

04 September 2018

Anna Stacey
Head of Settlement Reform
Ofgem
10 South Colonnade
London
E14 4PU

Email: alisonrussell@utilita.co.uk

By email only

Dear Anna,

Access to half-hourly electricity data for settlement purposes

Thank you for the opportunity to comment on the above consultation. This letter, and attached appendix form our response.

Utilita is a smart prepayment supplier who has been installing smart meters since 2008. We believe that smart meters are particularly beneficial for prepayment customers; using their HH data to give customers visibility of their energy consumption helps them manage their energy spend. Access to HH data is important to deliver the benefits of smart prepayment meters, including energy efficiency advice, and the development of Time of Use tariffs to encourage customers to use less energy during peak times.

We do not agree that mandatory HHS is the way forwards, however if Ofgem decide to go ahead with mandatory HHS then Utilita believe option 3 would be the most successful option.

We agree that using HH data for settlement will carry benefits for consumers, but this must be reflected in billing. Therefore, it is important to ensure that suppliers and customers are 'settled' on the same basis to ensure full alignment of incentives.

We understand that Ofgem considers the current regime of opt in processing of HH data is not adequate, due to the low levels of transparency provided by some suppliers to consumers regarding what their HH data would be used for.

If Ofgem proceeds with option 2, i.e. an Opt-out approach to collecting and using half hourly data for settlement, we do not understand why the same data could not be used for billing customers. This should be the case without requiring additional consent where the supplier has the capability, but should not be an obligation.

We hope these comments have been helpful and would be happy to meet and discuss any points in more detail.

Yours sincerely

By email

Alison Russell
Director of Policy and Regulatory Affairs

Appendix 1 – Answers to specific questions

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?

Utilita agrees with assessment of the implications for each option that Ofgem have set out in the consultation.

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.

Utilita consider that the use of HH consumption data must be replicated for billing purposes. Making the data available only for settlement will create discrepancies between settlement and billing. This will result in suppliers not be charged the same as they bill. Any expense or exposure to risk will be passed on to customers – this is likely to impact the business case for HH settlement.

Utilita support Option 3. If the industry is moving towards mandatory HH settlement the only effective way to deliver this is to have all obtainable HH data made available for settlement (and billing). We do not believe that customers will be exposed to greater risk if HH data is used for billing as well as settlement.

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?

By selecting option 3 the risk that customers opt out of HH settlement is avoided. Utilita recognise the risk set out in the consultation that customers may simply reject having a smart meter however these numbers are likely to be minimal. It falls to suppliers to extol the virtues of smart meters and offer suitably appealing tariffs although we must accept some customers will not take up smart metering.

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

We believe that the potential options would be both complex and costly, and agree with Ofgem that they are unlikely to offer sufficient benefit to justify the cost. Given that mandation is not proposed, customers still have the ability to opt out.

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?

If a customer has opted out of sharing their HH data for this purpose then the data should not be shared, as such removing the need for pseudonymisation.

If this question is in relation to mandatory sharing then Utilita believes the same levels of protection should be given to all consumers.

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

No additional comments

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.

We agree there should be a legal obligation to process all available HH data from microbusiness customers for settlements purposes. However, as above we feel strongly that suppliers should also be able to 'settle' i.e. bill customers based on the same data. To do otherwise risks allowing perverse incentives on microbusiness customer behaviour which may act to the detriment of the broader customer base.

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

No response.

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?

As Utilita consider mandatory use of HH consumption data is vital to mandatory HH settlement therefore we consider that the all obtainable HH data made available for settlement (and billing).

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?

Making aggregated HH data available for forecasting would be appropriate, if the HH data has a sufficient level of granularity to be useful for suppliers forecasting. Utilita would welcome further clarity over the granularity the HH data would have.

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

Information regarding the granularity of the shared HH data would need to be published, before an assessment of what additional data suppliers would need to aid forecasting is undertaken.

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?

Utilita agrees with Ofgem that export data reveals less about a consumer.

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?

This question cannot be answered until an assessment is undertaken by an appropriate body, to clarify whether export data would be classified as personal data under data protection legislation.

If HH export data is considered personal data, additional clarity would be required for suppliers to process this data under the appropriate lawful basis.

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

Performance assurance should be monitored throughout the settlement process where personal data is involved.

Monitoring and auditing need to be undertaken by an independent body, if the processing of HH data for settlement is performed by a central body who does not have an end relationship with the consumer. This would give suppliers necessary independent assurance, as the data controller for their customers HH data that it is being processed within the remit of data protection legislation.

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

At this time, we do not have any additional questions regarding the DPIA as it stands. As Ofgem update the DPIA throughout the process, the updated versions should be shared with suppliers in a timely manner.