

Guidance

Digitalisation Strategy and Action Plan Guidance

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Contact: Greg Johnston, Senior Manager – Market Data Policy

Team: Modernising Energy Data

Tel: 0141 354 5415

Email: ofgemdataservices@ofgem.gov.uk

This document is Ofgem’s Digitalisation Strategy and Action Plan Guidance. Its requirements must be complied with by Licensees of the RIIO-2 price controls. It is part of Ofgem’s standards for data and digitalisation, to be followed by relevant Licensees and by Ofgem itself.

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Any enquiries related to the text of this publication should be sent to Ofgem at: 10 South Colonnade, Canary Wharf, London, E14 4PU. Alternatively, please call Ofgem on 0207 901 7000.

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Digitalisation Strategy and Action Plan Guidance v1.00	Version as a result of consultation May 2021	As set out in "Track Changes DSAP Guidance v1.00"

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1. Introduction

- 1.1. This document provides principles and explanations that describe requirements for complying with Digitalisation Strategy and Action Plan Guidance (“DSAP Guidance”).
- 1.2. Energy network companies who are licensed under the RIIO-2 price controls (gas and electricity transmission, gas distribution network companies and the electricity system operator) are required to comply with this guidance when they are preparing and updating their Digitalisation Strategy and Digitalisation Action Plan.
- 1.3. To find out more about this licence obligation, please visit these following links:
 - RIIO-2 Final Determinations for Transmission, Gas Distribution and Electricity System Operator¹;
 - RIIO-ED2 Sector Specific Methodology Decision²; and
 - Decision on the proposed modifications to the RIIO-2 Transmission, Gas Distribution and Electricity System Operator licences³.
- 1.4. Ofgem’s standards for data and digitalisation, to be followed by relevant Licensees and by Ofgem itself⁴. Both the Data Best Practice Guidance and this guidance are part of our standards for data and digitalisation.
- 1.5. The work of the other organisations, such as GO FAIR and Government Digital Service (GDS) have strongly informed the development of this guidance. The GDS provides wide-ranging support for topics relating to data and digitalisation; it gives information and methods that span all the principles in the guidance. Of particular relevance are the following:
 - GO FAIR and its FAIR data principles⁵;
 - GDS Service Standard⁶;

¹ <https://www.ofgem.gov.uk/publications-and-updates/riio-2-final-determinations-transmission-and-gas-distribution-network-companies-and-electricity-system-operator>

² <https://www.ofgem.gov.uk/publications-and-updates/riio-ed2-sector-specific-methodology-decision>

³ <https://www.ofgem.gov.uk/publications-and-updates/decision-proposed-modifications-riio-2-transmission-gas-distribution-and-electricity-system-operator-licences>

⁴ <https://www.ofgem.gov.uk/publications-and-updates/forward-work-programme-202122>

⁵ <https://www.go-fair.org/fair-principles/>

⁶ <https://www.gov.uk/service-manual/service-standard>

- GDS Technology Code of Practice⁷; and the
- GDS Service Manual⁸.

Schedule for Updating Digitalisation Strategy and Action Plan for RIIO-2 Licensees

- The Digitalisation Strategy update must be published on or before 31st March 2022 and at least every 2 years after this date.
- The Digitalisation Action Plan update must be published on or before 30th June 2021 and at least every 6 months after this date (i.e. each subsequent 31st December and 30th June).

General feedback

1.6. We believe that feedback is at the heart of good policy development. We are keen to receive your comments about this guidance. We'd also like to get your answers to these questions:

1. Do you have any comments about the overall quality of this guidance?
2. Is it easy to read and understand?
3. Any further comments?

1.7. Please send any general feedback comments to ofgemdataservices@ofgem.gov.uk.

⁷ <https://www.gov.uk/government/publications/technology-code-of-practice/technology-code-of-practice>

⁸ <https://www.gov.uk/service-manual>

2. Summary

2.1. DSAP Guidance defines regulatory requirements for transparency, stakeholder engagement and coordination with respect to an organisation's current and future Products and Services relating to data and digitalisation. These requirements must be complied with when an organisation publishes its: (1) Digitalisation Strategy and (2) Digitalisation Action Plan. Any organisation working to publish a DSAP should, if currently obligated under their licence or not, do so using the most recently available guidance published by the Authority except where the Authority has stated otherwise. The DSAP Guidance is also a principles-based set of guidance and, like the Data Best Practice (DBP) guidance.

2.2. The purpose of a Digitalisation Strategy is to share an organisation's understanding of its stakeholders' needs and the Products and Services required to meet those needs, all with an ultimate goal of creating consumer and Public Interest benefits. The purpose of a Digitalisation Action Plan is to show that an organisation is making progress towards delivering the work required to fulfil its Digitalisation Strategy.

DSAP Principles:

- 1.** Prioritise providing benefits to the stakeholders who pay for the Products and Services as well as benefits that are in the Public Interest.
- 2.** Ensure Products and Services work towards a defined vision.
- 3.** Take full advantage of opportunities to deliver benefits early and to iterate improvements to Products and Services.
- 4.** Enable stakeholders to understand the Products and Services, the status of their delivery and how to access them.
- 5.** Ensure visibility about the nature and status of actions in the Digitalisation Action Plan.
- 6.** Ensure there is shared understanding of how success and performance is measured.
- 7.** Coordinate with the wider ecosystem of Products and Services.

Definitions

Digitalisation: the use of digital technologies to change an organisation's operating model and provide new revenue or equivalent value-creating opportunities; it is the process of moving to a digital business/organisation.

Digitalised: Elements of an organisation's operating model that have been through Digitalisation.

Digitalisation Action Plan: an organisation's plan to digitalise its Products and Services prepared and published in accordance with Part B of Special Condition 9.5 (Digitalisation) of the RIIO-2 price controls for Electricity Transmission, Gas Transmission and Gas Distribution and Part B of Special Condition 2.11 (Digitalisation) of the RIIO-2 price controls for the Electricity System Operator.

Digitalisation Strategy: the strategic approach taken by an organisation to digitalise its Products and Services and evidenced by the archive prepared and published by the Licensees in accordance with Part A of Special Condition 9.5 (Digitalisation) of the RIIO-2 price controls for Electricity Transmission, Gas Transmission and Gas Distribution and Part A of Special Condition 2.11 (Digitalisation) of the RIIO-2 price controls for the Electricity System Operator.

Digitalisation Strategy and Action Plan Guidance: means (1) the guidance document issued by the Authority in accordance with Part C of Special Condition 9.5 (Digitalisation) of the RIIO-2 price controls for Electricity Transmission, Gas Transmission and Gas Distribution and Special Condition 2.11 (Digitalisation) of the RIIO-2 price controls for the Electricity System Operator and (2) part of Ofgem's standards for data and digitalisation.

DSAP: A combination of both Digitalisation Strategy and Digitalisation Action Plan.

Interoperability-By-Design: Ensuring that the data and digital aspects of Products and Services have the ability to exchange and make use of information between one another throughout their end-to-end lifecycle.

Public Interest: The welfare or well-being of the general public and society

Products and Services: Anything that a party can offer to a market for attention, acquisition, use or consumption that could satisfy a need or want.

Single Provider Product or Service: A product or service among the Products and Services provided by the Licensee where no alternative option or provider is available to parties seeking to access that product or service.

the Authority: means the Gas and Electricity Markets Authority that is established under section 1 of the Utilities Act 2000

3. The Digitalisation Strategy and Action Plan Principles

1. Prioritise providing benefits to the stakeholders who pay for the Products and Services as well as benefits that are in the Public Interest

Explanation

- 3.1. The Licensees must identify and clearly set out its Products and Services for its stakeholders. Licensees must also identify and set out the needs of their stakeholders, where meeting these needs will benefit one or both of end-consumers and the Public Interest. The Licensees must include details of the benefits which will be generated for the end-consumer and/or Public Interest, through delivery of the DSAP.
- 3.2. For each Product and Service or action described within the DSAP, the Licensees must be clear about which stakeholder needs it will meet and what benefits it will deliver to end-consumers and/or for the Public Interest. The Licensees must include the needs of those stakeholders who may not have digital access to its Products and Services and set out alternative ways for them to access information on its available Products and Services.
- 3.3. The Licensees must gain stakeholder validation and assurance that the Products and Services to be delivered as described by the DSAP are correct to ensure the targeted benefits of the DSAP are met. The Licensees must include in the DSAP a summary of stakeholder feedback and how it is responding to or including this as part of their strategy.

2. Ensure Products and Services work towards a defined vision

Explanation

- 3.4. In its Digitalisation Strategy, the Licensees must include a vision and associated objectives. These objectives must describe the outcomes that successful delivery of the DSAP will achieve for the benefit of end-consumers, stakeholders and the Public Interest. The Licensees must describe the solutions it will provide that will deliver the vision and its associated objectives, by describing these in terms of a collection of Products and Services that, once they exist, will deliver the vision and its associated objectives.
- 3.5. In its Digitalisation Action Plan the Licensees must specify the actions it is taking to adapt and change its Products and Services, so that they remain relevant and deliver the vision of the strategy. Only in cases where stakeholders express a need for the information, the Licensees must include any enabling Products and Services that facilitate or are a precondition for the delivery of end-user Products and Services.
- 3.6. The Licensees must, in its Digitalisation Strategy, make clear how the DSAP integrates with and enables the Licensees to meet its responsibilities as it exercises its rights and obligations under a licence granted under section 6 (1) or (1A) of the Electricity Act 1989 or section 7, 7ZA, 7A or 7AB of the Gas Act 1986.

3. Take full advantage of opportunities to deliver benefits early and to iterate improvements to Products and Services

Explanation

- 3.7. The Licensees delivery of Products and Services described in the DSAP must take advantage of opportunities to deliver benefits to consumers, stakeholders and the Public Interest as early as practicable. This includes, where opportunities exist to do so, the Licensees deliver improvements to the Products and Services described in the DSAP incrementally throughout the development and end-to-end lifecycle of the Products and Services.
- 3.8. As improvements are made to the Products and Services described in the DSAP, the Licensees must make clear within the DSAP how these improvements are adapting the Licensees current Products and Services to become the Products and Services required to deliver the Digitalisation Strategy vision and associated objectives.

4. Enable stakeholders to understand the Products and Services, the status of their delivery and how to access them

Explanation

- 3.9. The Licensees must clearly set out in the DSAP the Products and Services that stakeholders can currently benefit from and provide information about how to access them. In the DSAP the Licensees must enable stakeholders to understand the specific Products and Services that will be available in the next 12 months and indicate what Products and Services it is considering making available in the future. This must include any improvements to or decommissioning of existing Products and Services.
- 3.10. The Licensees must include information that describes the nature and status of each of the Products and Services included in the DSAP and in a way that is accessible to stakeholders. These descriptions must be concise, and the presentation of Products and Services must make it easy for stakeholders to compare them with the Product and Services included in other Licensees DSAPs. The Licensees must provide opportunities for stakeholders to obtain more detailed information about each Product and Service.

5. Ensure visibility about the nature and status of actions in the Digitalisation Action Plan

Explanation

- 3.11. The Digitalisation Action Plan must state the collection of actions the Licensees is undertaking or will undertake to adapt its Products and Services from those currently available to those required to deliver the DSAP vision. The Licensees must provide a concise description of each action and this must include:
- the current progress status of the action;
 - how successful delivery of this action will adapt current Products and Services to become the Products and Services required to deliver the DSAP vision and;
 - details on how stakeholders can gain more detailed information about the actions.
- 3.12. The Licensees must include in the collection of actions; the current actions, planned future actions, and successfully completed actions. For actions that have either been completed, or are no longer relevant, the Licensees must provide access to the archived collection. The Licensees must provide stakeholders with a clear explanation on the progress and delivery between publication of updates to the DSAP.
- 3.13. When the Licensees publishes updates to the Digitalisation Action Plan, it must provide clear updates for stakeholders on the status of its actions including timescales and reasons why actions have been added, changed, or removed.
- 3.14. The Licensees must provide stakeholders with details on the actions that must be delivered before new Products and Services and Products and Service improvements will become available.
- 3.15. The Licensees must make clear the priority of each action by setting out clear timelines that show when it will expect to start and complete. The Licensees must prioritise the delivery of the actions it needs to complete to deliver the target Products and Services based on the projected benefits for the end-consumers who pay for the Products and Services and/or for the Public Interest.

6. Ensure there is shared understanding of how success and performance is measured

Explanation

- 3.16. The definition of successful delivery of the DSAP must be unambiguous. For each objective of the Licensees DSAP and the Products and Services, the Licensees must use and include at least one performance measure and its definition must be available to stakeholders.
- 3.17. Licensees must validate its measures and definitions of success with relevant stakeholders before delivery of all new products/services/actions as soon as reasonably practicable. Licensees must include performance reporting against these measures when updates are made to the DSAP. Licensees must gain stakeholder feedback for any changes to the definition of success and/or measures in advance of making these changes and must keep records to show how the process was cascaded and if feedback was received.

7. Coordinate with the wider ecosystem of Products and Services

Explanation

- 3.18. Where Single Provider Products or Services are or will be provided by the Licensees as part of the Products and Services included in their DSAP, the Licensees must ensure that the Single Provider Product or Service is developed in a way that achieves Interoperability-By-Design throughout its end-to-end lifecycle, enabling the integration of the product or service with other Single Provider Product or Services, including those provided by other organisations.
- 3.19. Where the Licensees provides Single Provider Products or Services, the delivery of these must be carried out in a way that prioritises whole system benefits to end-consumers and/or the Public Interest.