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ADE Consultation Response | Access to half-hourly electricity data for settlement purposes | 3 September 2018

The ADE welcomes the opportunity to respond to Ofgem's **consultation on access to half-hourly electricity data for settlement purposes**.

The ADE is the UK's leading decentralised energy advocate, focused on creating a more cost effective, efficient and user-orientated energy system. The ADE has over 120 members active across a range of technologies, and they include both the providers and the users of energy. Our members have particular expertise in combined heat and power, district heating networks and demand side energy services, including demand response and storage.

Consultation Questions

Question 1: What are your views on Ofgem's assessment of the implications of the options we have set out for access to HH electricity consumption data for settlement?

Please see our answer to Question 2.

Question 2: Do you agree with Ofgem's current view that the best balance could be achieved by a legal obligation to process HH electricity consumption data for settlement provided the consumer has not opted out, and if so, why? If you have a different view, please explain which option you would prefer and the reasons for this.

The ADE does not agree with Ofgem's view that the 'opt-out' option is likely to provide the best balance. This option entails significant uncertainty about the number of customers who will choose to opt out, meaning that the Target Operating Model for market-wide HHS would have to incorporate processes to deal with an uncertain and potentially large volume of NHHS customers. This is likely to increase the complexity and cost of the Model.

In addition, the 'opt-out' option has the potential to reduce the system benefits derived from market-wide HHS. It is also possible that this option would create incentives for suppliers whose customers use large volumes of electricity at peak to discourage those customers from sharing their HH data for settlement to avoid being exposed to these costs. We are unsure about whether this is likely to be a significant issue or not.

We believe that the most suitable option is likely to be mandatory HH settlement with pseudonymisation for all consumers. As stated in the consultation, the proposed anonymisation option fails to provide true anonymisation, so is unlikely to reassure consumers. In contrast, the hidden identity or pseudonymisation option provides effective protection of identity.

This option is likely to be most effective if combined with mandatory settlement, rather than with opt-in or opt-out models. This would allow the full benefits of market-wide HH settlement to be realised and remove the need to create two processes, one for customers who wished to be pseudonymised and one for those who did not mind. As well as having efficiency benefits, this

approach should help to mitigate the concern that vulnerable consumers may not understand the options available and that their data would be processed if they did not choose to opt out.

Question 3: There is a risk that consumers who use particularly high volumes of electricity at peak could choose not to be HH settled and therefore disproportionately increase energy system costs, which would then be shared by all consumers. Do you have any views on whether or how we should address this issue?

If mandatory HH settlement with pseudonymisation is introduced, consumers using particularly high volumes of electricity at peak will not be able to avoid being HH settled and will have their consumption accurately reflected in their charges.

Question 4: What are your views on the potential enhanced privacy options?

Please refer to our answer to Question 2.

Question 5: If we decided to further consider the hidden identity option, do you think data from all consumers should be pseudonymised or only data from consumers who have not chosen to share their HH data for settlement?

We believe that data from all consumers should be pseudonymised. As outlined in our answer to Question 3, pseudonymising data from all consumers will allow the full benefits of HH settlement to be realised, remove the need to create two processes and help to protect vulnerable consumers.

Question 6: Please provide any information you can about the likely costs and benefits of these options

The ADE does not have any comment.

Question 7: Do you think that there should be a legal obligation to process HH data from all smart and advanced metered microbusiness customers for settlement purposes only? If you disagree, please explain why.

The ADE agrees with Ofgem's proposal and believes that pseudonymisation should be available to microbusiness customers as well as for domestic consumers.

Question 8: Are there any issues relating to access to data from microbusinesses that you think Ofgem should be aware of?

The ADE does not have any comment.

Question 9: We propose that domestic and microbusiness consumers retain the level of control over sharing their HH electricity consumption data that was communicated to them at the point at which they accepted a smart or advanced meter, until the point at which the consumer decides to change electricity contract. Do you agree this is the best approach?

The ADE believes that this is the best approach under Ofgem's current proposals. If, however, Ofgem decide to introduce mandatory HH settlement with pseudonymisation for both domestic and microbusiness customers, there may be more scope for customers to be subject to the new regulatory framework from the point that it takes effect.

Question 10: What are your views on Ofgem's proposal to make aggregated HH electricity consumption data broken down by supplier, GSP group, and metering system categorisation available for forecasting?

The ADE does not have any comment.

Question 11: Is there any additional data beyond this aggregated data that you consider suppliers will need for forecasting?

The ADE does not believe that any additional data is necessary. Provision of disaggregated data would pose significant risks to commercial confidentiality and competition, so should not be allowed.

Question 12: Our analysis suggests that HH export data reveals less about a consumer and is therefore likely to be of less concern to consumers than HH electricity consumption data. Do you agree?

While we agrees that HH export data reveals less about consumers in general than HH electricity consumption data, the former is easier to link to an individual customer than the latter. As the consultation document acknowledges, export data can be linked to a specific MPAN and that in turn can be linked to a specific account. It is unclear whether this is a significant risk, but it is possible that it will be perceived as one by individual consumers.

Question 13: Do you consider that any additional regulatory clarity may be needed with respect to the legal basis for processing HH export data from smart and advanced meters for settlement?

The ADE does not have any comment.

Question 14: Do you have any thoughts on the monitoring/auditing environment for the use of HH data for settlement purposes?

The ADE does not have any comment.

Question 15: Do you have any additional thoughts or questions about the content of the DPIA?

The ADE does not have any comment.

For further information please contact:

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