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Dear Linsay,

Electricity North West response to Ofgem Consumer Consent Solution consultation

We appreciate the opportunity to provide feedback on the Consumer Consent consultation. Below is a summary of our responses to the consultation questions.

Whilst we strongly support and recognise the benefits a consumer consent solution will provide; we have mixed views about the proposed delivery structure and the assessment of a suitable Delivery Body.

The proposed design principles are a good starting point, and we agree with the applicability of the standards highlighted. However, we believe the consultation omits clearly defined governance on deliverables and how the Delivery Body will be held to account in engaging with stakeholders and its decision-making processes.

We disagree with the minded-to position of appointing RECCo as the sole Delivery Body as we believe there are inconsistencies in the assessment and creates a potential conflict in balancing the needs of current and future stakeholders.

Furthermore, there will be benefits if the approach to delivery is more cooperative with existing organisations which already have the capabilities and the technology that could contribute towards building the solution. It is not clear in the consultation if the use of existing solutions has been fully considered to implement a consumer consent solution more quickly than developing a new solution from scratch. As an alternative to the single appointment, we propose a collaborative approach, such as a joint venture, utilising and leveraging the existing capabilities across the industry for technical development, enabling accountability to focus on facilitation and overall success of the solution.

Should you have any queries or wish to discuss any of our points further then do not hesitate to contact us.

Yours sincerely



Hannah Sharratt
Customer & Connections Regulation Manager

Annex 1: responses to consultation questions

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

We agree the Design Principles defined are appropriate to ensure the solution designed is suitable for both consumers and consent seekers. We agree with an iterative approach to design, producing and implementing a Minimal Viable Product in the first instance. An agile approach to development will enable users to participate in the development and result in an enhanced product. Use of industry standard protocols is sensible and will aid future expansion and use cases for the solution.

We note the solution should also be mindful of and explicitly cater for differing levels and types of consent, particularly in explaining where there are statutory access and uses and differing opt out / opt in choices for consumers.

For the solution to have the capability for cross-sector operation (sect 3.1) the design must include perspectives from across the sector. We agree with the prominence placed on the Delivery Body to actively engage with stakeholders, and that stakeholders should be involved in the decision process. We would welcome further clarification on how the Delivery Body would be held to account in considering the views of stakeholders, and if it is proposed that stakeholders would have direct influence on technical decisions, such as via a Technical Working Group and Approvals Board.

We have some concerns on the wide-ranging role of the Delivery Body. We believe this will create a concentration of power, and the potential for conflicts of interest in determining the technical solution and its use, as well as satisfying the requirement to market the solution to consumers to ensure trust and acceptance. Those most impacted by the technical design must be involved in its design to ensure the most feasible and efficient solution is developed.

We believe the separation of the technical and overall coordination, delivery and market readiness aspects of the role would produce a more focused and balanced approach to delivery. This favours a joint venture comprising a Delivery Body and a Technical Body, leveraging the capabilities of existing technologies and current developments. A Technical working group comprising of industry experts and key stakeholders across the sector and approval board chaired by the Technical Body would ensure that the solution design considers the needs of stakeholders, with the Delivery Body accountable and focused on facilitating and delivering the vision, ensuring market readiness and overall success of the solution.

Furthermore, we would welcome consideration and integration of the following live Smart Energy Code (SEC) Modification Proposals (MPs) and the Government smart meter central repository programme work during any design and setting of standards for a consent solution:

- [SECMP 219 'Accessing Consumption Data on behalf of SEC Parties'](#) - Ofgem sent back approval for this modification on the grounds that the solution did not take into account the impacts on DCC network traffic, the extent to which the current processes are insufficient and also how the safeguards for consumers provided by the existing process would be protected if this modification was implemented. A [report](#) published in July 2024, refers to the modification removing the need for customer consent for various consent models. We recommend Ofgem consider if the likely impact to the DCC network has been sufficiently evidenced and if a more beneficial approach to this modification might be the creation of a centralised repository of consumption data.
- [SECMP 169 'Managing SEC Obligations and the Consumer's Right to refuse a Smart Meter'](#) – some unintended consequences of this modification could be that it would enable smart meters to be fitted not to collect consumption data in a 'dumb' mode form

but without breaching SEC and Supply Licence conditions. Our response to the industry [RFI](#) (in August 2024) described how whilst we support the right of a small proportion of consumers to refuse a smart meter, we expressed our concerns that the proposal does not fully recognise how network operators use smart meter data and connectivity. Network Operators require a different set of data from Suppliers. ENWL and other Network Operators are exploring using the data to provide an enhanced level of service to customers unrelated to individual energy consumption, an aspect not considered in this modification. Network Operators need to be able to interact with all smart meters and be able to access data (e.g. Power Outage, Power Restoration and Voltage alerts) including those which have been flagged as restricted to safeguard consumers data privacy concerns.

- [Governments Smart Meter Energy Data Repository Programme](#) – we understand this is currently at [Phase 2](#) of the project and it is exploring the feasibility of creating a smart meter data repository which maintains user control of personal data.

We recommend Ofgem decisions on these SEC modifications and Government decisions on smart metering data repository programme are considered as part of package with the decision on the design and setting of standards for a consent solution.

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

We believe that the Minimum Viable Product (MVP) lends itself in the first instance to a centralized model with the potential to expand to a hybrid model.

The limitation of the MVP to the sharing of half hourly smart meter consumption data supports the use of existing data sharing platforms and should be coordinated with other data sharing developments. In addition, the impact of anticipated growth in data traffic on existing data sharing systems should be considered.

We believe the solution should capitalize on existing capabilities and current initiatives when delivering the MVP by following a centralized model. With the use of standard protocols, extending the model in future agile developments may allow for considering a hybrid model where suitable. However, care would be required to ensure that this does not introduce data quality and consistency issues, which could erode trust in the solution.

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?

We consider the security measures described will meet the requirements of a consent solution holding consumer data. We agree ISO 27001 is an appropriate framework for compliance and / or accreditation for the Delivery Body. We would also point towards the Security of Network & Information Systems (NIS) Regulations as relevant and applicable regulations.

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

We consider the standards described are sufficient to ensure inclusivity, accessibility and interoperability.

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

The four essential criteria used in the assessment are appropriate, however, we disagree with some of the assessments undertaken.

Implementation and governance

This criterion highlights the need for speed of delivery and stability of governance structures, which are both critical to the success of the solution. However, we believe the assessment of governance is inconsistently applied across RECCo and Electralink, both of whom have a similar status. Both Electralink and RECCo are not currently directly licensed entities but would be under the current proposal to introduce Code Manager Licences. As each would require an amendment to existing governance mechanisms; RECCo an amendment to the REC, and Electralink an amendment to the Distribution Licence, we believe the assessment should therefore merit equal weighting in this assessment criteria.

Independence

We agree that the consent solution should be provided by a suitably independent organisation within the energy sector, with the ability to balance the needs of stakeholders. Impartiality is also a critical element of the Delivery Body's level of independence to ensure there is no benefit or interest in the actual consent provided by consumers.

Operational capabilities

We agree that resources and expertise are key requirements for the Delivery Body to develop a viable solution that will satisfy the needs of both consumers and consent seekers and address the longer-term needs of the wider sector.

We would also recommend the Delivery Body is able to demonstrate incremental and agile delivery of an MVP and continuous development of the solution.

Engagement

Engagement is vital for the successful development of the solution, and in ensuring market readiness. The delivery body should be well placed to engage effectively with a broad range of stakeholders. Quality engagement is critical in ensuring the technical requirements for integration are well defined at the outset and does not inadvertently create barriers to participation.

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?

Based on the assessment criteria, we disagree that RECCo should be selected to act as the Delivery Body. The differentiator in the assessment RAG status occurs in the Implementation and Governance criteria, which contains the inconsistency described in Question 5. Were the assessment to be applied with equal merit in this regard, there would be little to differentiate between Electralink and RECCo. Therefore, we believe a more holistic assessment should be considered in identifying the Delivery Body.

We also believe this minded to position does not leverage the well-established existing technology and expertise, would raise concerns about independence and transparency, and pose challenges with engagement.

The requirement of the Delivery Body, in its current proposed form, is wide-ranging and there may be opportunity to utilise and leverage the capabilities across the three prospective organisations, potentially as a joint venture. We believe this may allow a separation of the role, enabling greater focus on both the technical solution, and the critical external engagement and policy development in order to build market readiness and uptake of the solution.

We believe this approach would be more suitable and effective, ensuring greater collaboration, engagement and transparency, and would better leverage existing technical expertise across the sector.

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.

The solution is intended to provide a standard, sector-wide solution for managing consumer consent. Therefore, it is vital that consumers are protected from excessive costs and consent seekers can participate without significant barriers to entry, ensuring an equitable and fair market exists to provide a service to consumers.

We believe flexibility in the funding approach is vital in allowing for phased investments as the solution develops. Flexibility enables the funding model to adapt as the solution and range of users grows from the MVP to future expanded user base. This aligns with the Open Banking approach described in the consultation (Sect 4.14).

We do not agree the development should be borne by existing users of other services, as described in the RECCo funding model, as we believe this is inequitable. Rather we prefer the greater oversight and governance of Smart DCC or the adaptable models of Electralink, both of which we believe would be suitable methods of funding the consumer consent solution in a fair and equitable manner that does not create barriers to new entrants.

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

We agree that suppliers are best placed to obtain and record sharing consent via the consent solution, and that this should be applied under the supplier’s license obligations.

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

We agree that SLC0 is an appropriate route for implementing these changes.