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Charles Clarke
By email: digitalisaton@ofgem.gov

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Consumer Consent Solution Draft Impact Assessment

Dear Charles,

On behalf of the Smart Energy Code (SEC) Panel, and informed by discussion with the SEC Privacy Sub-Committee and a number of SEC Parties, I am pleased to submit this response to Ofgem's consultation on the draft Impact Assessment (IA) for the proposed Consumer Consent Solution (CCS), published on 30 October 2025.

The SEC Panel acknowledges Ofgem's intention to assess the potential impacts and costs associated with introducing the CCS. However, at this stage, the Panel does not consider that the IA provides sufficient clarity or supporting information to allow a full and confident assessment of the implications for the SEC framework and for SEC Parties. In particular, several stakeholders we have spoken to have highlighted difficulty in recognising the underlying problem statement the CCS is intended to address, making it challenging to understand how the proposed solution aligns with that intent. In addition, elements of related programmes—such as the Flexibility Market Asset Registration (FMAR), which is expected to utilise the CCS trust and consent framework, and the Tariff Interoperability Service (TIS), which is progressing its own approach due to timelines—are now developing along different trajectories. This fragmentation makes it harder to determine how the CCS will interact with, or impact, existing SEC processes and obligations, and therefore increases the need for greater clarity within the IA about the scope and expected role of the CCS.

The Panel would like to highlight the following key points:

1. Insufficient clarity to enable a confident assessment

The draft IA lacks sufficient clarity and definition to support a confident and comprehensive assessment of its conclusions. Certain terms and assumptions are used without clear explanation or definition, making it difficult to interpret key aspects of the analysis. For example, section 3.6 refers to "Savings" as though it were a defined term, but no such definition is provided. This type of ambiguity exemplifies a wider issue: the IA does not consistently set out the scope, methodology, or evidence behind its findings. Consequently, the Panel does not feel in a position to provide a fully informed view on the impact assessment at this stage.

There is also limited transparency over the counterfactual scenario used and the IA appears to assume that benefits would not otherwise materialise. The Panel is concerned that this may overstate the incremental value of the CCS, given that alternative mechanisms (such as the DCC Other User route) could continue to evolve.

2. Incomplete or unclear cost assessment – particularly regarding DCC and SEC impacts

It is unclear what is included within setup costs; how ongoing operational costs will be apportioned, and who will ultimately bear those costs. If Suppliers are expected to fund the service, those costs are likely to flow through to consumers. In addition, assumptions around integration with existing industry platforms and APIs are not specified.

The Panel does not believe that the IA currently provides a clear or complete picture of the costs associated with changes to the Data Communications Company (DCC). If such costs have been included, the IA does not make clear where they appear or how they have been derived.

Similarly, there appears to be no consideration of consequential changes to the Smart Energy Code (SEC) or the resulting obligations and costs that may fall on SEC Parties throughout the proposed implementation timeline. These omissions make it difficult to assess the true industry cost of the CCS and its delivery.

We also note that costs appear to have been modelled based on the Minimum Marketable Product (MMP) scope, whereas benefits have been assessed assuming a wider rollout — an inconsistency that undermines confidence in the analysis.

3. Overall cost, timing, and proportionality

The Panel notes the high costs associated with the CCS programme and remains concerned that these are not matched by a clear articulation of expected outcomes, benefits, and timelines. Given the extended history of this work, and the progression of parallel programmes now delivering their own consent mechanisms, the CCS risks being implemented too late to deliver the benefits assumed in the IA or may need additional expenditure to integrate with other solutions. At a time of high energy bills and customer's ability to afford them, we stress the need to ensure that the costs borne by SEC Parties (and ultimately consumers) remain manageable and proportionate, and that duplication across the industry — particularly where other digitalisation or data-sharing initiatives overlap — is avoided.

The IA provides little information on governance or on how participation will be mandated and assured. It is unclear how the proposed performance assurance and compliance arrangements could be applied to Other Users who are not licensed entities nor REC Parties.

The stakeholders we have spoken to also noted that unless the CCS is either mandated for all relevant parties or demonstrably easier and more efficient to use than current arrangements, that uptake is likely to be limited. The IA appears to assume that all consents will be managed through the CCS, but this is not reflected in the current scope or implementation plan, meaning that many of the forecast benefits may not in fact be realised.

The Panel would welcome further clarity on the mechanisms for cost recovery, delivery phasing, and how the CCS will align with other ongoing programmes to ensure efficiency and minimise burden across the energy sector.

4. Consultation window and opportunity for engagement

The Panel also notes that the consultation was initially open for just two weeks, although we are grateful that a small extension was subsequently granted to us. While we appreciate the extension, this remains a short timeframe for industry to consider such a significant proposal

and its implications. Given the scale and potential cost of the CCS, a longer consultation period would have allowed for more meaningful engagement and a better-informed industry response.

We encourage Ofgem to allow sufficient time for review and discussion at future consultation stages, particularly when further versions of the IA or related documentation (such as detailed costings, code modifications, or implementation plans) are issued.

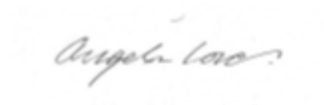
5. Next steps and engagement

The Panel requests that future iterations of the IA include clearer definitions, assumptions, and cost breakdowns, together with supporting evidence on how benefits have been modelled. We also ask that the implications for the DCC and SEC are explicitly addressed, with appropriate consultation and engagement with affected Parties.

We also encourage Ofgem to revisit the original intent of the CCS and ensure that the proposed design remains aligned with that purpose, reflecting the learnings and experience gained through the SEC and its governance processes.

The Panel looks forward to continued engagement with Ofgem on this important work, including participation in any future working groups or workshops, and remains committed to ensuring that the implementation of the CCS is well-governed, proportionate, and delivers value for consumers. Should you have any queries or wish to discuss our response further, please contact Oli Meggitt, Senior Strategy Manager (oli.meggitt@seccoltd.com), or email consultations@seccoltd.com.

Yours sincerely,



Angela Love
SEC Panel Chair