Sustainability *first*

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To: digitalisation@ofgem.gov.uk

Ofgem Call for Input on Data Best Practice Guidance - Review and Evolution

Sustainability First is a charity and think-tank focussed on social and environmental issues in energy and water. We have had significant involvement on the RIIO2 price controls and have also recently completed, jointly with CSE, a major multi-party project on the use of smart meter data for a public interest purpose (PIAG).

Our final report[1] included a specific recommendation that de-personalised (ie suitably aggregated or anonymised) smart meter data held by DNOs should be treated as Energy System Data and hence be subject to the "Presumed Open" requirements of the Data Best Practice guidance. We were therefore delighted to see this minded-to change included in Ofgem's latest Call for Input and would strongly support such a move. More generally we are supportive of the Data Best Practice Guidance as a response to the Energy Digitalisation Taskforce recommendations and the evident challenges of meeting net zero.

We have attached responses to some of the questions raised where our experience is relevant, including some further reflections on the specific minded-to decision around smart meter data drawing on the wider research we undertook as part of PIAG.

We would be happy to discuss our thoughts further if that would be helpful.

Yours faithfully

Maxine Frerk

Associate Sustainability First

Cc Judith Ward

[1] The final report and supporting research papers are available at https://www.smartenergydatapiag.org.uk/

Response to Questions

5. Question: What are your views on expanding the obligation of DBP Guidance to other licenced entities in the energy sector, such as generators, suppliers, and code bodies? Please provide as much detail as possible to support your answer.

As part of PIAG we looked at which entities might be best placed to provide smart meter data to a trusted processor like the ONS. As well as networks, we identified suppliers and code bodies as potential sources (noting that BEIS already use the Statistics of Trade Act to collect consumption data from suppliers for statistical purposes). We are also aware that as part of the discussions on data collection for half-hourly settlement there was debate over how the data held by suppliers was key to facilitating innovation and competition in the retail market (and might be shared on an aggregated / anonymised basis).

We noted in our PIAG report that the industry bodies (DCC, Elexon and Electralink – and to a lesser extent XOserve) were increasingly looking for opportunities to make use of the data they held which we welcomed. However it is important that where this data is obtained as a result of a monopoly position through regulatory powers, they cannot simply exploit it for commercial ends. We also highlighted the general paucity of data on gas usage (which is increasingly important as we consider the challenges around decarbonisation of heat).

We do not have a view as to whether extending the DBP is the right approach for these other sectors but support Ofgem opening up the debate to consider the data held by other entities in the energy sector.

8. Question: Do you agree with our minded-to decision to require DNOs to treat de-personalised smart meter demand data, collected as set out in DNOs' Data Privacy Plans, as Energy System Data? a) Do you see any potential sensitivities with this data being classified as Open Data? If so, please provide information to support your answer. b) Do you have any additional methods you are aware of, or are considering, to de-personalise or aggregate smart meter data

As indicated in our cover letter we fully support this minded-to decision which was a key recommendation from our PIAG work and endorsed by the Energy Digitalisation Taskforce and BEIS.

From our discussion with the DNOs they do have a concern that they can only use the smart meter data which they collect for the specific purposes set out in their Privacy Plans. While we understand the basis for their concern, this seems to us to be a technicality that could readily be resolved. It may be that including specific reference to this use of de-personalised smart meter data in the Best Practice Guidance gives sufficient reassurance that this is a legitimate use of the data. Failing that Ofgem could provide more explicit guidance around how it expects Privacy Plans to accommodate changes like this to regulatory obligations (given the networks have suggested to us that there is no provision for them to submit updated Privacy Plans, which feels like an omission in and of itself). In our review of the Privacy Plans[2] we note that all DNOs refer to sharing aggregated data with ICPs / IDNOs where necessary for competition in connections, which could provide a helpful precedent.

We are also aware that with the smart meter rollout still only part way through (and with some particular issues in Scotland / the North) DNOs may hold only patchy data in places. However, we do

[2] https://www.cse.org.uk/downloads/file/PIAG-phase-2-privacy-plans-annex.pdf

not see this as a barrier to them starting to look at how to share what data they do hold even if the level of geographical aggregation would need to be commensurately greater at this stage to provide the required privacy protection.

As set out in our PIAG report we see a particular value in the DNOs providing data aggregated by feeder to help inform local area energy plans (where the geographical aggregation in line with network topology is of direct relevance). Ultimately we cannot see why that data should be any more sensitive than aggregated data collected through monitoring equipment at a sub-station for example.

We note that the use case cited in the Ofgem consultation talks about smart meter data that is de-linked from the MPAN being of value to innovators. While we had also recognised this as an important use case it is less clear to us whether the DNOs are able to provide this individual level (de-personalised) data given that they do not hold it in that form – they have to aggregate it by feeder immediately on receipt and then destroy the underlying individual records. This could be changed but would presumably require more fundamental reform than the definitional change outlined. We had suggested to BEIS that they might provide an anonymised dataset using data from suppliers to help address this need.

That said we would still expect there to be real value for innovators in the smart meter data that DNOs hold eg half-hourly demand aggregated to at least feeder level to support local energy solutions or other data such as export data, maximum and minimum demand at an MPAN level which could be provided on an anonymised basis[3]. The key tenet under-pinning the Presumed Open principle is that if data is made available innovators will find new ways to use it (in support of the wider de-carbonisation and other challenges we face). Ofgem should not feel it has to identify in advance exactly how the data will be used.

Throughout our PIAG work we have looked to balance privacy issues with the wider public interest concerns and recognise that the level of aggregation of smart meter data is key in terms of privacy protection. The level of aggregation at which networks currently hold half-hourly demand data is appropriate (or even overly cautious) given their need to run an economic and efficient system and the public interest in them so doing. Under the Data Triage approach we would expect further aggregation may well be needed ahead of any sharing of the data in order to maintain appropriate privacy protections. Further work is needed to determine what would be an acceptable level of aggregation.

As part of the PIAG work we carried out a review[4] of international experience with making smart meter data available. This work could usefully be updated but provides some helpful pointers to jurisdictions that have been more active in this space and how they have approached the challenge.

We are also aware of academic work looking at more sophisticated privacy enhancing techniques and their potential application to smart meter data[5]. In our view these typically devalue the data and are not necessary for the sorts of use cases being considered here and the levels of privacy risk involved.

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[3] Our review of the DNO Privacy Plans sets out what other data was mentioned – but as this data is not covered by the DAPF it would not necessarily be included in the Plans

[4] https://www.smartenergydatapiag.org.uk/_files/ugd/ea9deb_60f68c2dd60c46c99b99403f1a4bc55b.pdf

[5] https://www.imperial.ac.uk/energy-futures-lab/reports/briefing-papers/paper-9/