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MP219

‘Accessing Consumption Data on behalf of SEC Parties’

Modification Report

Version 0.6

29 March 2023



About this document

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

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This document also has one annex:

- **Annex A** contains the redlined changes to the Smart Energy Code (SEC) required to deliver the Proposed Solution.
- **Annex B** contains the non-confidential responses to the Refinement Consultation.

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1. Summary

This proposal has been raised by Matt Roderick of n3rgy.

Occasionally, Suppliers and Network Parties are unable to collect Consumption Data from Energy Consumers. When this occurs, these Parties may wish to employ a third-party Other User to collect this data on their behalf.

The SEC does not currently allow Other Users to collect Smart Metering Consumption Data on behalf of SEC Parties without the Other User first obtaining Unambiguous Consent from each Energy Consumer. This is extremely time consuming and limits Other Users in their ability to offer their services to SEC Parties.

This has a knock-on impact on Energy Consumers as without this data they cannot take advantage of 'Time of Use' (TOU) tariff offerings which involve precise timings and consumers may miss out on independent energy advice services.

The solution is for Other Users to obtain Consumption Data by placing reliance on the employing Party's Appropriate Permission to obtain such data in accordance with its Energy Licence. To do this, Other Users would communicate with the Data Communications Company (DCC) Systems using their own credentials, without obtaining Unambiguous Consent from the Energy Consumer.

This modification impacts Suppliers, Network Parties and Other SEC Parties. There are no direct DCC costs to implement this modification. This modification is targeted for the June 2023 SEC Release and is an Authority-Determined Modification.

2. Issue

What are the current arrangements?

To communicate with Smart Metering Devices to obtain Consumption Data, a SEC Party must first complete the User Entry Process and become a DCC User. If the SEC Party is not an Import Supplier, Export Supplier, Gas Supplier, Electricity Distributor or Gas Transporter, it will be an Other User and must demonstrate compliance with SEC Section I 'Data Privacy' through a User Privacy Assessment. It must also obtain Panel approval of its Privacy processes before it can communicate with the DCC.

SEC Section I1.2 (b) requires Other Users to obtain Unambiguous Consent from each Energy Consumer before obtaining the Consumption Data using its Other User credentials.

What is the issue?

SEC Section I1.2 prevents all Users from obtaining Consumption Data without Appropriate Permission. The current definition of Appropriate Permission in SEC Section A only allows for two scenarios:

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”.*

The way SEC Section I 1.2 is drafted means that if an employing party would like an Other User to collect information on their behalf, the Other User would potentially need to contact many Energy Consumers to gain their consent. Due to the amount of time and effort this would incur, this makes it difficult for Other Users to commercially act on behalf of the employing party.

What is the impact this is having?

The impact on the employing party is that they are unable to effectively retrieve important TOU data on behalf of a SEC Party that wishes to outsource this requirement, creating problems for tariffs they offer which rely on time-related readings (e.g., Economy 7, Electric Vehicle Charging). When SEC Parties are unable to gather this data, it is difficult for them to outsource this to Other Users to retrieve it on their behalf.

Impact on consumers

When Suppliers are unable to retrieve this data immediately, the Energy Consumers billing could be impacted as no up-to-date meter reading is available.

3. Solution

The solution for this modification is to allow the contracted Other User to communicate with DCC Systems using its own credentials, without obtaining Unambiguous Consent from the Energy Consumer, to retrieve their Consumption Data on behalf of the employing SEC Party.

Changes are needed to both the definition of 'Appropriate Permission' and Section I1.2 'Data Privacy' of the SEC to enable Other Users to collect Consumption Data without first gaining the Unambiguous Consent of Energy Consumers.

The changes needed for this modification are available in Annex A.

4. Impacts

SEC Parties

SEC Party Categories impacted			
✓	Large Suppliers	✓	Small Suppliers
✓	Electricity Network Operators	✓	Gas Network Operators
✓	Other SEC Parties	✓	DCC

Breakdown of Other SEC Party types impacted			
	Shared Resource Providers		Meter Installers
	Device Manufacturers	✓	Flexibility Providers

Large Suppliers, Small Suppliers, Electricity Network Operators and Gas Network Operators are directly impacted as they will be able to outsource the collection of Consumption Data to Other Users more easily. Similarly, Other SEC Parties will be able to act more widely on behalf of contracting Suppliers and Network Parties.

Flexibility Providers are impacted indirectly by this modification. By allowing Other Users to act on behalf of SEC Parties, especially in circumstances when the employing party has not been able to receive Consumption Data from that Smart Metering System, this means the data can be collected and then passed from Suppliers and Network Operators onto Flexibility Providers.

DCC System

The Proposer believes this modification will reduce the volume of Service Requests.

There is no way to determine the impact of this modification on traffic across the DCC System. As such, the Smart Energy Code Administrator and Secretariat (SECAS) is unable to confirm any impacts associated with this modification.

There will be no other impacts to the DCC system from this modification.

SEC and subsidiary documents

The changes to the SEC required to deliver the proposed solution can be found in Annex A.

Consumers

Other Users would no longer need to contact each Energy Consumer and receive the Unambiguous Consent before retrieving their Consumption Data. This means that Other Users will be able to access Energy Consumers data as they can currently, but without the explicit or implicit Unambiguous Consent, and always for the purposes for which the Supplier has agreed to.

In instances where Suppliers or Network Parties are unable to retrieve Consumption Data, they may employ an Other User contractually to collect this on their behalf. If that Other User can collect the Consumption Data, this means that Suppliers and Network Operators may be able to highlight customers who may need energy saving advice as well as being able to retrieve important TOU data for customers on Economy 7, 8 or 10 tariffs.

Other industry Codes

There are no impacts on other industry Codes because of this modification.

Greenhouse gas emissions

There are no impacts on greenhouse gas emissions associated with this modification.

5. Costs

DCC costs

The DCC has identified no costs directly associated with this modification as this is a text-only change to the SEC.

SECAS costs

The estimated SECAS implementation cost to implement this as a stand-alone modification is one day of effort, amounting to approximately £600. This cost will be reassessed when combining this modification in a scheduled SEC Release. The activities needed to be undertaken for this are:

- Updating the SEC and releasing the new version to the industry.

SEC Party costs

No costs have been identified during the Refinement Consultation.

6. Implementation approach

Recommended implementation approach

SECAS is recommending an implementation date of:

- **29 June 2023** (June 2023 SEC Release) if a decision to approve is received on or before 15 June 2023; or
- **2 November 2023** (November 2023 SEC Release) if a decision to approve is received after 15 June 2023 but on or before 19 October 2023.

This modification is seeking to make text changes only and therefore no system testing or lead time is required before this can be implemented. The earliest Release this modification can be implemented in is the June 2023 SEC Release.

7. Assessment of the proposal

Areas for assessment

SECAS has assessed the impacts of this modification in line with the General Data Protection Regulation (GDPR), Data Privacy and Security. The Security Sub-Committee (SSC) and Panel have reviewed this modification and are happy for it to proceed.

SECAS will work with the Independent Privacy Auditor (IPA) to draft changes to the Privacy Control Framework (PCF) and this will be implemented alongside this modification.

Sub-Committee input

SECAS has engaged 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.

Sub-Committee input	
Sub-Committee	Input sought
OPSG	No input sought.
SMKI PMA	No input sought.
SSC	Will this modification impact the current security arrangements in relation to accessing Consumers data?
TABASC	No input sought.

Observations on the issue

This modification was presented to the October Change Sub-Committee (CSC) meeting as a Draft Proposal. The Proposer highlighted that they were already able to collect Consumption Data from Energy Consumers once they had collected Unambiguous Consent. They explained how they believed that this Proposal could help prevent blackouts in the UK during winter by collecting data on behalf of Suppliers who could then engage with demand/flexibility services.

The Sub-Committee Chairs noted that various public bodies such as Citizens Advice and the Information Commissioners Office (ICO) would be interested in these changes and that further clarity was needed about the information that was presented to Panel. In addition, the SSC Chair wanted further investigation to be completed during the Refinement Process.

Solution Development

SECAS sought advice from the SEC Lawyer and internal Data Privacy and Security teams about this Draft Proposal. It was confirmed that the changes were acceptable, so long as there are two additional controls to the PCF. The first requirement involves ensuring Other Users only access Consumption Data of the customers belonging to the employing party. The second ensures that if the employed Other User was to employ another third party, then that third party would need to be bound by the same restrictions as the Other User.

Licence Conditions

The Working Group discussed the draft legal text. Members highlighted the issue of the Other User staying within the parameters of the employing party's Energy Licence as different SEC Parties have different Licence Conditions. Following the Working Group meeting, the legal text has been edited to ensure the Other User can only act in accordance with the employing Parties Energy Licence.

What controls will be in place?

One member questioned how the DCC could validate if the Other User is working on behalf of a SEC Party. SECAS confirmed that the IPA conducts checks on Other Users. Several members queried what protections are in place to prevent Other Users from currently requesting information from the DCC when they are not instructed by another SEC Party to do so. SECAS explained that Other Users can send the relevant Service Requests to the DCC, but there are IPA checks which take place on Other Users. In addition, if SEC Parties are found to be breaching GDPR rules then this would break the law and be dealt with by the ICO. SECAS confirmed that as part of this modification Other Users will need to have evidence in the form of a contract with the employing party confirming that they can access the Consumption Data of those Energy Consumers.

Is Export Data included in the scope?

An issue which was identified related to the term 'Consumption Data', as this only refers to the supply of energy to a premises, rather than from it. This meant that Export Data was not included in the scope of this modification. The SEC Lawyer also confirmed that Export Data is currently not covered under the current drafting of Appropriate Permission and SEC Section I1.2. SECAS engaged with the SSC Chair and the Department of Business, Energy and Industrial Strategy (BEIS) who were aware of the current arrangements and did not see any need to change the definitions in the SEC.

Would Energy Consumers be aware?

Working Group members noted it was not clear whether Energy Consumers would be aware that an Other User, that they have not provided unambiguous consent to, is collecting their data rather than the employing Party, which they have already given consent to. SECAS has confirmed that Energy Consumers will not know whether an Other User has collected their data unless the employing Party chooses to inform the Energy Consumer of this.

Can Energy Consumers access the data that has been obtained?

A second issue raised was whether the Energy Consumer would have access to the data which has been retrieved by the Other User. SECAS has confirmed that this information would be available to the Energy Consumer. Whether this be via the employing Party or via the Other User would be dependent on the commercial arrangements between the two.

8. Case for change

Business case

As the solution for the modification is a text-only change the costs for implementation are relatively low when considering the potential benefits. If Other Users can work on behalf of SEC Parties, Suppliers and Network Parties can pass the retrieved Consumption Data over to Flexibility Providers, which has the potential to help prevent blackouts across the UK.

In addition, this modification would benefit Suppliers and Network Parties who could retrieve data more easily and offer more advantageous tariffs and energy efficiency advice. It also means the Other Users who are offering data collection services can more easily offer their products and services to other SEC Parties.

Feedback gained from SEC Parties during the Refinement process focused on potential impacts to traffic across the DCC System which may have cost consequences. SECAS cannot advise if or how this modification will impact traffic across the DCC System. This is because there is no information to confirm whether this modification would increase or decrease the traffic across the DCC System.

Views against the General SEC Objectives

Proposer's views

The Proposer believes that this Draft Proposal will better facilitate SEC Objective (a)¹ and (c)² by enabling Other Users to access Consumer data and make this available to the consumers through their services to help them make informed decisions about their usage.

Industry views

At the Working Group members highlighted concerns about when the Energy Consumer would be aware that an Other User has collected their data. They also raised concerns about the business case for this modification, with members questioning how this benefits Other Users as a whole, rather than just the Proposer. Members also highlighted that this modification could lead to an increase in traffic across the DCC System as they foresaw Suppliers and Network Parties continuing to collect Consumption Data alongside the contracted Other User.

Views against the consumer areas

Improved safety and reliability

This modification will have a neutral impact on safety and reliability.

Lower bills than would otherwise be the case

Other Users acting on behalf of Suppliers and Network Parties will be able to collect Consumption Data for Energy Consumers ensuring they have accurate information rather than relying on estimated readings. This will also allow consumers to have a better understanding of their usage and take advantage of tariffs which are better suited to their Energy Consumption needs.

Reduced environmental damage

This modification will have a neutral impact on environmental damage.

¹ The first General SEC Objective is to facilitate the efficient provision, installation, and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers' premises within Great Britain.

² The third General SEC Objective is to facilitate Energy Consumers' management of their use of electricity and gas through the provision to them of appropriate information by means of Smart Metering Systems.

Improved quality of service

Suppliers will be able to produce accurate billing for their customers as the Other User is able to collect Consumption Data which the employing party has been unable to retrieve.

Benefits for society as a whole

If Other Users can collect data for Suppliers and Network Parties, who in turn pass this onto Flexibility Providers, this helps manage energy usage more efficiently to help the drive towards Net Zero.

Appendix 1: Progression timetable

SECAS will present this modification to the Working Group on 5 April 2023 to discuss the responses to the Refinement Consultation. SECAS will then present this to the Change Sub-Committee on 18 April 2023 to determine if this modification should move to Report Phase.

Timetable	
Event/Action	Date
Draft Proposal raised	10 Oct 22
Presented to CSC for initial comment	18 Oct 22
Draft Proposal discussed with Working Group	7 Dec 22
Presented to CSC to convert to Modification Proposal	20 Dec 22
Modification discussed with Working Group	1 Mar 2023
Refinement Consultation	6 Mar 2023 – 27 Mar 2023
<i>Refinement Consultation responses discussed with Working Group</i>	<i>5 Apr 2023</i>
<i>Modification Report approved by CSC</i>	<i>18 Apr 2023</i>
<i>Modification Report Consultation</i>	<i>24 Apr 2023 – 15 May 2023</i>
<i>Change Board Vote</i>	<i>24 May 2023</i>
<i>Authority decision (anticipated date)</i>	<i>29 May 2023 – 10 Jul 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
BEIS	Department for Business, Energy, Industrial and Strategy
CSC	Change Sub-Committee
DCC	Data Communications Company

Managed by

Glossary	
Acronym	Full term
GDPR	General Data Protection Regulation
ICO	Information Commissioners Office
IPA	Independent Privacy Auditor
OPSG	Operations Group
PCF	Privacy Control Framework
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 and Business Architecture Sub-Committee
TOU	Time of Use