issues, with the proposed change to the Smart Meter Communication Licence?

Energy UK would highlight the need to ensure that the Data Communications Company (DCC) is able to compliantly publish and share anonymised, aggregated smart meter system data, particularly where this data supports outcomes in the public interest.

A key concern is around the definition of ‘Data Custodian’ within DPB. This definition is ambiguous, and limits their ability to safely publish and share system data.

To address this, the DCC's role and rights as a potential Data Custodian should be clarified, particularly around system-level data, as this would ensure that aggregated operational data can be shared compliantly with appropriate safeguards.