



Solar Trade Association
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Anna Stacey
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Ofgem
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Dear Anna Stacey,

RE: Consultation on access to half-hourly electricity data for settlement purposes

On behalf of our more than 130 member companies across the UK, we would like to take this opportunity to convey the solar industry's unequivocal support for the proposal to allow greater access to half-hourly (HH) electricity data so as to enable the successful implementation of half-hourly settlement (HHS).

We strongly agree with Ofgem's view that market-wide half-hourly settlement will support the decarbonisation of the UK's electricity supply by incentivising a move towards a smarter, more flexible energy system. This smart system will enable consumers to realise significant savings by reducing the need for investment in new generation and network infrastructure reinforcement, reducing system balancing costs and by encouraging demand-side response at the domestic and microbusiness level through Time of Use Tariffs (TOUTs).

Of the three options under consideration by Ofgem for HH data access, the Solar Trade Association supports **mandatory** processing of households' and microbusinesses' HH electricity consumption for settlement purposes only, provided that the **Hidden identity (pseudoanonymisation)** option currently under consideration be concurrently implemented.

The true value of the smart meter infrastructure currently being rolled out can only be fully realised if HHS and Time of Use billing are universally implemented across the entirety of the GB market. Access to data is a necessary first step to this potential being implemented.

It is in our view unlikely that a sufficient number of consumers would voluntarily opt-in to HH data sharing for settlement purposes to realise these market-wide benefits or to justify the enormous expense of the Smart Meter program. Moreover, there are important self-selection bias considerations at stake in terms of the types of consumers who would voluntarily opt in. As the consultation document rightly notes, without mandatory, market-wide HHS, there is a risk that consumers who use particularly high volumes of electricity at peak could choose not to share HH data and therefore disproportionately increase energy system costs. This type of outcome would significantly undermine the entire purpose of the reform, and in our view, a voluntary opt-out provision would not go far enough in preventing it, to the great detriment of the initiative.

A full, market-wide transition to smart metering and TOUTs enabled by HHS will be a significant step forward in enabling a smart, flexible energy system. Once HHS is standardised across the solar PV industry, the incentive to offer TOUTs for both import and export will be far greater. This is in part due to the high costs and administrative burden for offering smart tariffs now, even on the import-only side. The necessity

for these industry-wide processes to be mandatory is evidenced through the lack of these offerings emerging voluntarily. For instance, with export TOUTs there are no suppliers currently offering to purchase domestic households surplus export in the market and few available on the import side. Full integration of the smart meter infrastructure, access to data and HHS will facilitate these options becoming more frequent, if not routine. These markets emerging are an essential development for domestic solar PV through their enabling of alternative routes to market and revenue stacking in a post-FiT world.

We feel the **Hidden identity (pseudoanonymisation)** option is a natural complement to mandatory HH data access, and offers the optimal balance of consumer privacy and the provision of useful, meaningful data for settlement purposes.

Market-wide HHS, enabled by mandatory access to HH data, would remove complexity and inefficiencies associated with developing a settlement system that would need to accommodate significant numbers of Non-HH settled consumers, thereby avoiding potentially significant market distortions and enabling the achievement of maximum cost savings for all consumers. We feel that the data anonymisation proposals under consideration by Ofgem are sufficient for addressing any consumer privacy considerations, and that any risks associated with market-wide HHS implementation would be vastly outweighed by the potential benefits in enabling a smart, flexible energy system.

We thank you for the opportunity to contribute our perspective, and look forward to addressing these questions in greater detail in our forthcoming submission to the Ofgem consultation on *Getting more out of our electricity networks through reforming access and forward-looking charging arrangements.*

Yours sincerely,



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About us

Since 1978, the Solar Trade Association (STA) has worked to promote the benefits of solar energy and to make its adoption easy and profitable for domestic and commercial users. A not-for-profit association, we are funded entirely by our membership, which includes installers, manufacturers, distributors, large scale developers, investors and law firms. Our mission is to empower the UK solar transformation. We are paving the way for solar to deliver the maximum possible share of UK energy by 2030 by enabling a bigger and better solar industry. We represent solar PV, solar thermal and energy storage.