

By email
09 Oct 2024

Dear Linsay,

Ofgem Call for Input on Consumer Consent Solution

Arup welcome this call for input, it shows forward thinking and a desire to utilise digital technologies to encourage active participation from consumers in the energy sector. We wish to provide the following responses to the call for input:

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

We agree with these design principles and recommend the following additions to the definitions of the existing principles:

- **Interoperability:** While the considerations for other data sets are valid, we believe this should be aligned with broader national initiatives. Consumers could prefer a unified consent system, not one limited to the energy sector. Therefore, the question is how this solution can be made interoperable with consent management systems in other sectors such as health, water, transport, and finance.
- **Scalability:** The consideration for iterating through time-of-use tariff data and Energy Smart Appliance (ESA) data is positive. However, further consideration should be given to other consents related to the energy sector, such as consent to share asset information through Flexibility Markets Asset Register (FMAR) or the Data Sharing Infrastructure (DSI), or consent acquired by FSPs to manage assets in the flexibility marketplaces.

Lastly, a design principle for futureproofing should be considered. How can this solution be designed to accommodate an unknown future? Our energy system is evolving rapidly, and as new technologies emerge, the energy mix and associated digital technologies are likely to change further. Therefore, it is essential to ensure that the design and implementation of the solution are adaptable to future energy mixes and consumer behaviours.

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

We consider a hybrid model is ideal for addressing the complexities of creating a consumer consent solution underpinned by a trust framework.

The energy sector faces two main challenges: managing trust in business-to-business transactions and business-to-consumer transactions. To provide further context,

- Our work through the Digital Spine Feasibility Study identified the requirement of a trust framework for the DSI. It defined this trust framework as a system that provides the definition, implementation, and governance of the legal and identity frameworks, establishing the user's confidence, rights, and legality to share data between parties. This framework is underpinned by two key aspects: an identity mechanism and the consent granted through data sharing licenses or agreements. These agreements would be codified within the DSI to provide a scalable means of sharing data.

- Our work through the Flexibility Markets Unlocked (FMU) competition identified the requirements for consumer consent to share their asset information with FSPs and market platforms, and to manage their flexible-enabled assets. This defines the consumer consent granted in business-to-consumer transactions.

We consider a trust framework for the energy sector should consider both scenarios and their associated challenges. The hybrid model provides the flexibility to encompass both. Any solution must start by defining the commonalities and addressing the differences between these two scenarios to ensure a smooth user experience.

A key common requirement is data standards. Since these consents will be digital, common data standards are necessary to ensure any organisation capturing consent data does so in a uniform manner, allowing for interoperability and data aggregation. For example, FSPs, AAR, and OEMs collecting consent in a common format, and common data fields can enable a single dashboard for consumers to view and manage their consents.

For consumers identity frameworks, DSIT's work on self-sovereign digital identities should be considered for the identity frameworks. For businesses identity framework, FMU proposed evaluating different options for managing identities and is considering lessons from Open Banking to determine if OpenID could enable a decentralised identity framework for the energy sector.

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 access control measures outlined are essential for a consent solution holding consumer data. Additionally, further considerations should be given to data backups, bottlenecks associated with the delivery body verification process, and interactions of these verifications with delivery bodies for other digital initiatives or common digital assets.

For example, are verifications undertaken to join the DSI, market platforms, or FMAR applicable for the consumer consent solution? If so, what checks are required by the respective delivery body to ensure the processes do not increase the overhead on organisations seeking consent?

All proposals require a certain level of digital maturity and access to technology. In the ethos of being inclusive of all, alternative ways or support mechanism, to gain authorisation and access should be considered.

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

These standards are a good starting point, but naturally are likely not all-encompassing.

The delivery body will need to consider standards associated with identities, such as OAuth, and establish dedicated data standards for this solution.

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

No comment.

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?

No comment.

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.

No comment.

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

Yes.

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

No comment.

Yours sincerely

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