



Submitted by email to Half-HourlySettlement@ofgem.gov.uk

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Dear Jenny,

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

We welcome the opportunity to respond to this consultation on the access of consumption data from smart or advanced meters to be retrieved and processed for settlements purposes.

We broadly support the proposals set out in this consultation considering the evidence presented in the OFGEM DPIA assessment.

We seek clarity on OFGEM's definition of Settlements (including what it encompasses as legitimate activity) and, separately, on the expected data privacy obligations with regards Sole Traders and Tenants, a possible contradiction between the Licence Condition and GDPR / DPA where a Microbusiness Customer is also a Sole Trader, and for Micro-business what exactly is deemed to be 'personal' data.

We welcome further engagement should OFGEM continue to consider the question of pseudonymisation and any potential policy.

We have provided responses to the consultation questions in Annex 1 and if you have any questions or comments, please do not hesitate to contact me or Claire Hemmens (claire.hemmens@sse.com).

Yours sincerely,

Adam Carden
Regulation – Codes

Annex 1: SSE response to Access to half-hourly electricity data for settlement purposes consultation.

Chapter 3

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?

When we consider solely the question of the best data for the most cost effective half-hourly settlement then we can only conclude that the best data is from a mandated option, but we accept that given the existing Data Access and Privacy Framework (implemented by Government) we understand that there is a need to consider a similar regime for data consents and clear, transparent, protections for Domestic Customers.

We understand OFGEM’s overall assessment of the implications of the options. The scope of the assessment appears sufficiently wide, taking into consideration levels of privacy (incl. GDPR), differing opt-in levels (high vs low), customer switching, and timescales required for settlement (incl. disputes). We understand the conclusions made by OFGEM, that the evidence garnered from their research shows a preference for Domestic “Opt-Out” thus avoiding default or the perception that the Customer has no choice, thus potentially affecting uptake of Smart Meters. We wonder if further consumer research in this area might help.

We fully support the Microbusiness “Mandated” option. However, in line with the clarification we have sought on the OFGEM definition of Settlements and what it encompasses, we seek clarification on the consultation statement (3.2) ‘Under all the options we are considering, access to HH electricity consumption data would be strictly limited to processing by suppliers and authorised agents for settlement purpose’.

We note that having various regimes in place in the future will not reduce complexity but change the way we do things and will hopefully lead to more frequent, richer data to inform settlements and show true costs. This new regime set will mean a differential for settling and cost base.

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.

Although not explicitly stated, we have assumed this question relates to Domestic Customers.

For cleaner, clearer settlement operations, Mandatory would appear to be the best option, however we note the Consumer concerns evidenced in the research. We support the Ofgem view that HH electricity consumption data should only be processed for Settlement provided Customers have not Opted-Out once given a transparent notice of our legitimate interest before the data is collected.

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?

This is potentially a risk, particularly for consumers who are more aware of arrangements. We can see no way that this risk can be quantified, or verified, and we cannot see how Suppliers can mitigate against this risk as they will likely have no information to work with.

For the smaller non-domestic 'Customers we assume the majority, who use particularly high volumes of electricity at peak', are already under existing HH Settlement arrangements, and therefore we see a minimal risk, and doesn't require addressing.

Chapter: Four

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

Given the context of the definition of anonymisation under GDPR/DPA, anonymisation will not work with the current Smart Metering regime in place, so we understand why the OFGEM minded to position is to discount this enhanced privacy option.

There appears to be insufficient clarity on how pseudonymisation will work or how it might improve the confidence for some Domestic Consumers considering Opt-Out and thus increase the percentage of available HH data for Settlements.

When considering the potential to pseudonymise, we remind OFGEM that in the later stages of the settlement process HH data is already expected (without pseudonymisation) to be aggregated by the aggregator and utilised by Settlements, aggregated. Therefore, in today's process and that proposed, a Supplier would/currently does not see MPANs or granular HH data for Domestic Customers today; we believe there will be limited benefit to utilising pseudonymisation.

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?

It would seem sensible that if pseudonymisation is considered it is considered for use for all HH settled consumers or none.

We encourage further research and consultation if pseudonymisation is to be considered and consideration if there is a privacy risk which might be associated (when the policy for Centralisation has been determined and the final recommended TOM is confirmed). Often pseudonymisation is used it is where it is an appropriate technical measure to make sure data is not lost or stolen, but this risk has not been articulated in the consultation or DPIA. Currently there is no evidence that if offered to all Domestic consumers that this in turn would increase the trust in the protections in place, and decrease the consumers who determine to use their right to Opt-out when given a notice of legitimate use collection. We



believe to limit risks and issues, as a trade-off against additional complexity to differentiate, that a simpler pseudonymisation approach “all or nothing” should be adopted.

Whether to “pseudonymise” or not is a decision for OFGEM via a clear business case/cost benefit analysis and whether it is a cost appropriate to be borne by consumers. We believe any decision will need to consider how the regime will manage; problems with the data, disputes, efficient root cause analysis (which necessarily will rely on granular source data), how to provide the right level of assurance. Where today’s HH regime allows the processor access to the right level of data for timely and accurate data/problem management to occur

As pseudonymisation will likely be carried out away from the Supplier, we are largely agnostic on its use, as there are no benefits for the Supplier.

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

To enable true anonymisation a change would be required to the current delivered Smart Metering End to End System, including an evolved version of SMETS, if this is at all viable technically whilst maintaining the Government delivered policy maintaining a secure end to end system. The costs would likely be prohibitive.

Considering the requirements that pseudonymisation seems to present, i.e. another service provider appointed, new data exchange, security, changes, processes for change/assurance/audit, this feels expensive and a significantly increased cost to consumers. However, until the detail of the preferred TOM is known it is hard to know at this stage.

Chapter: Five

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.

From the consultation documentation, it appears that the reasons for mandating HH settlement for Micro-business customers are like those outlined to justify P272 and HH settlement for PCs 5-8. We agree Micro-business should be mandated. Further we believe OFGEM should consider the same rules be applied to all non-domestic Customers.

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

No.



Chapter: Six

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 can see this is a pragmatic and appropriate approach, not to retrospectively make the change to arrangements. From the Domestic Customers perspective, they accepted a Smart Meter on the agreement of the regime set out for them for data, the majority are likely not to perceive the difference between data being used for Billing/Marketing and a new data regime using data separately for a legitimate interest, regulated duty for Settlements.

We agree that it is appropriate to transparently provide a notice on contract changes that we will be taking the HH data for legitimate interest/regulated duty purposes, thus providing advance notice, so Domestic Customers can consider if they are happy for us to access the data or if they wish to contact us to Opt-out.

We assume this approach would not preclude Suppliers choosing to engage with customers on data access.

Chapter: Seven

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?

We support OFGEM’s proposal.

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

We believe that having this aggregated data additionally broken down by Post Code Out-code (first half of Post Code), to give a degree of location (at weather station level), would further assist Suppliers more accurately forecast (where things like weather variance can affect accurate forecasting).

Chapter: Eight

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?

We agree with OFGEM’s analysis that export data should be of less concern to consumers. We believe that as these Customers are likely to be better informed and engaged, so more likely to understand the minimal risk of sharing. For Domestic “Feed in Tariff Scheme”



(FiTS) customers and generation it is not predominantly concerned with customer activity, but on environmental factors i.e. solar/sun.

We encourage further research with consumers on this question and further consultation should evidence to contrary be received.

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?

As we agree with your analysis we do not see any clarity required.

We assume OFGEM will keep abreast of any Government changes associated to the HH export market (impact of sub 30kWh generation spill on Grid Correction Factors and an increased take up of FiTS) and how it operates, to understand if this might consequentially lead to the need for clarity of how export can accurately be settled.

Chapter: Nine

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

We believe that a strong monitoring and auditing regime will be required for the new regime, for compliance and assurance that data is being processed appropriately. As MwHHS might introduce additional services acting as agent of settlement, therefore we believe the existing settlement audit regime needs to be extended to cover this. This will help provide OFGEM, consumers, Suppliers with the comfort that the data has been maintained throughout processing, working accurately and in a timely manner, that ultimately what is being passed for final settlement for true accountability is accurate.

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

It will be important, if the OFGEM decision is to proceed with MwHHS, that a route for raising and managing data issues (incl. disputes) is clearly defined across the different settlement functions, to avoid accuracy issues from the new regimes.