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**Citizens Advice's response to Ofgem's Market Wide Half Hourly Settlement (MHHS): Consultation on the governance, funding and operation of an Event Driven Architecture**

Dear Ofgem,

Thank you for the opportunity to respond to this consultation.

We welcome the confirmation that Ofgem will be allowing energy suppliers and/or third parties via the Meter Data Retrieval (MDR) user role to use consumer data for settlement, forecasting and business readiness purposes - the latter having not previously been announced publicly. However the current drafting would benefit from greater clarity on how consumers can expect their data to be used and protected.

The consultation document states that consumer data can be used for non-settlement purposes "provided that all personal data must be anonymised and aggregated as early in the relevant process as is reasonably practicable" but provides no further detail as to what anonymisation or aggregation Ofgem deems appropriate, nor what checks or processes will be in place to ensure that this is undertaken.

During the development of energy network data plans research was undertaken to establish at what point aggregated energy usage data could reasonably be considered anonymous which concluded that a minimum of 9 households would need to be combined in order to ensure anonymity<sup>1</sup>. It would be appropriate for Ofgem to apply these established thresholds when seeking to clarify what constitutes aggregation and anonymisation in these scenarios too.

There would also be clear benefit to consumer trust and messaging in Ofgem offering more clarity as to what it deems "as early as practicable" for undertaking this. It is notable that research published by Imperial College London after the publication of this consultation concluded that the current approach to handling consumer's smart meter data has not been built in accordance with the principles of Privacy by Design as recommended by the ICO and others<sup>2</sup>. Drawing lessons from energy network data

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<sup>1</sup> "Smart Meter Aggregation Assessment" Review of the evidence, George Danezis, University College London 2015

<sup>2</sup> "Balancing privacy and access to smart meter data: an Energy Futures Lab briefing paper": <https://spiral.imperial.ac.uk/handle/10044/1/96974>

plans we saw significantly divergent opinions between networks as to what was perceived to be a reasonable timescale over which to ensure consumer data has been anonymised or aggregated. The longer suppliers hold identifiable personal data the higher the risks of data misuse or leaks increase and the more concerns consumers are likely to have.

In addition to providing clarity on how Ofgem expects suppliers to handle consumer data it would also be beneficial to lay out how Ofgem, and indeed consumers, can confirm that these processes are in place and being followed. The current drafting offers no insight into how this will be approached. Energy suppliers are currently subject to audits of their data processing approaches as DCC users, it would seem reasonable to add an evaluation of their anonymisation and aggregation approaches to the MDR User Role, especially when consumer data is used for research and development of products and services and the forecasting of future consumer behaviour regarding energy usage. Ofgem might consider requiring the SEC panel to set a high standard for privacy in the MDR user role, specifically around the standards of what constitutes anonymisation.

There has been consistent consumer interest in understanding how energy suppliers and other companies will use their data and the implications of this - providing context around these questions will help ensure that consumers are given accurate information about how their data are used which will in turn give them the confidence needed to engage with the smart meter rollout and the new products and services it enables more widely.