**Consumer Consent Consultation Response – Energy Technology Group**

**Energy Technology Group Introduction**

The Energy Technology Group (ETG) consist of Low Carbon Technology focussed businesses developing solutions for consumers across EV charging, Heat Pump, Home Energy Management and Domestic Flexibility markets. We exist to **promote the interests** of distributed LCT companies across industry and Government through an informal **forum** where members address shared policy and regulatory challenges.

As fast-growing innovators in the energy sector, we are delivering the technology that unlocks the flexibility required by the system, aggregating this capability, engaging with the end consumer and shaping the system's needs around customers' preferences. As we are linked to those assets that customers value – EVs, heat technologies, PV assets – we have a unique and different relationship and connection with customers and our technology is what delivers the “smartness” in the system. In addition, and as importantly we are the fixed asset with the connection to the customer for the long-term whichever energy supplier they chose.

With millions of engaged consumers using ETG products and services in the UK and Europe, our innovative businesses are delivering new business models and consumer centric, digitalised ESA and DSR solutions that are more impactful than the traditional supplier-centric views of energy system customer relationships.

**Context**

Overall, ETG members support the principles detailed in the Ofgem consultation as providing a simple Customer Consent Solution for sharing energy data will remove some of the barriers for Energy Smart Appliance Manufacturers, Operators and Flexibility Service Providers to develop their propositions and ensure consumers have choice in both Implicit and Explicit Flexibility Services in the future.

In summary, some of the key points for Ofgem to consider in refining their proposals include:-

* **The Customer Journey:**  We are keen to urge policy and regulation to be totally customer centric. Consumers purchasing an ESA, whether an EV Charging Point, a Heatpump or Solar PV and Battery will undertake a customer journey that is very different to the traditional process of switching energy supplier. ETG recommend these different journeys are understood, and how customers will provide consent for their ESA to be used in Flexibility Services and how this will differ from providing consent to share their energy data.
* **Energy Industry Focus:**  Regulation needs to reflect the customer needs and desires and we are concerned about the choice of delivery partners. Electralink, RECCo and Smart DCC are not customer focussed entities, will struggle to develop consumer focused solutions and risk designing a solution which works for the ‘industry’, but delivers a less than satisfactory UX for the end user.
* **Architecture Alignment:**  Ofgem needs to consider alignment of architecture across both Asset Registration and Customer Consent databases between:-
  + The asset database – at premise level, relatively static, but needs to consider asset replacement / upgrades. This will capture consent for the asset to be used in Flexibility Markets
  + The consent database – at customer level, relatively static, but needs to account for housemoves / change of tenancies/ change of customer preferences. This will capture the consent to share energy data amongst registered 3rd parties.
* **Consultation Processes:**  Ofgem / DESNZ should consider aligning ‘working groups’ / further input, as the ETG members don’t have the resources large energy suppliers, which risks bias of future thinking and solution delivery.

**ETG Responses**

Q1. Do you agree with the proposed Design Principles? Would you recommend any additional Design Principles?

Yes, ETG agree that the capture of consumer consent must be as simple and as low friction as possible. Energy Suppliers have a distinct competitive advantage versus ESA manufacturers / operators, as they already possess metering and tariff data for that consumer. Ofgem therefore needs to ensure that any consent solution doesn’t provide additional friction for consumers wishing to enter their ESA assets into flexibility markets via aggregators and FSP’s which are not suppliers.

If we are to build an open, competitive, innovative flexibility market, the Delivery Body must build an MVP which addresses the needs of all players in the market, not just that of the energy supplier, therefore enabling millions of ESA devices to access these markets, (which have been registered via Ofgem’s proposed Flexibility Market Asset Register.

This Customer Consent solution must therefore be aligned with the Flexibility Market Asset Register, ensuring that data is accurately held across both databases.

Q2. Do you have a preference between the centralised, decentralised or hybrid models? Please elaborate.

The market for domestic flexibility as at a very early stage of maturity with innovative providers developing new use cases, routes to market, service delivery and consumer propositions. To encourage the development of these new markets, an agile, flexible consent solution is required, which can adapt as the market develops.

ETG believe that a centralised structure is less likely to respond to market needs in a timely fashion, likely to be driven by legacy thinking and expensive to implement. Therefore, a decentralised or hybrid approach is favoured. Given that Ofgem are proposing a common Flexibility Market Asset Registration database, it would seem prudent to ensure both approaches adopt a similar model.

Clarity is therefore required, ensuring one version of the truth aligning across both asset registers and consumer consent to share their data with a consistent unique identifier across both databases.

Q3. 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?

ETG agree that all Flexibility Providers alongside the Delivery Bodies for Customer Consent and Asset Registration have a clear commitment to data security and are able to evidence recent accreditation to a security standard such as ISO 27001. This should then lead to a register of authorised providers.

Q4. Do you consider these standards are sufficient parameters to ensure inclusivity, accessibility and interoperability for the consent solution? Which standards would you recommend?

ETG considers the Web Content Accessibility Guidelines sufficient for the consent solution.

Q5. Do you agree with the options assessment conducted by Ofgem? If not, why?

It is concerning that all three proposed Delivery bodies are existing ‘industry focused’ entities with little experience of delivering simple, engaging customer experiences. In addition, none of the assessment criteria; Implementation and Governance, Independence, Operational Capabilities, Engagement consider the end consumer.

Given that customer consent is key to delivering the much-needed flexibility in the future, this is a significant oversight, and ETG would urge Ofgem to consider other Consumer Focused organisations that have prior experience of managing customer data alongside these industry incumbents.

Q6. 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?

In the absence of any other Consumer Focused organisation, ETG would support the recommendation based upon the criteria presented.

Q7. 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.

Innovators, start-ups and scale ups, need to be encouraged to invest in developing consumer centric flexibility propositions without additional burdens of having to fund the set-up costs of this Consent Database.

Given that RECCo is expecting to fund any work on Consumer Consent from its existing contingency and / or change allowances, this would avoid unbudgeted development costs being passed onto ESA Operators.

Q8. Do you agree with our position to make sharing consent data with consumers (via the consent solution) an obligation for licensees?

Yes, removing barriers to accessing customer data will enable ESA Operators and Flexibility Service Providers to create tailored consumer propositions, build engagement and trust and encourage healthy competition in the future flexibility markets.

Q9. Do you consider SLC 0 an appropriate route for implementing these changes, or should Ofgem create a bespoke licence condition?

No comment.

**Summary**

The Energy Technology Group represent a group of innovative, digital, technology focussed businesses that have the potential to address many of the challenges being faced by Ofgem as we look for solutions to delivering our net zero objectives.

We look forward to further engaging with this process to develop proportionate, customer focussed proposals which support the delivery of enabling consumer confidence in ESA’s and DSR, reducing system costs for all consumers and delivering benefits to all consumers with an ESA device from the emerging markets for flexibility.