

Greg Johnston
Modernising Energy Data
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24 June 2021

Dear Greg,

RIIO-2 Consultation on Data Best Practice guidance and Digitalisation Strategy and Action Plan guidance

Scottish and Southern Electricity Networks (SSEN) is pleased to enclose a response to Ofgem's consultation on Data Best Practice guidance and Digitalisation Strategy and Action Plan guidance. SSEN is the trading name of Scottish Hydro Electric Transmission plc (SSEN Transmission), Scottish Hydro Electric Power Distribution plc (SHEPD) and Southern Electric Power Distribution plc (SEPD). This response is submitted on behalf of Scottish Hydro Electric Power Distribution plc (SHEPD) and Southern Electric Power Distribution plc (SEPD).

From a RIIO-ED2 perspective, SSEN welcomes and broadly supports the guidance contained within this consultation. We recognise the importance of data and how it can be used to enhance our networks and the experience of those that use our networks and our broader digital systems. We therefore believe that Ofgem is taking the right steps to ensure that we have an appropriate framework in place, but we highlight that there is a careful balance to be struck in the use of data, particularly in relation to the sensitivity around it and who can access it and also around the guidance - between being too prescriptive and enabling different companies to take their own locally appropriate approach.

We highlight that there is a cost associated with the management, provision and dissemination of data and that we need to be careful that the framework does not create additional pressures and burdens that increase the costs but do not add matching value. All actions need to ultimately be balanced with consumer interests, both in terms of current and future, but also in the benefits that can be unlocked through the use of this data. Any processes also need to allow for sufficient assurance around data quality.

We recognise that the journey we are all collectively on will continue to evolve. We accept that the guidance begins to add further clarity around the roles and expectations. From a legal perspective we remain mindful of our licence conditions, current legislation which continues to default to ensuring confidentiality of data and which promotes data protection above data sharing. We have previously flagged that there are concerns around the open provision of data, especially data which we may hold but for which we are not the data owners, we are

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aware of the data triage process and how this can be used to mitigate risks in these circumstances but are keen to see such solutions reinforced by legislative amendment.

We have provided feedback on Ofgem's questions, in Annex 1 (see below). We are happy to discuss these further and will have more time to reflect on the consultation and wider issues once post ED2 draft business plan submission. Please do not hesitate to contact me should you wish to discuss our feedback in more detail.

Yours sincerely,

Fraser Nicolson, Regulation Manager

Annex 1 - Consultation Question Responses:

Question 1: Do you have any recommended improvements to the Principles, Explanations, Techniques or Examples?

We believe the guidance is sensible. As requested, we have some specific feedback on the detail of the Data Best Practice guidance contained within, which we detail below:

- We have some concerns within Principle 2 that the coordination activity might be placed on DNOs to implement - this will need central oversight.
- In terms of Principle 6 - The Licensee has an obligation to identify requirements of Data User needs where these serve the public interest or benefit consumers. Whilst this could be a useful exercise the wording used gives no clear scoping of the investigations that will be expected of the DNOs and so feels excessively wide. A framework and process will be needed to determine benefit to consumers/public interest and avoid negative impact to the consumer from new services and business models arising from novel use of Data Assets. Our view is that this places an obligation on Data Users to provide a clear statement of intended use of Data Assets that can be reviewed by the relevant Licensee specialist teams where necessary. Data Users should also need to be able to evidence that they are only using Data Assets for the use cases originally identified as being of benefit to consumers or in the public interest - not every use or request by a Data User will drive a wider benefit.
- Relating to principle 7, specifically around 3.10, 3.11 and 3.66 from supporting information, we believe the definition of 'sufficiency' when it comes to Data Quality is likely to be highly subjective and highly variable. This doesn't sit well with the need for the requirement for Licensees to rectify Data Quality issues as soon as practicable, as they will be working against what is arguably a moving target. There needs to be a greater onus in the guidance on Data Users to articulate and specify Data Quality issues using objective measures and detail the impact on consumers and the Public Interest. This will allow Licensees to target and prioritise the most appropriate areas for Data Quality improvement which drive a wider benefit, with confidence that agreed targets are being met.
- We ask whether there should be a consideration in principle 9 around ethics, or whether the other three could be combined as an approximation to ethics?
- Also in relation to principle 9, whilst the principle recognises that legislation or regulations may not encourage data sharing it does not propose a solution, incorporating an industry wide approach to BEIS to update the legislation (in particular s.105 Utilities Act), we believe this would be desirable.

- Has consideration been given to the usefulness of datasets reducing over time, as per principle 10? Storing unnecessary information has an environmental cost and may increase data security risks disproportionately.
- We flag concerns around Principle 11, notably the breadth of 'software scripts used to process data assets' and how this can be managed/controlled. The current legal framework Licensees operate within is not supportive of a 'Presumed Open' approach. In particular, s.105 Utilities Act makes sharing data of third parties (but often intermingled with and potentially difficult to distinguish from DNO owned data) a criminal act punishable with a prison sentence. It puts an unacceptable level of risk and significant resource demand (and so cost) on the Licensee to have to navigate through primary legislation, subsequent regulation, exceptions and supporting guidance for each request/use to determine if data can be shared without breaking the law or breaching regulation. The legal issues impacting on open data triage can add significant time and cost due to the current complexity and this is not in the interest of consumers. We call on Ofgem/BEIS to conduct a thorough review of the existing legal framework to simplify it, update it and make it fit for purpose for the modern age.
- General comment around Principles 2,3 & 8 with regards to supporting interoperability of energy systems data assets with other data assets:
 - Systems of record in operation within Licensees are often several years old and were designed when interoperability with external Data Assets was not a foreseeable requirement. Retrofitting systems of record to make data interoperable would be a very lengthy, risky and costly task in many cases. Most likely this will therefore require significant investment in the creation of new data platforms within Licensees that take source data from systems of record and transform into new datasets that meet external requirements for interoperability. This will be a lengthy process and expectations need to be set accordingly. This principle is sensible, but should be limited by reasonableness and proportionality.
 - The definition of other 'Data Assets' in DBP 8 section 3.13 and 3.14. is incredibly broad and vague, and could be taken literally to mean an obligation on the Licensee to ensure interoperability with any other Data Asset anywhere in the world.
 - The scope of Data Assets for which interoperability is a reasonable expectation needs to be more accurately defined. Once standards start to evolve and harden over time, there needs to be an onus on Data Users to normalise their own expectations of interoperability to the standards defined. This thinking is reflected in some of the supporting information, but it should be in the main guidance as it is an important principle.

Within the DSAP guidance specifically, around principle 7, has wider consideration been given to whether examples from DDSG could be incorporated within the examples?

Question 2: Are there any other Principles and Explanations you believe should be included?

We have no further comments, as we believe that the principles and explanations provided are comprehensive. We also recognise that these will be updated over time.

Question 3: Are there any additional Techniques or Examples you recommend we include?

We have no further comments, as we believe that the techniques and examples provided are comprehensive. We welcome the separation into supporting information to allow this to evolve over time.

Question 4: Do you agree with our treatment of data literacy and skills and of data governance as pre-requisites to compliance?

We know that the requirement for data literacy is going to increase and that it will be critical for effective digital strategy adoption. We flag that the understanding and definition of data literacy needs to be clearly understood by both operational and non-operational stakeholders, to ensure alignment of all parties on expectations.

In terms of Data Governance, we believe that is more straightforward for all parties to follow, with the help of existing established frameworks for Data Governance and best practice.

Question 5: Do you have a suggestion for improving our definition of Energy System Data and therefore the scope of data assets energy network companies must use in compliance with DBP

We believe that the definition could be refined further, as it extends beyond current or expected network boundaries, or has the potential to.

Question 6: What are your views on DBP guidance and DSAP guidance being used as our data and digitalisation standards and, if you agree, what applications do you envisage for these standards?

We believe that both the DBP and DSAP guidance has scope for being extended to suppliers, aggregators and wholesalers, or even beyond. Will Ofgem consider extending?

Question 7: What is your view on the Electrical Engineering Standards Independent Review (EESIR) recommendation for “presumed capture and publishing of data” in relation to our default positions (DBP guidance and DSAP guidance)?

As a future ambition there is merit with using the EESIR recommendations. However, due to the level of transformation ongoing within the broader industry, it might be more appropriate to wait until there is a collective digital maturity before attempting to implement these recommendations more widely and to do so in a way that drives a benefit.

Question 8: Which gas and/or electricity market products/services (existing or planned) should be included in our upcoming data and digital monopolies review?

We highlight that there are risks of that unregulated entities emerging at times of transformation and also flag that digital maturity is still in its infancy across the supply chain. However, we believe it is important that there are similar levels of guidance followed by all entities. We believe Ofgem should assess which should be reviewed or prioritised first.