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Action:	For Information
Acronyms and Defined Terms SEC Glossary	

DESNZ Call for Evidence – Developing an Energy Smart Data Scheme

1. Purpose

This paper provides the SEC Panel with a brief overview and draft response for the recently published call for evidence by DESNZ for the development of an energy Smart Data Scheme. A copy of the proposals may be found [here](#). The call for evidence closes 10 March 2025.

The Panel is requested to review and approve the draft response, annexed to this paper.

2. Background

DESNZ is seeking views on a proposed energy sector Smart Data Scheme.

In the context of this call for evidence *Smart Data* means “*the secure sharing of customer data, at the customer’s request, with authorised third-party providers (ATPs). These ATPs can use customer data to provide innovative products and services that save customers time or money.*”

Smart Data Scheme means “*the set of rules governing how smart data works in a specific sector. It provides the overarching trust framework and structure under which data sharing operates, and the roles and responsibilities of different scheme participants.*”

DESNZ is seeking views from stakeholders on the potential benefits, issues, challenges, and risks of developing an energy Smart Data Scheme. The call for evidence references Open Banking as the leading example of a Smart Data Scheme and request views on experience of open banking and what might be learnt and applied to the energy sector.

3. Energy Smart Data Scheme call for evidence

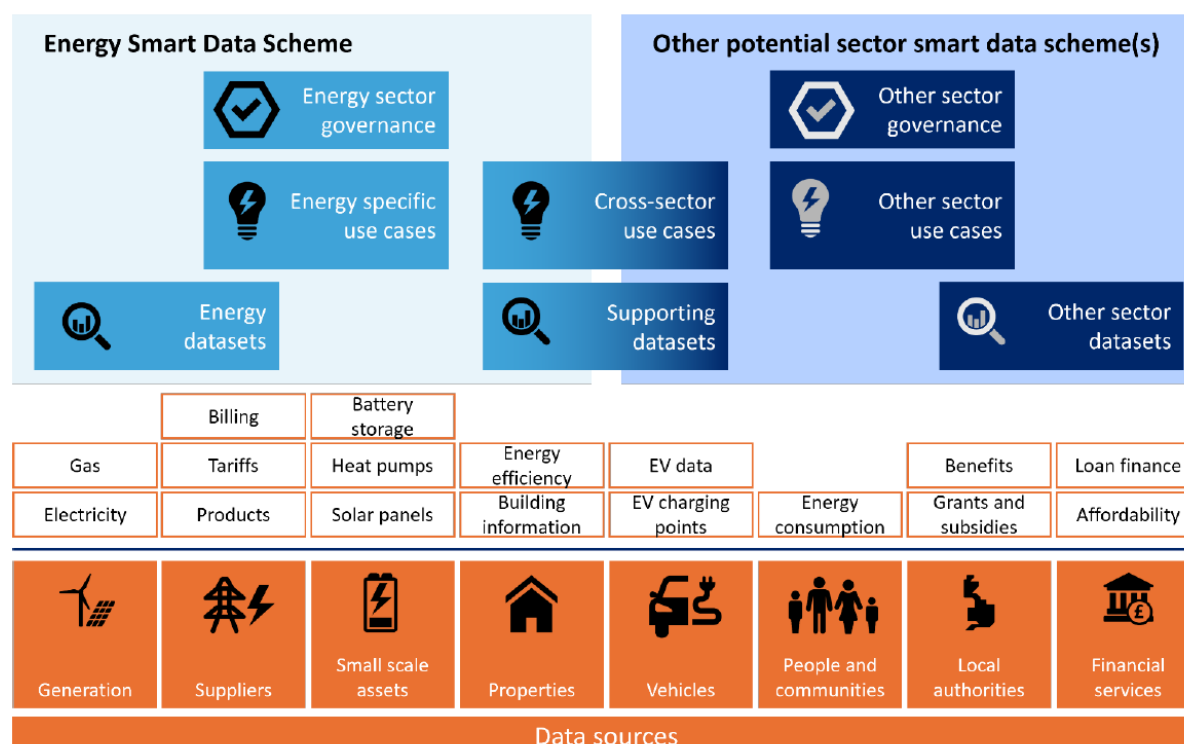
3.1 Section 3 - “Building Trust”

Section 3 of the call for evidence, discusses consumer issues; consumer protection issues and problems for consumers that may be addressed by the implementation of an energy Smart Data

Scheme. For example, particular groups of consumers or consumer issues that would benefit. The section also discusses how far government intervention may be required. The section seeks views on existing and potential barriers and incentives for industry parties.

3.2 Section 4 “Scope, Use Case and Prioritisation”

This section considers how to define the scope of an energy Smart Data Scheme, the Use Cases, datasets, and phasing of the development of the scheme. Also, what role there may be for the use Artificial Intelligence and the challenges / opportunities this brings. DESNZ would like views on the approach to developing the scope of an energy Smart Data Scheme. Figure 1 – Possible scope of energy Smart Data Scheme below, is an example provided in the call for evidence.



3.3 Section 5 – “Scheme Design”

Section 5 considers the decisions that need to be made for the energy sector, to support the development of a “secure, trusted and ethical scheme.” DESNZ would like views on the principles to underpin the energy Smart Data Scheme, technical and energy sector specific issues, the design will need to accommodate. The section also discusses roles and responsibilities in terms of governance, accreditation, standards and standardisation, enforcement, and oversight.

DESNZ is also seeking views on energy sector specific roles and how these might align with governance in other sectors, and how governance bodies may work together to align across the economy, enabling interoperability between potential Smart Data Schemes in different sectors through centralised common functions.

3.4 Section 6 – “Delivery”

Section 6 seeks views on issues that need to be addressed to enable implementation including the level of industry change, timescales, risks, funding, and costs. This section discusses the need to

understand the feasibility of delivering an energy Smart Data Scheme, the types of risks to be considered and mitigating factors. The section is seeking views on where costs might fall across the industry.

4. Next Steps

We have worked with the Privacy Sub Committee to develop views, which have formed the basis of the draft response along with liaison with SECCo colleagues. We are returning to the PSC on 20 February for further comments and will provide an updated view at SEC Panel 137.

5. Recommendations

The Panel is requested to **NOTE** the content of the paper, review and **AGREE** the draft response be submitted subject to final agreement with the Chair.

Tim Newton

SECAS Team

18 February 2025

Annex 1 – DESNZ Developing an Energy Smart Data Scheme – Draft Response

Smart Data, Smart Energy Team
Via Email - digitalisation@energysecurity.gov.uk

Xx March 2025

Call for Evidence – Energy Sector Smart Data Scheme

Dear XXXX,

The Pane is pleased to respond to the call for evidence for an Energy sector Smart Data Scheme. The PSC has membership with expertise and direct experience of privacy and data issues. We are providing a general response to the issues the call for evidence raises. Our main areas of focus are.

- How might the scheme work in relation to other initiatives?
- Smart Metering
- Open Banking
- Implementation

Previous and existing initiatives

In recent years, several projects and programmes have considered how to make better use of energy data from smart meters. These include the Mi Data programme, Smart Energy Data Repository (SMEDR) and Digital Spine (the latter we understand may include consumer data, but this has yet to be confirmed). With this additional call for evidence, it is unclear, if all these existing initiatives are continuing. Further it is not clear how this proposed scheme would work alongside existing arrangements for licensed parties and code signatories to the SEC.

Smart Metering arrangements

This call for evidence raises similar questions to the recent Ofgem consultation for Consumer Consent [Consumer Consent Solution consultation | Ofgem](#) which has proposals and ambition for consumers to have greater control over and an ability to share their energy data. The issue of consumer ability to firstly consent to and share data with 3rd party providers beyond their licensed energy supplier or distributor, have been considered and addressed by the Smart Metering Implementation Programme (SMIP). This led to the creation of the smart meter data privacy framework, privacy requirements in the SEC and obligations for licensed parties and code signatories. Further a consumer may, if they wish, attach a device to the smart meter Home Area Network, to access their data themselves and share with whom they choose, without need to request the data via their licensed supplier or any 3rd party operating via the DCC.

The policy DESNZ proposed some years ago, to enable non-SEC code signatories' access to smart metering data, has had the effect of a market developing and operating outside the SEC regulatory framework. Parties have developed business models expressly to take advantage of the provision of data to wider organisations. We have seen the development of mobile Apps, providing information on consumption data to consumers, with potential growth in other areas where services to support green products requires data to access green finance. In this respect there is already significant activity

occurring as proposed in the call for evidence for “*the creation of new business models and firms offering creative products and services that makes customers’ lives easier or their bills cheaper.*”

We would not wish an unintended consequence of these proposals to have a negative impact on this market which is very much in the development stage of providing innovative solutions to a growing and engaged set of consumers and businesses.

Open Banking

The call for evidence references Open Banking as an aspiration for the energy sector and a standard to follow. Consumers may well benefit from a mechanism to widely share their energy data to enable them to access innovative services and for those innovative services to develop. It is, however, worth noting that that energy market has evolved to a position where a consumer may have multiple relationships with industry parties, some of whom are licensed and others not. Under Open Banking we understand all parties must be registered with, or authorised by, the Financial Conduct Authority. In the energy sector smart metering data is provided to and used by organisations providing services to consumers and businesses, some of whom are outside the energy sector regulatory framework. Introducing an Open Banking type standard and arrangement in the energy sector must ensure that it protects and enhances services for consumers but does not stifle the innovation in products and services that is already occurring. A hybrid version should be considered, that will balance the aspirations and support for further innovation in the sector, whilst safeguarding and ensuring those consumers who might wish to exercise choice, or are not digitally engaged, are not disadvantaged.

Implementation

In terms of implementing the energy Smart Data Scheme, the cost of establishing and running a Smart Data Scheme will require a full cost benefit analysis. This should include the setup, establishment and ongoing operation, and governance of the energy Smart Data Scheme. The cost benefit analysis should clearly set out the defined deliverables and how these will be achieved and at what cost. The costs of the scheme should be monitored to ensure that energy Smart Data Scheme delivers the identified benefits for consumers who, (directly or otherwise), pay.

Contact information.

Yours Sincerely,

Angela Love
SEC Panel Chair