

Ofgem
Energy System Digitalisation
10 South Colonnade,
London.
E14 4PU
By email only

19th November 2025

Dear Digitalisation Team,

RE: Consumer Consent Solution Draft Impact Assessment

Thank you for the opportunity to respond to Ofgem's consultation on the draft Impact Assessment (IA) for the Consumer Consent Solution (CCS). DCC supports the principle of a secure, standardised consent mechanism as a critical enabler for flexibility markets and consumer empowerment. We recognise the difficult task at hand due to the evolving digitalisation landscape.

Our response addresses the four consultation questions; however, we believe certain aspects of the IA requires further clarification and refinement to avoid future integration and cost challenges. Including acknowledging existing capabilities offered by critical national infrastructure such as the DCC in privacy assurance and delivering benefits more efficiently. We have highlighted these areas in our response and remain at your disposal should you require additional support. In addition, we would like to underscore the importance of the following to ensure maximum benefits realisation:

1. Ensure interoperability and integration of the CCS with existing system and future market arrangements to avoid duplicative costs or fragmented governance.
2. Consumer trust and empowerment objectives depend on a well-designed consumer facing dashboard and awareness to increase uptake.
3. There must be a clear pathway to industry wide adoption, potentially including a mandate for all users or alignment of accreditation to prevent a two-tiered system and governance underlaps.
4. Given the solution is at an early stage of development conducting a further IA after the MMP and once cross sector initiatives mature would provide a more robust assessment.

DCC remains committed to supporting Ofgem's objectives for a digitalised, consumer-centric energy system. We look forward to continued collaboration to ensure the solution is interoperable, secure, and aligned with the wider digitalisation roadmap. For example, should DESNZ request

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that DCC proceeds with a SMEDR, we stand ready to work with RECCo to ensure alignment, including participation in the CCS MMP. We look forward to participating in the proposed Ofgem Webinar scheduled for the 26th November, where we hope the aggregate IA respondent views can be discussed.

Regards,

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Appendix 1 – Response to Consultation questions

Question 1

Do you agree that we have - to a reasonable degree - identified, understood, and described the potential costs and benefits of implementing the Consumer Consent Solution with RECCo Ltd delivering the Solution?

Yes

- We believe the IA reasonably includes the major areas of costs and benefits of implementing the CCS. However, further clarification in the following areas would avoid underestimating total industry expenditure, scope creep, and risks of future funding uncertainty.
- The IA states the analysis is based on the Minimum Marketable Product (MMP) scope. While we understand the need for a phased approach, the benefits case presented in the IA appears to assume future scalability beyond MMP without providing details of what is in the 5-year Enduring Service Delivery phase.
- The IA provides RECCo's delivery costs and indicative integration costs for Energy Suppliers, it does not explicitly include integration costs with critical national infrastructure, such as the DCC platform or authorised third parties. Integration with the DCC as Data Provider would require API development, security assurance aligned with SEC and the trust framework and potentially ongoing performance monitoring and compliance activities as well as associated design costs. These costs are material and should be reflected.
- We support Ofgem's emphasis on consumer engagement (Section 3.9–3.10). However, the IA does not allocate costs for consumer awareness campaigns which are essential for uptake. This could be funded through the CCS or a wider engagement campaign. Without these, the projected benefits may not materialise.

Recommendation:

- Ofgem should revise the IA to include indicative DCC integration costs and recognise these as part of the setup and enduring service delivery. This will ensure the Benefit-Cost Ratio (BCR) and Break-Even Point (BEP) calculations remain robust and avoid optimism bias.
- Ofgem should explicitly confirm what the benefits case is calculated solely on the MMP scope or explicitly call out the enduring service delivery scope (e.g., inclusion of non-domestic data or cross-sector expansion). Otherwise state enduring service delivery scope will be subject to separate consultation and cost-benefit analysis.
- Ofgem should identify how consumer engagement across the suite of digitisation initiatives should be funded. This will ensure adoption rates align with the assumptions underpinning the benefits case.

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- Ofgem should consider revisiting the IA once the MMP is completed or near completion and once other cross sector digitalisation initiatives such as MHHS has stimulated sufficient demand to test this solution at scale and across a wider set of consumer segments.

Question 2

Do you agree that we have - to a reasonable degree - identified, understood, and described the potential impacts of implementing the Consumer Consent Solution with RECCo Ltd delivering the Solution?

Broadly, yes, but with caveats.

- The IA correctly identifies consumer trust and uptake as critical sensitivities. However, it does not fully consider the implications of fragmented governance if integration with existing platforms is delayed or misaligned. Misalignment could undermine interoperability and consumer confidence, impacting uptake and benefits realisation.
- Consumer trust and empowerment is a key objective, but it is not explicitly stated in the IA when or by whom the consumer facing dashboard will be delivered. We believe the main benefits to consumers will be based on the post granting of consent experience through a direct consumer interface rather than the status quo of separate organisations providing this information.
- In addition to consumer trust and uptake, maximum benefit of the CCS requires industry wide and in time, cross-sectoral adoption to align with emerging initiatives such as Smart Data Schemes, otherwise CCS risks becoming an additional mechanism by which consent can be managed, further increasing complexity and reducing consumer empowerment.
- The CCS could create a 2-tier system whereby some organisations are mandated to use the solution and others are not. This could further exacerbate unintended governance underlaps and create privacy gaps between the trust framework and the SEC.
- Consequential regulatory changes, e.g. SEC, driven by the development of this solution may require further consideration, subject to the development pathway and any mandatory requirement for use of this solution.

Recommendation:

- Ofgem should define a clear strategy for industry wide adoption of the CCS including the option to mandate the solution for all users to create a level playing field and reduce complexity.
- Ofgem should incorporate a governance assurance plan that includes DCC as a strategic partner in the Trust Framework and detailed technical design. This will mitigate risks of siloed development and ensure alignment with other initiatives such as MHHS, Smart Data Schemes, and the Smart Meter Data Repository.

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Question 3

Are there, in your view, any unintended economic consequences of implementing the Consumer Consent Solution with RECCo Ltd delivering the Solution which we have not identified?

Yes.

- The IA does not account for potential duplication of investment if suppliers or third parties develop parallel consent mechanisms due to delays in integration or lack of clarity on interoperability standards.
- The IA also doesn't call out the negative impact on existing commercial consent service providers.
- The IA rightly identifies consumer trust and uptake as critical sensitivities (Section 2.61). However, the risk analysis does not fully consider the implications of fragmented governance if integration with existing platforms is delayed or underfunded. Misalignment could undermine interoperability and consumer confidence.
- The IA correctly highlights the cyber risk of a centralised access point but does not call out the cyber security risk of increased sharing of data in an increasingly digitalised energy system. Consumers sharing their data with more authorised third parties, will also increase their exposure to risk of data security breaches.
- The IA doesn't address the cost recovery or funding mechanism for the CCS over the long term which could result in higher costs for consumers and overall higher industry costs. This needs careful consideration acknowledging different actors have different mechanisms for how they recover costs.

Recommendation:

- Ofgem should incorporate a governance assurance plan that includes DCC as a strategic partner in the Trust Framework and technical design working groups. This will mitigate risks of siloed development and ensure alignment with other initiatives such as MHHS, Smart Data Schemes, and the Smart Meter Data Repository.

Question 4

Do you agree with our assumptions and proposed attribution rates for value accrued to the Consumer Consent Solution?

Yes, somewhat.

- We recognise the difficulty in identifying and quantifying the incremental benefits of the CCS and agree somewhat with the IA assumptions and proposed attributions. We would like to highlight the following points to help avoid overstating incremental benefits and optimism bias.

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- The IA rightly attributes enablement of flexibility markets and SSES through reduced friction and the weighting of values appears reasonable and conservative. We note however, the high levels of uncertainty with these areas and that outcomes rely on positive underlying assumptions about the wide scale adoption of the CCS.
- The intermediary market for smart meter data access is complex and may evolve very quickly through additional routes to access smart meter data (e.g. SMEDR / SDR). The impact of a CCS MMP that initially leverages this intermediary market as a route of access is challenging to predict in the long term.
- Incentives for service providers in the energy sector and outside the sector requires a level playing field for privacy governance, the decisions service providers make on how they obtain and manage consent will be challenging to predict.
- The IA attributes significant indirect benefits to smart meter rollout and MHHS to the CCS. These have higher certainty levels however; we note the IA does not include a timeline for benefits realisation to support determination of attribution rates and requires further clarity of delivery scope.

Recommendation:

- Ofgem should define a clear strategy for industry wide adoption of the CCS including the option to mandate the solution for all users to create a level playing field and reduce complexity.
- Ofgem could explore methodologies during the MMP to monitor CCS uptake in parallel with BAU.
- Ofgem should confirm scope and timelines for benefits realisation to avoid overstating incremental benefits of the Consumer Consent Solution. Benefits should be apportioned between existing infrastructure and new functionality to maintain analytical integrity.