Consultation

Smart Data Repository: policy rationale and proposed governance framework

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As part of Market-wide Half-Hourly Settlement, Ofgem[1] decided that Elexon should make half-hourly electricity consumption data available to third parties on fair and non-discriminatory terms.[2] The digital architecture underpinning the transformation of the energy system requires a 'memory' of demand that goes beyond the 13 months of data currently stored on smart meters. A repository of smart meter consumption data can provide a picture of demand over time for third parties both when aggregated or, where a consumer has given explicit and informed consent via the Consumer Consent Solution, on an individual basis.

Elexon has developed proposals for a Smart Data Repository (SDR) with a potential scope covering the storage, management and sharing to third parties of half-hourly electricity consumption. Delivering this through the SDR best meets the objectives and principles of the Energy Digitalisation Framework which now strategically governs the development of energy digitalisation, in particular the "efficient and cost-effective" and "deliverable" principles, given the option of utilising the SDR delivers at lower cost and at greater speed than alternative options that would involve duplicate stores of this data. Ofgem's position is that the Elexon SDR should contain all available half-hourly electricity consumption data and associated Meter Point Administration Numbers. In this statutory consultation, we seek views on the licence and code modification proposals to enable the establishment and operation of such a data repository. We welcome views from all parties with an interest in energy system digitalisation.

[1] References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day-to-day work.
[2] Decision on EDA governance and direction to Elexon, April 2022.

Contents

Executive summary

This consultation explains why Ofgem supports the creation of a Smart Data Repository (SDR) and seeks views on the legal and regulatory framework needed to govern its establishment and operation.

Half-hourly smart meter data is stored on the meter for 13 months, after which it is no longer accessible. Retaining relevant electricity consumption data for longer can support analysis of demand over time and controlled access for uses such as system planning, research, tariff comparison and consumer-led flexibility.

Elexon already processes relevant electricity consumption data through Market-wide Half-Hourly Settlement (MHHS). Ofgem considers that using data Elexon already holds provides a proportionate and lower-cost starting point for an SDR for electricity data, subject to appropriate consumer, privacy, security and regulatory safeguards.

Elexon has developed its proposed SDR in BSC Modification P494. Under that proposal, aggregated data could be made available for wider uses, while access to individual MPAN-level data would require express and informed consumer consent, facilitated through the Consumer Consent Solution (CCS).

Delivering this through the SDR best meets the objectives and principles of the Energy Digitalisation Framework[3] which now strategically governs the development of energy digitalisation, in particular the "efficient and cost-effective" and “deliverable” principles, given the option of utilising the SDR delivers at lower cost and at greater speed than alternative options that would involve duplicate stores of this data.

Ofgem proposes that the SDR should proceed for electricity data with appropriate safeguards. We consider, however, that P494 alone does not provide the complete legal and regulatory framework required for the SDR. The SDR would perform functions beyond balancing and settlement and would differ in scope from the third-party access arrangements considered in Ofgem’s 2022 decision on the MHHS Event Driven Architecture.

We therefore propose to modify condition E1 of the Electricity System Operator licence so the BSC may provide for Elexon to establish and operate an SDR for electricity data. We propose that

- any approved SDR shall, for a period of at least one year, be limited to electricity consumption data received by Elexon in connection with its role in electricity settlement and associated data approved by the Authority

[3] https://www.gov.uk/government/publications/energy-digitalisation-framework-a-vision-for-a-coordinated-and-connected-energy-system

- any material expansion of the SDR's scope, including the addition of new categories of data, should require prior approval from the Digitalisation Board and the Authority

We also propose high-level requirements covering access, charging, privacy, security, assurance, reporting and accountability, with detailed arrangements in the BSC and associated documents.

Finally, we propose to modify Standard Licence Condition 47 of the electricity supply licence to clarify the basis on which suppliers provide half-hourly consumption data for storage in the SDR and subsequent controlled access.

This consultation is being conducted alongside the proposed Code Manager licence for Elexon. We seek views on whether ongoing SDR obligations should ultimately sit in that licence or in another appropriate licensing arrangement.

The consultation therefore asks whether the proposed licence and code changes provide a sound, proportionate and durable framework for the SDR, protect consumers, and give Ofgem effective oversight of its operation and future development.

1. Introduction

This section explains why Ofgem supports an SDR for electricity data and sets out the legal and regulatory framework on which we are consulting.

Purpose of this consultation

1.1 Ofgem supports an SDR because it would retain relevant half-hourly electricity consumption data beyond the period for which it is stored on the meter and enable controlled access to that data. This could support better understanding of demand, system planning, research, innovation and consumer-facing services, while preserving consumer control over access to personal data.

1.2 While Elexon already receives relevant electricity consumption data through MHHS, the SDR represents a function that extends beyond balancing and settlement activities. It would establish an ongoing repository through which third parties may access data, subject to appropriate safeguards and consumer consent. Given the nature of the function and the data involved, Ofgem considers that a clear regulatory framework is required to ensure appropriate oversight, accountability and control of the operation and future expansion of an electricity SDR. Ofgem considers that licence and code modifications are required to provide for this.

What we are proposing

1.3 We propose to modify the Electricity System Operator (ESO) licence so that the BSC may provide for Elexon to establish and operate the SDR. The licence would define the permitted function and high-level obligations; the BSC and associated documents would contain the detailed operational and governance arrangements.

1.4 Should there be a Code Manager licence as expected in 2027, we propose that the licence conditions regulating the SDR would fall within that licence. However, it may be necessary to create a bespoke licence for the role of SDR in the future. We reserve our position on this matter.

1.5 Finally, we propose to amend Standard Licence Condition 47 of the electricity supply licence to clarify and permit suppliers’ role in providing half-hourly consumption data for storage in the SDR. Access to MPAN-level personal data by third parties would remain subject to express and informed consumer consent through the CCS.

Context and related publications

- Decision about our policy position on access to data from the MHHS Event Driven Architecture (now the Data Integration Platform or DIP), April 2022, p16
- DIP-related BSC documentation, Elexon
- Energy digitalisation framework: a vision for a coordinated and connected energy system, see pp.26-28 on the proposed role of an SDR in the wider vision for a co-ordinated and connected energy system
- Scoping exercise on the provision of wider access to smart metering data, DESNZ, April and June 2026

Overview

1.6 This consultation is structured around two questions: why Ofgem supports an electricity SDR, and how the SDR should be formally regulated.

- Section 2 sets out the policy rationale and the key developments that led to the current proposal.
- Section 3 summarises Elexon's proposal and defines the SDR's initial scope. Detailed technical material is available in the P494 Final Modification Report.
- Sections 4 to 6 set out the proposed licence and code framework, the controls on access and future expansion, and the proposed arrangements for accountability and cross-code coordination.
- Section 7 explains how to respond and the next steps following consultation.

Consultation stages

Stage 1 Consultation open: 14 September 2026

Stage 2 Consultation closes: 19 October 2026

Stage 3 Responses reviewed and published: November 2026

Stage 4 Publish decision: November 2026. Subject to the responses we receive, the proposed changes to the ESO Licence and to Electricity Supply Licences would come into effect 56 days after we publish our decision.

2. Why Ofgem supports an SDR

This section sets out Ofgem's policy rationale for controlled third-party access to half-hourly electricity consumption data and explains how the current SDR proposal developed.

Policy background and development of the SDR

Market-wide Half-Hourly Settlement (MHHS)

2.1 In 2019, Ofgem stated that the MHHS design should not act as a barrier to third-party access to half-hourly data. Our 2021 MHHS decision and final impact assessment stated that responsible access could support competition and innovation for consumers. These earlier positions established the policy case for access but did not establish the full legal and governance framework for the SDR now proposed.

Consultation and decision on EDA governance

2.2 In December 2021 Ofgem, decided that the industry should develop a hybrid architecture comprising the Data Transfer Network with minor modifications and a new Event Driven Architecture (EDA) platform to meet the requirements of the MHHS TOM.[4]

2.3 Further to that decision, Ofgem consulted in January 2022 on which party should be responsible for the ongoing governance, funding and operation of the MHHS EDA. We consulted on the basis that either Elexon or RECCo would be well placed to govern the EDA. We sought views about that and on whether any other party might be better placed to do so.

2.4 We proposed that the EDA governing body should have objectives to provide accurate and timely support for the settlement process and to further consumers' interests through the appropriately controlled use of data. In our decision, we reiterated our view that providing access to HH consumption data (in line with privacy rules) will greatly strengthen retailers' incentives to offer new products and services for individual consumers and local communities and that making this data available will, therefore, bring substantial benefits for consumers. On that basis, we decided that both objectives should be placed on the EDA governing body. In particular, we stated that "access to data for third parties must

[4] Decision on the reference architecture of the MHHS TOM.

be provided on fair and non-discriminatory terms and that use of the data itself should be on the same basis”.[5]

Funding

2.5 We proposed that activities related to the objective of providing accurate and timely support for the settlement process should be directly funded by industry parties. Respondents agreed, though some said it would be inefficient to require funding from network businesses and supplier agents as they would simply pass on those costs to suppliers. In April 2022, we adopted a ‘minded to’ position that these ‘core’ activities should be funded by suppliers only.[6] Beyond that, we said it should be possible for activities related to the objective of furthering consumers’ interests through the appropriately controlled use of data to be self-funded via appropriate, fair, reasonable and non-discriminatory access charges. Most respondents agreed that some form of subscription model should be introduced to pay for value-added services. This therefore remained our position.

Governing body and code

2.6 After considering stakeholder feedback[7], Ofgem decided in 2022 that BSCCo should initially govern third-party access through the BSC and that Elexon should make relevant half-hourly electricity consumption data available to third parties. That decision concerned access to data; it did not authorise or establish the full repository, operational and governance functions now proposed through the SDR.

2.7 Ofgem stated that Elexon should develop and consult on the detailed BSC changes required to give effect to the decision and ensure that data was made available in a way that did not distort competition. Ofgem also said that the governance arrangements would be reviewed in light of Energy Code Reform.

Developments since 2022

2.8 Ofgem had initially envisaged that third-party access would be provided through the Data Integration Platform (DIP). Elexon later advised that the DIP could not retain data for long periods. A separate repository was therefore proposed, requiring provisions on operation, access, privacy, security, cost recovery and charging that had not formed part of the earlier DIP governance arrangements.

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[5] Decision about our policy position on access to data from the MHHS Event Driven Architecture (now the Data Integration Platform or DIP), April 2022, p16.
[6] Note that under P474, suppliers fund the ongoing operation of the DIP. Costs are apportioned between suppliers according to their share of MPANs connected to the MHHS arrangements. Under P494, it has been proposed that suppliers would fund the ongoing operation of the SDR.
[7] For details of the feedback, see chapter 4 of our Decision about our policy position on access to data from the MHHS Event Driven Architecture.

2.9 On 10 March 2025, as part of a broader set of proposals relating to MHHS Participants, we proposed to direct Elexon to "publish a consultation [by 30 April 2025] on the development and implementation of a smart meter data repository that enables efficient and non-discriminatory access by third parties to half-hourly consumption data". In the event, Elexon published a consultation[8] on 17 March 2025, so we did not need to issue the direction.

2.10 In our May 2025 decision on directions to MHHS Participants, we did however state that Elexon's plans to develop a smart meter data repository "must be consistent with broader DESNZ and Ofgem policy on data sharing and consumer consent". We also noted that Elexon "has engaged and will continue to engage with DESNZ and Ofgem on this" and that Elexon was "aware that it will also have to work closely with RECCo, the selected Delivery Body for the Consumer Consent Solution, to ensure that [Elexon's] smart meter data provision fully aligns with wider policy development."[9]

2.11 Elexon published an update[10] to the consultation in June 2025, which signalled that a BSC Modification would be proposed in July 2025 to provide Elexon with the function and power to create and manage a data repository, and governance arrangements for it. The proposal was raised as BSC modification P494. It went through BSC workgroup development in the second half of 2025 and two later rounds of industry consultation under BSC procedures in the first half of 2026.

2.12 Delivering access to stored half-hourly electricity consumption data through the SDR best meets the objectives and principles of the Energy Digitalisation Framework which now strategically governs the development of energy digitalisation. In particular, the SDR best meets "efficient and cost-effective" and "deliverable" principles, given the option of utilising the SDR delivers at lower cost and at greater speed than alternative options that would involve duplicate stores of this data.

2.13 The BSC Panel recommended approval of P494 on 9 July 2026, and Ofgem received the Final Modification Report on 14 July 2026. This consultation addresses the additional licensing and accountability framework that Ofgem considers necessary.

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[8] Elexon Smart Meter Data Repository - Proposals to make settlement data more accessible, 17 March 2025.
[9] Decision not to issue a direction on Elexon to consult in relation to a smart meter repository, May 2025, p18.
[10] Elexon Smart Meter Data Repository - Update on Proposals to make settlement data more accessible, June 2025.

Relationship with the Energy Digitalisation Framework

2.14 In March 2026 DESNZ and Ofgem jointly published the Energy Digitalisation Framework. This sets out a clear, coordinated approach to digitalisation by establishing strategic direction and a long-term governance model to embed this direction over time. A key aspect of this model are the domain coordinators.

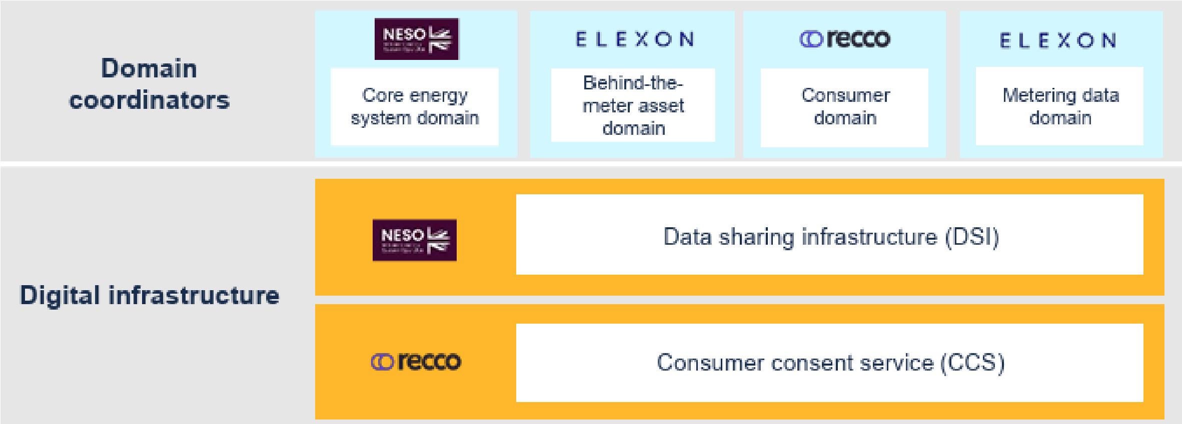

Figure 1 - a diagram showing the Domain coordinators and bodies delivering Data infrastructure

2.15 Elexon was assigned as the domain coordinator for the behind-the-meter asset domain, given its key role as the delivery body for the Flexibility Markets Asset Register (FMAR)[11] and in delivering the smart secure electricity systems (SSES) programme governance relating to energy smart appliances.

2.16 Elexon was also assigned the domain coordinator for the Metering Domain.

2.17 On 21 July 2026, Ofgem published a consultation detailing role guidance for the Data Domain Coordinator roles[12] which stated “Elexon has a system-wide view across electricity metering data, including settlement and wider market processes, and experience coordinating cross-market programmes. The data in scope of the SDR would fall into the Metering Domain.

2.18 Another key feature of the Energy Digitalisation Framework is the introduction of an overarching Digitalisation Coordination Function above the individual domains to provide and maintain system-wide architectural coherence, common standards, and alignment across the domains and the broader energy system with DESNZ’s strategic policy direction on digitalisation. DESNZ will be consulting on the Digitalisation Coordination Function later this year.

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[11] Ofgem fast-tracks new energy flexibility tool for early launch | Ofgem
[12] Data domain coordinator: role guidance | Ofgem

2.19 The Digitalisation Framework development is supported by the work of the Digitalisation Delivery Group (DDG) which aligns and develops the interlinked digital infrastructure which forms the data ecosystem being developed in support of the Framework and the Clean Flexibility Roadmap, all seeking to digitalise the energy sector and achieve the government's goal of decarbonising the UK's energy system by 2030.

2.20 Alignment with the CCS and other digital infrastructure is important, but it does not replace the need for a clear legal basis and formal accountability for the SDR itself. This consultation concerns the regulatory framework for the SDR's establishment, operation, scope and future expansion.

2.21 Further alignment has taken place between the domain coordinators and delivery bodies for data infrastructure to ensure that accreditation, registers, trust frameworks, and catalogues are interoperable, with the potential for future federation across all digital infrastructure. This alignment follows the government's approach to Smart Data Schemes[13] and will feed into the forthcoming consultation on developing guidance and direction for Smart Data Schemes in the energy sector.

[13] Developing an energy smart data scheme: call for evidence (HTML) - GOV.UK

3. Elexon's proposed Smart Data Repository (SDR)

This section summarises the parts of Elexon's P494 proposal needed to understand Ofgem's policy and governance proposals. Readers seeking full technical and operational details should refer to the P494 Final Modification Report.

3.1 The P494 Final Modification Report (FMR) proposes that Elexon establish and manage a separate, secure repository providing controlled and non-discriminatory access to electricity metering and settlement data. This consultation does not reopen all aspects of that detailed design; it focuses on the legal and regulatory framework within which Elexon proposes the SDR operates.

3.2 The summary below identifies the proposed initial scope, access model and governance arrangements that are relevant to the licence and code changes on which Ofgem is consulting.

Proposed scope and timing

3.3 Once MHHS has been fully implemented, Elexon will receive data covering all electricity consumption and generation, much of which will be personally or commercially sensitive. Elexon proposes that its SDR will be a "separate, secure repository (distinct from settlement systems) to support wider public interest use of this data while complying with data protection law, protecting BSC Party data, and supporting net zero and Clean Power 2030 objectives".

3.4 Elexon proposes to operationalise the SDR in distinct phases. Phase 1A, planned for October 2026, will make all non-personal Supplier Volume Allocation (SVA)[14] data available. Phase 1B, planned for spring 2027, would enable access to personal MPAN level data once the Consumer Consent Solution (CCS) is live.

3.5 Elexon proposes that the data will be accessed via Application Programming Interfaces (APIs), reporting, or natural language querying (plus a delta share option for users with regular large payloads). Elexon has proposed that later phases could expand the scope of the SDR to include other data that it already holds, such as Central Volume Allocation (CVA[15]) meter read, registration and

[14] SVA data refers to settlement meter data associated with supplier-registered MPANs that is used to calculate supplier positions. The supplier collects (directly or via agents) the meter data and submits it into Elexon's settlement systems. This applies for the vast majority of domestic and business customers.
[15] CVA data refers to settlement meter data from centrally registered larger sites where metered data is submitted directly into settlement rather than via a supplier. This applies for transmission-connected generators, large power stations, interconnectors, some large industrial sites and certain large distribution-connected generators and demand customers.

estimate data; asset meter reads (volumes from systems behind the meter); and flexibility asset registration data.

3.6 Elexon has also proposed that the SDR could include data that Elexon does not currently hold. Elexon envisages that "this will at least be gas data but could be expended to include data from other utilities (such as water) or other sectors to support energy data (e.g. building performance data)".

Proposed architecture

3.7 Elexon's Data Integration Platform (DIP) will receive SVA data. However, as an Event Driven Architecture, the DIP cannot store data for long periods, so it is unsuitable as a location for a data repository. Instead, Elexon proposes that the data will flow to Elexon's Data Acquisition Hub (DAH). The DAH will act as the data lake for the new Settlement systems deployed as part of the MHHS programme. (These new systems are the Volume Allocation Service, Industry Standing Data, the Market-wide Data Service and the Load Shaping Service.)

Potential users and use cases

3.8 In its spring 2025 consultation on making settlement data more accessible, Elexon sought views on potential SDR users and use cases. The FMR for P494 brought Elexon's assumptions up to date while emphasising that the SDR will be "available to any organisation, regardless of their industry status or otherwise, that successfully completes the SDR registration process".

Proposed legal basis

3.9 There are two aspects to Elexon's proposed legal basis. Firstly, the legal vires to create and operate an SDR within the current regulatory framework which derive from primary legislation and govern the operation of the UK energy sector. Secondly, the legal basis or bases for processing personal data under the UK-General Data Protection Regulation (UK-GDPR).[16]

3.10 The FMR focuses on UK-GDPR bases, and how to legally process the data, and sets out governance and obligations in the BSC. Elexon argues that the SDR can rely primarily on GDPR Article 6(1)(e) ('Public Task'), with supplementary reliance on 'Legitimate Interests' for some processing.

[16] Data protection: The UK's data protection legislation - GOV.UK

Proposed governance framework

3.11 Elexon proposes a governance framework exclusively in the BSC. Under Elexon's proposals, the BSC Panel would have oversight and Elexon as 'SDR Manager' would manage day-to-day operations, onboarding, security, change management, and assurance.

Ofgem's position

Scope and timing

3.12 Building on Ofgem's previous decisions, the SDR should at minimum be populated with all available HH electricity consumption data from SVA and CVA sources. Beyond that, we consider that any expansion would only be suitable on a case-by-case basis and with Digitalisation Board and then Authority approval via a licence and code modification process. We cover this process in the next section.

3.13 As noted above, Elexon proposes that subsequent phases of its SDR could include data that it does not currently hold. DESNZ's scoping letter of 30 June 2026 stated that "there are additional data items (including gas, voltage, reactive power and different instances of electricity smart metering data) that could be made available via a DCC Smart Meter Energy Data Repository (SMEDR). However, further analysis is required to arrive at a definitive view on this, including on the SMEDR solution design, the associated costs and the benefits that would flow from it." DESNZ is continuing to explore these matters with SECCo Ltd (as "DCC2 Ltd")[17] as well as with Elexon. Any DESNZ decisions regarding additional data and additional infrastructure would be taken at the Digitalisation Board[18] in line with the objectives and principles of the Energy Digitalisation Framework. A key risk that he Energy Digitalisation Framework was designed to managed was "Rising duplication and cost", and in particular "Fragmented accreditation, parallel data catalogues and multiple gateways to access data and systems risk embedding operational inefficiency for years to come."

Legal basis

3.14 As noted above, Elexon argues that the SDR can rely primarily on GDPR Article 6(1)(e) ('Public Task'), with supplementary reliance on 'Legitimate Interests' for some processing. However, while this argument supports how SDR data may be

[17] https://www.ofgem.gov.uk/decision/smart-meter-communication-licensee-decision
[18] energy-digitalisation-framework.pdf – p37

legally processed, it cannot by itself provide the vires for Elexon to establish or operate an SDR.

3.15 To create an SDR that fits within the BSC alone, the scope of the ESO SLC E1 would need to be amended to allow an SDR to be established; and

1. either Ofgem confirms that SLC E1.6 lawfully allows that expansion of BSCCo's activities to include an SDR that stores consumer electricity data and has mechanisms to share with third parties;
2. or, if, as Ofgem has concluded, that SLC E1.6 is insufficient, and SLC E 1.4 of the ESO licence is modified to expand the scope of the BSC's Applicable Objectives to include the specific new function that is the SDR.

3.16 We are aware of the notice under section 8A of the Electricity Act 1989 to modify the Code Manager Licence proposed to be granted to Elexon Ltd in relation to the Balancing and Settlement Code.[19] That consultation should be considered in conjunction with these proposed changes and, depending on the outcome of both consultations, we propose to amend the Code Manager Licence to incorporate licence conditions that will regulate Elexon Ltd.'s establishment, operation, and management of the SDR.

3.17 The GDPR arguments relied upon in P494 depend on these additional steps and are not a substitute for it.

Privacy and security arrangements

3.18 As set out in DESNZ's scoping exercise letter of 30 June 2026, Elexon has agreed to undertake further external assurance of its solution, "including alignment of risk appetite across key stakeholders for smart metering data access and review of the solution design by an NCSC Assured Cyber Security Consultancy and share its findings with the Department sufficiently in advance of the launch of the SDR". We expect Elexon to share its findings with the Department and that these security arrangements fully reflect DESNZ's requirements.

[19] Energy code reform phase 1: transitional measures and code changes | Ofgem

4. Proposed licence modifications

This section sets out our proposed modifications to the Energy System Operator licence section E1 and to the Standard Condition 47 of the supply licence. These changes are needed to enable Elexon to establish and operate the SDR.

This section also outlines how we may wish to modify any Code Manager Special Licence Conditions that may be issued to Elexon as part of Energy Code Reform.

Establishing the SDR

Energy System Operator (ESO) Licence Condition E1

4.1 Condition E1 of the ESO licence describes the scope of the Balancing and Settlement Code (BSC). At present, E1.3 states that the licensee must have in force a BSC that, amongst other things,

- sets out the terms of the Balancing and Settlement Arrangements (described in paragraph E1.12);
- is designed so that the Balancing and Settlement Arrangements facilitate achievement of the Applicable BSC Objectives (set out in paragraph E1.13)
- includes procedures for its own modification (as required by paragraphs E1.18 to E1.32).

4.2 Condition E1.4 states that the BSC must also include provisions in relation to

- the operation of any reconciliation mechanism established in connection with a statutory scheme for reducing fuel poverty, where the operator of the reconciliation mechanism is the BSCCo or an Affiliate of the BSCCo; and
- the operation of Contracts for Difference and of a Capacity Market pursuant to Energy Market Reform Legislation.

4.3 Neither condition E1.3 nor E1.4 refers to the establishment and operation of an SDR. On that basis, there is no legal basis at present for this function to occur. Modifying the BSC cannot make lawful what the licence does not already permit or require.

4.4 We note that condition E1.6 states that the BSC “may include provisions allowing the BSCCo or any Affiliate of the BSCCo to undertake activities other than those referred to in paragraphs E1.3 and E1.4, subject to Authority consent”.

Ofgem's position

4.5 In establishing and managing the SDR, Elexon is proposing to undertake activities that are unrelated to balancing, settlement, or explicitly permitted ancillary functions. Given the need to maintain consumer confidence in these arrangements, we have decided to set out on the face of the licence those matters relating to an SDR that may be set out in code.

4.6 Specifically, we propose in condition E1.3 to state that

- the BSC may include provision for Elexon to establish, operate or procure data repositories, data sharing services or other data-related services connected with the operation of the BSC from which third parties may seek to access data
- Elexon shall not establish or materially expand any SDR or equivalent data sharing service without prior Authority approval
- any approved SDR shall, for a period of at least one year, be limited to electricity consumption data received by Elexon in connection with its role in electricity settlement in Great Britain and associated data approved by the Authority.

4.7 We are also proposing to insert definitions of the Consumer Consent Solution and the Smart Data Repository in the table of definitions within ESO Condition A1.

4.8 See the bold text on pages 25-27 of appendix 1 for the proposed licence drafting.

Operating the SDR

4.9 We propose to modify paragraph E1.4 of the ESO licence to introduce obligations relating to the ongoing operation of the SDR. These obligations would be at a high level with detailed arrangements set out in a BSC modification and new documents ancillary to it (as happened with P474 on Data Integration Platform governance). We propose that the high-level licence requirements would relate to:

- providing fair and non-discriminatory access to and charging for the SDR
- maintaining appropriate levels of security and privacy
- regular independent auditing and transparent reporting.

4.10 They could also include a requirement that, where Personal Data is concerned, Elexon must satisfy itself that the third parties have provided appropriate evidence that the relevant consumer has consented to them accessing their data.

4.11 See the bold text on pages 27-28 of appendix 1 for the proposed licence drafting.

Code Manager licence

4.12 On 25 August 2026, Ofgem published its decision on Phase 1 of Energy Code Reform. In that document, Ofgem acknowledged the need to provide clarity about the appropriate legal framework for any SDR.

4.13 We are now seeking views on whether the proposed modifications to condition E1.4 of the ESO licence relating to the ongoing operation of the SDR that we outlined at paragraphs 4.8 and 4.9 above should ultimately lie in Elexon's potential forthcoming Code Manager or other bespoke licence. As noted above, the proposed obligations are in bold text on pages 27-28 of appendix 1.

4.14 This is explored as part of the notice under section 8A of the Electricity Act 1989 to modify the code manager licence proposed to be granted to Elexon Ltd in relation to the Balancing and Settlement Code which can be found here Energy code reform phase 1: transitional measures and code changes | Ofgem and here Energy code reform phase 1: code manager licence modifications | Ofgem.

Data collection and use by suppliers

Supply Licence Condition 47

4.15 Standard Licence Condition 47 (SLC47) sets out how electricity suppliers may obtain and use consumption data from domestic and microbusiness customers. During the progress of code modification P494, some suppliers raised concerns about its interaction with suppliers' obligations under SLC 47. The concern related to whether suppliers could be considered to be providing consumption data for a purpose not permitted by the licence if data submitted into the settlement arrangements was to be subsequently processed by BSCCo for SDR purposes.

4.16 Elexon's position is that P494 would not, in itself, create a supplier licence compliance issue. This is because P494 would establish a legal and governance framework in which BSCCo, as SDR Manager, may process settlement-derived data for SDR purposes (in accordance with the Code, the SDR Rules, the SDR Operations Manual and applicable data protection requirements). On that view, suppliers should continue to provide data to Elexon in accordance with their obligations under the BSC and for the purposes required under it.

4.17 Elexon notes that the P494 legal drafting was updated to make clear that, where a supplier provides, submits, makes available or permits the processing of relevant data for SDR-related purposes, it does so pursuant to its BSC obligations and not as a separate voluntary disclosure for an independent purpose outside it. The legal drafting, in Elexon's view, also clarifies that these purposes include SDR establishment, operation, management, governance, assurance and maintenance, including controlled disclosure of SDR Data where permitted.

4.18 Finally, the FMR states that the legal drafting for P494 includes an explicit safeguard that nothing in the relevant provision authorises the disclosure of MPAN-level personal data to an SDR User unless the applicable requirements of the Code, SDR Rules, Data Protection Legislation, access controls and any required consent, permission or authority verification have been satisfied. This is intended to ensure that the legal framework clearly distinguishes between the provision of data into the BSC/SDR governance framework and any subsequent controlled disclosure of MPAN-level personal data to SDR Users.

Ofgem's position

4.19 We note Elexon's position and the additional legal drafting included in P494. Notwithstanding that, Ofgem takes the view that it is vital for the consumer to be fully aware that their Personal Data is going to be stored in a data repository and that third parties may request access – if they give consent - to it for a wide variety of possible uses. Accordingly, we propose to modify SLC 47 to state that suppliers may collect HH consumption data from domestic and microbusiness customers for storage in the SDR and potential access by third parties.

4.20 We consider that there are two aspects of data processing which are relevant to smart meter data use in the proposed SDR. Firstly, processing data into the SDR for storage and retention. Secondly, processing the data from the SDR to third parties. The second is to be conducted only on the basis of express and informed consent from the consumer, facilitated by the Consumer Consent Solution.

4.21 The first – with smart meter data being processed by Elexon into the SDR is proposed to be conducted on the basis of Legal Obligation and Public Task through the above proposed amendment to the ESO licence and BSC. However, some suppliers have raised the concern that they have clear limits placed upon the purposes to which they can use, process, and share smart meter data through SLC47. This concern extends to the consideration that, while sharing smart meter data with Elexon for the purposes of settlement under the MHHS programme is permitted under SLC47, the fact that the data shared for this purpose may be repurposed for non-settlement uses from the SDR could be considered a breach of their licence condition SLC47. To mitigate that concern, we propose to amend SLC47 to expressly permit sharing on this basis.

4.22 See appendix 1 for the proposed licence drafting.

5. Future Interactions with industry Codes

This section notes that any SDR governed via the BSC will potentially impose consequential obligations on Parties to other codes, which need to be reflected in alignment between code approaches to data, and potentially changes to those codes. We outline areas of the codes that may be affected and seek views.

Balancing and Settlement Code

5.1 On 14 July 2026, Ofgem received the Final Modification Report (FMR) for BSC Modification P494. As stated above, our view is that the legal basis put forward for it is not sufficient and that the SDR needs to be brought within the scope of Ofgem's licensing system. In addition, we consider that further work needs to be carried out on the detailed SDR Rules, the SDR Operations Manual, the DPIA and any associated operational guidance in order for Ofgem to make a decision on P494. We expect Elexon promptly to oversee the development of and consultation on the detailed rules and other documentation through BSC governance processes. As stated in our Send Back letter, we expect by 15 December 2026 to receive a revised FMR and legal text alongside the complete suite of ancillary documents, including DPIA, for decision.

5.2 In addition, as part of this consultation, we are seeking views on whether any other code changes are necessary to provide a robust legal and regulatory basis for the establishment and operation of the SDR. We welcome your views.

Retail Energy Code

5.3 As the Retail Energy Code Company (RECCo) is both the data domain coordinator for the consumer domain[20], and developing the CCS, there will necessarily be interactions between the BSC and REC. These interactions are detailed in the RECCo final design consultation.[21] RECCo and Elexon have been part of alignment exercises; through bilateral engagement, workshops and the Digitalisation Delivery Group (DDG).

5.4 Alignment of these codes, as well as the Smart Energy Code if required, will continue through the iterative development of the SDR, CCS, and any future repositories or digital infrastructure which may be considered. Alignment of governance, and clearance of new initiatives, or significant changes to agreed scope, will be conducted through the Digitalisation Board chaired by DESNZ, as

[20] Data domain coordinator: role guidance | Ofgem

[21] To be published later in September 2026.

described in the Energy Digitalisation Framework, DDG minutes, and Strategic Direction Statement (SDS).[22]

Smart Energy Code

5.5 We consider the SEC to have potential interactions with the SDR and CCS, either through SEC Other Users applying to become Authorised Third Party (ATP) users of the CCS, or through the interactions in working groups to share expertise in smart meter data and its safe and secure sharing.

Methodology of change

5.6 At present, the digitalisation landscape and ecosystem are developing at pace to drive towards delivery of Clean Power. Multiple pieces of digital infrastructure such as the SDR, CCS, DSI, Flexibility Market Asset Register (FMAR) and Common Asset Register (CAR) are in the process of design and iteration. We expect that industry codes – which are in the process of reform – will continue to evolve to accommodate these alignment requirements.

5.7 We considered the proportionality of a Significant Code Review (SCR) to govern these interactions but decided against it. Our reasoning was that the Code Reform progress has created opportunities to align codes through the development of Code Manager licence frameworks, and the necessity for licenced Code Managers "to facilitate cross-code coordination and collaboration between Code Managers, Central System Delivery Bodies, SAFs and any other relevant bodies established under a Designated Document;" as required under objective e) and prioritise "the delivery of the strategic priorities set out in the relevant sections of the current Strategic Direction Statement;" under objective g) of the Code Manager Licence.[23]

5.8 To facilitate and direct this alignment, Ofgem and DESNZ will use the SDS to set shared priorities and govern progress through the DDG at working level and the Digitalisation Board at steering and decision-making levels.

[22] Consultation on the draft second preliminary Strategic Direction Statement for industry codes | Ofgem

[23] Energy code manager standard licence conditions.pdf.

6. Responding to this consultation

Consultation questions

6.1 We welcome stakeholder views and evidence on the following questions.

Proposed licence modifications

Q1. Do you agree with the changes we are proposing to make to the ESO licence?

Q2. Do you agree with our proposed approach on potentially including special licence conditions about the ongoing operation of the SDR within Elexon's Code Manager licence (if granted)?

Q3. Do you agree with the changes we are proposing to make to SLC47 to provide that suppliers may collect HH electricity consumption data from domestic and microbusiness consumers for storage in the SDR and access by third parties?

Governance and accountability arrangements

Q4. Do you agree that the proposed governance and accountability arrangements provide appropriate oversight of Elexon's SDR functions?

Proportionality of the proposed approach

Q5. Do you agree that the proposed regulatory approach is proportionate, taking into account the expected consumer benefits, delivery timescales, costs, security/privacy safeguards, and the availability of alternative delivery models?

Conclusions and next steps

6.2 This consultation is statutory. Once concluded, we will analyse and consider the responses received and, where the respondent does not deem their response confidential, we will publish the responses alongside our decision. We expect to publish our decision in November 2026. Subject to the responses that we receive, we anticipate that any modifications to the ESO licence and to the electricity supply licences would come into force 56 days after we publish our decision.

6.3 We have published our decision on P494 alongside this consultation. We have sent back the modification for further work. Amongst other things, we have set out that Elexon should arrange for the development of and consultation on the detailed SDR rules, SDR Operational Manual and other ancillary documents that may be necessary such that they can be submitted to Ofgem by 15 December 2026 for approval with a revised FMR on P494.

6.4 This timeline aims to ensure delivery of the SDR – pending consultation results – continues to match the agreed timeline of the CCS project, which is scheduled to deploy its Minimum Marketable Product (MMP) by the end of March 2027.

6.5 Both the SDR and CCS are expected to evolve through iteration and user feedback and alignment work will continue – through development of governance, relevant regulatory intervention, and industry-led code amendments to ensure an aligned digital ecosystem which delivers the best possible outcomes for consumers, a secure and stable energy system, and lower carbon emissions.

Your response, data, and confidentiality

6.6 We want to hear from anyone interested in this consultation. Please send your response to the person or team named on the front page of this document. We have asked for feedback on each of the questions. Please respond to each one as fully as you can. We will publish non-confidential responses on our website.

6.7 You can ask us to keep your response, or parts of your response, confidential. We will respect this, subject to obligations to disclose information. For example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations, or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.

6.8 If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you do wish to be kept confidential and those that you do not wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we will contact you to discuss which parts of the information in your response should be kept confidential and which can be published. We might ask for reasons why.

6.9 If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the United Kingdom's withdrawal from the European Union ("UK GDPR"), the Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations in appendix 2.

6.10 If you wish to respond confidentially, we will keep your response confidential. We will publish the number but not the names of confidential responses we receive. We will not link responses to respondents if we publish a summary of responses. We will evaluate each response on its own merits without undermining your right to confidentiality.

How to track the progress of a consultation

1. Find the web page for the call for input you would like to receive updates on.
2. Click 'Get emails about this page', enter your email address and click 'Submit'.
3. You will receive an email to notify you when it has changed status.

A consultation has three stages: 'Open', 'Closed (awaiting decision)', and 'Closed (with decision)'.

Appendix 1. Proposed Licence Modifications

Electricity System Operator Licence Condition A1

(Proposed new text is in bold)

A1.1 Definitions to be added to the ESO Licence

Construction Agreement	means an agreement between the licensee and a CUSC User in respect of construction works required on the National Electricity Transmission System and the associated construction works of the CUSC User in relation to a connection to the National Electricity Transmission System or in relation to a generating station connected to a Distribution System, whether for the initial connection or a modification of the connection.
Consumer Consent Solution	**means the consent management platform developed by RECCo which third parties may use to demonstrate that they have consent from a consumer to access their smart meter consumption data**
Consumer Prices Index Including Owner Occupiers' Housing Costs (CPIH)	means the consumer prices index including owner occupiers' housing costs (all items) published by the Office for National Statistics
Small Participant	means (a) an Electricity Generator, Authorised Supplier, Authorised Distributor, or new entrant to the electricity market in Great Britain that can demonstrate to the Relevant Code Administrator that it is resource-constrained and, therefore, in particular need of assistance; (b) any other participant class of participant that the Relevant Code Administrator considers to be in particular need of assistance; and (c) a participant or class of participant that the Authority has notified to the Relevant Code Administrator as being in particular need of assistance.

Smart Data Repository	**means the data storage facility which retains half hourly electricity smart meter consumption data for access by accredited third parties.**
SO Bad Debt	means the expense incurred by the licensee when Balancing Services Charges owed to the licensee are not considered recoverable and which crystallises when normal payment terms have been exceeded and the licensee has made all reasonable efforts to collect the debt but is unable to recover the amounts owed.

Electricity System Operator Licence Condition E1

(Proposed new text is in bold)

E1.3. The licensee must have in force a BSC, being a document:

(a) setting out the terms of the Balancing and Settlement Arrangements described in paragraph E1.12;

(b) designed so that the Balancing and Settlement Arrangements facilitate achievement of the Applicable BSC Objectives set out in paragraph E1.13;

(c) including the modification procedures required by paragraphs E1.18 to E1.32;

(d) including the matters required by paragraph E1.14;

(e) establishing the BSC Code Administrator and setting out the BSC Code Administrator's powers, duties and functions, which must;

(i) include a requirement that, in conjunction with other code administrators, the BSC Code Administrator will maintain, publish, review and (where appropriate) amend the Code of Practice approved by the Authority and any amendments to the Code of Practice are to be approved by the Authority;

(ii) include facilitating the matters required by paragraphs E1.18 and E1.14;

(iii) have regard to and, in particular to the extent that they are relevant, be consistent with the principles contained in, the Code of Practice;

(iv) include a requirement that the BSC Code Administrator deliver and administer a Smart Data Repository in compliance with the governance framework contained within the BSC and ancillary documents including a published Operations Manual, to enable third party access – subject to

express and informed consent where applicable under UK Law – on an efficient and non-discriminatory basis;

(v) include a requirement that the Code Administrator, Elexon Limited, must comply with any licensing provisions established to govern the SDR's operation, as the Authority sees fit;

(vi) BSCCo shall not establish any Smart Data Repository or equivalent data sharing service without prior Authority approval. Any approved Smart Data Repository shall, for a period of at least one year, be limited to electricity consumption data received by BSCCo in connection with electricity settlement and associated data approved by the Authority.

(vii) No material expansion of the repository scope, services, or categories of data, contained in an approved Smart Data Repository shall occur unless approved by the Authority following such consultation as the Authority considers appropriate;

(f) establishing the BSC Panel and whose composition must include:

(i) an independent chairperson approved by the Authority; and

(ii) a consumer representative (appointed by Citizens Advice, Citizens Advice Scotland, Consumer Scotland, or any successor body) who has a vote as specified in the BSC,

and the licensee shall be taken to comply with this paragraph by modifying the BSC in accordance with the provisions of paragraphs E1.18 and E1.33.

E1.4. The BSC must also include provisions about:

(a) arrangements for the operation of any reconciliation mechanism established by the Secretary of State under section 11 of the Energy Act 2010 in connection with a scheme for reducing fuel poverty, where the operator of the reconciliation mechanism is the BSCCo or an Affiliate of the BSCCo; ~~and~~

(b) arrangements that facilitate the operation of Contracts for Difference and arrangements that facilitate the operation of a Capacity Market pursuant to EMR Legislation~~.~~; **and**

(c) arrangements and requirements that facilitate the establishment, governance and operation of an electricity Smart Data Repository which include

(i) consulting on and publishing an Operations Manual and other ancillary documents covering the operation and use of the Smart Data Repository;

(ii) accreditation requirements, access controls, user authentication controls on a transparent, objective, and non-discriminatory basis, and aligned with consent management through the Consumer Consent Solution where required;

(iii) charging for access to and use of the Smart Data Repository on a fair and non-discriminatory basis, the charging for which shall not commence until at least one calendar year after the formal establishment of the SDR as approved by the Authority;

(iv) governance through existing BSC arrangements, including the management of any proposed modifications to the BSC or changes to the Operations Manual or other ancillary documents covering the operation and use of the Smart Data Repository;

(v) governance through licence conditions on Elexon Limited (BSCCo Limited) to be determined by the Authority (Office of Gas and Electricity Markets) in due course;

(vi) security requirements relating to information security, including cyber security, operational resilience and independent assurance of those requirements and arrangements;

(vii) requirements to ensure that the BSCCo provides evidence to an independent auditor about the operation of the SDR, including:

- **(i) that personal data is shared with third parties on the basis of express and informed consent only;**
- **(ii) monitoring of access to data held within the Smart Data Repository;**
- **(iii) audit trails recording access to, disclosure of and use of data held within the Smart Data Repository;**
- **(iv) incident management and reporting; and**
- **(v) compliance with applicable data protection legislation;**

(viii) periodic assurance reviews, reporting obligations and an assurance framework under which the BSCCo reports to an independent auditor; and

(ix) requirements and mechanisms by which consultation and Authority approval is required before any material expansion of the SDR.

Electricity Supply Licence Condition 47

(Proposed new text is in bold)

Application

47.4 Part D of this condition applies in respect of both the relevant premises to which Part A applies and the micro business premises to which Part B applies.

Part D Domestic Customers and Micro Business Consumers

Seeking consent for the onward transmission of electricity consumption data relating to half-hourly periods to a Smart Data Repository

47.45 Unless the process for seeking and receiving consent is followed in accordance with 47.46, Electricity Consumption Data relating to half-hourly periods obtained by a licensee from a Domestic Customer or Micro Business Consumer for Settlement or for other purposes must not be sent by onward transmission by the licensee for automatic placement in the Smart Data Repository.

47.46 A licensee that seeks consent from New System or Old System Domestic Customers or Micro Business Consumers for use of Electricity Consumption Data relating to half-hourly periods for Settlement, must also seek, gain and retain consent, in the same manner as required by this SLC 47 in respect of data for Settlement, for use of that data for placement in the Smart Data Repository, from where it may be accessed and used by accredited third parties for other purposes. If the provisions of SLC 47 would be satisfied for Settlement purposes then they will be satisfied for Smart Data Repository purposes.

...

47**.4**~~5~~**8** For the purposes of this condition: *[insert the following into the existing table]*

Smart Data Repository	**means the data storage facility which retains electricity smart meter consumption relating to half-hourly periods for access by accredited third parties**

Appendix 2. Privacy policy

Personal data

The following explains your rights and gives you the information you are entitled to under the General Data Protection Regulation (GDPR).

Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally) not the content of your response to the consultation.

1. The identity of the controller and contact details of our Data Protection Officer

The Gas and Electricity Markets Authority is the controller, (for ease of reference, "Ofgem"). The Data Protection Officer can be contacted at dpo@ofgem.gov.uk

2. Why we are collecting your personal data

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

3. Our legal basis for processing your personal data

As a public authority, the GDPR makes provision for Ofgem to process personal data as necessary for the effective performance of a task carried out in the public interest. i.e. a consultation.

4. With whom we will be sharing your personal data

Information: Include here all organisations outside Ofgem who will be given all or some of the data. There is no need to include organisations that will only receive anonymised data. If different organisations see different set of data, then make this clear. Be a specific as possible.

5. For how long we will keep your personal data, or criteria used to determine the retention period.

Your personal data will be held for (be as clear as possible but allow room for changes to programmes or policy. It is acceptable to give a relative time e.g. 'six months after the project is closed')

6. Your rights

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right to:

- know how we use your personal data

- access your personal data
- have personal data corrected if it is inaccurate or incomplete
- ask us to delete personal data when we no longer need it
- ask us to restrict how we process your data
- get your data from us and re-use it across other services
- object to certain ways we use your data
- be safeguarded against risks where decisions based on your data are taken entirely automatically
- tell us if we can share your information with 3rd parties
- tell us your preferred frequency, content and format of our communications with you
- to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at https://ico.org.uk/ or telephone 0303 123 1113.

7. Your personal data will not be sent overseas (Note that this cannot be claimed if using Survey Monkey for the consultation as their servers are in the US. In that case use "the Data you provide directly will be stored by Survey Monkey on their servers in the United States. We have taken all necessary precautions to ensure that your rights in term of data protection will not be compromised by this".

8. Your personal data will not be used for any automated decision making.

9. Your personal data will be stored in a secure government IT system. (If using a third-party system such as Survey Monkey to gather the data, you will need to state clearly at which point the data will be moved from there to our internal systems.)

10. More information For more information on how Ofgem processes your data, view our Ofgem privacy policy.

Appendix 3. Feedback

Send us your feedback

A3.1 We believe that consultation is at the heart of good policy development. We are keen to receive your comments about this consultation. We would also like to get your answers to these questions:

3. Do you have any comments about the quality of this document?
4. Do you have any comments about its tone and content?
5. Was it easy to read and understand? Or could it have been better written?
6. Are its conclusions balanced?
7. Did it make reasoned recommendations?
8. Do you have any further comments?

A3.2 Please send your feedback to stakeholders@ofgem.gov.uk.