

Sent by email to digitalisation@ofgem.gov.uk

19 January 2024

Dear Ofgem

Data Sharing in a Digital Future - Thermal Storage UK response

We absolutely agree with Ofgem that “flexibility is essential for unlocking the full value of energy smart appliances (ESAs) to consumers”.

However, we note that Ofgem then provides a short list of examples of ESAs, including electric vehicle (EV) charge-points, heat pumps and (electric) batteries.

We strongly recommend that Ofgem’s data programme aligns with the UK government’s work on delivering a smart and secure electricity system (SSES). This uses PAS 1878 as the basis for larger domestic-scale ESAs, including EV charge-points, batteries, heat pumps, storage heaters and heat batteries. Automatic asset registration would also apply to all of these appliances.

In relation to heat decarbonisation, the government’s SSES workstream will require “electric heating appliances with the greatest flexibility potential, namely heat pumps, storage heaters, and heat batteries, to have ‘smart’ functionality”. We encourage Ofgem to consider how data sharing can support both heat decarbonisation and maximising flexibility potential.

We can see the benefit for manufacturers of smart heating appliances such as heat pumps and heat batteries in receiving access to data. For instance, operational data can help to optimise heating systems for people’s comfort and to ensure the flexible operation of heating systems with time-of-use electricity tariffs (enabled by the move to market-wide half-hourly settlement). A well-optimised flexible electricity heating system could deliver lower carbon emissions, lower electricity bills and

reduce the impact of peak demand on the electricity grid, particularly at distribution level. Access to data is important to achieving this.

We also agree with Ofgem that any data regime should facilitate the integrated management of different energy smart appliances. For instance, the tariff optimisation for a home with an electric vehicle, a heat battery for space heating and solar panels will differ to the tariff optimised for a home with a heat pump and a heat battery for hot water. The data regime would need to allow an energy supplier or home energy management system to manage the interaction. It may be possible for Ofgem to use the proposed Future Regulatory Sandbox to test out the “Open Banking” concept for applications in energy.

We ultimately agree with Ofgem that consent for data use underpins the interactions described above. The data relates to how people use their low carbon assets and heat their home - the data belongs to them.

Finally, we recommend that Ofgem considers whether the approach adopted for data sharing and consent has relevance for the non-domestic sector.

This response is not confidential and may be published by Ofgem.

Yours sincerely

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