

## **Annex B: Definitions to form future guidance on code modification prioritisation**

We have set out proposed definitions of “Prioritisation Criteria” and “Prioritisation Category”<sup>1</sup> below, with the intent that these may form part of future guidance that we propose would be prepared and published by Ofgem (subject to further consultation). If implemented, the guidance would accompany the proposed code modifications, with a view to helping provide further clarity on the prioritisation processes

A definition of what we mean by ‘SDS’ has also been included below to form part of this future guidance document, to help parties involved in the code modification process accurately use the criterion of whether a modification ‘aligns with the SDS’.

### **Prioritisation Criteria**

Our proposed definition of Prioritisation Criteria is set out below, alongside high level guidance on its interpretation.

Prioritisation Criteria means, in relation to a proposed modification, (a) Alignment with the SDS; (b) Complexity; (c) Importance; and (d) Time-sensitivity.

High level guidance is provided below, to assist with the interpretation of the criteria:

- Aligns with the SDS includes being able to demonstrate a link to government policies and developments relating to the energy sector as set out in the SDS.
- Complexity includes the likely implications for stakeholders, eg scope of any process change, potential system impacts, cross code changes, and the level of industry resource required, such as requirements to hold workgroup meetings.
- Importance includes the perceived value, criticality and risk to industry and consumers (eg interaction with or enabling of other financial/regulatory/licence/compliance obligations, changes to costs for stakeholders), taking account of written guidance that the Authority may provide.
- Time-sensitivity includes where modifications require speedy consideration within the code governance process. Both complexity and importance should be factors considered in evaluating time-sensitivity as well as the timescales for implementation within the respective codes.

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<sup>1</sup> We've utilised prioritisation guidance in the CUSC to support the drafting of our proposed prioritisation criteria and categories. This guidance can be found in the CUSC Prioritisation Tab of the [NESO Modification Tracker](#).

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### Strategic Direction Statement

Strategic Direction Statement means a statement prepared and published by GEMA that sets out a strategic direction for energy industry codes and contains a strategic assessment of government policies and developments relating to the energy sector, that the GEMA considers will or may require the making of modifications to energy industry codes. In this document, references to 'SDS' shall be taken to mean either or both (as the context requires and having regard to the applicable SDS in force at the relevant point in time), (i) any preliminary Strategic Direction Statement prepared and published prior to a designation by the Secretary of State of a particular industry code pursuant to s.182 of the Energy Act 2023; and (ii) any Strategic Direction Statement prepared and published in accordance with s.190 of the Energy Act 2023, following a designation by the Secretary of State of a particular industry code pursuant to s.182 of the Energy Act 2023.

### **Prioritisation Category**

The outcome of an assessment against the Prioritisation Criteria should identify which Prioritisation Category a proposed code modification falls into, where:

Prioritisation Category means either (i) Standard Priority; or (ii) High Priority.

- Standard priority means that modifications are expected to follow a standard modification timeline, eg modifications that do not require speedier development than normal. We expect the development of modifications categorised as 'standard' could still be paused, eg if they are dependent on the outcome of another in-flight modification.
- High priority means that modifications may require speedier development and resolution, more resource and/or for work to begin quickly. For example, a modification that the Authority has not determined to be urgent under existing urgency processes in the code but still needs to be developed and implemented within a certain timeframe.