

Jeff Finch
Energy Sector Digitalisation Team,
Ofgem,
10 South Colonnade,
Canary Wharf,
London
E14 4PU

Nigel Bessant
Scottish and Southern Electricity Networks
No1 Forbury Place
43 Forbury Road
Reading
RG1 3JH

20th September 2024

Dear Jeff,

SSEN Distribution response to the Consultation on Governance of the Data Sharing Infrastructure (DSI)

1. SSEN Distribution welcomes the opportunity to respond to Ofgem's consultation on governance of the data sharing infrastructure. This response is on behalf of Scottish and Southern Electricity Networks' two distribution licence holders: Scottish Hydro Electric Power Distribution plc and Southern Electric Power Distribution plc.
2. SSEN Distribution are committed to understanding what we can do to best engage with Open Data. This includes considering factors such as Data Sharing Use Cases, Technology Requirements, Data Flows, Critical Roles and Stakeholders, as well as our data platforms, data assets, and key barriers to engagement. Our Data Portal is a single point of access to the data Scottish and Southern Electricity Networks publishes. This catalogue of data will bring visibility to our network assets, their location, their usage, and their performance.
3. The key points of our response are included in this cover letter. Detailed responses to the questions set out in the consultation are provided in Appendix 1, and we are happy to engage further on these topics.

We support the direction of travel in the consultation

4. Data Sharing is a key part of our day-to-day activities, and we see real benefit in the implementation of the DSI, enabled by these governance proposals. This will allow more standardised, automated and trusted data sharing across the sector. This in turn is a key component of effective system planning and operation to enable Net Zero.
5. The governance arrangements proposed in the consultation, including funding arrangements, role allocation, initial accountabilities and deliverables are generally fit for purpose. We propose some changes of focus and highlight some needs to be addressed beyond the initial DSI stages, recognising the need to be practical about the timeline.
6. The DSI must be more than a technology deployment; the controls, the legal frameworks, the licences, and agreements required for effective data sharing can be much harder and more time consuming to implement. We particularly emphasise the need to begin developing trust frameworks as soon as possible, as we have found these to be effective, but also requiring time for stakeholders to become familiar and comfortable with them.
7. The enduring governance model should see several additional roles, deliverables and performance metrics; key to the enduring success of the DSI is demonstrating value and we have made suggestions of what stakeholders may want to see from both the infrastructure and the coordinator.
8. SSEN Distribution is pleased to be supporting the early pilot of DSI, and going forward will support the DSI coordinator in delivering this key initiative. Building on the significant learning that the industry has already developed, we believe this collaborative approach will best deliver effective data sharing that works for all stakeholders.

Yours sincerely,

Nigel Bessant

Head of Network Operations, SSEN Distribution

Appendix 1- Question responses

Q1. Do you see potential uses for the DSI within your day-to-day operation in the energy sector?

Yes we do. Data Sharing is part of the day-to-day operation of the energy sector, and we currently share data on a daily basis through a variety of mediums, including our data portal, business to business email exchange, and through secure access sharepoints. The DSI would not only allow us to share this data in a more secure and efficient way, but to also improve the way we access and use third party data.

The DSI introduces levels of automation in the Data Sharing Process and this would allow access, process and use in similarly automated ways.

This will also allow us to introduce levels of governance control across the energy sector, through data classification, data licensing, and data sharing agreements that the Ofgem data best practice principles strive to achieve.

The alternative is a fragmented set of bilateral exchanges which cannot be easily scaled or adjusted to fit new and emerging requirements.

Q2. Do you have any comments on the funding mentioned within this section?

We agree with the funding methods proposed for the ESO within this section however we note it is not as clear for other parties.

SSEN Distribution is pleased to be supporting the early pilot of DSI through the Virtual Energy System and are doing so from within our ED2 allowances. We do not know at this stage, but it is possible that future efficient development may require investments beyond this. It is implicit, though not clear, that additional funding would be enabled through Ofgem's digitalisation uncertainty mechanism or other similar route. Clarity on this aspect would be very welcome.

We agree that ESO funding through avenues like the Strategic Innovation Fund drive innovation and cross sector support and expertise. This can help reduce the risk of regret spend from wider stakeholders if there are any issues in the implementation of the pilot phase.

Q3. Do you have any comments on the timeline shown?

It is crucial we look at the governance structures around data sharing and the trust frameworks as soon as possible. While the technology to share data between companies exists today, it is often the controls, the legal frameworks, the licences, and agreements that can be much harder and more time consuming to implement.

Our work with partners, such as IceBreaker One, confirms that trust frameworks are an effective solution for control and governance – however we are aware that there has not yet been an operationally scaled example of this in the UK energy sector. Sufficient time should be allowed to develop agreement across all actors and build the baseline level of knowledge and understanding required by key stakeholders within the organisations, including data, security, and business stakeholders.

Q4. Do you agree with our short-term governance structure model where the Interim DSI Coordinator is responsible for leading the short-term governance (2024 – 2028) of the DSI?

We agree that this is a sensible approach with earlier focus given to the environment in which data sharing is already actively taking place; i.e. data is already being prepared and shared. This should reduce the time to agree any new data sharing agreements but also reduces the risks with sharing data outside of the networks sector, whilst building a knowledge base to support longer term governance.

Q5. If not, state your reasons and propose an alternative governance model or improvements to our proposed solution.

N/A

Q6. Are there any additional governance roles that are not covered by the proposed governance model? If so, what are these?

There is potentially a need for a funding support role that can support NESO and partners through appropriate mechanisms such as SIF; as well as an explicit role addressing any concerns raised by any of the partners and actors within the system.

Q7. Do you agree with the responsibilities of the interim DSI Coordinator? Are there any additional responsibilities that it should undertake?

We agree with the roles of the interim DSI Coordinator; however feel there may be some further responsibilities needed across the governance model as the programme matures. These include:

1. Conflict Resolution and Mediation concerning data access, privacy, or technical interoperability disputes. There can be conflicting points of view with templates, architecture, classification and controls as different parties start to share data.
2. Stakeholder Communication and Outreach to ensure all stakeholders are informed and involved in the ongoing development of the DSI, including organisation of webinars, workshops and other communication.
3. Data Quality Assurance and Oversight; while data providers are responsible for providing accurate data, there should be a mechanism for verifying and maintaining data quality consistently.
4. Risk Management and Contingency Planning to identify potential risks around cyber security, data breaches, system failures and their mitigation strategies.
5. Performance Monitoring and Reporting, including metrics like data usages, uptime, and user satisfaction. This can identify if the DSI is meeting objectives, or where improvements may be needed.

Q8. Do the proposed deliverables reflect the outputs that the Interim DSI Coordinator should focus on in the initial DSI stages? Do you suggest any additional deliverables?

On the initial DSI stages yes; however, as the stages mature, we would like to see;

1. Conflict Resolution Framework
2. Data Quality and Integrity Audits
3. Stakeholder Engagement Plans
4. Performance Metrics

Q9. Do you agree with us that the System Operator is the best option as the interim DSI Coordinator? If no, explain your reasons and justify your proposed option.

Yes

Q10. What assessment criteria do you foresee being required when transitioning from short-term governance to an enduring governance model?

1. Effectiveness of decision making, coordination and management of the DSI,
 - Including the definition and execution of roles and responsibilities
2. Stakeholder Engagement and Satisfaction,
 - Including the identification of any gaps in stakeholder involvement
3. Compliancy with the Regulatory and Legal requirements,
 - Including adherence to Data Best Practice Guidance
4. Effectiveness of cyber security and data privacy
5. Flexibility and Adaptability
 - How well does the model adapt to the evolving energy sector challenges?
6. Interoperability and Standards
 - How well has the framework driven consistent data standards across all stakeholders
 - Are there any interoperability issues, and how have these been addressed
 - The degree to which DSI has helped accelerate interoperability and standardisation

Q11. What suggestions or feedback do you have for refining these governance assessment criteria to better meet the requirements and challenges of digitalisation in the energy sector?

We would recommend defining the data sharing governance process earlier in order to address the difficult task of interoperability and standardisation. This includes:

1. The licensing of data
2. The legal frameworks and classification requirements from within each actor of the DSI
3. How this is sourced in agreement from all actors and not just one
4. How each actor engages with and adopts the trust framework within the Data Sharing Infrastructure