

Digitalisation and Innovation Team

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SP Energy Network Contact:

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By email to: digitalisation@ofgem.gov.uk

SP Energy Networks (SPEN) response to Ofgem's Call for Input on 'Data Sharing in a Digital Future: Consumer Consent'

Dear Digitalisation and Innovation Team,

This letter is from SP Energy Networks (SPEN), representing SP Transmission (SPT), SP Distribution (SPD) and SP Manweb (SPM). We own and operate the electricity distribution networks in the Central Belt and South of Scotland (SPD) which serve two million customers, and Merseyside and North Wales (SPM) which serve one and a half million customers. We are also the Transmission Owner (SPT) for Central and South Scotland.

We welcome the opportunity to respond to Ofgem's Call for Input on 'Data Sharing in a Digital Future' and support the creation of a consent solution to improve access to personal data, improve trust and to have clear process for informed consent. Our responses to Ofgem's **Call for Input** questions can be found in ANNEX 1 of this letter.

How Data Sharing Can Help Consumers and Decarbonise the Energy System

We agree with Ofgem's position that to allow consumers to fully benefit from the net zero transition, consumers will need to effectively give, manage, and revoke consent to share their data with an increasing number of energy sector actors. This will give consumers the ability to share their energy data securely with trusted market participants, who can provide them with energy services to lower their bills, as well as their carbon footprint.

We agree with the proposal to make it easier and simpler to share data by way of a consumer consent solutions and recognise that there is no standardised process for obtaining consent to share consumer energy data. Consent can unlock energy data not available through other means and can support the four pillars of the energy transition, namely Digitalisation, Decentralisation, Decarbonisation, and Democratisation, however these benefits would be limited if network and system operators were unable to access these data sets. We believe that the anticipated benefits of a proposed data sharing consent solution would be limited if in some cases, such as sharing of data specifically with flexibility providers, the same consent is not given to applicable Distribution Network Operators (DNOs) and Distribution System Operators (DSOs).

The specific benefits in obtaining data were cited at a recent industry workshop which was asked to prioritise use cases based on their value to consumers and the wider energy system. The second most valuable option recognised was "Network operators and DSR service providers could monitor energy use and forecast accurately". Attendees agreed that access to more granular consumption data could enable more efficient operation of the energy network.

Recognising the role of the DNO, in managing and maintaining the physical network, and the requirements set out in the DSO framework to enhance planning and forecasting capabilities, develop network operation processes, and generate flexibility market opportunities, we see improved sharing of and access to consumer data for network and system operators, as well as wider network and industry actors, as a critical enabler in the net zero transition.

We look forward to the consultation, building on the findings of this Call for Input, and setting out decisions for improving consumer consent processes in the energy sector, and welcome the opportunity for further discussions.

Your faithfully,

Kirsty Scott

Head of Network Intelligence & DSO Development

ANNEX 1

Ofgem call for Input on Data Sharing in a Digital Future: Consumer Consent

SPEN response

Q A.1.11. Yes/No: Do you agree that a Consumer Consent solution is required as per the taskforce's recommendation?

Yes, SPEN agree that a Consumer Consent solution is required as per the taskforce's recommendation.

Q A1.2 2. 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 from a consumer are typically via their Energy Supplier. Often, this is likely to be the only touchpoint that the consumer is aware of and, in this respect, the process relies on how effective Energy suppliers' systems and processes are. SPEN considers that if management of consent is to continue to be via Energy Suppliers, then due to the volume of Energy Suppliers that are active in the market, this would require the ongoing and active maintenance of linkages to multiple disparate systems. Also, given the nature of competitive switching, the churn in the market could create discrepancies in the datasets.

Following the terms of distribution standard licence 10a, SPEN would be required to collect consent for non-aggregated or non-anonymised data, and this would require us to develop a separate system solution for collecting consent for this purpose.

Q A.1.2 3. 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.

SPEN do not believe that consumers are sufficiently motivated to engage with the consent solutions proposed in this Call for Input, as we do not believe all consumers are sufficiently informed on the incentives of flexibility services or demand side response. The incentives of these are not clear or necessarily aligned to the needs of an individual consumer.

Q A1.4 4. Do you agree that the four use cases referenced (below) are high priority use cases? Can you describe any other high priority use cases?

Yes, SPEN agree that the four use cases referenced are high priority use cases. SPEN does not have any other high priority use cases which we would wish to cite at this time, however, would emphasise that DSOs need to maintain parity with access to data, with flexibility providers, to ensure effective market development.

Q A1.5 5. 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?

SPEN do not believe that a new Consumer Consent solution would enable the improvements to the energy system described in the four use cases. Based on the description of the consent solution, there would be a bilateral approach similar to Open Banking - in which the relationship is between the 'consumer' and the 'flexibility service provider', via the consent solution. This may create disparate datasets between industry

actors such as flexibility service providers and DSOs. Our view is this solution poses a risk that we do not effectively improve network planning or stimulate market development by enabling DSOs to utilise this data.

Q A1.6 6. Do you agree with our method and scoring of options?

Yes, SPEN agrees with the scoring method and believe it to be balanced and objective.

Q A1.7 7. 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?

- **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.**

Of the options referenced in chapter three, SPEN believe 'Option one' is most appropriate Consumer Consent solution, as we believe this would minimise the need for connectivity to multiple systems and would ensure that consumer consent records remain accurate.

Q A1.8 8. Please can you explain why you chose a specific option? Do you have any suggestions on how to improve this option?

SPEN believe 'Option One' to be the optimal solution because it utilises single technical solution to obtain consent. This means that consumers and stakeholders can utilise and maintain access to a single platform and minimises the need for multiple interfaces. With regards to suggestions on how to improve this option, SPEN's view is it would be prudent to enhance the definition of the roles and actors involved, ensuring that all the roles in are explained – this would include but not be limited to consumers, energy suppliers, DNOs, DSOs, and flexibility service providers. Building on this, we recommend incorporating an option to include additional considerations, such as consent for DSOs, when a consumer is giving consent to a flexibility provider.

Q A1.9 9. What barriers do you see to the successful implementation of a new consent solution?

The barriers which could impact the ability to deliver a successful implementation of a new consent solution are:

- From past advice from the Information Commissioner's Office, their view is that for customers on the Priority Services Register who are more vulnerable, consent will not be a suitable lawful basis for them as we would not be able to guarantee that they understand what they are agreeing to. Further consideration is needed to best understand how this work would impact and be tailored for vulnerable customers.
- To ensure that we avoid invalid consents, the consent solution will need to be technically capable of automatic updates in the case of occupiers of properties changing - to ensure consent is not transferred to new occupiers.

Q A1.10 10. What do you think are the roles of Ofgem, industry and other stakeholders in enabling a simple and effective consent solution?

Our view on the role that Ofgem should play is coordinating and stewarding the development of a simple and effective consent solution, ensuring that industry and other stakeholders have the opportunity to submit their requirements in full and that the solution when realised meets the needs of all parties.