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## ADE Response Future of Data Sharing Call for Input 26 January 2024

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### Context

The ADE welcomes the opportunity to respond to the Future of Data Sharing Call for Input.

The ADE is the UK's leading decentralised energy advocate, focused on creating a more cost effective, low-carbon and user-led energy system. The ADE has more than 150 members active across a range of technologies, including both the providers and the users of energy equipment and services. Our members have particular expertise in demand side flexibility and storage, industrial energy including combined heat and power, heat networks and energy efficiency.

### Summary of Response

The ADE supports Ofgem's intention to make the customer experience of data consent provision more straightforward and we agree there is a strong case for change in this area. While option 1 for a consumer consent platform is appealing, we do not believe Ofgem has provided enough detail for us to make a recommendation for one option in particular at this time.

#### **Q1 Yes/No: Do you agree that a Consumer Consent solution is required as per the taskforce's recommendation?**

Yes

#### **Q2 Could you please provide any reasons why the current methods for obtaining consent from a consumer might be ineffective or inefficient?**

The current methods for obtaining consent could be considered inefficient primarily due to the number of steps required to gain consent, increasing the probability of consent-fatigue from consumers needing to go through multiple fields and stages to share their consent preferences.

#### **Q3 Do you believe that consumers are sufficiently motivated to engage with the consent solutions proposed in this Call for Input? Please elaborate on your answer.**

Although we agree that the proposed options could increase consumer engagement in consent solutions, the correct signals are still lacking to convey to consumers the short and long-term benefits that sharing their data could have. A simplified solution has the potential to prevent the issues highlighted by the taskforce such as a lack of trust and consent fatigue, however it is vital that the advantages for consumers are effectively communicated by Ofgem and the organisations of whom the consumer would directly be sharing their data with. Ensuring that an additional administrative burden does not become the focal point of the campaign will be essential, otherwise there is a risk of a lack of consumer motivation to engage with the chosen option, regardless of whether it addresses Ofgem's main objectives.

#### **Q4 Do you agree that the four use cases referenced (below) are high priority use cases? Can you describe any other high priority use cases?**

We agree with the use case Energy Flexibility, particularly anticipating the growth in domestic flexibility laid out in the Future Energy Scenarios (FES). Delivery of services and offerings from non-suppliers has been adversely impacted by uneven access to consumer data, which leads us to believe that a simplified solution to make dataflows less complex between delivery partners would be beneficial. Additionally, with an increasing diversity in the types of organisations offering flexibility services, a consumer consent solution enabling equal access to data is of high priority. However, we must recall the need for proper consumer protection that will be needed and that will likely only be fully introduced upon the establishment of the load controller licensing regime. As per question 9 below, without better clarity on delivery timelines and how they relate to licensing, we are concerned that customer's data may be available to an ever-expanding pool of actors which introduces a high level of risk for both consumers and sector reputation. We must not unwittingly stumble into similar failings as marred social media and search engine companies in recent years.

Reduced barriers to market entry and increased competition are also a use case that we would consider as high priority, not only allowing new innovators to access the market, but also to tailor services more specifically to the needs of consumers from the outset of their establishment, taking a more consumer-centric approach to service design.

Finally, we would also agree that the Consumer empowerment, protection, and trust use case is of particularly high priority. As previously mentioned, this use case highlights even further the need for better market signals for consumers to see the benefits of participating in energy flexibility and how their consent would allow for more tailored services that suit their specific needs and requirements. A solution that increases transparency would be highly beneficial, to ensure that trust in the energy sector is strengthened going forward. Furthermore, we would strongly support a solution that would help with the identification of consumers in vulnerable circumstances.

**Q5 Do you believe that a new Consumer Consent solution would enable the improvements to the energy system described in the four use cases? If not, could you please elaborate?**

We do agree with this, however, we do not agree that these improvements will be achieved via a consumer consent solution alone. Without the correct value signals to incentivise consumers to provide their consent, it would be very difficult for each use case to be achieved. This will be particularly important for non-motivated consumers and consumers in vulnerable circumstances. Flexible technology deployment would help to stimulate this, increasing consumer accessibility to energy flexibility services.

**Q6 Do you agree with our method and scoring of options?**

Yes

**Q7 Which of the options referenced in chapter three do you believe would be the most appropriate Consumer Consent solution, for the industry, the government, and the consumer?**

We do not believe Ofgem has provided enough detail for us to make a recommendation for one option in particular. While the concept of a consent platform is appealing, it has not been made clear how it could authenticate a customer's relationship with a meter or how it could be designed so as to avoid extra logins, thereby undermining the goal to reduce consent-fatigue.

As stated elsewhere, the more hoops a customer must jump through to provide consent, the less likely they are to sign up to services. Again, the principle of a platform is appealing, but it is not at all clear how this will streamline granting of consent while robustly protecting consumers with adequate authentication measures.

**Q8 Please can you explain why you chose a specific option? Do you have any suggestions on how to improve this option?**

Noting the strong caveats above, in principle we agree with the benefits and scoring of option 1 within the CFI and think that it is particularly advantageous that option 1 best facilitates interoperability, in line with the Smart Secure Electricity Systems (SSES) programme. We believe option 2 is the least desirable. This option would likely result in principles that are too rigid, leading to unnecessary additional requirements for manufacturers and installers.

Option 1 is more likely to address the issues that exist within the current process for obtaining consent, that options 2 and 3 would not be able to address. This includes the ability for smoother data flows between flexibility service providers in the case of third-party delivery or if a consumer chooses to switch service providers. Furthermore, for the consumer to be able to access this dashboard through the service provider rather than through an entirely separate organisation would be favourable, potentially reducing the concern of consent-fatigue from consumers having to visit multiple webpages to provide their consent information. However, as above, given the lack of sufficient detail in the CFI, we are not in a position to fully advocate for any single option. For such a crucial decision, we would need far more information regarding the authentication and ease of use concerns raised above.

**Q9 What barriers do you see to the successful implementation of a new consent solution?**

There are significant barriers to the implementation of option 1, namely deliverability and cost efficiency. There is no clarity on the kind of delivery body envisaged for this solution, such as how the dashboard would be designed and maintained and the governance mechanisms that would be put in place. In particular it is not specified anywhere how Ofgem envisage it might interact with the DCC alongside the existing 'Other User' access. As stated in the main document, there is also a concern as to how long it would take to create the dashboard explained in solution 1 and that another solution may need to be put in place in the meantime. Multiple iterations of different solutions would exacerbate the risk of consumer fatigue and disengagement.

Consideration must also go into who has access to a dashboard and therefore has access to consumer consumption data. There is a concern that in granting the level of access implied in the document, we generate unnecessary costs and consumers feel that their data has become too exposed. As above, the risk to the consumer reputational risks to the sector for mishandling consent are immense and without proper analysis it is impossible to adequately judge these options. Clarification on this will be required before any further conclusions are drawn about option 1, as high upfront costs could be a large barrier to successful implementation, particularly if these costs are passed on to the end consumer or the flexibility service provider. This could further risk reputational damage to the service provider that had originally gained the consumer consent and disincentivise consumers who feel organisations are able to access their data, without providing any direct benefit to the consumer.

**Q10 What do you think are the roles of Ofgem, industry and other stakeholders in enabling a simple and effective consent solution?**

The role of Ofgem in enabling an effective consent solution will be to ensure there is a clear process and timeline for implementation of the chosen solution, as well as the anticipated cost. Explicit explanation should be given of who has responsibility and accountability of the chosen solution also. The role of flexibility service providers would be to demonstrate the value of such a solution through attractive customer offerings and provide a trusted and robust way for customers to access the solution.

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