

# Access to Half-Hourly Electricity Data for Settlement: Energy UK Response

3 September 2018

## Introduction

Energy UK is the trade association for the GB energy industry with a membership of over 100 suppliers, generators, and stakeholders with a business interest in the production and supply of electricity and gas for domestic and business consumers. Our membership covers over 90% of both UK power generation and the energy supply market for UK homes. We represent the diverse nature of the UK's energy industry – from established FTSE 100 companies right through to new, growing suppliers and generators, which now make up over half of our membership.

Our members turn renewable energy sources as well as nuclear, gas and coal into electricity for over 27 million homes and every business in Britain. Over 730,000 people in every corner of the country rely on the sector for their jobs, with many of our members providing long-term employment as well as quality apprenticeships and training for those starting their careers. The energy industry invests £12bn annually, delivers £88bn in economic activity through its supply chain and interaction with other sectors, and pays £6bn in tax to HMT.

## Executive Summary

This is a high-level industry view in response to Ofgem's consultation on access to half-hourly electricity data for settlement purposes; Energy UK's members may hold different views on particular issues raised in the consultation and we expect them to respond individually.

Energy UK welcomes this consultation and the analysis that Ofgem has undertaken on the implications for data access options being proposed. However, we note our disappointment that the wider BEIS data access privacy framework will be consulted upon separately. Suppliers' access to settlement data alone will not necessarily provide the full benefits of market-wide HHS being realised and a more holistic approach to reviewing data access could have been more beneficial.

Energy UK has put forward a preferred option for mandatory access to domestic half-hourly electricity consumption data for settlement purposes with no consumer opt-out, which is supported by the majority of our members. However, we do note Ofgem's minded-to position, and welcome the acknowledgement that at the very least the status quo is not sufficient to realise the benefits of a smarter, flexible energy system. Relying on consumer opt-ins would delay the realisation of any benefits of market-wide half-hourly settlement (HHS) for consumers, efficiency and the energy system as a whole.

We would be happy to discuss any of the points made in further detail with Ofgem or any other interested party if this is considered to be beneficial.

## Consultation Response

### Chapter 3: Options on access to data for settlement

**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?*

Energy UK agrees with Ofgem's assessment of the implications for each option outlined in the consultation.

**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.*

Energy UK anticipates that our members will respond individually to this question. However, a majority of Energy UK members do not agree with Ofgem's minded-to position of allowing a consumer opt-out and instead would prefer the simpler system of mandatory supplier access to HH data for settlement purposes without a consumer opt-out. Ofgem's proposals risk an overly expensive and complex system that undermines the potential consumer and industry benefit of HHS. This system could also make demand forecasting processes more challenging and less accurate given suppliers will be relying on limited data.

In addition, it would be difficult to predict how customers will react in a conversation when presented with an opt-out 'for settlement purposes' option combined with an opt-in request for other reasons e.g. taking a smart meter or selecting a tariff. This could lead to customer confusion and could disrupt Ofgem's assumption that consumers will often take the default option of not opting-out. Energy UK believes that this position would pose a risk to the business case in addition to being unnecessarily confusing for customers.

Energy UK does agree that Ofgem should rule out retaining the status quo. Maintaining the current model, requiring customers to opt-in to allowing data access for settlement purposes, would be onerous and undermine the benefits of moving towards HHS, as has been highlighted in the consultation's assessment of the option's implications.

Energy UK also agrees with Ofgem's proposal to review its ultimate decision on access to HH data to ensure it continues to strike the right balance between privacy and enabling system and consumer benefits. We believe that Ofgem should provide suppliers with sufficient opportunity to provide evidence for that review.

In addition, Energy UK notes that Ofgem has not defined "settlement" in the consultation, and has focused mainly upon retrieval of data. A lot of further processing of data between parties for settlement purposes is needed following retrieval. In view of GDPR, Energy UK would welcome clarity over how Ofgem has considered this, and whether a legal obligation will be placed upon all necessary parties for settlement.

**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?*

Energy UK agrees that this is a concern that Ofgem should be addressing. Ofgem should carefully consider the implications for customers and their costs if some choose to opt-out of one service (HHS) while benefit from another (smart meter). Ofgem should also consider how increasing market complexities could impact upon the take-up of smart meters and HHS.

### Chapter 4: Enhanced Privacy

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

Energy UK anticipates that our members will respond individually to this question.

**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?*

Energy UK anticipates that our members will respond individually to this question.

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

Energy UK anticipates that our members will respond individually to this question.

### **Chapter 5: Microbusinesses**

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

Energy UK agrees with Ofgem's assessment of options and conclusion that there should be a legal obligation to process HH data from all smart and advance metered microbusiness customers for settlement purposes. Ofgem should carefully consider the implications for customers and their costs if some choose to opt-out of one service (HHS) while benefit from another (smart meter). Ofgem should also consider how increasing market complexities could impact upon the take-up of smart meters and HHS.

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

Energy UK anticipates that our members will respond individually to this question.

### **Chapter 6: Customers with existing smart or advanced meters**

**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?*

Energy UK expects members to respond individually to this question. However, Ofgem should consider the impact upon the benefits of HHS, and the timeline for the realisation of these benefits, when deciding upon this proposal. In particular, the impacts of restraining take-up of HHS and the knock-on effects that this would have on Ofgem's ability to make a business case for the changes.

### **Chapter 7: Access to Data for Forecasting**

**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?*

Energy UK anticipates that individual members will respond individually to this question, particularly on the data and level of granulation that is most useful for suppliers for forecasting purposes. However, the majority of Energy UK members agree with Ofgem's proposal to make aggregated HH electricity consumption data available for forecasting, dependent upon how it will be shared with suppliers.

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

Energy UK anticipates that our members will respond individually to this question.

## **Chapter 8: Access to HH Export Data for Settlement of Export**

**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?*

Energy UK agrees with Ofgem's analysis and conclusion that while export data is personal data, it reveals less about a consumer and is likely to be less of a concern to consumers. When deciding upon the use of export data for settlement of export, Energy UK would urge Ofgem to consider the importance of export data for the future of the energy market.

**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?*

Energy UK agrees that further clarity regarding the legal basis for processing HH export data would be welcome.

## **Chapter 9: Data Protection Impact Assessment**

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

**AND**

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

Energy UK anticipates that our members will respond individually to these questions.

**If you would like to discuss the above or any other related matters, please contact me directly on 020 7747 2931 or at [steve.kirkwood@energy-uk.org.uk](mailto:steve.kirkwood@energy-uk.org.uk).**