

Ofgem,
10 South Colonnade,
London,
E14 4PU

3rd September 2018

To whom it may concern

Re: Access to half-hourly electricity data for settlement purposes

Igloo Energy is pleased to be given the opportunity to give our feedback on access arrangements for half hourly electricity data for settlement and forecasting.

Igloo was established in 2017 and our aim is to build a platform for consumer engagement through smart meters and enhanced data. Our mission is to make customers' homes smarter, more efficient and cost less to run while helping the world get a cleaner energy system. We are therefore very keen to ensure that the value of the smart metering roll out is maximised, delivering tangible benefits for consumers while respecting their right to privacy.

The following sections provide brief responses to the questions raised by Ofgem.

Questions 1 – 3 | Access to Data For Settlement

Our view on the use of half hourly data for settlement is well aligned with Ofgem's conclusions. We agree that, if customers have to actively opt-in, they are unlikely to act particularly where there is little tangible positive or negative impact to them as an individual in either scenario.

For the benefits of smart metering to be realised it is crucial that as many customers as possible are half hourly settled and the 'opt out' option provides the best balance between delivering this and giving customers who are so inclined control of their data.

The point about customers with unfavourable demand patterns (e.g. EV charging during peak) is related to a wider issue around whether suppliers will be facilitated in rewarding customers who allow their data to be used for settlement, forecasting and marketing purposes recognising the value that this creates. If a high proportion of customers with unfavourable demand patterns are settled together with customers who choose to opt out of half hourly settlement then it is a certainty that cost to serve these customer groups will be higher than the market in general.

In our opinion customers should be rewarded for sharing their data and we would like assurances from Ofgem that suppliers would not be prevented from offering improved tariffs to customers that are willing to share their data or indeed be allowed to focus on only supplying customers who are willing to permit data access.

Questions 4 – 6 | Enhanced Privacy

It is our view that the complexity and additional cost of implementing the enhanced privacy options is likely to outweigh any benefits in terms of increased participation in half hourly settlement, particularly when combined with opt-out. We are strongly opposed to the creation of additional complexity within an already complex system. From the point of view of consumers, this complexity is not likely to be helpful or reassuring – if customers are not comfortable sharing their meter data with their supplier why would they choose to reveal this to an unknown third party?

Consumers have a business relationship with their supplier and it is therefore incumbent on the supplier to build a trusting relationship. If a consumer is not satisfied that their supplier will protect their data then they have the opportunity to switch away. Indeed, providing suppliers with the opportunity to prove they are trustworthy and reward customers for sharing their data will facilitate innovation in the marketplace.

Question 9 | Existing Smart Meters

We agree that domestic customers should retain with their existing opt-in status until they change electricity contract.

Question 10 - 11 | Access to Data for Forecasting

Our aim is to provide our customers with sufficient incentive to encourage them to permit us to access their data for forecasting and marketing purposes however we agree that an aggregated view of half hourly demand GSP would be valuable data for forecasting.

If there a supplier has a so few customers in any GSP that they might be identified from the aggregated data and suppliers have the opportunity to ask customers to opt-in to sharing their data for forecasting then, in our opinion, the remaining small number of customers is unlikely to cause significant error in the forecast for an overall portfolio.

Therefore, our suggestion is that aggregated data is not made available until a supplier has a sufficient number of customers in a given GSP.

Question 12 - 13 | Export Data

We agree that half hourly export data would be valuable for settlement. Although it is likely to reveal less personal information about the customer our suggestion is that a single standard and approach should be applied to import and export data for simplicity.

Question 14 - 15 | Data Protection Impact Assessment

We agree with the general assessment of risk set out in the DPIA.

Customers providing suppliers with half hourly data for settlement, forecasting and marketing creates value in terms of reducing the costs of operating the system and allowing suppliers to improve the efficiency of their processes. Our overarching concern is that suppliers should be allowed the freedom to share this value with consumers and use this as a basis to build a trusting relationship.

In communicating issues around data access and use with consumers the creation of a simple system with clear straightforward guidelines will be crucial and we would urge Ofgem to treat this as a prime concern in the further development of the data access processes.

Yours sincerely,

Matt Clemow

CEO & Founder Igloo Energy