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Distribution licensees and other  
interested parties

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Date: 23<sup>rd</sup> April 2020

Dear stakeholder,

## **Approval Letter for SSEN's data privacy plan for access to household electricity smart metering data**

### **Summary**

The Authority<sup>1</sup> approves Scottish and Southern Electricity Networks (SSEN's) data privacy plan for accessing household electricity smart metering data. The plan is approved based on our assessment that SSEN's data privacy plan meets the requirements of Licence Condition 10.A.4. The plan approval will allow SSEN to collect and process domestic smart meter consumption data which relates to a period of less than one month in the format and under the conditions set out in the data privacy plan.

### **Background**

The conditions under which distribution licensees are allowed to access household Electricity Consumption Data from smart meters ("Consumption data") are set by Standard Licence Condition 10A (SLC10A) of the Electricity Distribution Licence. Within the scope of the data privacy plan, paragraph 10A.4 is of interest. The requirements of paragraph 10A.4 are as follows:

*(a) "the licensee has submitted proposals to demonstrate to the satisfaction of the Authority that it can implement practices, procedures and systems which are designed to*

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<sup>1</sup> References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.

*ensure that, so far as is reasonably practicable, the outcome described at paragraph 10A.5 is achieved;*

*(b) the Authority has given approval to the licensee to obtain, once it has implemented such practices, procedures and systems, Electricity Consumption Data which relates to any one or more periods of less than one month; and*

*(c) the licensee has implemented those practices, procedures and systems.*

Paragraph 10A.5 goes on to state the outcome that paragraph 10A.4 is seeking to achieve: that "*Electricity Consumption data obtained by the licensee which relates to a period of less than one month ceases (through aggregation or by means of any other process) to be capable of being associated with a Domestic Customer at relevant premises.*"

In our open letter "Overall criteria for the assessment of Distribution Network Operators' data privacy plans for access to household electricity smart metering data"<sup>2</sup> published on 30 September 2016, we defined the criteria that we would apply in our assessment of whether or not a distribution licensee has met the conditions of paragraph 10A.4, such that consumption data relating to a period of less than one month can no longer be attributed to a specific household.

### **Reasons for our decision**

We have assessed SSEN's data privacy plan against the criteria described in our Open Letter. The approach proposed by SSEN in its data privacy plan satisfies these criteria. In particular, the data privacy plan:

- (a) sets out the nature of the data SSEN will collect and process, the format in which SSEN will store it, the period of time for which it will be retained, and the nature of the individuals from whom it will be collected, and for which specific purposes;
- (b) summarises how use of this smart meter Consumption Data favourably compares to the use of traditional electricity consumption data and the overall benefits SSEN anticipates use of this Consumption Data will bring;
- (c) provides assurances that Consumption Data will not be used for marketing purposes or sold to third parties for commercial or marketing purposes;
- (d) provides information about how SSEN will collect, maintain, secure, use and delete the Consumption Data, and explains who will be responsible for carrying out these activities;

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<sup>2</sup>[https://www.ofgem.gov.uk/system/files/docs/2016/09/open\\_letter\\_on\\_dnos\\_privacy\\_plans\\_for\\_the\\_access\\_to\\_smart\\_meters\\_data\\_0.pdf](https://www.ofgem.gov.uk/system/files/docs/2016/09/open_letter_on_dnos_privacy_plans_for_the_access_to_smart_meters_data_0.pdf)

- (e) explains how SSEN has considered the best available techniques for minimisation, aggregation, anonymisation and other techniques to safeguard Customers' privacy;
- (f) includes a copy of SSEN's Data Privacy Impact Assessment and;
- (g) ensures SSEN's IT systems conform to ISO 27001 and ISO 27005 standards;
- (h) shows how SSEN has engaged constructively with relevant stakeholders, including how it has responded to the stakeholder feedback in refining its data privacy plan.

Our review of SSEN's data privacy plan has benefitted from external input from the Department for Business, Energy and Industrial Strategy (BEIS) and external guidance from the Information Commissioner's Office (ICO) and has been carried out through an iterative process with SSEN. The review has shown the final data privacy plan to comply with the requirements of SLC10.A.4 as well as the above mentioned criteria. Therefore, we have decided to approve SSEN's data privacy plan.

To note, in approving SSEN's data privacy plan we are not ensuring or assuring compliance with General Data Protection Regulation<sup>3</sup> and the Data Protection Act 2018<sup>4</sup>. It is the responsibility of SSEN to ensure compliance.

### **Next steps**

Following the data privacy plan approval, SSEN will have the right to collect and process domestic smart meter consumption data which relates to a period of less than one month, according to the procedures laid out in its the plan. SSEN will access such data via the Data Communications Company (DCC)<sup>5</sup> on a regular, scheduled basis.

We reserve the right to check compliance at short notice in order to ensure that the practices, procedures and system proposed by SSEN are being implemented according to the plan and to a satisfactory standard. Should any change occur in their practices as stated in the data privacy plan, SSEN have an obligation to communicate such changes to us in a timely manner.

We may undertake a wider review of the criteria in the event of any change in law, key documents (including emerging experience in the data privacy area) or government policy that is relevant to this data and data privacy, to ensure the continued applicability of the criteria. The timing of such a review will depend on the relevant trigger. If this happens, we

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<sup>3</sup><https://gdpr-info.eu/>

<sup>4</sup><http://www.legislation.gov.uk/ukpga/2018/12/contents/enacted>

<sup>5</sup>Smart DCC Ltd (DCC) manages the smart metering data and communications infrastructure in GB, under the Smart Meter Communication Licence.

reserve the right to require relevant amendments to be undertaken to ensure SSEN remain compliant.

The approved plan is specific to SSEN, reflecting SSEN's network and business arrangements. Thus, while it provides an example framework, we note that there is not an automatic guarantee that other distribution licensees following the same approach will be approved. Other companies will still need to demonstrate they meet the requirements of their licence condition, and they may propose other approaches that better fit their own and their customers' needs.

For transparency purposes and to facilitate appropriate access, in accordance with the licence condition, we will share a redacted version of SSEN's data privacy plan on our website, alongside a copy of this letter.

Yours faithfully,

**Louise van Rensburg**  
Head of DSO and Whole System Coordination

**For and on behalf of the Authority**