

# Call for Input



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## Call for Input on Data Best Practice Guidance – Review and Evolution

Subject	Details
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This call for input aims to expand our understanding of how the DBP Guidance is viewed by industry and participants in the energy sector. As part of any regulatory framework, with the novel and fast-paced nature of data use in the energy sector, Ofgem seeks a diverse range of views and to regularly review data regulations which apply to the Energy Industry.

As part of this review we are also considering if it is appropriate to expand the number of entities obligated under the DBP Guidance. To help inform this consideration we want to have a clearer and more detailed understanding of how the principles have affected the business practices, data handling, and data sharing of a range of entities, obligated, voluntary, and not currently operating under, the DBP Guidance.

This review also sets out some of the positions we are minded to take as part of the future of the Data Best Practice Guidance.

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## Data Best Practice – Review and Evolution

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### **Background**

1.1 The UK government has made a commitment to reach Net Zero carbon emissions by 2050. As part of Ofgem’s developing vision for the future of the energy system<sup>1</sup> required to meet this, we seek to unlock the value in the data generated by a fast-evolving energy sector to move towards a decentralised, low-carbon, digital future.

1.2 As the sector digitalises, Ofgem is reviewing its regulatory approach to keep pace. Among other activities; we are building our in-house capabilities including data platforms and new methods of ingesting data from industry participants,

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<sup>1</sup> [Net Zero Britain: developing an energy system fit for the future | Ofgem](#)

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strengthening and broadening cyber security standards to ensure confidence and security in this increasingly digital system, and identifying new or potential data monopolies. Part of our new approach to regulating data in the energy sector is the Data Best Practice Principles (DBPP)<sup>2</sup>. This supports the Energy Digitalisation Strategy<sup>3</sup>, in particular Action 4, in the creation of an agile regulatory environment, and our response to the Energy Digitalisation Taskforce<sup>4</sup>

1.3 As part of the RIIO-2 price controls, we introduced a Special Licence Condition, named “Digitalisation” to the relevant licences which obliges these licensed companies to act in accordance with the Data Best Practice Guidance (DBP Guidance), which outlines the DBPP. These eleven principles were intended as principle-based regulation to guide obligated companies through **Ofgem’s expectations of them in dealing with data sharing and utilisation to enable the energy system of the future which will help to deliver Net Zero.**

## **The purpose of this review**

2.1 From 1 April, 2021, Energy Network companies who are licenced under the RIIO-2 price controls<sup>5</sup> have been required to follow the DBP Guidance. This licence obligation was introduced to maximise the value of energy system data to GB Consumers.

2.2 In our RIIO-ED2 price control draft determinations<sup>6</sup>, we stated our intent to expand the obligation to follow DBP Guidance to electricity distribution licensees. Currently these organisations are voluntarily abiding by the DBP Guidance ahead of 1 April 2023, the date of formal adoption of the principles. It is crucial that we remain

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<sup>2</sup> [Data Best Practice Guidance v1.pdf \(ofgem.gov.uk\)](#).

<sup>3</sup> [Digitalising our energy system for net zero: strategy and action plan - GOV.UK \(www.gov.uk\)](#)

<sup>4</sup> [Energy Digitalisation Taskforce report: joint response by BEIS, Ofgem and Innovate UK - GOV.UK \(www.gov.uk\)](#)

<sup>5</sup> i.e. licenced electricity and gas transmission companies, gas distribution companies, and the Electricity System Operator.

<sup>6</sup> [RIIO-ED2 Draft Determinations | Ofgem](#)

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focused on achieving an energy market that can deliver positive outcomes for all consumers, current and future. To achieve this, we routinely refresh our understanding of how participants in the energy market use data.

2.3 We recognise this call for input as an opportunity for the electricity distribution licensees to engage with the DBP Guidance and their operation ahead of the implementation in licences as part of RIIO-ED2.

2.4 This call for input aims to expand our understanding of how the DBP Guidance is viewed by industry and participants in the energy sector. As part of any regulatory framework, with the novel and fast-paced nature of data use in the energy sector, Ofgem seeks a diverse range of views and to regularly review data regulations which apply to the Energy Industry. As part of this review we are also considering if it is appropriate to expand the number of entities obligated under the DBP Guidance. To help inform this consideration we want to have a clearer and more detailed understanding of how the principles have affected the business practices, data handling, and data sharing of a range of entities, obligated, voluntary, and not currently operating under, the DBP Guidance.

## **The Data Best Practice Principles**

3.1 The DBPP are a principle-based regulatory framework designed to ensure data is treated as an asset and used effectively for the benefit of consumers, stakeholders, and the Public Interest. The DBP Guidance is intended to improve the quality, accuracy, and accessibility of data, and includes the key principle that Data Assets must be treated as Presumed Open<sup>7</sup>.

3.2 For more detail on the DBPP, please see Appendix 3.

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<sup>7</sup> <https://es.catapult.org.uk/reports/energy-data-taskforce-report/>.

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## Areas we are seeking views on

### **Data Best Practice - Current Users**

4.1 Ofgem are interested in how well the DBP Guidance has met the initial objectives consulted upon.<sup>8</sup> We are also interested in the experiences of those currently obligated under licence to comply with the DBPP outlined in the DBP Guidance, and those who are voluntarily abiding by the DBPP, and how the obligations have changed the way such companies interacts with data.

**1. Question: If your company is already operating under the DBP Guidance, whether voluntarily or under an obligation, we would seek your views on the following:**

- a. What do you think is going well and why?**
- b. What do you think could be improved and why?**
- c. Do you have any suggested changes?**
  - i. If yes, what are the risks/benefits of formal adoption of your new suggested principles?**
- d. Have you experienced any tension between abiding by the principles and your business model?**

4.2 Ofgem are also interested in the views of those companies who do not currently use the DBP Guidance, to help develop this framework to be fit for purpose across a wider group of energy sector participants.

**2. Question: If your company is not currently operating under the DBP Guidance, we would seek your views on the following:**

- a. Would you consider, or have you considered, signing up to this voluntarily?**

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<sup>8</sup> <https://www.ofgem.gov.uk/publications/consultation-data-best-practice-guidance-and-digitalisation-strategy-and-action-plan-guidance>

- b. If not, can you provide reasons or considerations for your answer?**
- c. Do you have any suggestions for improvement and why?**
- d. Would further enhancements or changes make you more likely to consider adopting the DBP Guidance voluntarily?**
- e. Have you received any stakeholder queries regarding DBP Guidance? If so, can you provide a brief outline of the subjects?**
- f. Can you provide a breakdown of costs for your organisation if you made the decision to adopt the DBP Guidance?**

## **Prescriptive vs high level principles**

5.1 When first setting up the DBP Guidance as a framework to regulate the use of data in the energy sector, Ofgem gave substantial consideration to a more prescriptive approach to regulation. Particular attention was given to the idea of consulting on, selecting, and mandating an industry standard format for different aspects of data use, including metadata standards. Similarly, consideration was given to the approach taken in Open Banking regarding Common Licences<sup>9</sup>, where Ofgem would set out a standard common licence for the sharing of Open Data in the energy sector. These have the potential to allow for a standardised framework to allow near-frictionless sharing of data between companies.

### **3. Question: If you are currently operating under the DBP Guidance, whether obligated to or not, how has your experience of common data standards been affected by the DBP Guidance?**

- a) In your experience, would data sharing benefit from the regulator mandating common formats for data? Please provide information to help us understand your answer.**

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<sup>9</sup> [Open-Licence.pdf \(openbanking.org.uk\)](https://openbanking.org.uk/Open-Licence.pdf)

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5.2 We chose to take a less prescriptive, and more principles-based, approach to regulating data, due to our understanding of the exigencies of the market at the time. With the changing nature of the energy market, Ofgem is seeking the view of a diverse range of industry participants regarding the prescriptiveness of the DBPP. As part of the Data Best Practice Supporting Information<sup>10</sup> for DBP Guidance, certain formats and glossaries are recommended, such as the Dublin Core Glossary<sup>11</sup> for metadata, and [Open Government Licence 4.0, Creative Commons 3.0] for standard data sharing licences.

5.3 We are seeking views on whether industry experience of data sharing would benefit from moving these recommendations from supporting information into the main principles of the DBP Guidance and obliging industry participants to follow prescribed standards.

**4. Question: If you are currently operating under the DBP Guidance, whether obligated to or not, what are your views on a set of mandated technical standards for data? Please provide as much detail as possible to support your answer.**

## **Expansion of the obligation to abide by Data Best Practice Principles**

6.1 Currently, Energy Network companies licenced under the RIIO-2 price control are obliged to abide by the DBP Guidance which outlines the DBPP. This includes the Electricity System Operator, the Gas and Electricity Transmission companies, and the Gas Distribution companies. RIIO-ED2 intends to extend this obligation to cover Electricity Distribution companies, who are currently voluntarily complying with DBPP<sup>12</sup>.

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<sup>10</sup> [Decision on Data Best Practice Guidance and Digitalisation Strategy and Action Plan Guidance | Ofgem](#)

<sup>11</sup> [DCMI: DCMI Metadata Terms \(dublincore.org\).](#)

<sup>12</sup> <https://www.ofgem.gov.uk/publications/riio-ed2-draft-determinations>

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6.2 We are aware that the flows of data in the energy sector are more complex and interlinked than simply between licenced entities, or between those currently obligated to follow DBPP.

6.3 In order to have a clearer understanding of how the obligations under DBPP affect flows of data in the energy sector, we are seeking a diverse range of views as to the expansion of DBPP obligations, whether through licence conditions, code obligations, or other regulatory mechanisms. We are also building upon the consultation responses received regarding Energy Code reform<sup>13</sup>; particularly around code bodies, code managers, and central systems delivery bodies.

**5. Question: What are your views on expanding the obligation of DBP Guidance to other licenced entities in the energy sector, such as generators, suppliers, and code bodies? Please provide as much detail as possible to support your answer.**

6.4 In the fast-evolving digital energy landscape, Ofgem is considering the growing need for regulatory flexibility and possible enhancements or changes to regulatory opportunities. There are a number of licensing arrangements currently undergoing design, such as the recent decision by the UK Government to appoint Ofgem as the GB regulator for Heat Networks<sup>14</sup>, or the Nuclear Regulated Asset Base (RAB)<sup>15</sup>, or Carbon Capture, Usage and Storage (CCUS) RAB<sup>16</sup>. We are seeking views on whether obligations under the DBP Guidance should be considered for these new regulatory frameworks.

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<sup>13</sup> [Government response to the consultation on Energy Code Reform \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

<sup>14</sup> [Response to Government appointment of Ofgem as GB heat networks regulator | Ofgem](#)

<sup>15</sup> [Future funding for nuclear plants - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

<sup>16</sup> [Carbon capture and storage | Ofgem](#)



**6. Question: Do you exchange data, or have an expectation to share data in the future with any of the companies participating in these initiatives?**

- a) If so, what is your experience of the data sharing in this space?**
- b) Do you believe that obligating these companies to abide by the DBP Guidance would improve these interactions, or not?**
- c) If you do not share data with these companies, do you believe that obligating these companies to abide by the DBP Guidance would improve these interactions, or not?**

6.5 A Net Zero future necessitates data being shared across multiple commercial areas to fully realise the vision of a decentralised, data-driven, flexible energy system. For instance, there are a number of Third Party Intermediaries (TPIs)<sup>17</sup> in the retail energy market who may share data with, seek to share data with, or seek access to data held by bodies who are regulated. These organisations are not currently regulated by Ofgem’s licences or industry codes.

6.6 Ofgem has concerns around the potential for friction in sharing data between TPIs, and those obliged to follow DBP Guidance as part of either licence conditions, code obligations, or other regulation in the energy sector. With the increasing interconnectivity anticipated, we foresee the potential for sharing of data across sectors, where companies may be subject to different regulatory frameworks.

**7. Question: Do you exchange data, or have an expectation to share data in the future with any companies who do not currently fall under Ofgem’s regulatory remit?**

- a) If so, what is your experience of this data sharing process?**

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<sup>17</sup> [Third-party intermediaries in the retail energy market: call for evidence - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/third-party-intermediaries-in-the-retail-energy-market).

- b) Do you believe that obligating these companies to abide by the DBP Guidance, or the companies voluntarily abiding by the DBP Guidance, would improve these interactions, or not?**
- c) Has your company experienced sharing data with non-energy sector participants, such as companies active in the telecommunications, utilities, or transport sectors?<sup>18</sup> If so, can you describe the interactions (both good and bad), with due consideration to any commercial sensitivities.**

## **Minded-to changes to Data Best Practice**

### **De-personalised smart meter demand data as Energy System Data**

7.1 Demand data from smart meters constitutes a valuable resource to the energy system. Access to, and utilisation of, this data would provide opportunities for non-traditional business models to operate within the energy sector. These non-traditional business models present an opportunity for consumers to benefit from the flexibility offered by low-carbon technologies such as Electric Vehicles and Heat Pumps. Ofgem is aware of the current challenges associated with accessing smart meter demand data, including the necessary data privacy and security requirements put into place to protect consumers' personal information.

7.2 BEIS, as part of the Net Zero Innovation Portfolio, recently published their innovation opportunity "Smart Meter Data Repository Competition", which presents a long-term solution to the issue of smart meter demand data access, albeit with full implementation proposed for mid-2024 at the earliest<sup>19</sup>. Ofgem sees an opportunity for an intermediate solution to this problem. We are minded-to classify de-personalised smart meter demand data, collected as set out in the DNOs' Data

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<sup>18</sup> This is not intended to be an exhaustive list

<sup>19</sup> <https://www.gov.uk/government/publications/smart-meter-energy-data-repository-programme>

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Privacy Plans<sup>20</sup>, as Energy System Data. This would require DNOs to treat de-personalised smart meter demand data under the principle of Presumed Open and, barring any sensitivities identified in Open Data Triage, share this data openly with their Data Users.

7.3 Customers, and the energy system as a whole, can gain considerable value from even de-personalised data from smart meters. Our position is that de-linking smart meter data from a particular MPAN will allow customers and the energy system as a whole to extract value from smart meter data, which would not previously have been possible. Whilst this data asset may be of limited value to innovators in the energy sector when compared with a full, personalised, smart meter demand dataset, we believe there is enough additional value generated by access to this data to justify DNOs treating it as Energy System Data. Since this dataset is in a de-personalised form of consumer demand data, it also provides consumers with value from their smart meter demand data whilst protecting their rights as set out under UK General Data Protection Regulation and applicable data protection legislation.<sup>21</sup>

7.4 We also note the recent findings of the Modernising Energy Data Applications Final Report<sup>22</sup>, who highlight the need for Ofgem to promote the use of de-personalised smart meter demand data. While there are a number of potential avenues for de-personalising, or aggregating, smart meter data, we would value the views of data users as to alternative methods of unlocking the value of smart meter data without compromising personal data. DNOs, in particular, should consider additional methods of de-personalising smart meter demand data, to unlock further benefits to data users.

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<sup>20</sup> <https://www.ofgem.gov.uk/publications/open-letter-dnos-privacy-plans-access-smart-meter-data>

<sup>21</sup> [Guide to the UK General Data Protection Regulation \(UK GDPR\) | ICO](#)

<sup>22</sup> <https://es.catapult.org.uk/report/modernising-energy-data-applications-learnings-and-recommendations/>

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**8. Question: Do you agree with our minded-to decision to require DNOs to treat de-personalised smart meter demand data, collected as set out in DNOs' Data Privacy Plans, as Energy System Data?**

- a) **Do you see any potential sensitivities with this data being classified as Open Data? If so, please provide information to support your answer.**
- b) **Do you have any additional methods you are aware of, or are considering, to de-personalise or aggregate smart meter data?**

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## **Appendix 1: Confidentiality and disclosure**

Any information provided to Ofgem in response to this request which relates to the affairs of an individual or a particular business will normally be subject to statutory restrictions on disclosure under section 105 of the Utilities Act 2000. However, you should note that there are exceptions to the statutory restrictions, including where the disclosure is necessary to facilitate the statutory functions of Ofgem (e.g., publishing information to promote the interests of consumers) or those of other relevant public bodies.

You should also note that we cannot provide any assurances in relation to the treatment of information provided in response to this request which may be the subject of a request made under the Freedom of Information Act 2000 or other relevant legislation. However, we can confirm that we will always consider whether the statutory restrictions on disclosure apply to the requested information and therefore whether one or more of the exemptions or exceptions under the relevant legislation apply.

## **Appendix 2: List of Questions**

- 1. Question: If your company is already operating under the DBP Guidance, we would seek your views on the following:**
  - a. What do you think is going well and why?**
  - b. What do you think could be improved and why?**
  - c. Do you have any suggested changes?**
    - i. If, yes, what are the risks/benefits of formal adoption of your new suggested principles?**
  - d. Have you experienced any friction between abiding by the principles and your business model?**
- 2. Question: If your company is not currently operating under the DBP, we would seek your views on the following:**

**Would you consider, or have you considered, signing up to this voluntarily?**

  - a. If not, can you provide reasons or considerations for your answer?**
  - b. Do you have any suggestions for improvement and why?**
  - c. Would further enhancements or changes make you more likely to consider adopting the DBP Guidance voluntarily?**
  - d. Have you received any stakeholder queries regarding DBP Guidance? If so, can you provide a brief outline of the subjects?**
  - e. Can you provide a breakdown of costs for your organisation if you made the decision to adopt the DBP Guidance?**
- 3. Question: If you are currently operating under the DBP Guidance, whether obligated to or not, how has your experience of common data standards been affected by the DBP Guidance?**
  - a) In your experience, would data sharing benefit from the regulator mandating common formats for data? Please provide information to help us understand your answer.**

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- 4. Question: If you are currently operating under the DBP Guidance, whether obligated to or not, what are your views on a set of mandated technical standards for data? Please provide as much detail as possible to support your answer.**
  
- 5. Question: What are your views on expanding the obligation of DBP Guidance to other licenced entities in the energy sector, such as generators, suppliers, and code bodies? Please provide as much detail as possible to support your answer.**
  
- 6. Question: Do you exchange data, or have an expectation to share data in the future with any of the companies participating in these initiatives?**
  - a) If so, what is your experience of the data sharing in this space?**
  - b) Do you believe that obligating these companies to abide by the principles of DBP Guidance would improve these interactions, or not?**
  - c) If you do not share data with these companies, do you believe that obligating these companies to abide by the principles of DBP Guidance would improve these interactions, or not?**
  
- 7. Question: Do you exchange data, or have an expectation to share data in the future with any companies who do not currently fall under Ofgem's regulatory remit?**
  - a) If so, what is your experience of this data sharing process?**
  - b) Do you believe that obligating these companies to abide by the principles of DBP Guidance, or the companies voluntarily abiding by the DBP Guidance, would improve these interactions, or not?**
  - c) Has your company experienced sharing data with non-energy sector participants, such as companies active in the telecommunication or transport sectors? If so, can you describe**

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**the interactions (both good and bad), with due consideration to any commercial sensitivities.**

**8. Question: Do you agree with our minded-to decision to require DNOs to treat de-personalised smart meter demand data, collected as set out in DNOs' Data Privacy Plans, as Energy System Data?**

- a) Do you see any potential sensitivities with this data being classified as Open Data? If so, please provide information to support your answer.**
- b) Do you have any additional methods you are aware of, or are considering, to de-personalise or aggregate smart meter data?**



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## **Appendix 3 – Data Best Practice Principles**

For a fuller explanation of the Data Best Practice Principles, please see the published Data Best Practice Guidance<sup>23</sup> and associated supporting information and templates<sup>24</sup>. The 11 Principles are listed below.

1. Identify the roles of stakeholders of Data Assets.
2. Use common terms within Data Assets, Metadata, and supporting information.
3. Describe data accurately using industry standard Metadata.
4. Enable potential Data Users to understand Data Assets by providing supporting information.
5. Make Data Assets discoverable for potential Data Users.
6. Learn and deliver to the needs of current and prospective Data Users.
7. Ensure data quality maintenance and improvement is prioritised by Data User needs.
8. Ensure Data Assets are interoperable with Data Assets from other data and digital services.
9. Protect Data Assets and systems in accordance with Security, Privacy, and Resilience (SPaR)<sup>25</sup> best practice.
10. Store, archive, and provide Data Assets in ways that ensure sustained benefits.
11. Treat all Data Assets, their associated Metadata and Software Scripts used to process Data Assets as Presumed Open.

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<sup>23</sup> [Data Best Practice Guidance v1.pdf \(ofgem.gov.uk\)](#)

<sup>24</sup> [Decision on Data Best Practice Guidance and Digitalisation Strategy and Action Plan Guidance | Ofgem](#)

<sup>25</sup> We will ensure relevant cyber security standards are updated as necessary to reflect the prevailing best practice