



Making a positive difference  
for energy consumers

To energy suppliers, consumer groups, innovators and other interested parties

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## **ENABLING CONSUMER DATA IN THE ENERGY SECTOR**

In our 2018/19 forward work programme <sup>1</sup>, we set out our ambition to have a retail energy market which works for all consumers. By this, we envisaged a market where competition constrains prices, drives efficiency and delivers the range of services and products that customers need.

Access to good quality data is essential if we are to have a retail energy market which works for consumers. Not only will this support consumers in making informed choices about their energy supply but, crucially, it enables the innovation we need for an energy market in the digital economy.

This letter sets out the next steps we will be taking to facilitate better access to this data. This is the next stage of implementing *midata for the energy sector* and builds on the engagement, development and policy activities to date which has been led by the Department of Business, Energy and Industrial Strategy. In particular, we are calling on the energy sector to help develop a data standard, which we consider should be underpinned by regulation, to enable the access and sharing of consumer data.

### **The case for change**

Data, information and insight play a vital role in our modern economy. This “Big Data” driven digital economy is expected to add £322 billion to the UK economy by 2020<sup>2</sup>. The Centre for Economics and Business Research (CEBR) analysis has shown energy and utilities to be one of the top seven beneficiaries. Consumer data plays a part in realising this benefit.

Consumer data in the energy market today is held largely by suppliers. The quality of data varies, and accessing it is typically a slow process. For example, consumers must manually input their data to a third party intermediary website or an app in order to make a price comparison or to complete a switch online. This can lead to errors, inaccuracies and there can be difficulties in finding all the required information. Ofgem has been clear previously that this is unacceptable. Furthermore, innovation remains somewhat restricted and parties wanting to introduce new products and services to the market are still facing unnecessary barriers despite positive advances in recent times. The smart meter rollout provides the opportunity for consumers to access accurate data about how much energy they use and when. Consumption data is stored on the smart meter and there is an established regulatory framework governing who can access that data. However, there is more that

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<sup>1</sup> <https://www.ofgem.gov.uk/publications-and-updates/forward-work-programme-2018-19>

<sup>2</sup> [https://www.sas.com/content/dam/SAS/en\\_gb/doc/analystreport/cebr-value-of-big-data.pdf](https://www.sas.com/content/dam/SAS/en_gb/doc/analystreport/cebr-value-of-big-data.pdf)

could be done to ensure that consumers are able to make the best use of this data in as simple a way as possible.

### **Opportunity presented by midata**

Government's midata initiative has created a dialogue and opened minds to the new possibilities presented by the digital economy. We have seen how Open Banking has delivered options for financial services and we now need to build on those lessons as we turn our attention to the energy sector. This is crucial in building confidence, assuring that any solution is user focused and that we can support compliance with the current data protection regime. The Government has published the findings from its call for evidence and recognises the need to move forward, at robust pace.

Making a positive change demands that the right people come together at the right time. We are pleased that a number of organisations have recognised the opportunity of midata. Therefore, an integrated project will now progress the recommendations from the Government response. This team will include representatives from Ofgem, the Department for Business Energy and Industrial Strategy, the Department for Digital, Culture, Media and Sport, the Government Digital Service and the Cabinet Office. Recognising the need for trusted external expertise, we are pleased to be joined by the Open Data Institute, the Alan Turing Institute and the Energy Systems Catapult. The project team will work with representatives from across the sector including suppliers, innovators and consumers in a set of development groups to produce the outputs for the project.

### **Key questions for the project**

The goal for this project is to create a standard for consumer data which delivers consistency, quality and security.

The drive for innovation must always be delivered with appropriate protection. The project will need to respond to the issue of informed consent and the verification of consent. This is essential for access and sharing of consumers' data. How do we know that it was the consumer who has given consent? How do we ensure that the vulnerable are able to benefit from the innovation provided by new products and services?

We should balance the need for a good quality standard against the impact and deliverability for those in the sector. How do we bring about the positive change to the market by building on the work already undertaken so that we do not isolate and alienate those who provide the services we need?

This project is being undertaken against a backdrop of other digital projects and wider activities. It is vital that we remain aligned, recognise and build on existing regimes and ensure that we all come together to unlock the power of data in the UK economy. What more can we do to encourage collaboration among the many organisations working hard to deliver that vision?

### **Role of energy sector**

We are keen to work with energy sector stakeholders to establish this standard. We will be consulting with stakeholders throughout the development of this work. I would strongly encourage participation and details on how to do this are within the annex to this letter.

Yours faithfully

**Philippa Pickford**  
**Interim Director, Future Retail Markets**

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<sup>1</sup> <https://www.gov.uk/government/consultations/call-for-evidence-implementing-midata-in-the-energy-sector>