

Consultation

Consultation on licence conditions and Guidance for network operators to support an efficient, coordinated, and economical Whole System

Publication date: 17/12/2018

Contact: Nathan Macwhinnie

Team: Systems and Networks

Response deadline: 11/02/2019

Email: flexibility@ofgem.gov.uk

We are consulting on proposed new licence conditions and Guidance in relation to the contribution network companies make to an efficient Whole System. We would like views from people with an interest in Whole System outcomes in relation to electricity transmission and distribution. We particularly welcome responses from electricity network and system operators - and their customers. We would also welcome responses from other stakeholders and the public.

This document outlines the scope, purpose and questions in the consultation and how you can get involved. Once the consultation is closed, we will consider all responses. We want to be transparent in our consultations. We will publish the non-confidential responses we receive alongside a decision on next steps on our website at [Ofgem.gov.uk/consultations](https://www.ofgem.gov.uk/consultations). If you want your response – in whole or in part – to be considered confidential, please tell us in your response and explain why. Please clearly mark the parts of your response that you consider to be confidential, and if possible, put the confidential material in separate appendices to your response.

© Crown copyright 2018

The text of this document may be reproduced (excluding logos) under and in accordance with the terms of the [Open Government Licence](#).

Without prejudice to the generality of the terms of the Open Government Licence the material that is reproduced must be acknowledged as Crown copyright and the document title of this document must be specified in that acknowledgement.

Any enquiries related to the text of this publication should be sent to Ofgem at: 10 South Colonnade, Canary Wharf, London, E14 4PU. Alternatively, please call Ofgem on 0207 901 7000.

This publication is available at www.ofgem.gov.uk. Any enquiries regarding the use and re-use of this information resource should be sent to: psi@nationalarchives.gsi.gov.uk

Contents

1. Context	4
2. Objectives	6
3. Draft licence conditions and Guidance.....	8
4. Scope of application	11
5. Responses and Next steps.....	12
Appendices.....	14
Appendix 1 - Draft licence conditions.....	15
Appendix 2 – Draft: Guidance to electricity Network Licensees – Whole System outcomes	17
Appendix 3 – Privacy Notice on Consultations.....	28

1. Context

Section summary

This section sets out the work that has already been done to date and the reasoning underpinning our proposed licence conditions and accompanying Guidance document. It explains the process we have already gone through, progress made already, and barriers we think hinder Whole System benefits being realised.

1.1. We are seeking your views on proposed new licence conditions and Guidance that clarify our expectations of electricity Network Licensees in relation to supporting an efficient, coordinated and economical Whole System.¹²

1.2. In our Smart Systems and Flexibility Plan, joint with the Department for Business, Energy and Industrial Strategy (BEIS), we emphasised the importance of electricity network and system operators contributing to delivering efficient outcomes across the Whole System.³ This includes considering the impact their actions have beyond their own networks.

1.3. Historically, individual network operators have tended to take a narrower approach, focusing primarily on their own network requirements. There have been limits to the extent of active coordination and information exchange across traditional system boundaries. This may lead to inefficient outcomes, particularly as the system evolves going forward.

1.4. As we set out in the Smart Systems and Flexibility Plan, efficient decisions require knowledge of the full range of solutions, and their impacts. This is dependent not only on the role that regulated entities play, but also on effectively harnessing the contribution that can be made by other parties. Achieving these outcomes requires that established practices evolve. Respondents to our Call for Evidence broadly agreed with the nature of change required.⁴ We also set out our view that the regulatory framework was broadly suitable to enable this, but that some clarifications and changes would likely be valuable and therefore that we would do further work on this.

1.5. Network operators are required to develop and maintain efficient, coordinated and economical distribution and transmission systems under the Electricity Act.⁵ The RIIO framework incentivises licensees to pursue efficiencies in delivering on their outputs and obligations on their own networks.⁶ Operational and investment decisions can have a simultaneous benefit and impacts for the customers of more than one licensee. Harnessing

¹ The licence conditions and Guidance we are proposing to introduce will apply to the onshore electricity transmission owners, electricity DNOs and iDNOs. We use the terms ‘electricity Network Licensees’, network operators and ‘licensees’ interchangeably in this document to refer to these parties – ie holders of a distribution licence (Distribution Network Operators and Independent Distribution Network Operators), and holders of a transmission licence in which Section D licence conditions apply (Transmission Owners).

² References to “Ofgem”, “the Authority”, “we”, “us” and “our” are used interchangeably in this document. The Authority is the Gas and Electricity Markets Authority. Ofgem is the Office of the Authority.

³ Upgrading our Energy System – smart systems and flexibility plan: <https://www.ofgem.gov.uk/publications-and-updates/upgrading-our-energy-system-smart-systems-and-flexibility-plan>

⁴ Smart, Flexible Energy System - a call for evidence: <https://www.ofgem.gov.uk/publications-and-updates/smart-flexible-energy-system-call-evidence>

⁵ Section 9, Electricity Act 1989 <http://www.legislation.gov.uk/ukpga/1989/29/contents>

⁶ RIIO (Revenue = Incentives + Innovation + Outputs) is Ofgem’s framework for setting price controls for network companies.

and optimising these wider benefits is an integral part of an efficient system, benefiting end consumers.

1.6. In the Smart Systems and Flexibility Plan, we put the onus on industry to take the first steps in opening up delivery of network requirements to the market and establishing processes for coordination. The Open Networks programme is beginning to make progress in developing new ways of working and coordinating.⁷ Distribution network operators (DNOs) also highlighted their efforts towards ensuring increased consideration of the Whole System in their response to the RIIO-ED1 mid-period review earlier this year, and committed to continuing to develop this within their existing allowances. We recently introduced complementary provisions for the ESO and now seek to make sure that the parties the ESO will engage with have similar drivers. It is crucial that all parties are clear on the role they need to play and participate fully in delivering benefits.

1.7. We are aware of wider initiatives which will support the industry in achieving these outcomes. For example, the Energy Data Taskforce, established by BEIS and Ofgem and run by the Energy Systems Catapult, is a key forum aiming to identify gaps and make recommendations for how data can be used more effectively in the energy system.⁸ We expect that licensees will take account of relevant findings of any such initiatives from industry, or wider actors, that contribute to best practices and industry standards on data sharing. We welcome views on how these industry initiatives could best be integrated with these provisions to support Whole System outcomes.

1.8. We welcome the industry’s commitment so far and the progress that is being made in enhancing existing approaches to Whole System outcomes. There is more to do in order to ensure that the necessary efficient practices are instilled as business as usual. It is important that licensees fully embed Whole System approaches in their roles and practices. We consider that these proposed changes will clarify licensees’ obligations and that all Stakeholders can understand what they can expect from the network operators in this regard. This will underscore recent industry progress, and drive continued improvements in embedding Whole System considerations into business as usual processes.

⁷ The Open Networks programme runs under the Energy Networks Association. More information is available here: <http://www.energynetworks.org/electricity/futures/open-networks-project/open-networks-project-overview/>

⁸ The Terms of Reference for the Energy Data Taskforce are available here: <https://es.catapult.org.uk/projects/energy-data-taskforce/>

2. Objectives

Section summary

This section seeks views on our proposed approach to clarifying Whole System responsibilities. We explain the outcomes our proposed changes aim to achieve and outline our expectations for network operators to contribute to an efficient, co-ordinated and economical Whole System. We also highlight some of the actions and behaviours that we consider to be key enablers of Whole System benefits

Questions

Question 1: Do you agree with the proposal to clarify Whole System responsibilities through licence and supporting Guidance? Where possible, please provide evidence and examples to support your views. In particular please describe:

- a. The potential benefits you might expect to result from these proposals?
- b. If there are any material costs or issues for you in relation to these proposals?

2.1. The aim of our proposed licence conditions and supporting Guidance is to ensure electricity network operators have clarity about our expectations in the performance of their existing duties that they develop and operate efficient, coordinated and economical networks, which contribute to an efficient whole electricity system. We recently introduced analogous provisions for the Electricity System Operator (ESO).⁹ Together, these will ensure all licensees are clear on the role they each need to play in delivering Whole System outcomes.

2.2. This proposed licence condition clarifies our expectations regarding how licensees should consider the wider system in operating their own networks, as well as when and how they must coordinate with others to identify the impacts of actions beyond their network boundaries. They also clarify how licensees should support other parties’ decision-making through engagement and the provision of appropriate information, and establishing processes to jointly identify Whole System solutions.

2.3. The existing framework, coupled with a greater utilisation of existing commercial arrangements by licensees, can incentivise more efficient solutions. Parties contributing efficient costs to reflect the benefits they receive in delivering their obligations and outputs should make solutions with Whole System benefits viable. This may well mean transferring funding between licensees.¹⁰ Given the above, network operators should identify and pursue

⁹ We set out the ESO framework here: <https://www.ofgem.gov.uk/publications-and-updates/policy-decision-electricity-system-operator-regulatory-and-incentives-framework-april-2018>. Corresponding C16 changes are available here: <https://www.ofgem.gov.uk/publications-and-updates/decision-electricity-system-operator-incentives-april-2017-modification-standard-and-special-licence-conditions-transmission-licence>

¹⁰ We will consider whether any further guidance is needed to provide clarity on the conditions and appropriate routes for any efficient cost transfers, eg through applicable directly-remunerated services.

solutions that can benefit multiple parties across the system, more efficiently than would otherwise be achievable.

2.4. The scope and focus of activities needed to deliver an efficient Whole System will naturally evolve over time, given the potential for increasing interdependence across the electricity system, and more broadly, with increasing interactions with gas, and heat, transport, and beyond. Our proposed changes will establish clear expectations on Network Licensees for progress in the near term. Our RIIO-2 programme is considering how price control arrangements can encourage networks to unlock Whole System benefits for consumers and how they can build on this foundation for this next round of price controls.¹¹

2.5. We will take a close interest in the industry’s progress in this area and will keep these provisions under review, updating them as needed to reflect evolution in the wider system. We are also considering whether we should make changes to the regulatory instructions and Guidance (RIGs) so that reporting better reflects Whole System actions and outcomes would be beneficial.

2.6. We may also provide further, more specific Guidance in particular areas, notably in relation to the provision of efficient and coordinated connections and constraints management approaches. This area is under active consideration by Ofgem and the industry through the Open Networks project and our work on Electricity network access reform.¹²

¹¹ Further detail on our work on RIIO-2 programme is available here: <https://www.ofgem.gov.uk/network-regulation-riio-model/network-price-controls-2021-riio-2/riio-2-consultations>

¹² Our recent consultation on a proposed review of network access and forward-looking charges is available here: <https://www.ofgem.gov.uk/publications-and-updates/getting-more-out-our-electricity-networks-through-reforming-access-and-forward-looking-charging-arrangements>

3. Draft licence conditions and guidance

Section summary

The section contains specific questions that we would like industry, and stakeholder, insight on in relation to the proposed licence conditions and Guidance. We set out the scope of requirements, including that licensees coordinate and engage with other licensees and wider stakeholders to pursue Whole System benefits. We also draw attention to some of the work being done by other actors and industry.

Questions

Question 2: Do you agree with the proposed scope and content of these licence conditions and Guidance? Please provide any specific comments you have on the attached draft, including illustrative examples, and where possible, please provide reasons and evidence to support your response, in particular:

- a. Are there other examples or areas of activity which you consider should be highlighted, or do you see the need for further clarity in any area?
- b. Do you consider these would be beneficial and proportionate? Are there any aspects which should not be included?

Question 3: These proposals require licensees to engage and coordinate with Stakeholders. This recognises that a range of parties may have an interest in different aspects of the system, and the licensees should seek to engage with those with an interest in a given situation. Do you agree with this approach?

Question 4: Do you consider any changes or clarifications are needed in relation to industry code objectives, notably the Distribution Code and the Grid Code, to support the delivery of Whole System outcomes? Specifically,

- a) Do you see the need for further change or clarification to the code objectives themselves, or their interpretation, eg through introduction of a specific relevant objective in relation to Whole System actions?
- b) Have you identified any interactions of these provisions with wider aspects of industry arrangements which should be considered in developing them?

Question 5: Do you believe further, specific guidance in any area, and in particular in relation to efficient connections and constraint management (eg in preparedness for electric vehicles or increasing distributed generation) would be beneficial? Please provide reasons and, where possible, evidence to support your answer.

Question 6: For which relevant datasets or information do you consider the need for availability and accessibility is greatest, in order to deliver Whole System benefits? Do you consider there to be any significant barriers to sharing these? Please provide specific suggestions for what you consider to be effective sharing arrangements, including required enablers and governance, such as the development of any industry standards?

3.1. Effective coordination between network operators and relevant Stakeholders is likely to be a key enabler for identifying efficient solutions which unlock Whole System benefits. Appended to this document we are publishing a draft of the proposed licence conditions, together with accompanying draft Guidance, which is intended to provide clarity and illustrate how we believe licensees should meet these requirements

3.2. We outline how, in their network activities, licensees should give due consideration to Whole System outcomes and coordinate and engage with other Distribution Licensees, Transmission Licensees and Stakeholders to identify efficient solutions, pursuing opportunities to deliver benefits through wider coordination, and considering where their actions may have detrimental wider impacts. We set out that licensees are expected to consider and account for the impacts their actions may have on other parts of the network and wider Stakeholders, and to contribute to achieving an efficient, coordinated and economical Whole System.

3.3. Stakeholders may include parties with an interest in, or who may be materially affected by actions on, the system. We think this definition leaves sufficient scope for licensees to determine, including through consultation with others, where they should focus engagement.

3.4. We also set out our expectations of licensees to ensure they consider the data and information that may be available to them and make it accessible to other Licensees and Stakeholders, subject to relevant limitations, where this can help deliver Whole System benefits.

3.5. As outlined above, the Energy Data Taskforce is a key forum aiming to identify gaps and make recommendations for how data can be used more effectively in the energy system.¹³ We expect that licensees will take account of the findings of any such initiatives from industry, or wider actors, and any other relevant existing industry rules that contribute to best practice and industry standards on data sharing. We welcome views on how licensees can best integrate the Taskforce’s findings with these provisions to support Whole System outcomes, and any wider enablers which may be needed. We may also, as we consider the responses to this consultation, in particular look at whether the draft licence text relating to information and data sharing needs to be revised in light of this wider work.

3.6. Another key aspect of the industry framework which determines actions taken on the system are the industry codes. Several codes have objectives which relate to the efficient, coordinated and economical development of the system – notably the Grid Code and the Distribution Code.¹⁴ We consider it is important that a consistent interpretation applies in how these codes are developed and applied. We are seeking views on the merits of clarifying this interpretation and any need for changes to code objectives, such as the introduction of an explicit ‘Whole System’ objective and whether any other interactions should be considered.¹⁵ Whole System

¹³ The Terms of Reference of the Taskforce are available here: <https://www.gov.uk/government/groups/energy-data-taskforce>

¹⁴ Grid Code available at: <https://www.nationalgrideso.com/codes> Distribution code available at: <http://www.dcode.org.uk/>

¹⁵ Should changes be needed to the code objectives, this would necessitate changes to licences, which would be subject to further consultation.

3.7. Through our work on flexibility we identified Whole Systems as a key area where progress was needed to deliver benefits. Whilst that is the focus of this consultation we also identified other barriers which would benefit from further clarification, including in relation to efficient and coordinated connections and constraint management approaches. Ofgem and industry are actively considering this area through the Open Networks project and this has formed part of our work on Electricity network access reform.¹⁶ As noted above, we are seeking views about whether Guidance in other such areas, for example to facilitate preparedness for wider system changes through the uptake of EVs or distributed generation, would have benefits.

¹⁶ Our recent consultation on a proposed review of network access and forward-looking charges is available here: <https://www.ofgem.gov.uk/publications-and-updates/getting-more-out-our-electricity-networks-through-reforming-access-and-forward-looking-charging-arrangements>

4. Scope of application

Section summary

In this section we set out which parties we think the proposed licence change should apply to, together with our reasoning, and seek views on this proposed scope of application. We also outline the analogous conditions in the ESO’s licence.

Questions

Question 7: Do you agree with the proposal to apply these provisions to all electricity distribution licence holders, including IDNOs, and onshore TOs, and to exclude the ESO, offshore TOs and interconnectors? Where possible, please provide reasons and evidence to support your response.

4.1. Achieving Whole System outcomes is likely to require the contribution of multiple parties. This is dependent not only on the role that regulated entities play, but also on harnessing the contributions that can be made by other parties. It is critical that all parties, including independent distribution network operators (IDNOs), fully engage to support progress and ensure that a Whole System perspective is applied to decision-making.

4.2. We propose that these provisions should apply to electricity Distribution Licensees, both DNOs and IDNOs, and onshore transmission owners (TOs), with the accompanying Guidance sitting alongside all of these.¹⁷ We consider that a single Guidance document covering the relevant Network Licensees will help to ensure consistency and coordination.

4.3. The ESO already has complementary requirements under standard condition C16 of its licence. These conditions are supported by the ESO’s roles and principles Guidance.¹⁸ As a result, the licence conditions and associated Guidance we are proposing here do not apply to the ESO, however we do expect the ESO to be mindful of any changes we make. We will be reviewing the ESO’s roles and principles Guidance (as part of the ESO’s regulatory and incentives framework process) and will update them, if necessary, to reflect this Guidance.¹⁹

4.4. We are not sufficiently convinced at this time there would be material benefits in applying these proposed licence conditions and Guidance to offshore transmission owners’ and interconnectors’ licences, as the nature of their roles and the specific provisions in their existing regulatory framework may mean there is less scope for this to deliver benefits. We welcome any views and evidence on this point.

¹⁷ These proposed licence modifications will apply to the Electricity Distribution licences for DNOs and IDNOs (granted under section 6(1)(c), Electricity Act 1989, and the Electricity Transmission licences for onshore transmission (granted under section 6(1)(b), Electricity Act 1989) owners only.

¹⁸ Ofgem’s supporting Guidance on roles and principles for the ESO is available here: https://www.ofgem.gov.uk/system/files/docs/2018/02/eso_roles_and_principles.pdf

¹⁹ The electricity transmission licence is available here: <https://epr.ofgem.gov.uk/Content/Documents/Electricity%20transmission%20full%20set%20of%20consolidated%20standard%20licence%20conditions%20-%20Current%20Version.pdf>

5. Responses and Next steps

5.1. This consultation will be open for 8 weeks, closing on 11 February 2019. Based on the responses we receive a decision will be taken as to whether to proceed to statutory consultation. If a statutory consultation is issued we currently anticipate this will be in Spring 2019 and run for 28 days.

How to respond

5.2. We want to hear from anyone interested in this consultation. Please send your response to the person or team named on this document's front page.

5.3. We've asked for your feedback in each of the questions throughout. Please respond to each one as fully as you can.

5.4. We will publish non-confidential responses on our website at www.ofgem.gov.uk/consultations.

Your response, data and confidentiality

5.5. You can ask us to keep your response, or parts of your response, confidential. We'll respect this, subject to obligations to disclose information, for example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.

5.6. If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you *do* wish to be kept confidential and those that you *do not* wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we'll get in touch with you to discuss which parts of the information in your response should be kept confidential, and which can be published. We might ask for reasons why.

5.7. If the information you give in your response contains personal data under the General Data Protection Regulation 2016/379 (GDPR) and domestic legislation on data protection, the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see Appendix 3.

5.8. If you wish to respond confidentially, we'll keep your response itself confidential, but we will publish the number (but not the names) of confidential responses we receive. We won't link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.

General feedback

5.9. We believe that consultation is at the heart of good policy development. We welcome any comments about how we’ve run this consultation. We’d also like to get your answers to these questions:

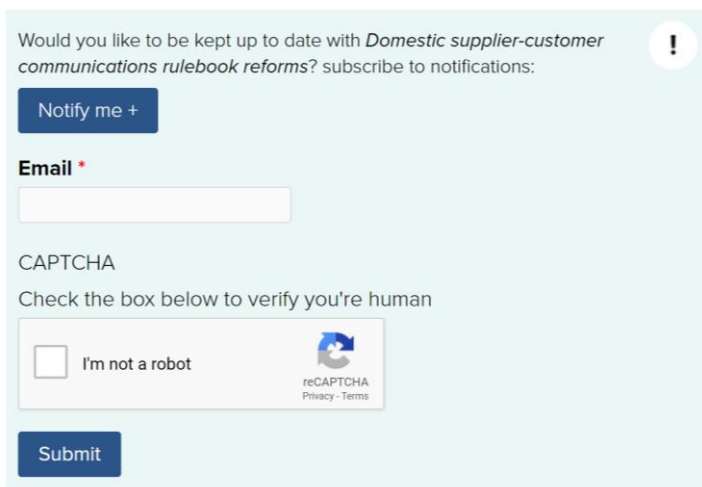
1. Do you have any comments about the overall process of this consultation?
2. Do you have any comments about its tone and content?
3. Was it easy to read and understand? Or could it have been better written?
4. Were its conclusions balanced?
5. Did it make reasoned recommendations for improvement?
6. Any further comments?

Please send any general feedback comments to stakeholders@ofgem.gov.uk

How to track the progress of the consultation

You can track the progress of a consultation from upcoming to decision status using the ‘notify me’ function on a consultation page when published on our website. [Ofgem.gov.uk/consultations](https://www.ofgem.gov.uk/consultations).

Notifications




Would you like to be kept up to date with *Domestic supplier-customer communications rulebook reforms*? subscribe to notifications: !

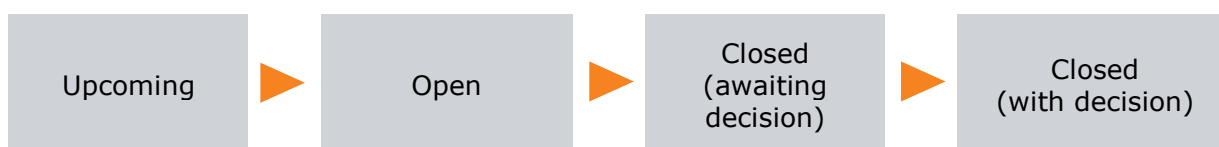
Email *

CAPTCHA

Check the box below to verify you're human

I'm not a robot  reCAPTCHA
Privacy - Terms

Once subscribed to the notifications for a particular consultation, you will receive an email to notify you when it has changed status. Our consultation stages are:



Appendices

Index

Appendix	Name of appendix	Page no.
1	Draft Whole Systems licence condition	15
2	Draft accompanying Guidance	17
3	Privacy notice on Consultations	28

Appendix 1 - Draft licence conditions

We have not yet defined where in the electricity distribution and transmission licences this condition will be set out. However our current view is that, for electricity distribution, this condition will need to be in a section which applies to all licensees.

Taking steps to achieving an efficient, coordinated and economical Whole System

1. In developing and maintaining its [Distribution System]~[Transmission System], including meeting the reasonable requirements of Parties Connected to its network, the licensee must take all appropriate steps to achieve an efficient, coordinated and economical Whole System.

Engagement, consultation and coordination with Licensees and Stakeholders

2. In meeting its obligation under paragraph 1 of this condition:
 - a) the licensee must take all appropriate steps including:
 - i. engaging and taking steps to coordinate with Distribution Licensees and Transmission Licensees;
 - ii. identifying and considering any potential impacts on the system that could arise from the licensee’s actions, actions of other Distribution Licensees or Transmission Licensees or the actions of other persons connected to the system;
 - iii. developing with Distribution Licensees and Transmission Licensees transparent and coordinated decision-making and operational processes;
 - iv. considering any potential alternative actions that may be identified by or available to any Stakeholder; and
 - v. working effectively with the GB System Operator to identify opportunities that optimise synergies or mutually beneficial operational decisions across network and system boundaries,
 - b) the licensee must undertake such engagement, consultation and co-ordination as may be appropriate in the circumstances with Stakeholders.

Information sharing and data provision

3. The licensee must take all appropriate steps to:
 - a) make effective use of information it obtains in fulfilling the obligation set out in paragraph 1 of this condition; and
 - b) collect and make available to Distribution Licensees, Transmission Licensees and Stakeholders such information as it considers useful, and where doing so is proportionate and consistent with its legal duties, including for the purposes of:
 - i. making efficient, coordinated and economical operational and investment decisions;
 - ii. facilitating competition in the supply and generation of electricity; and
 - iii. better assessing the impact of the licensee’s actions and decisions across the Whole System.

Whole Systems Guidance

4. In satisfying the requirements of this condition, the licensee must have due regard to the Guidance titled “Guidance to electricity Network Licensees – Whole System outcomes”.

Definitions:

Distribution Licensees: Means any person who is Authorised by a Distribution Licence to participate in the distribution of electricity.

Parties Connected: Means both a Customer and an Authorised Electricity Operator.

Stakeholders: Includes any persons who the licensee considers:

- i. can support better outcomes for the Whole System;
- ii. may have an interest in the efficient operation of its [Distribution System]~ [Transmission System] and the Whole System; or
- iii. is likely to be materially impacted by any decision made as a result of this condition.

Transmission Licensee: Means any person who is Authorised by a Transmission Licence to participate in the transmission of electricity.

Whole System: For the purpose of this licence condition, means the national electricity transmission system and the distribution systems of all authorised electricity operators which are located in the national electricity transmission system operator area.

Appendix 2 – Draft: Guidance to electricity Network Licensees – Whole System outcomes

1. Context, scope and intent

- 1.1. Section 9 of the Electricity Act 1989 establishes the requirements for electricity transmission and distribution licensees to develop and maintain efficient, coordinated and economical systems of electricity transmission and distribution, respectively.
- 1.2. This Guidance explains the obligations for electricity Network Licensees to contribute positively to an efficient, coordinated and economical Whole System.²⁰

Context

- 1.3. This Guidance is underpinned by binding licence obligations – particularly Standard Licence Condition [XX] of the distribution licence, and Standard Licence Condition [XX] of the transmission licence.²¹ These licence conditions set out specific requirements for electricity licensees in planning and operating their networks in a Whole System context.²² They clarify what is expected of Distribution Licensees and Transmission Licensees in meeting their existing obligations, and ensuring that their actions support the efficiency of the Whole System, and improve outcomes for consumers.
- 1.4. This Guidance provides clarity on specific aspects and required behaviours set out in the licence conditions – it is not intended to limit, supplant or replace existing duties, but provides Guidance to aid licensees in their interpretation of the licence conditions. This Guidance is not exhaustive and the best approach will depend on specific circumstances. Licensees must reach their own decisions, having regard to the Guidance here, together with their wider duties and incentives.
- 1.5. Taken together, these documents support and clarify the licensees’ Whole System responsibilities. They are consistent with and complementary to licensees’ wider duties.

Purpose

- 1.6. The requirements outlined in this Guidance and in the licence conditions which underpin it, aim to ensure each licensee contributes effectively to an efficient, coordinated and economical Whole System, maximising benefits for consumers, now and in the future.
- 1.7. This includes expectations about operating licensees’ own networks, and coordinating with others in relation to the Whole System. While a licensee’s primary responsibility and obligation is for and to its own network, it must engage with other licensees and stakeholders to ensure that its actions have regard to the potential impact on the Whole System. This Guidance should be applied flexibly to a rapidly evolving energy system. The licence conditions are designed to ensure licensees provide most value to present and future consumers, in planning and operating their networks. This includes meeting

²⁰ The terms ‘electricity Network Licensees’ and ‘licensees’ are used interchangeably in this document to refer to holders of a distribution licence (Distribution Network Operators and Independent Distribution Network Operators), and holders of a transmission licence in which Section D licence conditions apply (Transmission Owners).

²¹ Current Consolidated Licence Conditions available on our website at <https://www.ofgem.gov.uk/licences-industry-codes-and-standards/licences/licence-conditions>

²² For the purposes of this Guidance, Whole System means the national electricity transmission system and the distribution systems of all authorised electricity operators which are located in the national electricity transmission system operator area. Although the focus of this Guidance is on the whole electricity system, across all voltage levels, we anticipate a need for more thinking to be undertaken in the future on the need for coordination across the electricity and gas systems.

the reasonable requirements of Parties Connected to their network and embedding transparency in their engagement with other licensees and the wider industry.

- 1.8. The Guidance also illustrates the sorts of behaviours and outcomes we would expect to see from licensees and includes examples of approaches we envisage parties might take in fulfilling their obligations. It will inform future decisions we take as to whether parties have complied with their associated licence obligations. We may also refer to such other matters as may be appropriate on a case by case basis.
- 1.9. When considering whether to open an investigation and take any enforcement action (including alternative action) our Enforcement Guidelines will apply (as updated from time to time).²³ We have a range of enforcement tools at our disposal. These include imposing financial penalties, making consumer redress orders and issuing provisional / final compliance orders, where appropriate, for breaches of relevant conditions and requirements.
- 1.10. We expect the obligations enunciated by Standard Licence Condition [XX] for Distribution Licensees, and Standard Licence Condition [XX] for transmission owners, to form an enduring part of future network behaviour. This Guidance will apply until stated otherwise. Given the evolving nature of the energy system, we will keep under review both the licence conditions and the Guidance and may update them as needed.
- 1.11. Responsibility for compliance with these associated licence conditions lies with licensees. While this Guidance may help in achieving and maintaining compliance, licensees should not rely solely on this Guidance for this purpose. This Guidance is not intended to provide a comprehensive guide to compliance with these associated licence conditions. It is not a substitute for independent legal advice and each licensee is responsible for seeking such legal (or other professional) advice as it considers appropriate to ensure compliance with its obligations under these associated licence conditions and its wider legal duties.

Scope

Parties covered by this Guidance

- 1.12. The Guidance applies to all holders of a licence which includes the above conditions (ie DNOs, IDNOs, and TOs). In some aspects, this Guidance describes particular actions relevant for a particular type of licensee, which is indicated where applicable.
- 1.13. The licence conditions include requirements relating to coordination with the ESO. The ESO is subject to complementary obligations through its own licence obligations (in particular Condition C16 of the Transmission Licence Standard Conditions) and our Guidance on them. We similarly expect the ESO to act in ways that support the outcomes we envisage in this Guidance document.

Proportionality

- 1.14. We expect licensees to take a proportionate approach to their actions in delivering Whole System outcomes, having regard to the benefits which may be achieved for consumers, both immediately and in the longer term.
- 1.15. In general, we would expect licensees with greater scope for Whole System interactions (for instance multiple network boundaries) would likely need to focus more actively on establishing coordination processes to identify the potential for Whole System benefits than licensees with more limited interface with wider networks, unless merited by a specific circumstance. However, all licensees have a part to play in planning and operating efficient, coordinated and economical systems as the foundation for an

²³ <https://www.ofgem.gov.uk/publications-and-updates/enforcement-guidelines>

efficient Whole System, and must coordinate appropriately to deliver this and the resulting consumer benefits. At a minimum, this means considering potential benefits from coordinating, and cooperating in circumstances where one party identifies possible efficiencies from doing so, where there is a likelihood of improved outcomes for the Whole System.

Stakeholders

- 1.16. Licensees should engage and coordinate across their full range of stakeholders. Where Standard Licence Condition [XX] for distribution licensees, and Standard Licence Condition [XX] for transmission owners and this Guidance refer to Stakeholders, they refer to those parties with a potential interest in the particular activity. Stakeholders might also include parties with interests in gas, transport or heating, for example, particularly where they may be impacted by a decision, or who may be able to contribute to identifying or assessing the benefits of alternative solutions. Licensees should consider where coordination with certain stakeholders might deliver additional benefit.

For example, Stakeholders in the context of assessing alternative options for meeting system needs might be focused on coordinating with a) nearby licensees on the impact of build and possible alternative actions, or potential providers of non-build solutions and b) customers directly affected by the actions taken on the network. Stakeholders for the provision of network data might include any market participant or stakeholder with an interest or use for the data in question, where it may benefit them and / or the system as a whole.

2. Planning and coordinating for efficient Whole System outcomes

- 2.1. Until recently, electricity network operation has tended to focus primarily on ensuring that individual networks run efficiently. However the evolving energy system increasingly provides more efficient ways of working for electricity networks and systems. This includes considering build and non-build options, which present opportunities to deliver efficient outputs by better planning and operation across system interfaces. Decisions and actions taken in one part of the system increasingly have impacts, with cost implications, for wider parts of the system.
- 2.2. To realise the benefits, and minimise costs, licensees must operate their own networks efficiently and economically, and in doing so, coordinate proactively with others to understand and consider the impact that their actions have on other networks and for the system as a whole and alternative solutions which may be available.
- 2.3. Coordination should be proportionate, considering the likelihood of the costs and benefits that licensees expect over time, once processes are established. Licensees should have regard to the different roles parties may have, as well as wider considerations, for example in relation to law, security of Network and Information Systems (NIS Regulations), and commercial sensitivities. For the avoidance of doubt, licensees must ensure that they comply at all times with their wider legal duties, for example, under competition and data protection legislation.

Understanding and communicating system requirements

- 2.4. Achieving efficient Whole System outcomes needs a common understanding of system requirements, supported by information availability and exchange. All licensees should clearly signal their requirements, and coordinate effectively with Distribution Licensees, Transmission Licensees and Stakeholders on activities with potential cross-boundary relevance. This includes, but is not limited to, network planning, investments, operations, including market interactions, and forecasting, as well as actions to ensure

optimal use of resources. They should clearly and accessibly signal network requirements to the market in such a manner as to support effective competition, where services could be an alternative to network build. In doing this, they should include actions which could efficiently meet the reasonable requirements of Parties Connected to their network.

- 2.5. Licensees should establish processes to build a shared understanding of relevant network requirements and potential impacts of actions. Being the responsible owner / operator for part of the GB network might require a licensee to upgrade its network, equipment, or practices, including through working with Parties Connected to its network, to develop the wider system, or to help reduce costs overall. This might require coordination with other parties to ensure ongoing system stability, manage voltage issues, losses, reliability and /or improvements to overall cyber security and cyber resilience. Licensees must engage and respond proactively to identify and address operational system requirements in an efficient and coordinated way.

Coordination processes

- 2.6. Licensees should coordinate by default, especially where interactions may exist and it is reasonably likely to result in net benefits for the Whole System. For example, we would expect licensees to coordinate with other licensees and Stakeholders on larger projects, and particularly those near network boundaries or with clear potential impacts on other networks, including:
- in establishing new processes,
 - when another party seeks to engage with them in relation to Whole System outcomes,
 - regularly as considered necessary to identify and assess relevant developments.
- 2.7. We expect licensees to engage with each other and Stakeholders to identify likely beneficial, or detrimental, impacts on other parts of the network or system. For example, licensees should work together to identify the most efficient network planning and operational actions, having regard to industry best practice, which would at a minimum be expected to include:
- sharing information (including relevant network availability and capacity status, developments and forecasts) with other licensees and Stakeholders in a clear, consistent, comparable and interoperable way, subject to the provisions in paragraph 4.9 - 4.12,
 - considering Whole System network models and forecasts with other Licensees and the ESO,
 - establishing clear and transparent processes to effectively identify opportunities for savings and consumer benefits across network boundaries, including assessing alternatives to direct investment, publicising these appropriately to provide confidence to stakeholders and enable alternatives to be identified,
 - contributing effectively to coordinated assessments of Whole System resilience and operability with other Licensees and the ESO, including implications and management of greater volumes of distributed energy resources, and
 - coordinating funding solutions that enable multiple licensees and the ESO to progress the most efficient options from a Whole System perspective.
- 2.8. The above is not exhaustive – licensees should proactively work to build their understanding of potential interactions through a strong understanding of their own system and regular engagement with Stakeholders as needed. Licensees should establish processes which ensure they are well informed about the potential costs and

benefits which may relate to their system, including those accruing to end customers, to enable them and to support others to take efficient decisions in a Whole System context. These coordination measures and processes will be looked to as indicators of compliance with licensees’ duties.

- 2.9. We expect licensees to engage with each other and Stakeholders to identify where their actions could have detrimental impacts on other networks or systems. Where they find likely impacts or benefits, licensees should work together to identify if another action might better meet the needs of all parties. They should establish clear and transparent processes at all stages of their interaction, which streamline assessment of Whole System outcomes and provide confidence for Stakeholders that they will identify the most efficient solution.
- 2.10. All parties should seek to mutually agree and define their roles, responsibilities and processes for coordination across boundaries, minimising overlap or duplication. This requires licensees to establish, develop and participate effectively in industry-wide processes and forums.

Potential types of efficient Whole System actions

- 2.11. Planning, investment and operational solutions and approaches we would expect to see develop through this coordination include:
 - consideration of flexible, operational investment alternatives to network reinforcement. Non-build solutions may have value, including in managing uncertainty regarding how enduring (or necessary) a reinforcement need is and this should be properly factored into any decision on the approach taken,
 - identification and assessment of distribution level actions that could address transmission network or system-wide requirements, or those on other distribution networks, and transmission-level actions that could relieve distribution network or system-wide requirements,
 - identification and assessment of how procuring solutions from the market, such as distribution level actions, that could address transmission network needs, could minimise costs and maximise consumer benefits across the Whole System,
 - efficient approaches to bringing forward new investment where it can be justified by benefits, based on a strong understanding of network and system needs including the requirements of Parties Connected to its network and interactions across boundaries, and
 - coordination in electricity system development processes, including those managed by the ESO, such as contributing to and taking account of the outcomes of the Network Options Assessment (NOA) process.

3. Implementing Whole System actions

- 3.1. Each licensee should constructively participate in and drive forward industry-wide processes that ensure optimised use, dispatch and monitoring of resources connected across the system, and coordinated assessments of the most efficient solution to meeting collective needs across the system.

Efficient Whole System decisions and actions

- 3.2. Licensees must ensure decisions and actions are taken on the basis of a common understanding of their cross-network impacts (both positive and negative), supported by the requirements outlined in the above sections. This is expected to require transparent processes for sharing operational information, evaluating alternative

solutions, and ensuring each party acts in a way consistent with the Whole System efficiency principles set out in this Guidance.

- 3.3. Licensees are expected to take efficient actions, considering the conclusions of any such coordination processes, including outcomes of the NOA process, the potential for commercial arrangements to support delivery of Whole System benefits, and the availability of funding transfers. In undertaking such actions, we would expect licensees to consider mitigations which may be needed to manage conflicts of interest, support effective competition and comply with relevant considerations and policies on the type of licensee activities available.

Shaping industry frameworks and processes

- 3.4. We expect licensees to establish and act in accordance with efficient and effective processes to support the delivery of Whole System outcomes, including:
- Engagement processes for coordinated planning and forecasting, including in meeting the requirements of Parties Connected to networks, through efficient and streamlined constraint management and connections processes, including the Statement of Works process²⁴, and data provision,
 - Ensuring that processes to resolve problems promptly and avoid system issues are coordinated with other parties, for example, coordinated network emergency and restoration plans,
 - Develop processes to improve efficiency in operational coordination and balancing the use of operational actions and network investment, having regard to industry best practice, and
 - Understand stakeholders’ and connected parties’ requirements and have regard to these, for example, when developing economic solutions to bring forward capacity.
- 3.5. Licensees should keep such processes under review to ensure they remain fit for purpose, and build on industry best practice to enhance standardisation where appropriate.
- 3.6. The ESO is also expected to identify opportunities that can realise synergies or mutually beneficial operational decisions across network and system boundaries, including through the NOA process.²⁵ We expect Network Licensees to work with the ESO to help it do so. Notably, the ESO is required to liaise with transmission owners and distribution licensees to assess potential actions providing long-term system benefits for the NOA. Both distribution and transmission licensees are expected to contribute effectively to the NOA process where required, liaising with the ESO in relation to possible alternative solutions across the system. This could include joint investigations, providing specific information on distribution networks, or assessing options in other ways.

Taking actions with wider benefits

- 3.7. Wherever efficient and practicable, licensees should seek to implement actions which benefit other parts of the system. We expect licensees to continue to take proportionate view of the things they can do, adopting a collaborative approach to resolving issues which span traditional network boundaries. Licensees’ primary responsibility is operating their own networks efficiently. Where actions may deliver greater Whole System benefits, but provide insufficient benefit to a licensee or Parties Connected to its network in isolation to justify their implementation, licensees should seek to identify opportunities to coordinate with other parties benefiting from the delivery.

²⁴ The Statement of Works process is set out within [National Grid’s Connection & Use of System Code](#). This process is used to ascertain whether the connection of embedded generation will have an impact on the transmission network and the extent of any reinforcement that may be required.

²⁵ Network Options Assessment: <https://www.nationalgrideso.com/insights/network-options-assessment-noa>

- 3.8. Where an efficient action is identified that provides benefits, or lower impacts, beyond a single licensee’s network, compared to alternatives, but is otherwise broadly equivalent in its impacts for their own network, they should pursue the action with greatest overall system benefit. Funding transfers between licensees may be appropriate in circumstances where material additional costs would be incurred. Licensees should consider and seek to mitigate any potential impact on their cross-subsidy obligations or ringfencing arrangements as well as any wider competition implications. They should also ensure appropriate record-keeping in line with their licence obligations, for example by reviewing and updating their compliance statements.
- 3.9. In some instances, coordinated actions might result in ongoing costs to one licensee to deliver benefits to another part of the system. We expect licensees to identify how they can deliver optimised outcomes, considering where commercial arrangements, such as funding transfers between licensees, may be appropriate in view of potential ongoing costs or liabilities.

Coordinated operational actions and processes

- 3.10. Licensees should seek to optimise use of flexible resources and capacity on a system-wide basis, ensuring they efficiently balance operational and investment solutions across their activities for the benefit of consumers.
- 3.11. Licensees have many similarities in their operations, and there will be many opportunities where shared services, coordinated approaches, and economies of scale will improve efficiency and competition can be enhanced. This can reduce costs for consumers, as well as streamlining engagement for stakeholders.
- 3.12. To reduce duplication of work and in the design of systems and processes, we expect licensees to coordinate on common issues and develop appropriately standardised approaches. We would expect licensees to consider the appropriate contributions to responsibilities, outputs, and the costs of developing such approaches.
- 3.13. Examples of this might include, but are not limited to, coordination in areas where a product or service can meet the current or future needs of, or may impact, multiple licensees, such as:
- sharing the learning from, or potentially collaborating in investigating new technologies and operational solutions,
 - coordinating communication and optimising procurement of services from the market, and
 - constructive engagement and underlying processes in connections provision to enable efficient service provision and investment decisions by connectees.

4. Information sharing and data provision

- 4.1. Licensees collect and have access to a wide range of data through their operation of networks and systems. It is important that licensees collect the necessary data accurately, and share it effectively as appropriate - not only across network boundaries to support competitive and efficient system functioning but also with other Stakeholders as appropriate. In meeting this requirement licensees should engage with and take account of the outcomes of wider industry initiatives, and industry best practice and periodically review and update their approach as appropriate.

Sharing information across network boundaries

- 4.2. In a Whole System context, with greater coordination across network boundaries, the availability and easy access to information from networks and systems outside a licensee’s own network becomes of fundamental importance. In addition to benefiting other licensees, it can also be beneficial to the ESO in reducing costs of system operation, such as frequency management, and to other Stakeholders as they make investment and operational decisions.

- 4.3. Some such information is often already collected, and because of its value in network planning and operation, it should be made available to other licensees and Stakeholders, subject to the considerations listed below. In particular, this will help other licensees identify actions outside their own networks and synergies in future projects with Whole System benefits, reducing network investment and operational costs. As licensees increase transparency about their approaches and proposed actions, other licensees can factor upcoming decisions relevant to the wider network into their decision-making, and between them licensees may identify more efficient alternatives.

Collecting information on the licensee’s network

- 4.4. It is important that licensees have information that allows them and Stakeholders to understand their networks and how they contribute to the Whole System. Licensees should collect sufficient information of appropriate accuracy that they consider will provide benefits both to their operations and more widely; having taken into account input from Stakeholders, including other licensees and Parties Connected to their network. The appropriate use of this information will be of benefit to the Whole System in assisting decision-making and identifying operational issues or alternatives to investment solutions, as set out above.
- 4.5. Licensees should seek to identify and reasonably fill any gaps in data where these have the potential to support the efficient planning and operation of the system or may have benefits for Parties Connected. Licensees should seek to engage as may be appropriate in the circumstances with Stakeholders to inform their provision of information.

Improving data availability

- 4.6. In general, information collected by licensees in the course of their role should be made accessible to Licensees and Stakeholders in an appropriate way (considering factors such as detail, frequency and timelines) where there are likely to be benefits to them directly, or to the efficiency of the Whole System. This may be best achieved through facilitating regular publication of information online, where all interested parties can access it.
- 4.7. Stakeholders take their own decisions based on licensees’ actions and proposed actions. To give Stakeholders enough certainty to make decisions based on the most up-to-date plans, licensees should keep network planning tools, including their business plans, updated and communicate any decisions in a clear and timely way.
- 4.8. The information that licensees collect and provide should be:
- **User-friendly** – licensees should work to understand what information is needed, the preferred format, timing and frequency.
 - **Standardised**. Information available across regions should be appropriately standardised using widely recognised best practices for data, so that it is consistent and can readily be used across the system.
 - **Comprehensive** – licensees should collect and make available and accessible as much information on their networks as possible, subject to their overarching legal obligations, where such information might reasonably contribute to providing insight on future trends/needs, which may provide Whole System benefits. The provision of information collected should, in turn, be capable of being used to properly inform decisions and actively contribute to a joint understanding of matters such as network status, forecasts, requirements and efficient solutions across the system.

- **Accurate** – licensees should maintain legally robust IT (collection and provision) systems and seek continuous improvements to processes to ensure that information is accurate and unbiased.²⁶

Considerations in the provision of information

- 4.9. Licensees must be mindful that they have access to information that could seriously and prejudicially affect the interests of its owner or other relevant parties. In complying with the information sharing and data provision requirements, licensees must take into account the sensitivity of the information in question.
- 4.10. Licensees must not release information where doing so would be in conflict with their overarching legal obligations, detrimental to the owner of the information or the interests of consumers in general. This could include where the release of the information:
- is incompatible with any legislation,
 - would breach a rule of law or licence condition,
 - would breach consumer protection requirements (such as breaching the General Data Protection Regulation or identifying personal information),
 - could adversely impact competition in the market,
 - creates risks, including cyber security and system stability,
 - cannot be facilitated without licensees incurring disproportionate costs, or
 - would be inconsistent with general confidentiality restrictions or breach commercial sensitivities.
- 4.11. If a Relevant Licensee or Stakeholder requests information that cannot be made available, the licensee should respond and communicate this and provide an explanation of its reasons. Licensees should also establish publicly available processes for interested parties to propose changes or additions to the information published and provide evidence of how they have considered any such requests, including explanations for withholding information. The Authority may require explanations for any information withheld for these purposes.
- 4.12. In cases as described in paragraph 4.10, where the Licensee cannot make data available, the Licensee is expected to consider techniques such as data anonymisation and aggregation to identify and propose what data it will make available instead. This proposal, or the reason why this is not possible either, should also be included with the response described in paragraph 4.11.

²⁶ For the purposes of this Guidance, we define accurate and unbiased as follows:

- Accurate – information that is correct at the time of publication and as close as reasonably possible to the actual value.
- Unbiased – information that is not skewed in any way and is as accurate/close as reasonably possible to the true value.

Illustrative examples

This table is a non-exhaustive list of illustrative examples of types of solutions and approaches that each licensee could consider taking, in complying with the requirements of this Guidance and the associated licence condition.

The ESO is not the subject of this Guidance. It has complementary requirements under its own licence. We also expect a similar range of examples could arise in which the ESO contributes to benefits for other Network Licensees.

	Planning and coordinating for efficient Whole System outcomes	Implementing Whole System actions	Information sharing and data provision
Distribution Network Operators (DNOs)	<ul style="list-style-type: none"> Coordinating with the ESO to help identify opportunities to reduce balancing costs²⁷, including NOA, recommendations, and provision of flexibility. Working with TOs and DNOs to identify potential opportunities for DNO-DNO connections that might defer transmission build. Establishing and contributing to ongoing, transparent processes for assessing Whole System options. Sharing information appropriately with TOs and the ESO to inform planning and forecasting. 	<ul style="list-style-type: none"> Work programmes reflect Whole System benefits of possible actions. Working with a neighbouring DNO to optimise connection points minimising the costs for new customers. Implementing actions identified by the ESO, such as shunt reactors at distribution level to manage high-voltage areas of transmission network. Implementing a solution on its distribution network that reduces the need for investment in capacity upgrades on the transmission network. Implementing transparent processes to coordinate allocation of capacity and planning with other licensees. 	<ul style="list-style-type: none"> Using data sharing platforms to enable network users to access information about constraints to facilitate efficient connections and to enable flexibility markets. Publishing system usage information, future network plans and long term system needs to enable identification of market solutions and provide certainty. Proactively sharing network information with other licensees to enable common models and / or boundary assumptions for coordinated planning.
Transmission Owners (TOs)	<ul style="list-style-type: none"> Considering viable alternatives to its network build that might lie on a nearby distribution network, 	<ul style="list-style-type: none"> Liaising with DNOs when undertaking network improvements to identify any possible 	<ul style="list-style-type: none"> Sharing network information with DNOs or the ESO to assist with their network planning

²⁷ This does not include commercial activities such as DNOs aggregating services for onward provision to the ESO.

	<p>and liaising with the relevant DNO as to its benefits, costs and viability.</p> <ul style="list-style-type: none"> • Undertaking network planning with input from nearby DNOs that reflects their network evolution, developments and requirements. • Contributing to DNO assessment of alternative solutions for distribution needs and coordinated forecasting. 	<p>actions either party could take to minimise outages throughout the works, or more effectively achieve equivalent outcomes.</p> <ul style="list-style-type: none"> • Coordinating with DNOs on build of cable routes that could be shared or alternatives to distribution investment. • Implementing transparent processes to coordinate assessment of needs and solutions. 	<p>and decision-making.</p> <ul style="list-style-type: none"> • Exchanging information with other licensees to enable common models and / or boundary assumptions for coordinated planning. • Sharing data on network capacity with other network operators to streamline processes such as the Statement of Works process.
Independent Distribution Network Operators (IDNOs)	<ul style="list-style-type: none"> • Coordinating with DNOs in ensuring connections to the distribution network are efficient and at appropriate network points relative to capacity requirements. • Responding to DNOs where they have identified possible actions that could result in Whole System efficiencies. • Sharing information appropriately with DNOs to inform planning and forecasting. 	<ul style="list-style-type: none"> • Seeking to coordinate with other parties to identify where efficiencies can be realised as part of multi-utility works. 	<ul style="list-style-type: none"> • Making connections information available to its customers and stakeholders.

Appendix 3 - Privacy notice on consultations

Personal data

The following explains your rights and gives you the information you are entitled to under the General Data Protection Regulation (GDPR).

Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally) not the content of your response to the consultation.

1. The identity of the controller and contact details of our Data Protection Officer

The Gas and Electricity Markets Authority is the controller, (for ease of reference, “Ofgem”). The Data Protection Officer can be contacted at dpo@ofgem.gov.uk

2. Why we are collecting your personal data

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

3. Our legal basis for processing your personal data

As a public authority, the GDPR makes provision for Ofgem to process personal data as necessary for the effective performance of a task carried out in the public interest. i.e. a consultation.

4. With whom we will be sharing your personal data

We are not intending to share your personal data with other organisations. We are intending to publish non-confidential consultation responses, including any personal data that may be contained within them.

5. For how long we will keep your personal data, or criteria used to determine the retention period.

Your data will be held until a decision is published, this may be following a further statutory consultation. We will then review all personal data held.

6. Your rights

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right to:

- know how we use your personal data
- access your personal data
- have personal data corrected if it is inaccurate or incomplete
- ask us to delete personal data when we no longer need it
- ask us to restrict how we process your data
- get your data from us and re-use it across other services
- object to certain ways we use your data
- be safeguarded against risks where decisions based on your data are taken entirely automatically
- tell us if we can share your information with 3rd parties
- tell us your preferred frequency, content and format of our communications with you
- to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at <https://ico.org.uk/>, or telephone 0303 123 1113.

7. Your personal data will not be sent overseas (Note that this cannot be claimed if using Survey Monkey for the consultation as their servers are in the US. In that case use “the Data you provide directly will be stored by Survey Monkey on their servers in the United

States. We have taken all necessary precautions to ensure that your rights in term of data protection will not be compromised by this”.

8. Your personal data will not be used for any automated decision making.

9. Your personal data will be stored in a secure government IT system. (If using a third party system such as Survey Monkey to gather the data, you will need to state clearly at which point the data will be moved from there to our internal systems.)

10. More information For more information on how Ofgem processes your data, click on the link to our [“Ofgem privacy promise”](#).