



Making a positive difference
for energy consumers

To the National Energy System Operator
(NESO)

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Open Letter regarding Ofgem's expectations of the National Energy System Operator Limited (NESO) Interim Governance of the energy industry Data Sharing Infrastructure (DSI).

Dear NESO,

On 1 April 2025, Ofgem published a decision to our 2024 consultation, Governance of the Data Sharing Infrastructure¹ (DSI), regarding the interim governance of the DSI and appointing NESO as the Interim DSI Coordinator. This letter outlines Ofgem's expectations for NESO's role as the appointed Interim DSI Coordinator which is a role concerning the governance of the DSI. The role is expected to last until end-2028. Both the decision document and the prior consultation provide extensive information on the background to this programme of work and governance requirements.

As committed in the Government's response to the Digital Spine Feasibility Study², NESO will develop a Pilot and Minimum Viable Product (MVP) of the DSI. DESNZ, Ofgem, and NESO are keen that the governance and oversight of this development is done in a coordinated manner in collaboration with the energy sector.

In supporting continued DSI development and adoption, Ofgem have certain expectations that will be laid out in the following text. Ofgem is promoting these as expectations within this letter rather than as formal, binding conditions. Ofgem is publishing these expectations as guidance, recognising the unique work that NESO will undertake in this role. It is anticipated that Ofgem and NESO will work closely together to provide the governance and oversight of a reliable, high-value, DSI MVP. We expect this letter will help deliver on this aim.

¹[Governance of the Data Sharing Infrastructure | Ofgem](#)

² [Digitalising the energy system | The government's response to the digital spine feasibility study | DESNZ](#)

The work undertaken by NESO as the interim DSI coordinator will provide the skeleton of future work on a more enduring governance model. This enduring model will come into existence on expiration of the interim governance model at end-2028. There will be further communication, assessment and potential consultation from Ofgem through the interim period on the enduring governance model.

To fulfil our requirements for the Interim DSI Coordinator role, we expect the following from NESO:

Engagement and adoption:

- Significant and continuous engagement with industry, digitalisation technology providers and leaders, other utility sectors, international DSI providers (or equivalent services/technologies), the user community and the Stakeholder Advisory Group.
- Use engagement to promote the DSI, socialise use cases and benefits, exchange learnings, communicate decision-making, share progress, and gather feedback. Engagement should be done through open forums where possible.
- Coordinate the DSI design and implementation with wider digitalisation workstreams, including but not limited to Ofgem's Consumer Consent and Flexibility Digital Infrastructure programmes.
- Support DSI adoption through sector engagement and communications, upskilling, sharing knowledge and facilities and continuously improving DSI operational processes.
- Facilitate, coordinate and jointly agree representatives for the Stakeholder Advisory Group with Ofgem.
- Report regularly and openly on the status of stakeholder engagement plans, use case longlist, security assessment, knowledge base, technology assessment, and vision and strategy.

Technology and architecture:

- Own and maintain the technological development of the DSI and its future ability to support new or changing technologies, requirements, and use cases.
- Provide information on technologies/vendors being used for data sharing.
- Provide technical support to the DSI user community.
- Leverage DSI technology providers to offer technical support and assistance.
- Create modification/change control/patching procedures and operations.
- Establish a process for proposing requirements and additional functionality for the DSI.

Funding facilitation:

- Secure and allocate funding for DSI service provision and continuing development through appropriate mechanisms agreed by Ofgem.
- Monitor the need for funding smaller, innovative companies in connecting to the DSI for the mutual benefit of the industry and explore how support could be provided.

Funding management and disbursement:

- Own and manage the budget and finance for the DSI service provision and continuing development throughout the interim period.
- Disbursement of funds to support the works required to develop the DSI capabilities to support the requirements and functionality for the identified use cases.
- Appropriate financial assessment of the priority (Type 1 and 2) use cases, identifying any additional funding requirements to develop further DSI capabilities.
- Forecast funding requirements across the term of the interim period, appreciating any necessary conditions that may affect funding, and any funding-related issues that the user community may face in future.
- Report regularly to the interested parties during the MVP period on financial performance.

Data governance:

- Agree, implement, and test required data standards to ensure interoperability between users of the DSI, based on information and advice from the stakeholder advisory group.
- Create a continually updated, open (where possible) catalogue of the data assets available on the DSI.
- Promote within the user community the use of risk assessment of the data they intend to utilise on the DSI or any data they intend to process.
- Create guidelines and procedures around data sharing for users to follow based on Ofgem's Data Best Practice Guidance and advice from the Stakeholder Advisory Group.

Security:

- Seek advice and guidance from the National Cyber Security Centre (NCSC) to support the development of a robust and appropriate security framework for the DSI and should include consideration of:
 - User and privilege management: authentication, authorisation, access control and activity monitoring.
 - Cybersecurity: ensure DSI technology and components meet cybersecurity requirements, legal requirements, and the standards of the DSI.
 - Physical security: ensuring non-cyber security requirements are met, including physical, personnel and process security requirements.
 - Contingency planning in case of failure of all or part of the DSI.

Performance management:

- Define and agree with Ofgem the tools, parameters and systems for dynamic reporting of status and progress on DSI development and maintenance to Ofgem and the user community.

Programme management:

- Plan specific goals, required resources, timelines, and budget targets for the interim period.
- Oversee DSI components and connecting services.
- Use case process management and prioritisation.
- Manage and resolve any prioritisation concerns from the user community.
- Ensure decision making is done in an open, transparent, fair and inclusive manner, taking into consideration advice and feedback from the Stakeholder Advisory Group, Ofgem, and the user community.
- Ensure that all parties, users, stakeholders, suppliers, third parties and any other representatives are treated fairly in their dealings with Interim DSI Coordinator.
- Technical support such as patching, upgrades, and user support.
- Facilitate contractual arrangements between delivery bodies and technology vendors.
- Create an implementation plan for the transition from MVP (pre- and during 2028) to BAU (post-2028), which should be available for review and approved by Ofgem no later than 6 months before the agreed end of MVP period.

Outputs

- **Knowledge base:** a presumed-open collection of relevant learnings, including but not limited to topics such as:
 - Data standards and any equivalent accepted common working practices.
 - Technology assessment: an assessment of existing and emergent tools and technologies, informed by the stakeholder advisory group.
 - International and cross-sector examples of data sharing infrastructures, and associated limitations and duplications.
 - Technology impact assessments of future use cases for data users and data providers.

- Data mapping and catalogue, including definitions of data types and identifying where different types of data are exchanged between entities in the energy sector for proposed use cases.

The knowledge base should begin to be created as soon as possible during MVP development, and will be an ongoing and shared resource following this.

- **Vision and strategy:** an overall vision and strategy for the future of DSI in the energy sector that can be used to guide investment, decision making, requirement, and use case prioritisation. This will begin to be produced as soon as possible during MVP development and should be updated annually.
- **Security assessment:** a security and cybersecurity framework based on engagement and advice from government security services. This should be produced as soon as possible during MVP development and updated with mitigative steps annually.
- **Stakeholder engagement plan:** this should include a stakeholder map and regular, open forums for stakeholders and the user community, scheduled throughout the interim period. This should be produced as soon as possible during MVP development and updated quarterly.
- **Use case register:** a continually updated, presumed open register of existing and future use cases for the DSI, informed by the Stakeholder Advisory Group and through engagement with the community of users. This should be produced as soon as possible during MVP development and be updated on a continual basis.

The expectations listed above are consistent with the decision and expectations set out in full within our 1 April 2025 decision document and we would urge NESO to consider how these expectations can be met. We see the DSI project as a shared programme of work and have outlined our responsibilities within Appendix 3 of the decision document.

We would also encourage our interaction with the NESO on the make-up and formation of the Stakeholder Advisory Group and any other areas that they feel appropriate for the purposes of the DSI. We would also encourage and expect stakeholders to work constructively and always engage appropriately with the Interim DSI Coordinator.

Ofgem views the NESO role as Interim DSI Coordinator as essential in addressing the key industry challenges such as data accessibility, security, consumer trust, and interoperability. The DSI will support Ofgem and industry to create and benefit from a digitalised, data-driven energy sector. This will enable more efficient operation of the energy system, in support of the drive for both economic growth and consumer benefits from a net zero energy system.

Yours sincerely,



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