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Dear Greg

Ref: Consultation on the Data Best Practice Guidance and Digitalisation Strategy and Action Plan Guidance

I am writing on behalf of SGN with reference to the consultation on the two guidance documents detailed above and published by the Authority on 25 May 2021.

We welcome the opportunity to respond to this consultation and recognise the importance and value of the digitalisation of the networks, the opening up of available data and the intention to build a shared, common, industry wide set of data services.

However, we have concerns regarding terminology which has been applied to these Guidance documents, in particular the Data Best Practice Guidance. There has been a marked change to how the principles based guidance will be applied and the initial expectations placed upon networks from early engagement. Special Condition 9.5 states that licensees must use its best endeavours to act in accordance with DBPG. Considering the application of licence and the title of the document detailing this as Best Practice, the language employed within uses terminology suggesting compulsory actions.

We are concerned that should adherence to these new Principles come into play with immediate effect, then there is a very high risk that all networks will not be able to meet these requirements, immediately putting them at risk of breach of licence. We recommend a period of adjustment at the start of RIIO-GD2 to allow networks to assess against licence requirements. Where required, networks must be afforded the time to put in place a plan of action to ensure any business and/or system changes required to ensure minimum requirements can be met.

A further concern is the consultation and guidance documents make little or no reference to the commercial aspect of data sharing and any required investment by networks to aid with the development and provision of data. We absolutely welcome data sharing and the ability to more efficiently manage the energy sector, however not all data can be freely shared and there will be instances where commercial models will need to be developed at a cost. The guidance should make reference to the available funding mechanisms which will help facilitate data initiatives which deliver a positive cost benefit analysis. This is particularly important if the guidance is amended and new principles are adopted throughout GD2.

We agree that central management, coordination and direction are essential, but where appropriate, we should look to make use of existing centralised data services providers currently in place in the industry. We should also be leveraging on the capabilities the Networks have invested hundreds of millions on these capabilities and platforms.

You'll find answers to the questions posed within the consultation in the annex of this document.



If you have any questions regarding our comments and responses, please do not hesitate to get in touch.

Yours Sincerely,

David Handley
Head of Regulation, SGN



Annex 1 - Response to consultation questions

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

Consistency of language – principles, guidance, standards; energy system data or data assets

The terms used within the guidance documents in terms of principles-based set of guidance i.e.:

- DSAP Guidance document section 1.2 “The DSAP guidance is also a principles-based set of guidance...”
- DBP Guidance document section 2.1 “It is a principles based set of guidance which provides guidance on the quality, accuracy and accessibility of data...”

This appears at odds with statements in the Consultation document which references Standards, for example section 1.41 states “We said that in the FWP that we would do that by using the DPB guidance and DSAP guidance as standards that Licensees that we regulate would be required to comply with..”.

Standards when compared with guidance and principles are different ways of explaining what is required. Please can you clarify what the Licensees are to refer to for compliance; if it is to be standards based, then more explicit statements will be required in the Principles.

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

Not at this time.

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

Not at this time.

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

We fully support data Literacy, skills and governance as key elements to be adopted in the development of a mature data capability. However, the means, mechanisms and funding to achieve this do not exist.

The development of these capabilities does not marry themselves to one-off traditional capital investment. We welcome the funding gap potentially being addressed via the currently out for consultation Strategic Innovation Fund (SIF) mechanism, however, this does not necessarily address ongoing funding needs, particularly in relation to data skills, literacy and governance.

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?

Throughout v0.3 of the guidance and licence consultation document, the term “Data Assets” is used frequently – as opposed to Energy System Data. Clarification would be appreciated as to which term Ofgem will be using, as they appear to be referenced with different definitions.

The definition makes reference to the Gas Act 1986 sub-section 7AB ‘Licensing of a person providing a smart meter communication service’. As a Gas Distribution Network, we need reassurances this requirement is outside of the scope of this licence obligation. As we do not have



access to this data and our proposal to rectify this by becoming DCC members was removed as part of our RIIO-GD2 Business Plan proposals.

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 welcome the introduction of these guidance documents, however the messaging from Ofgem has, until now, been around iterative development and improvement in the adoption of the guidance. Regarding the use of the terminology 'standards' we do not feel this is appropriate as the document is labelled Best Practice Guidance.

The DBPG and DSAP guidance are not specific enough to provide the explicit detail of quality or attainment levels required. In the DBP guidance itself, there is a reference to the guidance being principles based.

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)?

This review has been carried out on the Electricity system not the gas system in the first instance. The review, in general, will require huge investment to adopt (wholly or in part) and what provision would be made to support that investment required through regulation.

The 'presumed capture and publishing of data' raises a core concern around increased expectations for data capture from stakeholders which detract from core network operator business activities or are not viable to deliver. Our concern is for the time required to investigate, respond and potentially defend decisions, as well as the increased investment required to deliver.

Our recommendation is not to adopt this review point without full understanding of cost, operational and consumer impact.

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 would like to see the inclusion of Smart Meter Data. there are huge constraints and conflicts (regulatory and legislative, as well as social) surrounding this data; Including this in the review would provide clarification which would be hugely beneficial in unlocking more value.