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DP234

‘Addition of GDPR Principles of Public Task and Legitimate Interests into the SEC’

Modification Report

Version 0.2

14 March 2023



Managed by



About this document

This document is a draft Modification Report. It currently sets out the background, issue, and progression timetable for this modification, along with any relevant discussions, views and conclusions. This document will be updated as this modification progresses.

Contents

1. Summary.....	3
2. Issue.....	3
3. Assessment of the proposal	5
Appendix 1: Progression timetable	6
Appendix 2: Glossary	7

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1. Summary

This proposal has been raised by Matt Roderick of n3rgy.

Currently, the Smart Energy Code (SEC) does not allow Other Users to retrieve consumers' Consumption Data without first gaining the Unambiguous Consent of the Energy Consumer. This proposal seeks to add the General Data Protection Regulation (GDPR) principles of 'Public Task' and 'Legitimate Interests' into the SEC.

The Proposer believes this would help public authorities to fulfil their regulatory obligations to tackle fuel poverty, protect vulnerable households and uphold minimum standards of housing by identifying at-risk Energy Consumers. This would also enable SEC Parties to offer their services to a wider range of customers.

2. Issue

What are the current arrangements?

At present the SEC does not support Other Users obtaining Consumption Data without first obtaining the Unambiguous Consent of each Energy Consumer. SEC Section I1.2 prevents Users from obtaining Consumption Data without Appropriate Permission. The current definition of Appropriate Permission in SEC Section A only allows for two scenarios as follows:

"In respect of a Communication Service or Local Command Service to be provided to a User in respect of a Smart Metering System at a premises that will result in the User obtaining Consumption Data, either:

- (a) (Where that User is the Import Supplier, Export Supplier, Gas Supplier, Electricity Distributor or Gas Transporter for that Smart Metering System) that the User does not need consent to access that Consumption Data in accordance with its Energy Licence, or that the User has consent (whether explicit or implicit) in accordance with the requirements of its Energy Licence.*
- (b) (Where that User is not the Import Supplier, Export Supplier, Gas Supplier, Electricity Distributor or Gas Transporter for that Smart Metering System) that the Energy Consumer has given the User Unambiguous Consent to obtain that Consumption Data and such consent has not been withdrawn."*

SEC Section I1.2 states:

"Each User undertakes that it will not request, in respect of a Smart Metering System, a Communication Service or Local Command Service that will result in it obtaining Consumption Data, unless:

- (a) the User has the Appropriate Permission in respect of that Smart Metering System; and*
- (b) where that User is not the Import Supplier, Export Supplier, Gas Supplier, Electricity Distributor or Gas Transporter for that Smart Metering System the User has, at the point of obtaining Appropriate Permission and at such intervals as are reasonably*

determined appropriate by the User for the purposes of ensuring that the Energy Consumer is regularly updated of such matters, notified the Energy Consumer in writing of:

- (i) the time periods (by reference to length) in respect of which the User obtains or may obtain Consumption Data.*
- (ii) the purposes for which that Consumption Data is, or may be, used by the User.*
- (iii) the Energy Consumer's right to object or withdraw consent (as the case may be) to the User obtaining or using that Consumption Data, and the process by which the Energy Consumer may object or withdraw consent".*

Although this legal text reflects the current arrangements, the Proposer has also raised [MP219 'Accessing Consumption Data on behalf of SEC Parties'](#). MP219 seeks to allow Other Users to work on behalf of SEC Parties without first gaining the Unambiguous Consent of the Energy Consumer. DP234 will require changes to the definition of Appropriate Permission and SEC Section I1.2, however SECAS does not believe the changes in MP219 will impact the solution to this modification.

What are the GDPR Principles of Public Task and Legitimate Interests?

The definitions of 'Public Task', 'Legitimate Interests' and information about them have been taken from the GDPR from the Information Commissioner's Office (ICO) website which can be viewed [here](#).

Public Task

Article 6(1)(e) of the GDPR gives a lawful basis for processing where:

"Processing is necessary for the performance of a task carried out in the public interest or in the exercise of official authority vested in the controller."

This can apply if you are:

- Carrying out a specific task in the public interest which is laid down by law; or
- Exercising official authority (for example, a public body's tasks, functions, duties or powers) which is laid down by law.

Legitimate Interests

Article 6(1)(f) of the GDPR gives a lawful basis for processing where:

"Processing is necessary for the purposes of the legitimate interests pursued by the controller or by a third party except where such interests are overridden by the interest or fundamental rights and freedoms of the data subject which require protection of personal data, in particular where the data subject is a child."

Legitimate Interests is unlike other lawful bases for collecting information as it is not centred around a particular purpose and it is not for processing that the individual has specifically agreed to. Legitimate Interests is more flexible and could in principle apply to any type of processing for any reasonable purpose. Because of this, the onus is placed on the party seeking to collect the data to balance their

legitimate interests and the necessity of processing the personal data against the interests, rights and freedoms of the individual considering the particular circumstances.

When are these GDPR Principles used?

Public Authorities, such as Social Landlords and Local Councils, have a duty to protect Energy Consumers and must prevent them from falling into fuel poverty. In doing so, they must collect Consumption Data to identify whether the Consumer is at-risk. On some occasions, the Energy Consumer may not respond to the Local Authorities' attempts to collect their Consumption Data. When this occurs, the Local Authority can use the GDPR Principles of Public Task and Legitimate Interest to collect the Consumption Data without the Consumers Unambiguous Consent to fulfil their regulatory obligations.

What is the issue?

The GDPR Principles of Public Task and Legitimate Interests are not included in the SEC. This means that if a Public Authority was using these GDPR Principles and wanted a SEC Party to work on their behalf and collect Consumption Data, then the SEC Party would be unable to collect this information.

What is the impact this is having?

Without the introduction of the concepts of Public Task and Legitimate Interest into the SEC, public authorities (e.g. Registered Social Landlords or Local Authorities) are at risk of failing to fulfil their regulatory obligations to tackle fuel poverty, identify and protect vulnerable households as well as maintaining their property portfolio in compliance with the minimum standard on housing.

This also means that SEC Parties are unable to offer their services to Local Authorities who are using these GDPR principles to collect Consumption Data from these selected Energy Consumers.

Impact on consumers

If the public authorities mentioned above fail to fulfil their regulatory obligations this can impact consumers' standard of housing, health and economic security.

3. Assessment of the proposal

Areas for assessment

The Smart Energy Code Administrator and Secretariat (SECAS) believes further clarity is needed regarding how the GDPR principles will be applied by SEC Parties. In particular, when a SEC Party is acting on behalf of a non-SEC Party to collect Consumption Data, how will the GDPR Principle which the SEC Party is operating under be verified to ensure its appropriateness. In addition, SECAS will examine how Local Authorities currently collect Consumption Data from the Consumers they need to protect.

The Working Group will also need to assess and investigate whether there could be any unintended consequences arising from this change, and the SEC Lawyer will be engaged to support with this assessment. The SEC Lawyer will also provide an assessment of precisely which language must be used when adding the selected two GDPR principles into the SEC.

Sub-Committee input

SECAS will engage with the Chairs from the Operations Group (OPSG), the Technical Architecture and Business Architecture Sub-Committee (TABASC), the Security Sub-Committee (SSC) and the Smart Metering Key Infrastructure Policy Management Authority (SMKI PMA) to confirm what input is required from these forums. SECAS believes the following Sub-Committees will need to provide the following input to this modification:

Sub-Committee input	
Sub-Committee	Input sought
OPSG	What impacts will this modification have on the collection of customer data?
SMKI PMA	No input sought.
SSC	Will this modification impact the current security arrangements?
TABASC	No input sought.

Observations on the issue

The Change Sub-Committee (CSC) recommended this modification be presented to the OPSG, as well as the SSC in order to discuss historic concerns about the collection of consumer data by Other Users. SECAS will engage with the Chairs of the sub-committees to determine precisely which groups this modification will be presented to.

Members also highlighted the need for clarity regarding when the consumer knows their data is being accessed by an Other User and where this information is stored. Other members noted the importance of this point as they believed consumers main concern about smart metering relates to who has access to their data.

[DP218 'Review of the SEC Charging Methodology'](#) was also discussed, with one member noting that the solution to DP218 be in place before DP234 reaches decision at Change Board.

Appendix 1: Progression timetable

This modification will be presented to the Change Sub-Committee (CSC) on 21 March 2023. SECAS will work with Local Authorities to determine the scale of the identified issue, as well as building a process of how this modification could work in practice if implemented. Once this has been

completed, SECAS will present this modification to the Working Group on 3 May 2023. A Refinement Consultation will then be issued, before SECAS return to the Working Group to discuss the responses on 7 June 2023.

Timetable	
Event/Action	Date
Draft Proposal raised	14 Feb 2023
Presented to CSC for initial comment	21 Feb 2023
CSC converts Draft Proposal to Modification Proposal	21 Mar 2023
<i>Modification discussed with Working Group</i>	<i>3 May 2023</i>
<i>Refinement Consultation</i>	<i>10 May – 31 May 2023</i>
<i>RC responses discussed with Working Group</i>	<i>7 Jun 2023</i>
<i>Modification Report approved by CSC</i>	<i>20 Jun 2023</i>

Italics denote planned events that could be subject to change.

Appendix 2: Glossary

This table lists all the acronyms used in this document and the full term they are an abbreviation for.

Glossary	
Acronym	Full term
CSC	Change Sub-Committee
GDPR	General Data Protection Regulation
ICO	Information Commissioner's Office
OPSG	Operations Group
SEC	Smart Energy Code
SECAS	Smart Energy Code Administrator and Secretariat
SMKI PMA	Smart Metering Key Infrastructure Policy Management Authority
SSC	Security Sub-Committee
TABASC	Technical Architecture and Business Architecture Sub-Committee