

**To: Anna Stacey, Consumers & Markets, Ofgem, 10 South Colonnade, London, E14 4PU
(half-hourlysettlement@ofgem.gov.uk)**

Dear Anna

RE: CONSULTATION ON ACCESS TO DATA FOR SETTLEMENT PURPOSES

Siemens Managed Services is an independent provider of metering services in the UK, operating in the electricity, gas and water industries. As a SEC Party Member, we have been actively involved in the Smart Metering Implementation Programme and the industry's move towards smart metering. A member of AIMDA, we supply metering and data services both directly to business consumers and to non-domestic energy suppliers in support of their own customers' requirements and to energy suppliers supporting domestic consumers.

Siemens believes that providing access to half hourly data for settlement purposes is an essential step in facilitating the smart grid and realising benefits for end consumers. It will facilitate innovative new energy service offerings and time of use arrangements that deliver behaviour change and lower energy costs. For example, Energy Retailers are building EV and PV propositions around half hourly settlement and time of use tariffs.

As pointed out in the paper, the current opt-in approach for domestic customers is unlikely to realise the true potential of half hourly settlement. Therefore, Siemens believes that an opt out or mandatory approach is the best way to facilitate progress. Enhanced privacy options are likely to over complicate this industry change, hinder progress and add unnecessary costs to a complex programme that is already significantly over budget. Rather than creating new centralised infrastructures, we strongly urge the Government to encourage a competitive landscape to foster innovation, create innovative commercial solutions and deliver services that encourage consumer take up. This will support the UK's economy through growth in digital skills, increased capabilities and economic activity with export growth potential. Siemens believes that centralisation of currently competitive services is counter intuitive; in our experience, centralised services result in increased costs, complexity and hinder innovation. We would rather focus on benefits a competitive system can bring rather than be forced down a route with no possible alternative.

We are grateful for the opportunity to express our views on the consultation. Accordingly, please find below Siemen's view on the Consultation.

If you require any further information or wish to discuss this response, please contact Matt Howard on 07808821941 or matthew.howard@siemens.com.

CONSULTATION ON ACCESS TO DATA FOR SETTLEMENT PURPOSES

Q1	<p>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?</p>
A1	<p>Siemens believe that Ofgem’s assessment on the implications of the options set out for access to HH electricity consumption data for settlement are generally accurate however we believe that option 4a & b will increase costs without adding any real benefit, therefore we suggest they should be avoided.</p> <p>We agree that the opt out option will generally increase the number of consumers who are Half Hourly settled over that of an opt in methodology, but we do question how many consumers will be aware of Half Hourly settlement and the role it plays thus be able to make an informed decision. Consumers will most likely base their decision on competitively created offerings released by vendors due to half hourly settlement enablement rather than on privacy issues. Advocating for and actively promoting the benefits of competitively created beneficial services will resonate with consumers and thus create the highest adoption levels.</p> <p>The mandatory option creates benefit so long as settlement is not centralised in any way, shape or form however, in general, Siemens believes that allowing choice in a market is the best option.</p>
Q2	<p>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.</p>
A2	<p>Yes, Siemens agrees that the best balance between choice and benefit could be achieved through the opt out model. As stated in question 1, most consumers will not be aware of the settlement process or the role it plays and therefore will not be able to make an informed decision on the benefits it could bring them without first having been educated on the process. The opt out option therefore represents the easiest and most cost-effective way to achieve large scale benefits while retaining an element of choice for the consumer.</p>
Q3	<p>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?</p>
A3	<p>Unless Half Hourly settlement is mandated there will always be the option to reduce individual costs by opting out thereby raising costs for others; however, this option will only be acted upon by people who are technically savvy enough to know and understand the implications of Half Hourly settlement. Given most consumers will not be in this camp, the risk is somewhat limited.</p> <p>The option to prevent this occurring are also limited; ultimately, even if Half Hourly settlement is mandated, a consumer can simply choose to not have a SMART meter installed in the first place. One way of addressing these customers who are ‘cheating’ the system might be to create additional profiles based on sample data to better reflect their usage in non-half hourly settlement. Furthermore the apportioning of imbalance costs could be re-considered to ensure that these customers incur a more accurate level of costs.</p> <p>Ultimately, consumers will openly adopt Half Hourly settlement if they believe they will be better off. An effective method to engage consumers in the benefits of half hourly settlement is by advocating for and promoting the benefits of the competitive value add services rather than forcing consumers to</p>

	adopt HH settlement through a mandated scheme.
Q4	What are your views on the potential enhanced privacy options?
A4	Siemens believes that the potential enhanced privacy options are unnecessary given that most people will have no opinion either way on Half Hourly settlement. Given this, any enhanced privacy options are for the benefit of the few being covered at the cost of the many and should be avoided; largely due to the additional complexity and increased burden on a system which is yet to be fully proven.
Q5	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?
A5	Siemens does not believe that the options to consider hidden identities should be progressed for the reasons stated in the answer to question 4. If it was to progress, we believe that only data from consumers who have not chosen to share their HH data for settlement purposes should be pseudonymised.
Q6	Please provide any information you can about the likely costs and benefits of these options.
A6	Siemens is not able to provide any information on the likely costs or benefits however it is clear that adding an extra layer will increase costs.
Q7	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.
A7	Siemens agrees with mandated Half Hourly settlement for microbusinesses providing that they still retain the option to choose the party performing settlement. Choice is an essential enabler of innovation, it fosters development of competitive value add services that deliver enhanced benefits to consumers. As per previous answers, Siemens does not believe that it would be beneficial to consider enhanced privacy measures for this group of customers.
Q8	Are there any issues relating to access to data from microbusinesses that you think Ofgem should be aware of?
A8	Yes. As repeatedly stated by Siemens in various consultations, the DCC does not have the right user roles to allow access to sufficient access to DUIS articles to allow independent data collectors to effectively perform data collection services for businesses with SMETS2 meters. While non-microbusinesses have an option to install advanced metering the right is not extended to microbusiness. The affect is that independent data collectors are not able to directly perform data collection services without integrating with a supplier and due to the large number of business suppliers with relatively low numbers of consumers, this is generally not cost effective. This severely limits the consumers options on who they choose for DC/DA services (including settlement).
Q9	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?
A9	Siemens does not hold strong views on this specific topic and as such does not have any issue with the proposed methodology.
Q10	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?
A10	Any measure that helps energy suppliers to improve forecasting and lower costs to the end consumer should be supported. Siemens has spoken to a number of energy suppliers about the use of half hourly data to support better forecasting leveraging new techniques such as neural networks and we would advocate that competitive markets are maintained to provide such services.
Q11	Is there any additional data beyond this aggregated data that you consider suppliers will need for forecasting?
A11	Siemens does not have any further comment to make at this stage.
Q12	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?
A12	Siemens does not have any detailed comment at this stage, but would suggest that any data which helps to better understand usage with a view to supporting better forecasting, network management and energy management would be useful.
Q13	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?
A13	Siemens does not have any further comment to make at this stage.
Q14	Do you have any thoughts on the monitoring/auditing environment for the use of HH data for settlement purposes?
A14	The current qualification and subsequent auditing regimes should be extended to verify that companies processing half-hourly data for settlement are doing so in compliance with the regulations, customer consent and that there is no blurring of the use of data for services that consent has not been provided.
Q15	Do you have any additional thoughts or questions about the content of the DPIA?
A15	Siemens would like to note that that DPIA report ranks that the overall assessment of risk is medium in almost all circumstances (Security, privacy and market wide HHS realisation for all access options). Given this, Siemens would suggest that there is little benefit of adding additional cost & complexity by choosing any access option other than opt out or mandatory.