

4 October 2024

Dear Ofgem,

Please see below n3rgy data ltd's response to the Consumer Consent Solution consultations (published 9 August 2024).

Yours Sincerely,



Matt Roderick
Managing Director
n3rgy

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

In summary the design principles are reasonable but not complete, a key missing principle would be to maximise the accessibility and engagement of the service with as broad an audience as possible. To achieve this multiple dissemination channels via multiple customers facing organisations (not just energy ones) should be employed (not just the traditional or new energy industry businesses). This key principle is also considered in this response.

The proposed approach described within the consultation likely fail the design principles in several ways

- The suggestion of a single centralised “portal” via which the consumer can review and withdraw consent is a ‘one size fits all’ approach. A single portal can never satisfy all requirements from all consumers. Low friction for some consumers would be considered high friction for others. Good and engaging design principles will not be the same for all consumers considering all use cases for agreeing to share or control access to their data.
- Note should be taken here of the Smart Energy Code privacy framework and the various “DCC Other Users” that have worked for many years on methods to gather unambiguous consent as required by that code. Their experiences show that it is essential to find ways to make the consent management interactions integral part of the customer journey while interacting with the organisation wishing to access their data. Energy data is relevant not only for consumers to manage their energy bills, but for a broad range of purposes, from education,



social housing, elderly care to green finance, which are fundamental for the energy transition. Thus, enabling the consumer to understand the context and purpose of the consent given is a fundamental design principle.

- The creation of a potentially large, complex centralised service is something the energy sector has never achieved in a cost effective or time efficient way. The energy sector is not a sector known for their agility and flexibility introducing systems. The requirements of any centralised component to the solution must be minimised if there is any hope of achieving an economic or efficient implementation.

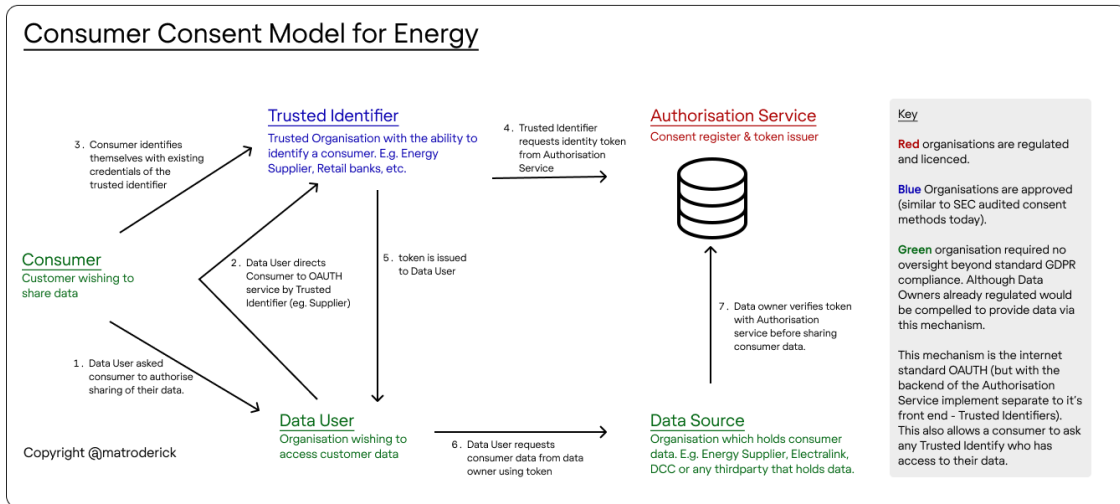
2. Do you have a preference between the centralised, decentralised or hybrid models? Please elaborate.

As described in the response to question 1, a centralised solution is not a viable mechanism from a consumer experience, consumer engagement, cost or time efficient perspective. A fully decentralised solution creates problems in the provision of a complete and consistent view to consumers with regards to which organisation have access to their data (and to what data).

It is critical to balance the need for a solution that encourages multiple means of consumer verification together with the widest possible distribution and availability of the service to be used by as many consumers as possible.

The diagram below describes a hybrid approach which would facilitate this goal while minimising the requirement (and cost) of the centralised component.

Furthermore, if considering the proposed additional design principle of 'accessibility and engagement' the below diagram provides the opportunity for multiple organisations to engage with their own customer base, in a style of their choosing with a broad level of consistency in the underlying technical and legal mechanisms.



Although there are similarities in between the approach described in the diagram and the Ofgem consultation, the diagram describes key additions which further engagement and participation by organisations and consumers.

Minimisation of Central System cost and complexity, this approach would require a simple technical implementation centrally accelerating implementation and reducing cost. The approach also enables any organisation to participate and present (in a design and UX of their choosing) consistent information to their consumers, authenticated in a manner which is familiar to that organisation's customers. No new credentials for consumers to remember and no requirement for an energy industry central system to engage consumers (something that it has never achieved previously).

Broad engagement with multiple trusted identity providers (Trusted Identifiers) would enable consumers to authenticate using credentials they are already familiar with and may already use on a day-to-day basis. This approach is already being considered by the SSES Tariff Interoperability Working Group (TIWG) sponsored by DESNZ. We strongly suggest Ofgem utilising some of the principles being developed by TIWG. Energy Suppliers could easily act as a Trusted Identifier (where consumers use their existing login details for the energy supplier portal) but this also opens up the possibility that other organisations (such as Retail banks) could also provide identity services to their customers as an alternative mechanism.

I strongly recommend that regulation is used sparingly, and engagement is primarily encouraged through simplicity, ubiquity and value. Most Data Sources are already regulated in some form and requirements can be placed on them to engage with this new system. Trusted Identifiers can be verified using mechanisms similar to those which already exist in the Smart Energy Code (section I).

Data Users must have extremely light verification processes such as the true identity of the organisation matches the identity presented to the customer. Any further verification or regulation is a duplication of the protections which already exist within general data protection regulation and would likely act as a barrier to entry for those organisations wishing to engage with energy data.

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?

Using the approach defined within this response, it is unlikely that PII would need to be processed by any centralised system or by organisations which do not already process PII. Therefore, the security measures and protections proposed are likely superfluous and would only add cost, complexity and barriers to the success of the service. Existing GDPR requirements are sufficient, we do not need another bespoke set of requirements for a specific industry which will only act as a disincentive and confuse new participants in the journey towards lower energy bills and carbon neutrality.

The proposed processes and verification in the consultation demonstrates theoretical principles and processes which, as with many other initiatives, can simply not be practically implemented. The design of these security mechanisms and measure must be performed by designers with implementation and operational experience. At present the design is, at best, naive and will (as a minimum) introduce a costly and complex mechanism for little actual value.

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

As previously stated, the proposed approach in the consultation adds complexity and barriers for consumer engagement, the central delivery body should have oversight of the delivery of the centralised technical components of the service and over the overall mechanisms and parties supporting the service. In the alternative approach described in this response, no delivery body should dictate the requirements of the User Experience (UX) or User Interface as there will not be a single service provided by a single entity.

However, it might be advisable that the central delivery body creates a reference implementation that can be reviewed and used by other organisations wishing to engage in the mechanism.

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

From the 3 selected, RECCO is the obvious choice. However, there are other organisations with significantly more experience and capability in the required areas that could and should have been shortlisted. Specifically within the context of consent management platforms, there are two DCC Other Users who dominate this market and have robust and mature consent platforms which could be utilised.

The issue with the shortlist is, although they have experience in processing consumer data, none of the shortlist have experience in consumer engagement.

However, the approach proposed in this response could be administered by RECCo.

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?

Yes, we agree with the selection of RECCo as the delivery administration body.

However, DCC would need to play a key role in the definition and provision of the centralised component of the service (especially if the proposed approach outlined within this response is adopted) as well as an effective funding vehicle. SECAS has significant experience in consumer consent frameworks and government and should support RECCo. Electralink would also play a key role as a data provider utilising information flowing through their DTS together with DCC Other Users (as defined within the Smart Energy Code).

It is recommended Ofgem also consider the work TWIG is performing.

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.

DCC already has an effective and efficient mechanism to fund data related programmes within the energy industry. This was also the mechanism used to fund the Central Switching Service. It would be reasonable to utilise this model for funding and especially if DCC was selected to provide the centralised component of the solution.

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

It would be appropriate for all consumer data access to be registered within the central system. This would significantly aid transparency with consumers and should include any and all use of consumer data, such as:

- Supplier billing and related activities
- Settlement



n3rgy ltd
e: contact@n3rgy.com

- Energy Theft detection
- Distribution Network planning

..plus, we're sure, many other purposes.

The energy industry historically has been a system which is difficult to comprehend by consumers for many years, this is an opportunity to drive transparency and control to the consumer and must not be wasted.

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

A bespoke licence condition is likely required.