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4 October 2024

Dear Linsay

Consumer Consent Solution Consultation

BUUK Infrastructure (BUUK) welcomes the opportunity to respond to this consultation regarding implementing a new Consumer Consent Solution in the energy sector.

Overview of our business

BUUK invests in energy and utility networks for new developments. We started with ownership of regulated gas networks and have gradually expanded our portfolio into other utility sectors including electricity, fibre, water, and heat. We are ready to invest in solutions to support the transition to net zero and apply our experience of delivering utility infrastructure. We believe that our credentials mean we are well-placed to do this and include:

- We are the market leader in delivering utility networks for house builders and new developments via our construction business.
- We make c3,000 connections to new homes each week.
- We own 30,000 discrete utility networks, providing over 2.3 million utility connections across six utilities: heat, gas, electricity, fibre, water, and wastewater.
- We are an active investor in the district heating sector via our Metropolitan business.
- Our Passiv business provides innovative control system solutions for heat pump manufacturers that optimise their efficiency and reduce costs for consumers.
- Our Levelise business provides flexibility solutions for customers helping them achieve financial benefits from optimising their low carbon technology solutions.

Our business success has been driven by regulatory frameworks that encourage new entrants, provide certainty for investment and nurtures innovation.

Summary of BUUK views

As a provider of electricity, gas and heat distribution networks, as well as residential electricity flexibility services, we are interested in the potential long-term benefits that this new service might offer for us and the customers that we serve.

We support the choice of the REC as the preferred delivery body for this service. It will soon become a licenced energy code manager and will have clear regulatory oversight by Ofgem. It has a track record of delivering services to the energy sector and engaging with a

multitude of stakeholders involved with the energy retail sector. It is therefore a logical choice for the delivery entity for the proposed new service.

The new solution is similar to existing services, such as Open Banking or GOV.UK, but will have a number of key differences. Notably it will need to be designed to cater for all properties in Great Britain from the outset, rather being able to be scaled as services expand which is the approach other comparable services have taken.

Serving static properties connected to the energy network will also create additional complexities in linking these with the relevant individuals who will provide consent for the sharing of data.

These challenges should all be possible to overcome but will require new solutions and approaches compared to the other example services that were described in the consultation.

The most significant challenge for REC will be in educating consumers as to the solutions purpose. It will only be a success if people have trust in the service and want to engage and use it. This will require a public education exercise which is something that the REC does not have experience of. This may be a challenge and potentially incur significant cost and time to the project's delivery. It would be good to have early clarity from RECCo on how they propose to address this issue and mitigate the risk it presents to the successful delivery of the solution.

We understand the logic in developing a Minimum Viable Product (MVP) first and focusing on the sharing of energy consumption data. We do however see the long-term value in this service in providing a better mechanism for sharing data in a number of other areas of the energy market, including Priority Service Register (PSR) data and in respect of Energy Smart Appliances (ESA).

Understanding how the service will evolve and how stakeholders other than energy suppliers will be involved in its evolution would be good to get further clarity on. Setting out the future roadmap for the solution should be a priority in the REC's early engagement with stakeholders.

Alex Travell
Head of Regulation

Responses to consultation questions:

1. Do you agree with these Design Principles?

Yes, we agree with the proposed design principles. We understand the logic for first developing an MPV and for this to be the sharing of half hourly consumption data. This is probably the most controversial piece of energy data from a data privacy perspective. It has created significant debate over the past decade as to how widely this can be shared and what controls should be in place. Developing a solution for this will ensure that the benefits of smart metering and the current Market Wide Half Hourly Settlement programme can be realised.

The other use case and data items for sharing, especially ESA, are more relevant for our organisation and our interest in providing flexibility services and electricity network provision. Understanding when the solution will be available for other purposes, beyond half hourly consumption data, should be a priority for REC and Ofgem and determine and communicate.

Although we agree with the design principles as articulated in the consultation there were several references to potential future additional requirements on data providers and accredited users. Early understanding of what these might be is essential to ensure that we can build these into our IT systems in an efficient manner. This will allow us to implement changes at a lower cost and ensure that unnecessary delays in providing a service in the future are avoided.

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

No, we recognise the pros and cons of the differing options. We would anticipate that the delivery body will assess these in more detail and present a sufficiently well researched proposal to industry for agreement.

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?

No comment

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

Potentially, the consultation referenced technical guidelines that should be used and the role for the delivery body in governing access to the service.

We interpret this to suggest that access to the service will be included in the REC industry code, in a similar way to how the existing Energy Enquiry Services is managed. This has proved itself to be robust and able to manage non-licensed entities access to energy industry data and systems. We therefore have no concerns about the REC being fit for purpose in being the regulatory governance arrangement for the consumer consent service.

The technical standards referenced in the consultation also seem reasonable candidates to consider using but we would expect the delivery body to present these with more detail and justification for their use.

5. Do you agree with the options assessment conducted by Ofgem?

It was not entirely clear from the consultation as to why only the three organisations presented had been chosen to assess their potential to provide the service.

Having said that we agreed with Ofgem's assessment that the REC would be best out of the three organisations to deliver the customer consent solution. It has a robust governance framework with the REC industry code already in place, a track record of delivering industry IT solutions, is likely to become a licenced organisation in the near future and has experience of working with a broad range of industry stakeholders.

6. Do you agree with Ofgem's minded-to position that RECCo should be selected as the Delivery Body for the consent solution?

Yes, for the reasons articulated in our response to question 5 we believe that the REC is the best placed organisation, from the three assessed, to provide the consumer consent service.

One aspect of the solution that the REC has no experience of to date is in direct interaction with consumers. It has deliberately avoided this and instead provides services to various energy sector parties who currently have the interaction with consumers.

This new service alters this business model and the REC will need to consider how it addresses this challenge. There are several examples of how consumer engagement with a new industry service has been tackled in the past from a variety of different sectors. Each provides useful insight but the proposed new service is slightly different to all these and therefore will present its own unique challenges for REC.

It is important that this is addressed as consumer awareness and acceptance will probably be the most challenging aspect of the implementation of the new energy consumer consent service.

7. Do you hold any views as to how the proposed solution should be funded?

The REC's current funding model is sufficiently robust for it to be used for this new service.

Initial set up and implementation costs can be funded by energy suppliers under the existing mechanism for the recovery of core REC costs. This would enable these costs to be equitably spread across all energy consumers who ultimately are likely to benefit from the new service.

Ongoing operational costs of the service can then be recovered via some form of user pays mechanism. The exact nature of this can be developed over time when it becomes clearer as to how the service will be used and by which parties.

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

Inclusion of obligations around the service could be included within the REC rather than the supply licences.

This would future proof the regulations to a broadening of the service beyond the MVP to include activities that would be relevant to network operators and other future licenced entities, such as flexibility service providers.

Compliance with the REC is an existing supply licence obligation and therefore this approach would have the same level of enforcement protection as creating yet another clause in the supply licence.

Inclusion within the industry code also allows the REC's existing performance assurance function to monitor compliance and allow Ofgem's resources to be used elsewhere in a more efficient manner.

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

No, our answer to the previous question sets out our preference for regulation on this to be included within the REC industry code and not directly in the licence.