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By Email Only

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Dear Linsay,

OVO response to Ofgem's Consumer Consent Solution Consultation

Thank you for the opportunity to respond to this consultation. OVO is broadly supportive of a trusted source for consumers to engage with and control their consent to sharing their data safely.

However, we have concerns in terms of the timeline and decision steps given the number of outstanding elements we have identified as not being fully answered at this stage. We firmly believe that further work is required to develop the proposals for a consent solution ahead of being awarded by Ofgem to a preferred delivery body. Key points related to this includes:

- **It is critical that a full cost benefits analysis with detailed assessments is undertaken** before proceeding with any solution development, to clearly understand the level of demand for the services and to ensure that there will be a high uptake from the outset. The consent solution needs to be efficient and ensure costs are minimised to end consumers, as well as being flexible to support future proposals - as indicated in the consultation.
- **Technical elements and use cases need to be expanded upon** to ensure that the relevant scenarios and usage will cover key customer processes and deliver against the design principles.
- **Funding of the proposed consent solution must be fairly distributed**, including any upfront costs to establish this solution ahead of it being operational for transactions. Within the consultation, references to the funding models of the current delivery body candidates suggests that the initial start up costs would result in a specific set of licensees having to take that burden, in turn leading to consumers bearing further costs.

Our detailed responses to the consultation questions are provided in Appendix A. Should you have any questions please contact policy@ovoenergy.com.

Kind regards,

Samantha Cannons
Regulation Manager, OVO

Appendix A: OVO responses to consultation questions

Vision for the consent solution

Question 1: Do you agree with the proposed Design Principles? Would you recommend any additional Design Principles?

As set out in our response to the Call for Input: Data Sharing in a Digital Future, OVO is broadly supportive of a trusted source for consumers to engage with and control their consent to sharing their data safely. A consumer consent system will help support the objective of further innovation with energy flexibility propositions and services to benefit consumers and the wider energy system.

Within the existing energy system, there is a significant volume of 3rd Party data access requests via Smart DCC. In addition, the complexity of the data system will increase with the implementation of Market-wide Half Hourly Settlement, and Elexon's smart meter data repository. Therefore this workstream and future digitalisation workstreams must ensure that any potential solution is flexible, scalable and agile to ensure it can adapt to evolving market conditions.

Given this environment, we remain concerned that there are outstanding elements that have not been adequately addressed in this consultation, ahead of the selection of a Delivery Body. We continue to call for further information on the following points:

- We note that several of the impact assessments are historical, and took place prior to recent inflation rises. Therefore it is critical that a full cost benefits analysis with detailed assessments is undertaken before proceeding with any solution development, to clearly understand the level of demand for the services and to ensure that there will be a high uptake from the outset.
- There are commercial concerns on the funding and cost recovery for this data sharing infrastructure and consumer consent platform. Costs should be reflective of user activity and not dependent on funding by a specific set of energy market actors, the burden needs to be shared fairly amongst all users. This links into the point above regarding the CBA and level of demand within the energy sector, to ensure this service will have a high uptake and be beneficial to customers and cost effective from the outset.
- Currently, there are different data consents required for the Smart Data Access and Privacy Framework and those introduced for the Settlement New Data Access Framework. This results in complex processes for suppliers, and does not lend itself to providing a clear, simple message to consumers, indicating that the principle of 'simple and friction less' will be difficult to achieve in the design.

Essential Functions for the Solution

Question 2: Do you have a preference between the centralised, decentralised or hybrid models? Please elaborate.

OVO views that a decentralised model would likely deliver reduced complexity, lower costs and be able to achieve a minimum viable product in shorter timescales. However, it was unclear in the consultation on the differences between a decentralised and hybrid model. Therefore further clarification and information is needed before we would be able to provide any preference.

Access Control

Question 3: Do you consider the security measures referenced in this section, including the access control measures, will meet the requirements of a consent solution holding consumer data? Which additional protections would you recommend?

We consider that the requirements of a consent solution still have areas that need to be expanded upon, as noted in earlier engagement. These include:

- Coverage of relevant industry processes that can result in changes being required, for example Change of Supplier or Change of Tenancy. With specific scenarios to cover multiple occupancy in properties and Landlord properties, setting out who can provide consent and access the data.
- How quickly consumer requests will be applied for initial consents, changes or revocations, audit trails and when associated access, or revocation to data, by parties will be applied.
- Compliance and Assurance: processes required to ensure the integrity and protection of sensitive consumer data.
- Establishing and populating a baseline within the platform of existing consumer consents that have already been provided to parties.
- Setting out how third party intermediaries would work, where organisations operate on behalf of other parties to provide a managed service.
- Administration and Service Management activities and the Service Levels associated with these functions.

Accessibility

Question 4: Do you consider these standards are sufficient parameters to ensure inclusivity, accessibility and interoperability for the consent solution? Which standards would you recommend?

OVO continues to have concerns that the consent solutions proposed may not be able to reach a significant proportion of consumers required in the short- to mid-term. This is based

on our extensive experience in engaging with customers on the smart meter rollout, and the resulting take up on data consents. Therefore, any cost-benefit assessment must be informed by comparable sector programmes such as the smart meter rollout.

Ofgem will also need to consider current consumer engagement with digital infrastructure, the reasons for barriers that inhibit take up, and to ensure that the approach is equitable to all cohorts of consumers. It must also align with the messaging for future workstreams, and associated Government initiatives, that set out the overarching journey to net zero and the steps that will be required by consumers along the way.

Implementation of the Consumer Consent Solution

Question 5: Do you agree with the options assessment conducted by Ofgem? If not, why?

We note the rationale and assessment criteria set out in the consultation. However, we believe that the options assessment should have indicative costs included within this assessment, noting that this would currently be constrained by an incomplete definition of the consent solution proposal.

Question 6: Do you agree with Ofgem's minded-to position that RECCo should be selected as the Delivery body for the consent solution? If not, which of the three proposed organisations should be selected as the Delivery Body for the consent solution, and why?

OVO does not currently have a strong view on the organisation that should be selected as the Delivery Body. However, the points referenced in our response to questions 1 and 3 must be resolved ahead of any selection.

We strongly recommend that there should be a formal decision point by Ofgem as part of the Cost Benefit Analysis that includes a fully costed solution and ongoing service costs, ahead of proceeding with any development.

Question 7: Do you hold any views as to how the proposed solution should be funded? Please consider the points regarding fairness raised in paragraphs 4.12–4.14 and Ofgem's duty to consumers when providing your answer.

The proposed solution should be funded centrally to ensure fairness on splitting costs across all users, and to minimise the burden on a specific set of market actors as has been faced with other industry funded initiatives.

Landscape – Current and Future

Question 8: Do you agree with our position to make sharing consent data with consumers (via the consent solution) an obligation for licensees?

OVO has already taken steps to ensure that our customers have access to the consents they have provided. Therefore we consider that obligating licensees to duplicate the record

of their consent via the consent solution will increase costs for customers and could result in confusion and an increase in queries.

Question 9: Do you consider SLC 0 an appropriate route for implementing these changes, or should Ofgem create a bespoke licence condition?

We consider that utilising an existing licence condition would be more effective based on the rationale provided in the consultation, however this would be dependent on assessment of the final proposed consent solution and any associated obligations.