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**SMS Plc Response to Consultation on access to half-hourly electricity data for settlement purposes**

Dear Anna,

We write to you today in response to your Consultation published in July 2018 on access to half-hourly electricity data for settlement purposes.

SMS is an accredited non half hourly and half hourly meter operator, data collector and data aggregator and operate metering and data services on over 2m gas and electricity supply points in the UK to both business consumers direct as well as non-domestic and domestic energy suppliers to support their own customers' requirements.

SMS wished to state that we are generally supportive of the proposed routes in allowing access to HH data for settlement purposes (opt out for domestic and mandatory for microbusinesses), with the exception that the function should not be centralised, as per the anonymisation route in option 4. We believe that both 4a and 4b will add additional costs to settlement without delivering proportional benefits to consumers.

It should also be noted that SMS do not agree that consolidation will be beneficial to the end user, instead we firmly believe that ensuring competition in the metering markets drives innovation, reduces costs and increases end user benefits. Therefore, it is essential to SMS and our customers that access to HH data for settlement purposes avoids any theme of centralisation either in part or as a whole.

We are grateful for the opportunity to express our views on the consultation. Accordingly please find below our formal written response to the consultation for your review.

In the meantime, should you require any further information from SMS in support of these responses, please do not hesitate to contact me.

Yours faithfully,



Chris Mawer  
Sales Director

**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?**

In general, we agree with Ofgem’s assessment of the implications of the set-out options, however, though at this point you have indicated that the costs of 4a and 4b have yet to be fully assessed, we believe that costs associated with this approach will be higher than any others for no real additional benefit.

**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.**

Yes, we agree that the best balance would be achieved through Option 2. It will ensure that those consumers who are concerned over their HH’ly data usage have the choice to opt out, while those consumers who are unaware of settlements will not have to be educated and persuaded to vocally opt in. As indicated in 3.12, physically having to opt in would result in less consumers being HH settled.

**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?**

Unless HH settlement is mandated there will always be the risk that consumers will opt out and therefore decrease their energy costs while increasing those of other consumers. However, were HH settlement to be mandated, those consumers really concerned over this could choose not to have a SMART meter fitted. At present it is difficult to see how this issue can be addressed, without removing the consumers freedom of choice.

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

We believe that the enhanced privacy options will only benefit the few that have shown concerned at the cost of the many, the majority of which will not have an opinion either way.

**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 do not believe that pseudonymization would be cost effect for the perceived benefit. If it was to be progressed, then yes, it would only be for those consumers who have not chosen to share their HH data for settlement.

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

We are not able to provide any information on the likely costs or benefits however it is clear that adding an extra layer will increase costs.

Please write to SMS at:

SMS Energy Services Limited, Prenaau House, Copse Walk, Cardiff Gate Business Park, Cardiff, CF23 8XH or [chris.mawer@sms-plc.com](mailto:chris.mawer@sms-plc.com)

**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.**

SMS agrees with mandated HH'ly settlement for microbusinesses provided 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, SMS does not believe that it would be beneficial to consider enhanced privacy measures for this group of customers.

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

Yes. 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.

**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?**

We do not have any issue with the proposed practice.

**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?**

SMS are awaiting additional input from within the business.

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

We have no views on this question.

**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?**

If a consumer is concerned about how their data information is used, we see no reason why they would feel differently about export data.

**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?**

Yes, as above.

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

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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.

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

No.