

26 January 2024

By e-mail to: digitalisation@ofgem.gov.uk

Dear Team,

Re: Call for Input on Data Sharing in a Digital Future

Thank you for the opportunity to respond to your Call for Input on Data Sharing in a Digital Future.

Elxon is an independent, not-for-profit company that manages the Balancing and Settlement Code (BSC) for the electricity market. We provide governance, settlement and data platforms (Elxon Kinnect) that enable the smooth operation of the electricity market, which incorporates energy suppliers, generators, flexibility service providers and network companies across the GB.

Our end-to-end expertise in governance, assurance, technology platform development and electricity market data is available to support the industry, Government and Ofgem, as the energy sector transitions to net zero. Building on our purpose of serving the industry, the electricity market data we hold is open, and available for anyone to access, analyse and distribute. As a trusted, independent and reliable market expert, we continuously look to evolve and innovate for the benefit of our customers and consumers.

Most recently, we utilised our domestic and non-domestic half-hourly consumption data alongside our extensive knowledge, to administrate the Government's Energy Price Guarantee and Energy Bill Discount Schemes, processing up to £650m of subsidy payments per week - providing vital support to consumers. We also calculate, collect and distribute payments to Contract for Difference (CfD) generators and Capacity Market (CM) providers, on behalf of the Low Carbon Contracts Company (LCCC).

In Elxon's response, we agree that there is a need for the development of a consistent and streamlined Consent Solution. As universally accepted, data plays a critical role in enabling a more digitalised, decarbonised, and decentralised energy system. Therefore, removing barriers to data accessibility is a crucial enabling step in moving towards this future energy system. Consumer energy data, in particular, holds significant value, as it supports demand side response and wider flexibility.

While we believe that all three proposed solutions are improvements over the current status quo, we consider the first solution, the technical approach, to be the most appropriate among the options outlined in the Call for Input. We note it may be the most challenging option to implement, however it has a greater chance of realising the required benefits, based on the previous analysis by the Energy Digitalisation taskforce.

We currently manage and provide access to a large amount of data on our Kinnect platform, which will increase, especially with the introduction of GB consumption data through the Smart Meter Data Repository, a result of the Data Integration Platform (DIP).

We are open to further discussions with the team at Ofgem to explore the details and any further solution design questions to help bring the overarching objective of sector-wide data interoperability into reality.

We have limited our response to areas where we feel we can add value. If you would like to discuss any areas of our response, please contact either Steve Francis, Enterprise Architect (Steve.Francis@elxon.co.uk) or Hussein Osman, Senior Market Intelligence Analyst (Hussein.Osman@elxon.co.uk)

Yours sincerely,

Peter Stanley,
Chief Executive

Elxon's consultation response

We support the recommendations outlined in the Energy Digitalisation Taskforce report in 2022 and welcome this Call for Input (CFI), which explores the development of a Consumer Consent solution. In our response to the consultation on updates to Data Best Practice Guidance and Digitalisation Strategy and Action Plan Guidance, we highlighted the value of making energy system data discoverable, accessible and interoperable, and have embedded some of those principles within the Balancing and Settlement Code (BSC).

Data plays a critical role in building a smart, digitalised energy system. The CFI highlights barriers, such as varying consent mechanisms, which hinder the full utilisation of consumer energy data. Overcoming these barriers would not only benefit the energy system but also end consumers.

Sharing consumer energy data offers key benefits, particularly as an enabler in maximising the value of flexibility markets. As the demand for electricity continues to rise with the electrification of other sectors like heat and transport, coupled with the integration of intermittent renewable technologies, the need for flexibility in demand and supply is more apparent than ever. Access to consumer energy data by third parties, including aggregators, is essential for maintaining system security and providing value to end consumers. The CFI also highlights other beneficial use cases, with more expected to emerge as this area evolves.

We understand the value of data accessibility and have a strong track record of managing and making available large amounts of market data to over 10,000 users worldwide. The data available via Elxon's Insights Solution, works on Open API principles, where all data is exposable and available via API. Furthermore, in June 2021, Elxon implemented [Modification P398 'Increasing access to BSC Data'](#), aligning the BSC with the Energy Data Taskforce's recommendation to presume energy system data as open. Under P398, all data is presumed to be open unless there is a reason why it cannot be published.

Elxon, through the Market-Wide Half Hourly Settlement Programme (MHHSP), is currently building a Data Integration Platform (DIP), a new industry-wide data transfer service, which will facilitate half-hourly smart meter data flows. Under the remit of MHHSP, Elxon will be implementing a smart meter data repository, utilising data from the DIP, from which we will make data available via our Elxon Kinnect platform.

Recognising that there is specific emphasis on consumer smart meter energy data under this CFI and as evident from other Ofgem and Government workstreams, we believe that there is value in sharing our views, and welcome further collaboration with Ofgem and Government.

Q1) Do you agree that a Consumer Consent solution is required as per the taskforce's recommendation?

Yes, we agree with the taskforce's recommendation that a Consumer Consent solution is required.

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

While a legal framework for requesting and granting consent has been established, the practical processes are not standardised and so the effectiveness and efficiency varies between the parties involved, even when following best endeavours. This creates risk of inefficiency and more importantly, inequality, as it means some customers may find it easier to grant and manage consent than others.

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

N/A

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

We agree that the four use cases appear to represent the highest priority areas for which customer consent would be a key enabler. However, as indicated in the Call for Input, many of the beneficial use cases of consumer data in Open Banking were not immediately evident. Similarly, while certain key use cases have been emphasised for energy consumer data, it is possible that additional beneficial uses cases will emerge as this workstream evolves.

We are also interested in exploring additional use cases relating to the accessibility of smart meter consumption data. More specifically, how a single technical consent solution could support the requirement of providing large extracts of granular data, where there is a genuine requirement for the data access, such as in understanding consumer vulnerability or fuel poverty.

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 agree that a Customer Consent solution would enable the improvements by providing a unified, effective, efficient and reliable method of granting and managing consent.

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

We agree with Ofgem's approach and the scoring of the options. The Critical Success Factors identified seem reasonable and cover the areas we would usually consider when assessing the viability of solution design and implementation.

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?

We recognise the merits associated with each of three options, as each offers improvements over the current status quo. However, we believe that Option 1, the Technical Solution, would be the most appropriate consent solution. We note it may be the most challenging option to implement, however it has a greater chance of realising the required benefits, given the previous analysis by the Energy Digitalisation taskforce. The risks identified in the CFI can be mitigated, particularly those concerned with customer engagement; indeed, some level of technical or commercial engagement with customers is required for all three options and so this will need to be factored into the development programme.

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

We believe there will be new roles in central services required for operating and governing a central consent solution.

Under the remit of MHHS Programme, Elexon will be implementing a smart meter data repository, utilising data from the DIP, from which we will make data available via our Elexon Kinnect platform. We have agreed with Ofgem stakeholders that we will adhere to the Data Sharing approach that will be developed following the conclusion of the CFI.

Furthermore, we believe Ofgem's leadership in this initiative is a good start in delivering the goal of sector-wide data interoperability. It will be important for all industry stakeholders to adhere to the ultimate findings the CFI and subsequent consultation.