



Ofgem Call for Input

Data Sharing in a Digital Future: Consumer Consent

23/01/2024

**Electricity
Distribution**

nationalgrid

Approval

| | Name | Role | Date |
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Document Revision & Review

| Date | Comments | Author |
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Document Submission

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1. Chapter 1: Setting the Scene

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

Yes – NGED Agrees a Consumer Consent solutions is required.

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

Similar to the finance industry before the Open Banking solution was developed, the onus is on the consumer to manage and provide specific consents for data sharing for their individual use cases. In many cases this involves proving written or verbal consent which would involve either communication via a call centre, email or post. This can be off-putting for consumers and discourage them from sharing their personal data.

With the advent of smart devices (smart phones, tablet, etc) and the increasing development and usage of digital services, consumers should be empowered to self-manage their finances, data, and services in a fast and convenient way with minimal effort.

Providing consent should be a hassle free, instant and seamless process similar to something like the PayPal Verification process, for example. The PayPal Verification process is secure, instant, and seamless and it is very clear what you action you are taking. In addition to this PayPal provide an application/service for managing account and user preferences, so you can change how your preferences and how you consume the service at any time.

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.

We believe that consumers are engaged with the use cases and outcomes rather than just the consent solution itself. Many consumers are sufficiently motivated to engage with reducing their energy consumption, reducing energy bills, connection of low carbon technologies, and decarbonisation to name a few. Providing consent to share data can be a necessary part of the process. This is the reason why we believe consumers would be motivated to engage with a consent solutions. As the provision of consent is not the primary part of the process the consumer will derive utility from, it is essential that the consent solutions is easy and seamless to use as described in our answer to question Q2.

2. Chapter 2: How data sharing can benefit consumers and help decarbonise the energy system

Q4. Do you agree that the four use cases referenced are high priority use cases? Can you describe any other high priority use cases?

Yes, we agree that the four use cases described are high priority use cases.

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?

Yes, we believe that a consumer consent solution would enable improvements to the energy system. For three out of the four described use cases; retail specialism, energy system flexibility, and reduced barriers to market entry and increased competition – consumer consent to use and share data will be absolutely essential as it is likely that there will not just be one party that will require access to an individual's data.

The fourth use case described; Consumer, empowerment, protection, and trust, is essential to encourage consumers to actively participate with the consent process such that positive energy system outcomes can be realised, as described in the other use cases.

3. Chapter 3: A principles-based approach to consumer data

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

Yes

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

- **Option One: A single technical solution to obtain consent, such as a Consumer Consent dashboard.** This proposal builds on the Energy Digitalisation Taskforce's recommendation to deliver a technical consent solution.
- **Option Two: A set of principles outlining a consistent way for trusted market participants to obtain consent, such as Data Best Practice.**
- **Option Three: An industry-developed code of conduct outlining a consistent way for trusted market participants to obtain consent, such as the Confidence Code.**

NGED believes the first option (centralized consent management) makes the most sense. It gives the data subjects the most visibility and control and reduces the risks inherent in siloing and fragmentation. That said, there are additional privacy factors that need to be kept in mind:

- Consent for different purposes of processing cannot be bundled under the UK GDPR. Centralizing preference management into a single dashboard is fine as long as the consents themselves are obtained in a GDPR-compliant manner. A general opt-in is very likely not acceptable – consent must be clear, specific, informed, and unambiguous.
- Data minimization remains critical. Yes, we are asking for consent. But, we are still prohibited from collecting data that is unnecessary for the purpose(s) of processing. Data minimization and collection limitation principles cannot be forgotten.
- When consent is withdrawn, there must be a process in place for deletion and/or anonymization of collected data (unless there is a separate reason under UK law to retain it). Ceasing collection is not sufficient – processing itself (including storage) must also cease.
- There will need to be processes in place to fulfill data subject access and portability requests.
- Restrictions on onward processing and cross-border data transfers must be kept in mind. Meaning, if the suppliers requesting utility data are engaging with vendors/data processors, including those located outside the UK, they will need to be disclosed and any personal data transfers handled in accordance with UK GDPR requirements.
- While it seems unlikely that special category data will be collected, it's important to keep in mind that sensitive information about a data subject may be inferred, and there may be a risk of profiling. (See 2.33 – inferring financial situation.)
- Transparency language around consent also includes transparency around data retention and security – data subjects will have a right to know for how long their data will be stored and how it will be secured.

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

We believe option one would empower the user to have consistent control over their consent for parties to use their data. It will provide a single solution that will feel familiar to users, regardless from whom the consent request is coming from. We believe this will build trust through standardisation and familiarisation without requiring the consumer to become an expert in data sharing consent.

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

If option one is the selected solutions, careful consideration would have to be given when deciding who will develop and operate the solution. We would also expect that the operation of centralised consent solution\service would require regulation by a suitable regulatory body. Well developed and maintained standards and governance would be required too. Finally, consideration would have to be given to how the solutions is funded.

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

We believe that Ofgem will be best placed to initiate the work to develop the chosen consent solutions and run an associated tender process. We also believe Ofgem should have ultimate approval on the solution specification but the solution specification should be informed by all relevant stake holders, including but not limited to; network operators, system operators, energy providers, consumers, consumer representative bodies, relevant subject matter experts.

A suitable organisation such as the Energy Network Association (ENA) or Retail Energy Code Company (RECCo) should be responsible for maintaining the required codes of practice and standards needed to operate and maintain the consent solution.

Finally we believe that the operator and users of the consent solution should be required to undertake regular stake holder engagement to continually ensure consumers' needs are been met.

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