

By email: [Rachel.Clark@Ofgem.gov.uk](mailto:Rachel.Clark@Ofgem.gov.uk), [FWP@Ofgem.gov.uk](mailto:FWP@Ofgem.gov.uk)

25 February 2022

Dear Rachel,

### **Ofgem Forward Work Programme 2022-23**

We are grateful for the opportunity to respond to the consultation on Ofgem's Forward Work Programme for 2022/23. We welcome the proposals and set out below our views and comments.

We understand the challenges the energy sector is facing, and that energy suppliers are under significant strain. We agree with Ofgem that given the unprecedented rise in global gas prices, pursuing our climate goals and diversifying energy supply to protect from future shocks is even more important.

We are keen to continue to support Ofgem on areas where DCC can support Ofgem's aims of building an affordable, cleaner, and more resilient energy system for all customers. This includes supporting a secure, nationwide smart charging network for electric vehicles, enabling a rapid transition; contributing to a data enabled energy sector; and using smart technology to help unlock demand side flexibility.

### **About DCC**

DCC provides the highly secure national network, systems and ongoing operations that underpin the roll-out of gas and electricity smart meters to every household and small business in Great Britain. Working closely with our customers, we support the roll-out of second-generation (SMETS2) meters, as well as the migration of more than 16 million existing first-generation (SMETS1) meters onto our system, upgrading these devices over the air and enabling them to be fully interoperable, meaning consumers can switch with no loss of functionality.

In addition to our responsibilities in relation to Smart Metering, we also provide the central role and platform to support Ofgem's programme to deliver a faster, simpler central switching service for energy consumers. We are also actively participating in the delivery of domestic half-hourly settlement through a package of modifications which will be made to the smart metering infrastructure.

## Consultation Response

### Summary

DCC strongly supports Ofgem's commitment to delivering the UK and devolved governments' net zero target. The 2022/23 work programme sets out a range of challenging activities that will contribute to this goal. In addition to the successful delivery of our core (smart metering and switching) and mandated (network evolution, half hourly settlement) programmes, opportunities to re-use DCC network can contribute to achieving Ofgem's aims. We believe there is a role for DCC to play in supporting a secure, nationwide smart charging network for electric vehicles, enabling a rapid transition; contributing to a data enabled energy sector; and using smart technology to help unlock demand side flexibility.

DCC network is already in place, a pre-built public asset, and offers a highly secure option for rapidly enabling smart EV charging at home and at work where most charging will take place. Re-using the DCC network to support EV charging would mean high standards of cybersecurity, interoperability and secure load control to balance the grid. It also represents good value for money, as the network can be re-used for in-home charging with little modification. We are keen to continue engaging with Ofgem, BEIS and other relevant bodies over how DCC network can support EV smart charging infrastructure.

As generation becomes more decentralised and intermittent and the electrification of transport and heat progresses, the need for the electricity system to be able to respond in an agile way will increase. Given the critical role played by DCC's network as "the backbone of a new digital energy infrastructure", we believe our platform is uniquely placed to support the flexible digitalised system Britain requires, with the data that is needed to inform demand and supply.

In March 2021, we published '*Data for Good*', setting out our ideas for opening up smart meter system data in a secure, fair and equitable way to allow organisations to analyse it and combine it with other data to deliver public benefit. Analysis of this data has the potential to support the move to optimal use of renewables, help address fuel poverty, and support decarbonisation of heat and transport. We are keen to explore with Ofgem and BEIS opportunities for developing this thinking further.

We have included below some thoughts on individual sections of the Forward Workplan. As always, we would be happy to discuss any of our feedback further. If you have any questions, please contact Julian Rudd (Julian.Rudd@smartdcc.co.uk).

### Delivering Environmental Schemes and Social Schemes for Government

We support Ofgem's activities to deliver schemes in this area and develop future policies. As mentioned above, DCC is keen to explore how data generated by the smart meter system can help to improve delivery and efficiency of environmental and social schemes.

We are currently exploring, through our participation in the Modernising Energy Data Applications (MEDApps) competition, the potential for smart meter system data to help improve the accuracy and efficiency of industry targeting through mechanisms such as the Energy Company Obligation (ECO). Doing so can help drive down delivery costs for industry and maximise benefits for customers. We have discussed with Ofgem how the same data could help to drive efficiencies through supplier reporting on self-disconnection and would welcome further engagement on this topic.

We see wider potential for smart meter data to be used to drive efficiencies through reporting, test the efficacy of existing policy and help develop future evidence-based policy.

### **Future of Retail**

We recognise the challenges energy suppliers (DCC's customers) are facing and we will continue to work with them very closely as we progress with delivery of our current programmes (e.g. smart metering, switching).

We are pleased to be working with Ofgem to deliver faster, more reliable switching to go-live in Summer 2022. We can confirm we are on track for go-live and we will continue to engage with Ofgem as this work progresses. As the operator of the new Central Switching Service after go-live, we look forward to working with industry partners to get maximum benefits out of the new arrangements and drive forward retail market transformation.

We are further fully committed to working with Ofgem and its appointed delivery partners on Half-Hourly Settlement. Having worked with Ofgem and the wider industry on these major transformation programmes, we welcome the opportunity to discuss further ways in which DCC's systems and expertise can be used by Ofgem and Government to achieve policy aims in the retail energy market.

### **Low Carbon Infrastructure**

We welcome Ofgem's proposals in this area, particularly the continued commitment to ensuring the necessary enablers are in place to facilitate a coordinated approach to transitioning the network infrastructure to net zero. The data from the smart meter network can provide valuable insights to support this.

### **Full Chain Flexibility**

Flexibility in our energy system is vital and we fully support Ofgem's programme in this area. As set out above, the DCC's network and system data has significant potential to support flexibility. This could be used to support demand side response, time of use and dynamic tariffs, EV smart charging etc.

We note that BEIS and Ofgem are working on refreshing the Smart Systems Forum and would welcome an opportunity to be a part of this.

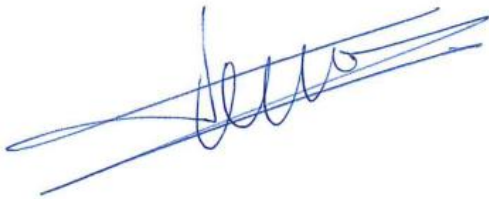
## **Data and Digitalisation**

We are aligned with Ofgem on this workstream and see it as a critical area of focus for industry and the end consumer. As mentioned above, we are seeking to contribute through our own data access initiative 'Data for Good'. In alignment with the recommendations of the Energy Digitalisation Taskforce, we see enhanced access to smart meter data (including in aggregate form), as of significant importance. It can lead to greater industry innovation, novel consumer propositions and greater outcomes for all consumer segments.

Smart meter system data also has potential to support Ofgem in its regulation of industry. For example, DCC holds GB-wide visibility of smart meter system transactions relating to change of supplier, change of tariff, pre-payment transactions and alerts and more. Appropriate data sharing with Ofgem may help to increase understanding of consumer interaction with new and emerging policy as well event-driven impacts – the increase in the price cap and patterns of pre-payment and self-disconnection for example.

We would welcome further discussion on how and where smart meter system data can contribute to Ofgem's priorities.

Yours Sincerely,



**Stève Hervouet**

Chief Strategy and Regulatory Officer (Interim)