Department for
Business, Energy
& Industrial Strategy

Maximising Non-Domestic Smart Meter Consumer Benefits

Government response to a consultation on improving the data offer and enabling innovation

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Executive Summary

Background

Smart meters are replacing traditional gas and electricity meters in homes, small businesses and schools across Great Britain as part of an important upgrade to the national energy infrastructure and underpinning the cost-effective delivery of Government's net zero commitment.

The rollout of smart meters to non-domestic sites within the mandate is estimated to lead to £1.5 billion of energy consumption reductions[1], driven by these consumers engaging with their smart meter data and identifying ways to reduce their energy use. Unlike for domestic households (where energy suppliers are obligated to provide smart meter customers with an In-Home Display (IHD) of their near real-time energy use), energy suppliers are not at present obligated to provide non-domestic customers with a default way of accessing or engaging with their energy consumption data.

Instead, energy suppliers are required to provide non-domestic consumers and their nominated third parties (i.e., third parties acting with consumer consent) with timely access to their consumption data upon request. To date, it had been expected that the market, particularly energy suppliers, would drive forward innovation in this space, leveraging this flexibility and delivering a range of services tailored to the diverse needs of all customers in the non-domestic sector. Collectively, our evidence base suggests that the supply market is not yet delivering such innovations at the pace needed to maximise the benefits of smart metering for all non-domestic consumers.

Consultation

In July 2021, the Government therefore consulted on changes to energy supply licence conditions which would establish a baseline data offer that non-domestic smart meter customers (SMETS and AMR[2]) are entitled to receive from their energy supplier.

BEIS received 33 responses to this consultation from a variety of stakeholders ranging from non-domestic consumer representatives, the building industry, energy suppliers, energy

[1] https://www.gov.uk/government/publications/smart-meter-roll-out-cost-benefit-analysis-2019

[2] SMETS meters must comply with the Smart Metering Equipment Technical Specifications (SMETS). As of December 2018, all microbusinesses within the smart meter mandate must be offered a SMETS meter. Non-microbusinesses within the mandate can be offered a choice of SMETS or Advanced Meter Reading (AMR) meter. Larger non-domestic sites outside of the mandate already have AMR meters installed. The smart metering mandate is defined by consumption- sites in electricity profile classes 1-4 or with gas consumption below 732 MWh per annum.

system stakeholders, metering agents and third party innovators. We thank them all for their invaluable feedback and the supporting information they provided.

Overall, responses were supportive; the majority of stakeholders agreed with the underpinning policy rationale and key proposals throughout. There were varied views regarding proposed timelines and scope; these views have been addressed in this Government response.

Decision- overall policy changes

In line with the views of the majority of respondents, we confirm that we will be proceeding with policy changes (via energy supplier licence conditions) to improve the smart meter data offer for non-domestic consumers. These changes consist of:

- **On-request data offer.** This will enable non-domestic consumers and their nominated third parties to request free access to (up to) 12 months of their historic smart meter energy use data in a machine-readable format via the internet. Suppliers must respond to data access requests within 10 working days, either granting data access (where all legal requirements are met) or clearly outlining why the request has been rejected and next steps.
- **Default data offer.** This will require energy suppliers to provide or make available free, user-accessible energy use information to smaller non-domestic customers with smart meters. Information must be based upon the half-hourly/hourly (electricity/gas) data from their smart meter and regular enough to give customers insights into, and help them make informed choices about, their energy consumption.
- **Awareness raising requirements with respect to data.** Suppliers must regularly raise customer awareness of the routes by which they can access their smart meter energy use data for free.

Decision- timeframes and scope

Stakeholders emphasised overlaps in the system changes that energy suppliers will be making in coming years to deliver Market-Wide Half-Hourly Settlement (MHHS) and the policy's proposals for a default half-hourly/hourly data offer. Overall, the previously proposed implementation date of July 2022 was felt to be too ambitious with risks for other industry change programmes.

Several respondents also argued that the proposed policy scope was too broad, suggesting that the procurement of data services is more established in the larger business context and a default data offer from energy suppliers could compromise some existing third party service providers.

We have balanced this feedback against the broader support for the proposals and the benefits to both consumers and the Government's net zero objectives. We therefore propose to gradually phase the policy into effect alongside amends to policy scope.

We can confirm that, subject to Parliament, **the "on request data offer" and "awareness raising requirements" will now come into effect from 1st December 2022**. This will give consumers and their nominated third parties free access to data files in support of net zero initiatives, whilst still giving industry a further six months' notice to make any necessary adjustments. These policy proposals will be applied across all non-domestic consumers with a smart (SMETS or AMR) meter (i.e., smaller and larger Industrial & Commercial (I&C) organisations) as set out in our consultation proposal.

Energy suppliers will have until **1st October 2024 to implement the default data offer**. This more closely aligns with the broader changes suppliers are making to their data systems and processes in coming years to deliver other initiatives and allows more time to deliver consumer-centric solutions. However, we expect that some in industry may choose to implement sooner to gain market advantage.

We accept that a default data offer may not be necessary for larger Industrial & Commercial (I&C) organisations given their higher levels of engagement with the energy market and the fact that they are more likely to have dedicated energy management resource. For these organisations, the "on request data offer" alongside the ability to procure more advanced services is deemed sufficient.

We therefore confirm that the **scope of the default data offer will be limited to smaller businesses and public sector sites that fall within the smart metering mandate** (sites in electricity profile classes 1-4 or with gas consumption below 732 MWh per annum). Evidence[3] continues to reaffirm that these sites will benefit from additional support to manage their energy use, and that intervention is needed to address the supply and demand challenges (outlined in the accompanying Impact Assessment) that are affecting effective market delivery of data provision for smaller sites.

We also emphasise that energy suppliers can utilise existing third party service providers to "provide or make available" the default data offer, and that the offer can be tailored to different customer or meter types providing the baseline is met. Overall, the purpose of the policy changes is to ensure that there is responsibility in the energy supply market for ensuring the baseline is met for all consumers. This responsibility does best sit with the supplier, not least because they are responsible for ensuring compliance with wider smart meter requirements and obligations.

We also recognise that the market context has evolved since our original consultation, with higher gas prices having wider impacts on industry and consumers. This has therefore informed the decisions set out in this response. Phasing the policy into effect gives more flexibility to industry to deliver the more ambitious parts of the proposals whilst recognising that

[3] From consultation responses, research and latest market evidence available- see Question 2.

information on energy use will be increasingly important for non-domestic consumers as they seek to manage their energy costs.

Other decisions

We also confirm that suppliers will be required to raise consumer awareness at ‘intervals determined appropriate’ (rather than every six months) to allow greater flexibility. Some flexibilities have also been built into the requirements to account for material barriers to implementation (see Question 5). We have also published guidance and examples alongside this consultation response to support industry with policy implementation- see Annex B. This is not intended to be exhaustive.

Introduction

Policy Context

The smart meter rollout

1. Smart meters are replacing traditional gas and electricity meters in Great Britain as part of an essential infrastructure upgrade to make the energy system more efficient and flexible. The half-hourly consumption and price data recorded by smart meters unlocks new approaches to managing demand. Innovative products such as smart 'time of use' tariffs reward consumers for using energy away from peak times and enable technologies such as electric vehicles and smart appliances to be cost-effectively integrated with renewable energy sources, as well as allowing energy suppliers to accurately bill their customers. This transformation into a smarter and more flexible energy system will play a vital role in decarbonising the energy sector, enabling us to cost-effectively deliver on our long-term commitment to net zero greenhouse gas emissions by 2050.[4] We are determined that the UK will play a key role in providing the technologies, innovation, goods, and services that will be required to underpin this transition.
2. Smart meters are being rolled out to non-domestic sites, as well as in domestic households across Great Britain. At the end of March 2022, there were 28.8 million smart or advanced meters in homes and small businesses across Great Britain (51% overall smart coverage), of which 25.2 million were smart in smart mode or advanced meters.[5]
3. The Government's new four-year framework to reach market-wide coverage of smart meters by 2025 came into effect on 1 January 2022. This Targets Framework sets energy suppliers minimum annual installation targets subject to an annual tolerance level.[6] In June 2021, the Government confirmed the tolerance levels for the first two years of the new Framework. This includes distinct tolerances for domestic and non-domestic rollouts for the duration of the Framework.[7]

Non-domestic smart meter rollout

4. There are broadly two types of smart meter in the non-domestic market. Large electricity supplies (profile classes 5-8 and 00) and large gas supplies (consumption

[4] The UK's 2050 net zero target – one of the most ambitious in the word – was recommended by the Committee on Climate Change, the UK's independent climate advisory body. Net zero means any emissions would be balanced by schemes to offset an equivalent amount of greenhouse gases from the atmosphere, such as planting trees or using technology like carbon capture and storage. Further information on net zero.
[5] https://www.gov.uk/government/collections/smart-meters-statistics
[6] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/893124/delivering-smart-system-post-2020-govt-response-consultation.pdf
[7] https://www.gov.uk/government/consultations/smart-meter-policy-framework-post-2020-minimum-annual-targets-and-reporting-thresholds-for-energy-suppliers

over 732 MWh/year) are required by energy supply licence conditions (regulated by Ofgem) to have Advanced Meter Reading (AMR) meters fitted which measure consumption every half hour[8] and transmit readings to the supplier. These tend to be larger non-domestic organisations, such as Industrial and Commercial (I&C) businesses.

5. Smaller sites in electricity profile classes 1-4 or with gas consumption below 732 MWh/year are covered by the smart meter mandate. Three million meters (across two million sites) are in scope of the mandate, of which 50% are already smart. These cover a range of organisations and sectors, including pubs and restaurants (hospitality), shops (retail), schools and local authority buildings (public sector). 70% of mandate sites are microbusinesses.[9]

6. As of December 2018, all microbusinesses within the smart meter mandate must be offered a smart meter that complies with the latest Smart Metering Equipment Technical Specifications (SMETS) by their energy supplier. Non-microbusinesses within the mandate can be offered a choice of SMETS or AMR meter, but the choice must include SMETS.

Benefits for non-domestic consumers

7. The rollout of smart meters to non-domestic sites within the mandate is estimated to lead to £1.5 billion of energy savings over the appraisal period[10], driven by consumers engaging with the energy consumption data recorded by their smart meter. For example, using this data to identify ways to save energy and costs (such as by changing the amount or time that their business uses electricity/gas, or by upgrading to more energy efficient equipment and processes).

8. Unlike for domestic households (where energy suppliers are obligated to offer smart meter customers an In-Home Display (IHD), enabling visibility of their near real-time energy use), suppliers are not at present obligated to provide non-domestic customers with a default way of accessing or engaging with their energy consumption data.

9. While evidence shows that energy feedback via an IHD is effective in supporting savings for households[11], the diversity of sites covered by the non-domestic mandate has long pointed to non-domestic consumers requiring a more bespoke approach.

10. For that reason, licence conditions were left flexible, to allow suppliers more choice in how this energy feedback is provided. At present, energy suppliers are only obligated to provide non-domestic SMETS and AMR customers with access to their consumption data (at least half-hourly for electricity and hourly for gas) upon request

[8] Or at least every hour for gas.
[9] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/920211/non-domestic-smart-metering-guidance.pdf
[10] https://www.gov.uk/government/publications/smart-meter-roll-out-cost-benefit-analysis-2019
[11] https://www.gov.uk/government/publications/smart-meter-roll-out-cost-benefit-analysis-2019

and in a timely manner. However, suppliers can charge for data access, it can be provided in any format and there is no specificity with regards to 'timeliness'.

Consultation events

11. In July 2021, the Government published a consultation on "Maximising Non-Domestic Smart Meter Consumer Benefits, improving the data offer and enabling innovation". The consultation set out the Government's evidence base[12] that the market is not currently delivering smart meter data innovation for non-domestic consumers at the pace needed to maximise energy saving benefits for all consumers, particularly smaller businesses and public sector sites. It set out a series of proposed changes to energy supplier licence conditions to establish a baseline smart meter data offer for non-domestic consumers in legislation.

12. The consultation ran for 12 weeks and closed on the 24th September 2021. Following the publication of the consultation, BEIS ran two engagement workshops with stakeholders in July 2021 with around 30 attendees. Additional engagement was carried out during the consultation period by correspondence or bilateral meetings, addressing specific questions and/or points of clarification on the consultation document. Stakeholders involved comprised energy suppliers (small and large, and that serve business customers of varying sizes), Data Collector/Data Aggregators (DCDAs)[13], consumer representatives, third party innovators and smart metering organisations.

13. The stakeholder engagement events were organised to ensure attendees had the opportunity to understand the consultation proposals and their implications, and address points for clarification whilst also allowing the Government to receive feedback from industry on the consultation proposals. The feedback provided at these meetings was not taken as a formal response to the consultation. Instead, attendees were encouraged to submit full formal responses to the consultation. That said, feedback and the main issues raised during these meetings has been considered and addressed as part of the overall response outlined in this document.

Summary of proposals

14. Table 1 on the next page summarises the proposals consulted upon.

[12] In particular, findings from BEIS' Non-Domestic Smart Energy Management Innovation Competition, a three year £8.8 million pilot, including a £1.5 million programme of research and evaluation to inform understanding of market development.

[13] Data Collectors/Data Aggregators collect half-hourly consumption data from across AMR meters and aggregate it for settlement purposes. They will also provide data back to suppliers for billing and other purposes, depending upon what granularity has been agreed between them (which in turn may also depend on customer data privacy considerations).

Table 1: Summary of consultation proposals

Table 1: Proposals (as they were consulted upon)
"Default" Data Offer Non-domestic smart meter (AMR/SMETS) customers must be entitled to a minimum baseline of free access to information based on their energy consumption data, presented (for example visualised) to them in a user-accessible format to allow insights into their energy consumption and usage. Data provision should be given by default without the customer having to request it. Data-driven information should be regular enough to enable customers to gain insights into consumption over time and make informed choices about when/how much energy they use. Consumption data upon which the above is based should be recorded at half-hourly/hourly intervals (electricity/gas) or more granular, subject to relevant data privacy considerations for microbusinesses and should refer to 12 months of historic data (or shorter for new customers/installations).
"On request" Data Offer Consumers and their nominated third parties (i.e., those acting with consumer consent) must be entitled to a minimum baseline of free access to up to 12 months of that consumer's (half-hourly/ hourly or more granular) energy (electricity/gas) consumption data in a machine-readable format via the internet. Third party data access processes must be clear, transparent & publicly available on supplier websites. Suppliers must respond to data access requests within 10 working days, either granting data access (where all legal requirements are met) or clearly outlining why rejected/third party next steps.
Awareness raising Suppliers should regularly (at least every six months) inform customers of their means for accessing their free consumption data/information, of the benefits of doing so, and where (because of previous data privacy decisions) they are not receiving information based on half-hourly/hourly granularity, the steps they can take to enable this.
Scope and timeframes We proposed that all licence changes would apply to both AMR and SMETS meter sites, irrespective of profile class or size, from July 2022.

Consultation responses

15. A total of 33 responses were received from a wide range of stakeholders. These included representatives from the building industry, consumer representatives, energy suppliers, Metering Operators/Meter Asset Providers (MOPs/MAPs) and third party innovators. A list of individual respondents can be found in Annex A of this document. Table 2 below provides a summary of respondents by organisation type.

Table 2: Summary of consultation responses (by organisation type)

Organisation type	Number of respondents
Building industry	2
Energy system infrastructure stakeholders	4
Energy supplier (or representative of)	12
MOPs/ MAPs	5
Non-domestic consumer (or representative of)	5
Third party innovator (or representative of)	5
TOTAL	33

16. This document provides high-level summaries of the responses to the questions of the consultation received from respondents, and the Government's response to each of these.

Summary of Questions

Questions as consulted on in July 2021
Part 1: Baseline data offer for consumers
Q1. Do you agree with the rationale and evidence underpinning our proposals to improve the smart meter data offer for non-domestic consumers? Please give reasons and evidence to support your answer.
Q2. Overall, do you agree that these proposals achieve the right balance between consumer needs and supporting market-led innovation in non-domestic smart energy management tools and services? Please give reasons and evidence to support your answer.
Q3. Do you agree with the rationale and evidence underpinning our proposals outlined in Box 1 (that non-domestic smart meter customers must be entitled to a minimum baseline of free access to information based on their energy consumption data, presented to them in a user-accessible format to allow insights into their energy consumption and usage)? Please give reasons and evidence to support your answer.
Q4. Do you agree with our evidence that data provision (which meets the criteria in Box 1) should be provided by default by the supplier as part of the standard smart meter offer without the customer having to request it in order to drive customer engagement? Please give reasons and evidence to support your answer.
Q5. Do you agree that the proposed implementation timeframes are sufficient to enable all suppliers to meet the free baseline offer? Please give reasons and evidence to support your answer.
Q6. Do you agree that a free baseline data offer is compatible with market-leading functionalities and services? Please give reasons and evidence to support your answer.
Q7. Do you agree with the proposals around timeliness of data provision, as set out in Box 2? Please give reasons and evidence to support your answer.
Q8. Do you agree with the rationale and evidence supporting our proposals for suppliers to regularly inform consumers of their available means for accessing a free version of their energy consumption data? Please give reasons and evidence to support your answer.

Q9. Do you have any views on whether and how the market factors identified (meter storage, the role of DCDAs/SMSOs, half-hourly data schedules and ‘smart type’ meters) might affect the proposals outlined? Please give reasons and evidence to support your answer.
Part 2: Streamlining the smart meter data access process
Q10. Do you agree with our rationale and evidence for proposing that non-domestic consumers should be able to nominate a third party to receive up to 12 months of their consumption data free of charge and in a machine-readable format via the internet? Please give reasons and evidence to support your answer.
Q11. Do you agree with the proposals in Box 4 to streamline the third party consumer consent process? We welcome views on how these can best be defined. Please give reasons and evidence to support your answer.
Q12. Do you agree with our rationale for why our proposed licence changes are complementary to DCC services? IF NO, how do you think they could they be adapted to ensure they are complementary? Please give reasons and evidence to support your answer.
Part 3: Scope
Q13. Do you agree with our rationale for the proposed scope of the policy changes i.e., by meter type and business size? Please give reasons and evidence to support your answer.
Part 4: Creating a policy context that facilitates innovation
Q14. How can Government best support industry to drive forward innovation for non-domestic smart meter data tools and services? Please give reasons and evidence to support your answer.
Q15. Do you agree that an improved non-domestic data offer will support energy suppliers to deliver the post-2020 framework by acting as an additional consumer incentive? Please give reasons and evidence to support your answer.
Q16. Do you agree that the legal text proposed in Annexes A and B adequately captures the proposed policy changes in this consultation? Please give reasons and evidence to support your answer.

Part 5: Impact Assessment
Q17. What types of energy supplier data offerings do you think are likely to emerge in response to the policy changes in Box 1 and Box 2? We welcome views from energy suppliers on this question in particular. Please give reasons and evidence to support your answer.
Q18. Under our proposed licence changes, how do you think suppliers would differentiate their “for free” data offering versus chargeable services, and what do you think would drive this?
Q19. What do you foresee as being the primary costs and benefits (and to whom) of the proposed measures in this consultation? Please quantify these as far as possible (though we also welcome views on any wider system benefits which may be harder to quantify).
Q20. In your experience, how much does it cost to develop varying levels of data offerings (ranging from emailed ‘visuals’ of consumption through to online platforms, apps and more complex services). Please quantify this as far as possible. We are particularly interested in breakdowns of one-off initial investment costs vs ongoing running costs, fixed vs variable costs and costs of in-house development versus commissioned out.
Q21. Do you think there are any equalities impacts in relation to our proposals that have not been considered above? Please outline what these are, their potential impacts and how Government could take steps to mitigate them. Please give reasons and evidence to support your answer.

Part 1: Baseline Data offer for Consumers

Summary of responses to Q1

Q1. Do you agree with the rationale and evidence underpinning our proposals to improve the smart meter data offer for non-domestic consumers? Please give reasons and evidence to support your answer.						
Agree	**Agree with caveats**	**Neutral**	**Disagree with caveats**	**Disagree**	**No response**	**Total**
13	12	0	0	6	2	33

17. 31 responses were received to this question, of which the vast majority (25/31) agreed, or agreed with caveats. Agreement (or agreement with caveats) came from all stakeholder categories- energy suppliers, non-domestic consumers, third party innovators, the building industry, MOPs/MAPs and energy system infrastructure stakeholders. The six organisations that disagreed with the proposals were energy suppliers.

18. Themes of agreement related to the importance of data for measuring, monitoring, assessing and reviewing energy use, as well as third parties needing this data to provide analysis to non-domestic consumers to support them to take energy saving action. Others pointed out that innovation progress in this market may currently be stalled due to limited energy supplier offerings to consumers.

19. Those that agreed with caveats supported the broad principle of the measures, though raised several nuances including timing of the proposals, complexities in engaging non-domestic consumers with data tools (and questioning whether Government intervention guarantees consumer engagement) and the need to balance cost of investment against this consumer engagement challenge. Others flagged risks around a one size fits all solution or being too prescriptive in legislation.

20. Those that disagreed with the proposals altogether largely did so because of concerns around market interference and the role of energy suppliers in providing data services to the non-domestic sector.

Government response to Q1

21. In line with the views of the majority of respondents, we confirm that we will be proceeding with policy changes (via energy supplier licence conditions) to improve the smart meter data offer for non-domestic consumers. We engage with the nuances and more detailed feedback received in proceeding sections, as well as setting out any changes to the proposals resulting from consultation.

Summary of responses to Q2

Q2. Overall, do you agree that these proposals achieve the right balance between consumer needs and supporting market-led innovation in non-domestic smart energy management tools and services? Please give reasons and evidence to support your answer.

Agree	Agree with caveats	Neutral	Disagree with caveats	Disagree	No response	Total
7	5	2	4	9	6	33

22. Responses to Question 2 were varied, with stakeholders split on whether the proposals achieve the right balance between consumer needs and market-led innovation. Agreement that the proposals have achieved the right balance broadly came from consumers/consumer representatives, third party innovators and the building industry. Disagreement came from energy suppliers, MOPs/MAPs and one third party innovator. For those that disagreed, or disagreed with caveats, themes closely aligned with those raised under Question 1. These included:

    a. Concerns that a market for data tools and services already exists, particularly for larger I&C businesses and/or those with AMR metering. Therefore, some stakeholders felt that Government mandating energy suppliers to provide 'default' data-driven information to these sites risks interfering with the existing market and stifling innovation. A small number of stakeholders suggested that those that receive AMR data services elsewhere should be excluded from the requirements (see also responses to Question 13).

    b. That any intervention should be consumer-driven (i.e., the market responding to consumer demand for data tools) as opposed to Government-mandated.

c. That by mandating a baseline data offer through energy supplier licence conditions, the proposals place energy suppliers at the heart of the market for non-domestic data provision. This could disadvantage third party providers, and could also be challenging to implement where the customer relationship is managed through Third Party Intermediaries (TPIs). One stakeholder suggested that energy suppliers should instead be mandated to raise awareness of existing third party data solutions in the market.

d. Several stakeholders felt that the proposals as set out are too prescriptive in nature, with some suggesting that Government intervention through energy supplier licence conditions should advocate the bare minimum to leave as much room as possible for further innovation.

23. Of those that agreed or agreed with caveats, one stakeholder suggested that to support innovation the policy proposals should go further, as energy suppliers should be required to provide third parties with free ongoing access to customer data (with customer consent) rather than access to one-off historic data files. Another felt that the baseline should be set more closely in line with the domestic sector, whereby suppliers are obligated to provide In-Home Displays (IHDs) to households with their smart meter.

Government response to Q2

Existing market for data tools and services and consumer engagement

24. Our evidence base continues to support that the market for data tools and services, particularly amongst smaller sites, is developing at a slower pace than needed to maximise benefits for all consumers. According to the 2020 Small Business Survey, 11% of Small and Medium-Sized Enterprises (SME) employers in Great Britain with a business premise that have smart meters said that they make use of technologies that use smart/advanced meter data to help control their energy use (14% in 2019).[14] This survey is not specific to those using energy supplier technologies/data offerings and includes SMEs with AMR meters and/or independent service providers.

25. Looking at energy suppliers specifically, several continued in 2021 to only offer energy use data upon request by the customer and/or as a raw data file, or to only offer basic portals or free data provision to some of their SME customer base. However, as outlined in our consultation, our analysis suggests that the number of requests that suppliers receive from non-domestic consumers within the smart meter mandate for access to their energy consumption data is low. This is not surprising given the evidence that smaller businesses are unlikely to proactively drive monitoring of their

[14] https://www.gov.uk/government/collections/small-business-survey-reports

own smart meter data and that they require additional support to interpret it and take action.[15]

26. Where supplier data offerings do exist, there remains a large gap between what our evidence base shows is effective for engaging consumers and the functionalities of what suppliers are currently offering under existing licence conditions. For example, the Non-Domestic Smart Energy Management Innovation Competition (NDSEMIC) was a Government funded innovation competition which piloted a range of smart meter data tools in the retail, hospitality and school sectors. Its evaluation found that tailored, actionable feedback to SMEs based on live, half-hourly or more granular data with energy efficiency insights and customer support or advice to help them act on such insights was key to engaging consumers.[16] However, many existing supplier offerings remain limited in functionality or in their accessibility (e.g., portals which still require a significant degree of manual data analysis).

27. We have also considered the existing market for non-domestic smart (SMETS and AMR) meter data tools and services that exists independently of energy suppliers. There are some organisations offering data analytics services to non-domestic organisations (more so for AMR meters at present than SMETS). It is a relatively small pool of providers, some of which belong to a number of the same umbrella organisations. This pool becomes narrower when assessing those that offer data analytics services to smaller non-domestic consumers specifically (as opposed to I&C consumers).

28. Overall, our evidence and responses to this consultation (see Question 1) continue to support Government taking action to ensure that SMEs receive a free default data offer alongside their smart meter. This ensures a level of consistency across the market and helps to overcome the well-evidenced barriers to engaging SMEs with their energy use[17] by providing them with information on their energy use without them having to request it individually. The policy also gives industry an opportunity to use the wealth of evidence produced by NDSEMIC to build or develop existing propositions to maximise consumer engagement.

29. In addition, this policy can be leveraged by industry to create consumer demand that would not have occurred without a free baseline data offer. For example, SME consumers that would not have proactively sought out a data offer will benefit from receiving insights into their consumption on an ongoing basis, which over time will drive more proactive energy efficiency behaviours and demands for new functionalities and services. This principle is also supported by the NDSEMIC evaluation which found that not all participants had pre-existing environmental or cost

[15] https://www.gov.uk/government/publications/smart-metering-in-non-domestic-premises-early-research-findings
[16] https://www.gov.uk/government/publications/non-domestic-smart-energy-management-innovation-competition-ndsemic-evaluation-findings
[17] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/392908/Barriers_to_Energy_Efficiency_FINAL_2014-12-10.pdf

motivations - some took part in the pilots (both free and incentivised) as they had 'nothing to lose', but nevertheless engaged with the tools and services.[18] Therefore, Government intervention seeks to address both the consumer demand and supply side challenges in the SME space currently leading to market failure (see accompanying Impact Assessment).

30. However, we acknowledge that the question of whether the "default" data offer should extend to larger I&C businesses is more complex. We had consulted on all aspects of the policy proposals applying to non-domestic customers with smart meters, irrespective of profile class, energy consumption or size. This was on the basis that differing data offers for sites under the same billing arrangements could be confusing or more complicated for suppliers to implement. However, it is also the case that evidence (combined with further analysis of the existing market) shows more engagement with the energy market amongst I&C businesses.[19] We also acknowledge that being able to access free consumption data upon request (in addition to paid-for services) may be sufficient for larger sites that tend to have energy managers and energy efficiency strategies as they have dedicated time and resource to invest in their own analysis and market solutions.[20]

31. Therefore, we confirm that the "default data offer" (Part C3 (Annex C) and Part B3 (Annex D)) will only be required for smaller sites that fall within the smart meter mandate (profile classes 1-4 or gas consumption below 732 MWh). This is to minimise impacts on existing markets in data tools and services for larger businesses. Given that several suppliers and their representatives argued for this, we consider that they are able to address the implementation challenges above. For example, suppliers can still choose to extend their default data offer outside of their smart meter mandate sites, if they would find it easier to keep their data offer consistent across sites under the same billing arrangements (but they will not be required to do so).

32. We have also considered some stakeholders' views that the default data offer should not extend to those with AMR metering altogether (including in their view, smaller or medium sites with AMR meters). However, we will not be limiting the scope of the default data offer further to microbusinesses only, or to only those with SMETS meters. This is because:

    a. Removing AMR meters from the proposals would negate a strategic purpose of them, which is to maximise consumer benefits of smart metering irrespective of meter choice. The programme's cost benefit analysis anticipates £1.5 billion of energy consumption reductions as a result of those customers within the smart meter mandate engaging with their smart meter data to change their behaviour.

[18] https://www.gov.uk/government/publications/non-domestic-smart-energy-management-innovation-competition-ndsemic-evaluation-findings
[19] https://www.ofgem.gov.uk/publications/state-energy-market-2019
[20] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/662676/smart-metering-non-domestic-early-learning-research-summary.pdf

Published smart meter statistics show the scale of advanced meter installations in smart meter mandate sites (compared to SMETS meters) dating back to 2012, with quarterly SMETS installations by large suppliers only overtaking advanced meters in 2020.[21] Removing customers with AMR meters from scope would therefore significantly reduce the pool of customers that would benefit from the policy. The attached Impact Assessment reaffirms that removing AMR meters from scope of the proposals would reduce the benefits to consumers.

b. Our evidence base regarding limited provision of, and low consumer engagement with, existing data provision as set out in Paragraphs 24-28 applies to SMEs more generally (it is not specific to microbusinesses and/or those with SMETS meters). Therefore, it would be unreasonable to exclude smaller-medium businesses or public sector sites that do not qualify as a microbusiness from receiving the default data offer given that the market failure challenges remain the same, just because they have AMR metering. This is particularly the case for schools, where some NDSEMIC tools and services proved particularly effective at driving behaviour change and engagement with smart meter data because they helped to overcome engagement and resource challenges that traditionally exist in this sector.[22]

c. We also consider that this would be incompatible with the smart metering Targets Framework now in effect, which accepts the principle of meter choice for non-microbusinesses (i.e., where installed in compliance with licence conditions, AMR meters count towards supplier smart meter installation targets).[23] Removing AMR meters from the scope of this policy may create perverse incentives for some suppliers to install AMR metering in inappropriate situations to meet targets because they can then continue to avoid delivering this benefit (either directly or through a third party) to their customers. We therefore consider that both policies must treat AMR metering in the same way- i.e., accepting that non-microbusiness SMETS and AMR installs count towards targets (and therefore consumers with both metering types are entitled to the default data offer to ensure consumer benefits are realised) as opposed to limiting one or the other to one meter type.

33. That said, we acknowledge that including smart meter mandate sites with AMR meters within scope of the default data offer does raise additional technical challenges, particularly regarding basing this on half-hourly data in advance of Market-Wide Half-Hourly Settlement (MHHS). We therefore propose that the amends

[21] https://www.gov.uk/government/collections/smart-meters-statistics
[22] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/933831/18-007974-01-NDSEMIC-overall-evaluation-impact-report.pdf
[23] The Government continues to monitor compliance with this policy to ensure that non-microbusinesses are offered the choice of both a SMETS or AMR meter. This policy does not extend to microbusinesses which should only be offered a SMETS meter as per licence conditions.

to policy timeframes, as set out in Question 5, significantly mitigate these challenges. We explore these themes in more detail in Question 9.

34. Beyond the default data offer being limited in scope to smart meter mandate sites, we do confirm that the remainder of the proposals (the "on request" data offer, as well as the awareness raising requirement) will apply to all non-domestic customers with a SMETS or AMR meter, irrespective of size, as consulted upon. This is explored further in Question 13.

Supplier role

35. Finally, regarding suppliers' role in data provision, the requirement is for energy suppliers to "provide or make available" the default data offer (see Annex C SLC[24] 51.26 (electricity) and Annex D SLC 45.22 (gas)). This language is deliberate; energy suppliers can provide the data-driven information themselves, or make it available via a third party provider or service. They also do not have to provide one universal data tool to all of their non-domestic customers - as long as the provision for all customers meets the baseline it could be tailored to different customer groups. For example (illustrative only), a supplier could develop an in-house tool for their SMETS customer base and make a data tool available to their AMR customers via an existing AMR service provider, providing they both meet the baseline requirement.

36. That said, the purpose of the licence condition changes is to ensure that there is responsibility in the market for ensuring that non-domestic customers do receive that baseline data offer alongside their smart meter and that smaller consumers do not fall between the gaps (as the evidence outlined shows can happen at present). We propose that this responsibility does best sit with the supplier, not least because they are responsible for ensuring compliance with wider smart meter requirements and obligations (even where aspects are delivered on behalf of the supplier via a third party or where a customer's direct relationship is via a TPI).

37. Equally, whilst we acknowledge that at present customer data flows can be managed independently of energy suppliers, to deliver MHHS supplier agents will have to make non-aggregated data available to central settlement systems[25] (see also Question 5). Therefore, this aligns our policy with broader direction of travel, ensures consistency in obligations with other policies and still enables suppliers to utilise third parties in the market to meet their obligations. Regarding the level of prescription of supplier requirements, we address this in Questions 3 and 10.

38. We have considered the risk that the availability of a default data offer from their energy supplier might cause some customers not to seek or renew contracts for third party data provision. However:

[24] Standard Licence Condition.
[25] https://www.ofgem.gov.uk/sites/default/files/docs/2021/04/mhhs_draft_ia_consultation_decision_document_final_version_for_publication_20.04.21.pdf

a. We consider any such negative impact will be limited given the relatively small proportion (11-14%) of smaller businesses that current use smart meter technologies to monitor and manage their energy use.[26] In addition, the actual requirement regarding the default data offer comprises a baseline level of service that does not extend to some of the more sophisticated products and services on the market.

b. The default data offer could also have some positive impacts for third party service providers. The requirement on energy suppliers to provide or make available the default data offer should encourage greater competition both amongst existing service providers, should they seek to provide the default data offer for energy suppliers, and between energy suppliers and such service providers, therefore delivering better outcomes for consumers and creating new market opportunities for providers. In addition, energy suppliers can make use of third party service providers to deliver the default data offer. This offers an additional route to market for these service providers. Increased consumer awareness of the benefits of smart meter data through the default data offer may also drive demand for enhanced smart meter data services, including from third party providers.

c. More generally, we expect that the existence of a free baseline from suppliers is likely to further incentivise third party service providers that want to compete directly to set themselves apart from such a baseline by offering additional value-add features and services, thus benefiting consumers, and leading to further market expansion/development.

39. Overall, the proportion of smaller businesses accessing and monitoring their detailed consumption data is much lower than needed to realise the full benefits of smart metering for these consumers. Therefore, while recognising the potential for impacts on existing service providers, we consider the default data offer to be a proportionate intervention to drive engagement. We have considered alternatives to regulation, and alternatives to making energy suppliers responsible for delivering the default data offer. These are explored further in the accompanying Impact Assessment.

40. We do not consider that the requirement to provide data “on request” is likely to adversely affect competition. This is outlined further in our response to Question 13. We also considered whether as part of the awareness raising requirement, energy suppliers should be required to inform their customers about the availability of third party data services. However, we do not consider it practical that suppliers be required to raise awareness of other third party data solutions that they have no relationship with, not least because suppliers may not have sufficient information about such services to design appropriate communications about them in order to ensure

[26] https://www.gov.uk/government/collections/small-business-survey-reports

compliance with other obligations or responsibilities that they may have to their own customers.

Summary of responses to Q3

Q3. Do you agree with the rationale and evidence underpinning our proposals outlined in Box 1 (that non-domestic smart meter customers must be entitled to a minimum baseline of free access to information based on their energy consumption data, presented to them in a user-accessible format to allow insights into their energy consumption and usage)? Please give reasons and evidence to support your answer.

Agree	Agree with caveats	Neutral	Disagree with caveats	Disagree	No response	Total
9	10	0	4	4	6	33

41. We received 27 responses to this question, of which 19 agreed or agreed with caveats (70%). Agreement came from across sectors - consumer representatives, third party innovators, energy system infrastructure stakeholders, the building industry, some MOPs/MAPs and half of energy suppliers/their representatives that responded. Five energy suppliers and one stakeholder from three other categories disagreed.

42. Non-domestic consumers and representatives highlighted that data in a user accessible format will allow consumers to interact with their consumption more easily. Others across sectors highlighted that having free access is important to overcome engagement barriers.

43. Across responses to this and other questions, stakeholders varied in their views of the level of prescription required in legislation, and to what extent requirements for data in a “user-accessible” format should be further defined or made more flexible. For example, one consumer representative felt that the draft is too basic and one energy supplier (or representative) argued that the licence conditions could specify definitions of user-accessible format, so that energy suppliers understand expectations. Some also queried whether too much flexibility could lead to inconsistent data formats across suppliers and a lack of interoperability between data solutions. Others suggested that further prescription in legislation may not be needed if guidance were to be issued alongside the Government response to support industry with interpretation. On the other hand, a small number of energy suppliers and MOPs/MAPs called for less prescription and others warned of the difficulties in specifying exactly how data should be presented to the consumer.

44. Although stakeholders broadly did not disagree with the proposals for “free” data per se, a small number questioned whether this is accurate if costs are likely to be absorbed into bills.

45. Finally, stakeholders flagged broader points of feedback with the policy in general (timing, cost, scope, consumer engagement). These are addressed via other questions in our response.

Government response to Q3

46. We can confirm that given broad stakeholder agreement with this question that we will be proceeding with the language set out in Box 1 in the consultation to define the “default data offer” (e.g., that energy suppliers will be required to provide or make available free, user-accessible information on energy use to non-domestic smart meter customers). However, this is subject to amends to the scope and timeframes for the default data offer as set out in our responses to Questions 2 and 13 (scope) and 5 (timelines). The changes to licence conditions (subject to Parliament) are published in Annexes C and D alongside the consultation response.

47. Broadly, the varied feedback on the language used in our consultation (i.e., with some stakeholders asking for Government to prescribe “user-accessible” in legislation whilst others called for less prescription) overall suggests that we have achieved balance between prescription and flexibility.

48. As set out at consultation, the proposals are intended to take a user-centric approach, emphasising the importance of data insight (as opposed to raw data files) and requiring the outcome (i.e., that the information provided is sufficient for customers to engage with their energy use) rather than the means. This ensures that suppliers retain flexibility in how they meet the requirement, as well as the option to design tools that could support customers with both energy consumption reduction and load shift. Of particular importance is the need for legislation to remain future proof, given the potential for new and unanticipated innovations with different functionalities and features to emerge on the market as net zero innovation progresses. There is precedent for similar outcomes-based language in licence conditions.[27]

49. However, we recognise that some guidance from Government alongside the supply licence changes may be helpful to industry, to support energy suppliers and third party providers to understand expectations and policy intent regarding what data-driven

[27] See Electricity Standard Licence Condition 31F.1- “In complying with paragraphs 31F.3 to 31F.5, the licensee must act in a manner which is designed to promote positive engagement by encouraging each Domestic Customer (as appropriate to the circumstance) to:
(a) consider switching Tariff or Electricity Supplier; and/or
(b) understand and manage the costs associated with that Domestic Customer’s Tariff and the electricity that Domestic Customer consumes.”

information “provided or made available in a user-accessible format” could mean in practice. This guidance has been published alongside our response in Annex B. However, it is important to emphasise that the document provides examples only, and for the reasons outlined above may not be comprehensive.

50. We also confirm that the default-data offer will have to be provided to the customer for free at the point of use. We accept that as with any energy supplier obligations, energy suppliers will absorb costs into their business which may indirectly be passed down into customer bills. However, we set out in our final Impact Assessment why, once spread across all non-domestic customers in the market, the benefits to customers outweigh costs by a significant margin.

Summary of responses to Q4

Q4. Do you agree with our evidence that data provision (which meets the criteria in Box 1) should be provided by default by the supplier as part of the standard smart meter offer without the customer having to request it in order to drive customer engagement? Please give reasons and evidence to support your answer.

Agree	Agree with caveats	Neutral	Disagree with caveats	Disagree	No response	Total
10	8	1	2	5	7	33

51. Overall, 18 out of 26 respondents to the question agreed with the proposals for a default data offer or agreed with caveats (69%). Most sectors, and some energy suppliers, agreed with the proposals. Of those that disagreed, six were energy suppliers and one was a MOP.

52. Third party innovators, consumer representatives and those from the building industry agreed that making data access as easy as possible (i.e., by providing data-driven information by default) is key to small business uptake and interaction with their energy consumption data. Several stakeholders specifically said that data access by request only would present a barrier to engagement, particularly for microbusinesses and schools. Two stakeholders also suggested that the proposals help tackle barriers such as low consumer awareness of data or the risk of consumers missing information and opportunities to reduce their energy consumption. Another emphasised the importance of personalised energy insight to take account of individual customer needs and circumstances.

53. Caveats raised by stakeholders overlapped with questions of scope and timeframes. For example, several energy suppliers emphasised that default data provision is more suitable for smaller organisations as opposed to larger organisations (or for others, multi-site premises or those with AMR meters). Equally, several suppliers flagged overlaps with MHHS, arguing that data provision should remain upon request only, or with an opt out, until MHHS systems are developed. Two non-suppliers flagged concerns about a supplier-centric approach, with one arguing that Government policy should emphasise consumer choice rather than a supplier obligation for default data provision, and the other arguing that the obligation is right to sit with suppliers but there needs to be more encouragement of third party service provision.

54. Of those that disagreed more generally, their concerns corresponded with those discussed elsewhere in this document. Primarily, their perception that a default data offer does not guarantee customer engagement and therefore the costs of implementation do not outweigh the benefits, and that obligations in this space may undermine competition in the market.

Government response to Q4

55. We can confirm that given broad stakeholder agreement with this question that we will be proceeding with a requirement for suppliers to provide a default data offer to non-domestic smart meter customers without them having to request it. However, as set out in our response to Question 2, this requirement will only apply to sites that fall within the smart metering mandate and is subject to the amends to timeframes as set out in our response to Question 5.

56. We agree with stakeholder views that data access by request only would present a barrier to customer engagement with their energy use, particularly for microbusinesses and schools. We set out in our consultation, and elsewhere in this document, why this policy will help to overcome the consumer demand and engagement challenges that exist within the SME market.

57. As per Question 3, we appreciate that some guidance and examples from Government alongside the energy supply licence changes may be helpful (in this case, regarding what data-driven information “provided or made available” without the customer requesting it could mean in practice). This guidance has been published alongside our response in Annex B. Concerns about energy suppliers’ and third parties’ roles in delivering this requirement and market balance are addressed in our response to Question 2.

Summary of responses to Q5

Q5. Do you agree that the proposed implementation timeframes are sufficient to enable all suppliers to meet the free baseline offer? Please give reasons and evidence to support your answer.						
Agree	**Agree with caveats**	**Neutral**	**Disagree with caveats**	**Disagree**	**No response**	**Total**
4	1	5	1	14	8	33

58. Out of 25 responses to Question 5, 15 disagreed or disagreed with caveats that our proposed implementation date (July 2022) provided sufficient time to implement (60%). All energy suppliers that responded to this question disagreed on the basis that more time is needed to deliver than proposed. Third parties in favour of the proposals also doubted suppliers' abilities to deliver to these timeframes, with several "neutral" responses. Some stakeholders proposed implementing the policy sooner than intended given the net zero benefits.

59. A key theme of energy supplier disagreement was the coinciding of our policy proposals with several other major industry change programmes, including the Faster Switching Programme and Microbusiness Strategic Review. Several energy suppliers flagged that coinciding these changes could lead to resource burden and risk delivery of projects or consumer outcomes as a result. Others flagged that more notice is needed for the changes than was proposed or called for further consultation. Two responses cited current market conditions, including turbulence in the wholesale gas market, as reasons for needing more time.

60. The most prominent area of feedback was the perceived scale of the policy changes by energy suppliers, particularly the challenges in basing the default data offer on half-hourly energy use data in advance of MHHS. In particular suppliers suggested that they will be working on a range of developments to their systems in coming years (e.g., data retrieval/collection and storage, consent processes, billing systems) as part of work to deliver MHHS. Therefore, several suppliers called for further alignment with MHHS timeframes on the basis that:

    a. This is the most natural fit, as they perceive that smart meter data benefits will be fully realised through the completion of MHHS.

    b. There is significant overlap in intended uptake and use of data provided to customers across proposals for both programmes, as well as many of the technical challenges outlined.

c. MHHS will only relate to electricity, but will still help improve suppliers' data capacity, processes on recording half-hourly consumption data and ability to offer more flexible products.

d. This would provide time that suppliers need to adopt policy changes and understand Government expectations.

e. Aligning with MHHS would maximise cost-efficiency and give suppliers time to build customer-centric solutions.

61. However, energy suppliers did provide differing views and dates as to what constitutes alignment with MHHS, with alternative dates proposed ranging from late 2022 to Summer 2023 and 2024. This may possibly reflect differing business priorities and strategies across industry. Others referenced more flexible/gradual timeframes and questioned whether the policy could be soft launched or phased in. One energy supplier and one third party innovator proposed that the “on request” offer aimed at third parties could come into effect sooner than the default data offer.

Government response to Q5

62. It is clear from consultation responses that MHHS is serving as an industry catalyst, driving suppliers to update their data systems, develop data storage portals and develop their consent processes, in ways that they may have not done so previously particularly in the non-domestic market. We also recognise that the market context has evolved since our original consultation, with higher gas prices having wider impacts on industry and consumers.

63. We have therefore listened to stakeholders and will be phasing the policy into effect in coming years. Our approach seeks to balance consumer/net zero needs (and broad support for the policy- see other questions response summaries throughout) whilst recognising the current market context and the shared direction of travel with MHHS. Our phased approach is set out below.

On request data offer and awareness raising requirement

64. Changes to the “on request data offer” and the supplier awareness raising requirement (Part C2 (Annex C) and Part B2 (Annex D)) will come into effect from 1st December 2022. These aspects of the proposals had widespread support across stakeholder type (see Questions 8 and 10). This also prioritises giving proactive consumers and their nominated third parties free access to their energy use data files to support net zero initiatives, for example energy efficiency audits, energy efficiency advice services or to help them develop net zero strategies. However, this also gives suppliers six months more than consulted upon to make any necessary adjustments.

65. From a technical perspective, consultation responses have not identified any implementation barriers to delivering these parts of the proposals from December 2022:

    a. The current policy is that suppliers must already respond to consumer or nominated third party requests to access half-hourly (electricity) or hourly (gas) consumption data in timely manner. Therefore, the only new aspects of this part of the policy are that suppliers must respond to the requests for free, provide 12 months of data (or less for a new customer/install or where the customer does not request that much) and respond within 10 working days (subject to data privacy considerations being met). Therefore, suppliers should already have processes and systems in place to meet the requirements of the current policy and suppliers did not indicate otherwise in their responses.

    b. MOPs/MAPs and third party innovators argued in their consultation responses that suppliers do not need to store data themselves to meet ad-hoc requests for 12 months of data; as is the case to meet current requests, data can be retrieved directly from AMR metering agents and files transferred as appropriate. In fact, some respondents flagged that more than 12 months of data may be available in some instances. In addition, suppliers already have the capabilities to pull 12 months of SMETS meter data via the DCC upon individual customer request. We can also confirm that the number of customer/third party ad-hoc requests for data at present across large suppliers is comfortably within DCC capacity and would remain so even in the unlikely event of a significant increase- see Question 12.

    c. We do recognise that in the shorter-term, in advance of suppliers putting in place longer-term contractual arrangements, that in order for suppliers to meet requests for 12 months of AMR data where they do not already hold it (and it cannot be pulled from the meter directly), that meeting this requirement would depend on them being able to retrieve such data from metering agents for a reasonable fee (i.e. close to the market average). Therefore, in advance of the "default data offer" coming into effect, we have built some flexibility in licences such that suppliers may provide a period of less than 12 months, if they are unable to acquire or exercise a contractual right to obtain the full 12 months of data except at a cost which is manifestly excessive. However, we do not anticipate this to be a common ground for not meeting the policy requirement; ultimately it is in the interests of both suppliers and metering agents to be pragmatic to deliver upon the needs of their customers.

    d. More broadly, forward-looking suppliers may agree arrangements with engaged customers and/or their nominated third parties for ongoing access to the data stored on the meter, which for AMR customers might negate the need for a customer to request 12 months of historic data in any case. We also anticipate

that some customers with their own AMR service providers are likely to request data files from them directly, rather than their energy supplier.

66. We recognise that suppliers may incur some costs from having to prioritise data access requests in order to respond within 10 working days and in not being able to recuperate data retrieval costs from the consumer or third party directly. We address these in the attached Impact Assessment.

67. In addition, the Government's view is that it is proportionate to introduce the awareness raising requirement alongside the "on request" data offer in December 2022. This ensures that customers are made aware that they can request, or nominate a third party to access, their free consumption data files whilst suppliers' default data offers are being developed. This also supports Smart Energy GB's microbusiness remit to build consumer awareness and understanding of the benefits derived from smart meters, including those from smart meter data.

Default half-hourly (electricity)/hourly (gas) data offer

68. On the other hand, we recognise that there are overlaps in the system changes that suppliers will be making in coming years to deliver MHHS and our proposals for a default data offer, particularly regarding data processing, storage and consent. Therefore, we confirm that suppliers will be required to provide or make available a default data offer for their smart meter mandate sites (Part C3 (Annex C) and Part B3 (Annex D)) by 1st October 2024.

69. This provides ample time for suppliers to build consumer centric solutions or develop existing ones to maximise consumer engagement, leveraging upon the changes they will be making in coming years to integrate these proposals, maximising cost and operational efficiency.

70. It is important that October 2024 is established as a deadline for implementation by, as opposed to a date by which activity should commence, especially as this is more than two years from the original proposed implementation date. From the alternative dates for implementation proposed by energy suppliers we believe there are several suppliers that will be in a position to implement the policy sooner. We therefore expect market leaders to emerge in this area in advance of the deadline.

71. It should be noted that while many of the system changes anticipated to deliver the policy are shared with MHHS (supporting a broad alignment in timelines), there are some important policy differences which means the two are not interdependent:

    a. Whilst electricity meters will be migrated to half-hourly settlement (from elective), this will not be required for gas meters. On the other hand, these policy proposals apply to both fuels, especially given the NDSEMIC evidence that a view of "whole premises consumption" is more useful to dual fuel

customers than insights about one fuel.[28] The inclusion of gas within our proposals and what this means in the AMR space is further discussed in Question 9.

b. Our policy will not impact MHHS migration deadlines. Therefore, a distinction should be made between data collection/retrieval/storage and energy insight to support consumption reduction/and or load shift (which are aligned between the two policies and will be developed over time, likely at different paces amongst energy suppliers) and the actual migration of the meter for settlement.

c. We have not specified in our policy requirements how "recent" the half-hourly/hourly data upon which energy suppliers must base ongoing energy insight should be based. As set out in our consultation, this is to give suppliers flexibility in how they meet the requirements, provides space to develop value-add chargeable functionalities and recognises the challenges of "live" data feeds in the AMR space. Therefore, there may be differences in data retrieval frequency needs between our policy and MHHS.

72. We do recognise that for a small number of those suppliers that wish to build in-house solutions and utilise their own data systems to do so, 12 months of data may not yet be available for AMR meters upon which to base insight for the first year of compliance (October 2024-October 2025). Therefore, we have built flexibility into the policy such that in Year One of the policy only, suppliers can base insight on a period of time up to 12 months of energy use data, whatever period is reasonably available to them.

73. Overall, by broadly aligning timeframes for the default data offer with wider system changes and industry direction of travel, we do accept that this is in the interest of consumers as well as industry. This is by maximising cost-efficiency from a supplier perspective during a challenging period (reducing costs for consumers in turn) and giving suppliers more time to establish consumer-centric solutions. However, this will only be the case if industry seizes the opportunity to build, or partner with third parties to deliver, innovative solutions that support smaller organisations to transform their approach to energy management towards net zero. Our monitoring and evaluation approach is therefore set out in the Impact Assessment published alongside this response.

Industry engagement

74. A small number of stakeholders proposed that the Government should further consult industry ahead of confirming timings in a Government response. It should be noted that the original consultation followed a three year research and evaluation programme as part of the NDSEMIC competition. This involved extensive interviews

[28] https://www.gov.uk/government/publications/non-domestic-smart-energy-management-innovation-competition-ndsemic-evaluation-findings

and workshops with innovators, industry experts, public sector stakeholders and energy suppliers to understand what might be required to further develop the market in this area. In addition, this consultation was published on Gov.uk, giving 12 weeks for stakeholders from all sectors to respond and clarification workshops with energy suppliers and innovators were held in Summer 2021 upon publication. Further bilaterals were also offered to any stakeholder that requested one as part of that process. Therefore, we consider that there has been ample opportunity for industry engagement with policy development and with the proposals specifically.

Summary of responses to Q6

Q6. Do you agree that a free baseline data offer is compatible with market-leading functionalities and services? Please give reasons and evidence to support your answer.						
Agree	Agree with caveats	Neutral	Disagree with caveats	Disagree	No response	Total
9	1	10	0	5	8	33

75. 20 out of 25 respondents to this question (80%) either agreed that a free baseline data offer is compatible with market-leading functionalities and services or were neutral about this. Energy suppliers had mixed views; of those that agreed, one commented that this would be the case once suppliers have an incentive to innovate via MHHS and another noted that innovation may take some time. Another agreed but considered that the offer should be basic enough to leave room for supplier resource to invest in more tailored solutions and value-add products and services.

76. Several non-domestic consumer representatives and third party innovators argued that once consumers can see the scope of what can be provided and the benefits (such as cost savings and productivity gains) then they are likely to buy in to additional services and that free data provision offers commercial opportunities to build upon. Another noted that setting a supplier baseline data offer does not cap or limit wider market innovation; it is necessary to tackle the market failures that exist in this area.

77. Of those that caveated their responses or disagreed more generally, themes were shared with other questions. For example, the need to avoid consumers being limited to supplier specific solutions, the risks of suppliers being the default route for data

provision and the need to ensure that a free baseline data offer does not stifle existing commercial propositions or stifle innovation.

Government response to Q6

78. We agree with the majority of stakeholders that a free baseline data offer is compatible with market-leading functionalities and services and indeed, the baseline offer has been designed to enable additional commercial propositions and innovations to be delivered over and above this default. Therefore, as outlined in our responses to other questions, we will be proceeding with the policy subject to amends set out in this document.

79. Steps have also been taken to broadly align the policy changes with the system changes anticipated as a result of MHHS (see Question 5). Legal text has also been designed with sufficient flexibility to allow suppliers to differentiate their free baseline data offer from more complex, paid-for products and services. Our broader response to some stakeholder feedback regarding market balance is addressed in Question 2.

Summary of responses to Q7

Q7. Do you agree with the proposals around timeliness of data provision, as set out in Box 2? Please give reasons and evidence to support your answer.						
Agree	**Agree with caveats**	**Neutral**	**Disagree with caveats**	**Disagree**	**No response**	**Total**
8	5	2	8	4	6	33

80. Responses to this question were broadly split between agree and disagree. Most stakeholders that disagreed with the question were energy suppliers.

81. Across both those that agreed and disagreed with the proposal, 12 months was seen as a reasonable timeframe upon which to base insight. However, several stakeholders flagged perceived caveats relating to the ability of AMR meters to store 12 months of data, and whether AMRs communicating more regularly could affect battery life.

82. Several consumer representatives and third party innovators agreed that non-domestic customers need data at half-hourly intervals to properly understand their

usage. One consumer representative also highlighted the importance of this in combination with regular provision, particularly for microbusinesses. However, these stakeholders varied in their views of whether Government should specify 'near real-time data', with one consumer representative suggesting this should be specified in legislation to align with the domestic market and another arguing that this is less critical unless SMEs are conducting demand side response work.

83. Some third party innovators considered that "regular" insight from energy suppliers should be further defined (for example, minimum monthly). One stakeholder argued that Government should specify how "up to date" the data-driven information needs to be (i.e., Day +1).

84. Of those that disagreed with the question, concerns overlapped with others addressed elsewhere in this document. Primarily, that proposals should be less prescriptive in some way (for example, data provision on request only rather than a default data offer) or feedback on the scope of the proposals (inclusion of AMR and/or larger sites).

Government response to Q7

85. We can confirm that we will be proceeding with the timeliness and granularity of data provision for the default data offer set out in the consultation (e.g., that data-driven information should be provided to the customer on a regular, ongoing basis in a form and frequency sufficient to enable the customer to gain insights into, and make informed choices about, their energy use). The electricity consumption data (on which that is based) should be recorded at half-hourly (or more granular) intervals and gas consumption data at hourly (or more granular) intervals (subject to the relevant data privacy considerations for microbusinesses).

86. As outlined, NDSEMIC showed that data presented in half-hourly or more granular intervals was a key driver of consumer engagement with the tools piloted. Therefore, we agree with several stakeholders that it is important to specify this requirement within the policy. We have also set out in our response to Question 2 why ongoing, regular information on energy use is needed for smaller organisations (as opposed to them having to request it continually and manually themselves).

87. As set out in our response to Question 5, we have mitigated feedback relating to AMR meter capability and storage by broadly aligning our policy timeframes with the system changes that energy suppliers will be making in coming years to deliver MHHS. In addition, we have built further flexibility into Year One of the policy only (October 2024-October 2025) for suppliers to base insight upon less than one year of data, as we recognise that storage arrangements may be recently implemented at that stage. That said, as outlined in our response to Question 2, we re-emphasise that existing

third party service providers could be utilised to meet these obligations, which may negate feedback regarding AMR data storage in any case.

88. Regarding some stakeholders' views that Government should go further in specifying timeliness of data provision (i.e., how up to date the free insight needs to be, or whether data must be presented in 'near real-time') we do not consider it necessary to be more prescriptive at this stage. As outlined in our consultation, it is important that the free baseline data offer leaves ample space for suppliers (or their third party providers) to innovate, and to develop value-add functionalities or services which may further drive market development (and subsequently, consumer engagement with what is on offer) in the medium-longer term. This is also an area where timeliness of data provision is likely to vary depending on meter type, whereby Consumer Access Devices (CADs)[29] connected to SMETS meters over the HAN[30] can provide insight in near real-time, whereas CADs cannot connect to AMR meters.

Summary of responses to Q8

Q8. Do you agree with the rationale and evidence supporting our proposals for suppliers to regularly inform consumers of their available means for accessing a free version of their energy consumption data? Please give reasons and evidence to support your answer.

Agree	Agree with caveats	Neutral	Disagree with caveats	Disagree	No response	Total
9	11	2	0	5	6	33

89. We received 27 responses to this question, of which 20 (74%) broadly agreed. Overall, most respondents agreed with the rationale of reminding non-domestic customers of their means for accessing their data. One consumer representative flagged that awareness of data services is generally low amongst non-domestic consumers, so supplier reminders will "nudge consumers to help them save energy, money, and carbon".

90. Concerns or caveats tended to be related to the detail of the proposals rather than principle. For example, a majority of energy suppliers criticised the proposal to raise awareness "every six months", arguing that this is too prescriptive and does not give

[29] A Consumer Access Device (CAD) is a cloud-connected secure smart meter gateway device that accesses real-time energy data from smart meters and sends that data to a designated cloud service.
[30] Home Area Network.

suppliers enough flexibility when communicating with their customers. Instead, several proposed aligning with domestic licence conditions which refer to “intervals determined appropriate”. Some energy suppliers had concerns about the cost of sending regular communications, instead arguing that this could be mitigated by suppliers putting information on their websites as an alternative.

91. A small number of stakeholders raised questions about whether messaging around data tools and services could be considered marketing and therefore whether suppliers would only be able to send reminders to those for whom they held appropriate consent under GDPR marketing rules. Others flagged that those consumers that opt out of future messaging could miss out on relevant communications.

Government response to Q8

92. Given the broad agreement with these proposals, we can confirm that the Government is proceeding with a requirement for energy suppliers to raise consumer awareness of their available means for accessing their energy use data for free and the benefits of accessing such data.

93. However, we do acknowledge that the proposal for suppliers to raise awareness every six months specifically may not give industry the flexibility to tailor and adapt their communications to best meet the needs of their customers. We also accept that it is desirable to align language with an existing example from the domestic sector. Therefore, the requirement has been adapted such that suppliers must raise awareness at “intervals determined appropriate”.[31]

94. We do not agree that it would be sufficient for suppliers to meet this awareness raising requirement via their website alone. The policy intent is that proactive communications from suppliers are necessary given the historically lower awareness about smart metering amongst non-domestic consumers.[32] In addition, information on a website would require a business to know where to look to find such information and what they are looking for and would therefore not constitute awareness raising.

95. Regarding data privacy obligations, we expect energy suppliers to implement the policy in ways that are compatible with other existing legislations such as the Privacy and Electronic Communications Regulations (PECR).[33] In particular, we are mindful of the need for energy suppliers to ensure that they meet broader obligations in relation to direct marketing, such as the need to have non-domestic consumers’ consent to

[31] Standard Licence Condition 47.15(b) (electricity) and 41.15(b) (gas)- “in all cases, at such intervals as are determined appropriate by the licensee for the purposes of ensuring that the Domestic Customer is regularly updated of such matters”.
[32] https://www.gov.uk/government/consultations/smart-metering-implementation-programme-realising-non-domestic-benefits
[33] https://ico.org.uk/for-organisations/direct-marketing/business-to-business-marketing/

market to them via certain modes of communication and under certain circumstances. Factual information about the routes by which consumers can access their own energy use data and/or the benefits of accessing this data can be communicated in a way that does not constitute direct marketing. In determining whether a communication constitutes direct marketing energy suppliers should consider the nature and tone of the message, including the extent to which the message is promotional.[34] To support industry with this, we have included some example case studies of communications which are factual in nature within the guidance published alongside this policy (see Annex B). We have also built some flexibility into licence conditions here such that suppliers raise awareness of the benefits "where appropriate".

96. In addition, we expect the majority (though not all) non-domestic customers within scope of the policy to be "corporate subscribers" as per PECR definitions. PECR does not apply to electronic communications to corporate subscribers.[35] Therefore, where energy suppliers can clearly identify these customers, they may wish to adapt their communications approach accordingly.

Summary of responses to Q9

Q9. Do you have any views on whether and how the market factors identified (meter storage, the role of DCDAs/SMSOs, half-hourly data schedules and 'smart type' meters) might affect the proposals outlined? Please give reasons and evidence to support your answer.

97. We received 19 responses to this question. Responses were made up of energy suppliers and their representatives, MOPs/MAPs (or Meter Asset Managers (MAMs) in the gas space) and third party innovators. The following themes were identified through responses:

    a. **AMR meter storage.** Stakeholders did not provide robust data on distribution of meter type by storage capabilities, but responses acknowledged that AMR storage capability varies and confirmed that meters hold less than 12 months of data in some cases. As outlined in other questions, several suppliers argued that because of this, AMRs should either be excluded from the requirements altogether or that licence conditions should be amended to provide flexibility where 12 months of data is not available. On the other hand, several MOPs/MAPs and energy systems infrastructure stakeholders argued that

[34] ICO guidance as above.
[35] ICO guidance as above.

regardless of storage capabilities, suppliers have routes available to access this data, e.g., via AMR Data Collectors and metering agents.

b. Linked to the above, suppliers reiterated points about data storage, access and consent arrangements undergoing changes in advance of MHHS. They emphasised that the **timeframes** proposed for the policy in the consultation therefore did not align with these.

c. Stakeholders flagged a number of **technical factors** which could affect suppliers' abilities to implement the policy. These included; non-communicating SMETS meters (including unenrolled SMETS1) and AMR meters, meters not commissioned on install, meter cross over periods, meters not able to record energy consumption data and situations where a customer purchases and installs their own gas meter. Some stakeholders also queried whether DCC capacity would be sufficient to meet the obligations.

d. Several suppliers and MOPs/MAPs queried whether the proposals should apply where a **customer has nominated their own AMR service provider**. In particular, responses commented on potential inefficiencies and costs of MOPs providing data to suppliers, only for suppliers to provide this data back to customers (especially if customers have purchased their metering data package already via the MOP).

e. Others commented that the proposals as drafted risked too much focus on the **electricity market rather than gas**. They argued that there is an existing competitive gas market particularly for larger companies and multi-sites. In addition, they suggested that Data Collectors and Aggregators are not so clearly defined in the gas market, and a range of roles and responsibilities for data flows can often exist independently of the supplier. Therefore, suppliers may not have a view of the relationships or data flows between parties. In their view, a requirement on suppliers to provide a free default offer does not recognise customers that already have a solution directly via a service provider.

Government response to Q9

98. We recognise the unique nature of the AMR market and the complexities that exist where a customer has nominated their own AMR service provider. However, we believe that the finalised policy proposals as set out in this document, include a number of adjustments that take into account the feedback from stakeholders:

    a. Firstly, as outlined in Question 5, we have reduced the scope of the free "default data offer" to only those sites that fall within the smart metering mandate. This minimises impacts on existing more mature market arrangements for larger sites (particularly gas). We set out in our response to

Question 2 why our evidence still supports the notion that a majority of smaller sites (irrespective of meter type) are not engaging with existing data tools that may exist in the market, even where they have an AMR meter. For example, only 11% of SME employers in Great Britain with a business premise that have smart meters said that they make use of technologies that use smart/advanced meter data to help control their energy use.

b. Furthermore, we understand that it is technically possible for AMR metered sites to inherit AMR service providers (for example upon change of tenancy). Therefore, we cannot assume that all smaller sites with AMR service providers have actively chosen them and are aware of any services associated with them. We therefore retain the principle that all smaller customers should be made aware of a free, default offer and understand what choices they have for accessing their data.

c. Building on this further, we have used this consultation response to reiterate that whilst the obligation will be upon the energy supplier to "provide or make available" the default data offer to smaller sites, there is no such obligation for them to build a tool in-house, or for their offer to be universal across all of their non-domestic customer base. In fact, NDSEMIC reaffirmed the value of tailored data tools and services in the non-domestic market. For gas meters, therefore, it is possible that suppliers could "make available" the energy use information via an existing gas AMR service provider for this segment of their customer base. The key point is that our policy establishes a role for energy suppliers in ensuring that the baseline data offer is being made available to all smaller customers (and that they are aware of it), and that no customer falls between the gaps, especially given the complex metering landscape stakeholders flagged themselves in their responses. This ensures that small businesses (with limited time and resource dedicated to energy management- as discussed elsewhere in this document) are not left to navigate this complex metering landscape themselves.

d. Secondly, for electricity meters (which constitute the majority of meters covered by the proposals)[36] we expect supplier data collection agreements to evolve in coming years as part of broader plans to deliver other industry change programmes, meaning that even in situations where customers have an alternative AMR service provider, the supplier will still be required to ensure that half-hourly data from that meter is transferred into settlement systems (and will therefore be developing routes for accessing the data). Given that we have now aligned our timelines for the default data offer with wider changes taking

[36] At the end of March 2022 there were 2.5 million electricity meters in scope of the smart meter mandate operating in non-domestic sites, compared to 0.8 million gas meters.

place, this opens up the possibility for suppliers to build in-house solutions for these electricity customers where appropriate.

99. For completeness we also considered whether it could be possible to design a policy exemption for those customers that nominate their own AMR service provider. However, this raises a number of implementation challenges which make this policy option infeasible:

    a. It is not clear how a customer with their own “AMR service provider” could be defined, given that this could entail a number of services across the electricity and gas space, from data collector to meter logger to analytics provider.

    b. An exemption may favour AMR service providers over SMETS service providers that are developing, or which may emerge in the future. We have set out elsewhere why we believe that the obligation for this policy itself should sit with the energy supplier, but with the flexibility to deliver via any third party service providers (AMR or SMETS), provided the baseline is delivered.

    c. On a practical level, there are a number of means for delivering the policy (see guidance published alongside this response in Annex B) where it is not plausible to see how customers with AMR service providers could meaningfully be exempt. For example, exempt from “downloading an App” or “registering for an online platform”, simply because of metering arrangements that may have been decided long ago, or that they may have inherited. This could unfairly penalise those customers that have contracted for data services as it would exclude them from the default data offer available to other smaller businesses. It would also likely be confusing to consumers, and more difficult to implement from a supplier perspective. Given that suppliers will already have the flexibility to build tools in-house, or to deliver the whole, or aspects of, the policy via third party service providers an exemption does not add any policy value in this sense.

    d. Ultimately, one of the aims of these policy proposals is to create market supply of, competition between, and consumer demand for, smart meter data tools and services amongst smaller non-domestic consumers. If paid-for functionalities and features of tools and services offered by AMR service providers are felt to be more engaging by consumers than free baseline “default data offers”, this policy should not affect consumer demand for them in any case.

100. Finally, we recognise that there are some genuine technical reasons why energy suppliers may not be able to deliver the “on request” and “default” data offers. This is particularly the case for the examples set out in Paragraph 97(c) and complexities which may exist in the AMR gas space. Therefore, we have amended the licence condition changes to exempt suppliers from meeting the obligations where there are

material technical barriers to doing so. We would not consider obtaining data from a metering service provider or metering agents such as Data Collectors (where technically possible and at a reasonable cost) a valid use of this exemption. This is further addressed in our response to Question 5. DCC capacity is addressed in our response to Question 12.

Part 2: Streamlining the smart meter data access process

Summary of responses to Q10

Q10. Do you agree with our rationale and evidence for proposing that non-domestic consumers should be able to nominate a third party to receive up to 12 months of their consumption data free of charge and in a machine-readable format via the internet? Please give reasons and evidence to support your answer.

Agree	Agree with caveats	Neutral	Disagree with caveats	Disagree	No response	Total
13	10	4	1	1	4	33

101. We received 29 responses to this question, of which 23 (79%) agreed or agreed with caveats. Two stakeholders (both energy suppliers or their representatives) disagreed. A number of suppliers (or representatives) provided short, simple agreements or emphasised that existing licence conditions already require that suppliers grant customers' nominated third parties access to energy consumption data.

102. Wider stakeholders flagged the benefits of the proposals, and how they would make use of them. For example, one consumer suggested that current struggles to obtain consumption data for their sites is hampering their ability to monitor carbon emissions, impacting their net zero plans. Therefore, being able to access the data without difficulty and cost would support these objectives. Another consumer representative flagged that the policy will make messaging around data and third party services easier, supporting smart meter uptake amongst microbusinesses. Several in the building/innovation space noted that the policy will enable them to develop value add services and use energy consumption data to support energy efficiency audits.

103. Energy suppliers caveated their responses with themes shared amongst other questions; concerns about potential supplier costs and complexity, and challenges around AMR meters not storing 12 months of data. One supplier that disagreed with the question altogether favoured less prescriptive requirements, i.e., requiring suppliers to make data available to nominated third parties but not specifying in legislation format or timeliness of data provision.

104. Several stakeholders from other sectors felt that the proposals for data to be provided in a "machine-readable format via the internet" do not go far enough. For example, some suggested that APIs (Application Programming Interfaces) should be the standardised format across energy suppliers which ensures data is instantly available and avoids manual intervention or inconsistent data formats across suppliers (with the latter posing risks to the interoperability of services upon change of supplier). Similarly, some stakeholders flagged overlaps with the Government's National Data Strategy which references the use of APIs. Others agreed that data should be provided on a regular or ongoing basis to third parties rather than data files upon ad-hoc request. In addition, some DCDAs/third parties argued that suppliers should be obligated to provide more than 12 months of data to third parties - and that some DCDA systems can provide up to five years' worth of energy consumption data.

105. Finally, several stakeholders caveated their responses with feedback about how non-domestic consent and verification processes would operate alongside the proposals. These are expanded upon and addressed in Question 11.

Government response to Q10

106. We can confirm that given broad stakeholder agreement, we are proceeding with the proposals set out in Question 10. As outlined in Questions 2 and 5, these changes will come into effect from December 2022 and will apply to all non-domestic customers with a SMETS or AMR meter, irrespective of profile class or size (see Question 13). We agree that free consumer and nominated third party access to data files from suppliers can support a range of energy efficiency outcomes from monitoring across sites to audits and energy efficiency advice services. We also agree that the proposals largely tighten existing policy as opposed to any new scope of requirements.

107. Regarding data format, as with feedback in response to Question 3 (regarding data-driven information in a "user-accessible format"), we received some stakeholder feedback requesting more prescription in legislation and others requesting less, which overall suggests we have achieved balance between prescription and flexibility. The policy intention is to specify the outcome in legislation without restricting the means; that the data that can be read by a computer / piece of software, because it is in a widely used / open access format and in a structured format (e.g., consistent headings).[37] In reality this could encompass a range of formats including CSV files as are commonly used by industry at present.

[37] The Open Data Handbook states that 'machine readable' data is: 'Data in a data format that can be automatically read and processed by a computer'. Furthermore, Regulation 2 of the Re-use of Public Sector Information Regulations 2015 defines machine-readable format as: 'A file format structured so that software applications can easily identify, recognise and extract specific data, including individual statements of fact, and their internal structure'.

108. As outlined in our response to Question 2, we do consider that for AMR meters, one-off CSV data files of up to 12 months of historic consumption data (i.e., more than is stored on the meter directly) can be obtained via the relevant metering agents, as is the case under the current policy, and transferred to customers and third parties on an ad-hoc basis without suppliers necessarily utilising their own data systems (subject to cost considerations addressed in our response to Question 2). Therefore, we do not consider (or expect) that significant system changes are required to meet this baseline requirement by December 2022. We set out in the attached Impact Assessment how we have modelled costs for this part of the proposal.

109. Where suppliers choose to go further or seek to make longer-term system changes to third party data access in due course, the language used also does not prevent the use of ongoing data access arrangements including APIs. It also does not prevent further policy developments in this area in future. For example, the Government has committed to introduce Smart Data legislation when Parliamentary time allows. This would enable the establishment of Smart Data schemes in any sector, such as energy, involving the secure, consented, sharing of customer data with third parties who offer innovative services such as account management. In 2021, the Government published an update report informed by the Smart Data working group.[38] This acknowledged there are common needs and activities emerging across multiple sector schemes, including the need for data and technical standards, such as APIs.

110. Therefore, these policy proposals are largely intended to bring non-domestic customers in line with domestic (i.e., the right for a customer to share their historic energy use data with a third party service provider, free of charge) and to address specific barriers to innovation identified during recent research, whilst ensuring that the policy is future-proof and compatible with longer-term policy development.

111. Finally, we recognise that some of the feedback received relates specifically to non-domestic customer consent and verification under the Smart Energy Code (SEC) governing the sharing of SMETS meter data. The Government has therefore commissioned a project to better understand the current landscape, including the extent to which current SEC processes facilitate best practice and innovation and are sufficiently tailored to the specific and unique context of the non-domestic sector. This project is due to complete by the first half of 2022 and we will decide next steps accordingly.

[38] https://es.catapult.org.uk/report/delivering-a-digitalised-energy-system/

Summary of responses to Q11

Q11. Do you agree with the proposals in Box 4 to streamline the third party consumer consent process? We welcome views on how these can best be defined. Please give reasons and evidence to support your answer.						
Agree	**Agree with caveats**	**Neutral**	**Disagree with caveats**	**Disagree**	**No response**	**Total**
13	7	2	0	4	7	33

112. We received 26 responses to this question, of which 20 (77%) agreed or agreed with caveats. Four stakeholders (three energy suppliers/representatives and one energy systems organisation) disagreed.

113. Those that agreed argued that open third party data access will be important to stimulate market innovation and to help strengthen consumers' rights and access to their data. It was also felt that setting a timeline for suppliers to respond to data access requests will ensure timely delivery and prevent situations where information on the data access process is rarely publicly available and subject to change with no feedback provided to the third party or consumer.

114. However, several stakeholders caveated their responses with feedback on (or disagreed with the question because of concerns about) how energy suppliers currently evidence or verify data access consent from non-domestic consumers more generally. Some perceive there to be no shared standards across industry and believe that Letters of Authority (LoAs) used by suppliers are at risk of misuse by TPIs and can drive customer complaints. Some respondents called for a standard consent process or LoA to be implemented or for more guidance across industry on managing consent to protect consumer data. There were varying views on how often consent should be reviewed/renewed. Some stakeholders referenced overlaps with the Government's call for evidence on TPIs in the energy market, issued in 2021.[39]

115. Several stakeholders took the opportunity to flag more general complexities regarding consumer consent in the non-domestic market. For example, some customers not being the end user of data (i.e., landlords/tenants), difficulties in verifying that an individual can authorise data access on behalf of an organisation and the differences between the "SMETS/DCC" world and that of AMR. Several suppliers flagged the resource, costs and time that might be needed to ensure robust consent

[39] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1010995/retail-energy-tpi.pdf

processes (with one flagging that where data is stored for viewing work would be needed to ensure third parties cannot access unnecessary details). Others flagged that the role of brokers and procurement organisations can complicate the consent process by adding in further layers of sign off and/or verification.

116. Five stakeholders commented on the suitability of the 10 day period for supplier responses to data access requests, with three agreeing and two disagreeing. Those that disagreed argued that 10 days may not be sufficient to verify customer permission. One stakeholder flagged that Government may wish to specify what a legitimate reason for a supplier rejection of a data access request might be.

Government response to Q11

117. Given that a large majority of stakeholders agreed with the proposals we confirm that we are proceeding with the proposals outlined in our consultation to streamline, and make more transparent, processes regarding smart meter data access requests to energy suppliers (i.e., that processes for data access requests must be clear, transparent and publicly available, that suppliers must respond to data access requests within 10 working days, either granting access or clearly outlining why the request has been rejected, and the next steps the requestor can take, where applicable). We also confirm that, to align with the steps taken to phase the policy into effect, and to address an inconsistency identified following consultation stage, that these requirements will apply to both customer and nominated third party data access requests. These policy changes have been designed to address specific barriers identified through recent research programmes, such as opaque processes and delayed responses to data access requests.[40] Transparency in supplier third party data access processes will support third parties to develop and deliver services to consumers that help them better manage their energy use.

118. We reiterate that the proposals in our consultation focused on transparency in energy supplier consent processes regarding access to smart meter energy use data; we did not propose any changes to energy supplier obligations under GDPR or in relation to consent under the Smart Metering Data Access and Privacy Framework (DAPF). In addition, many of the perceptions raised by stakeholders are not specific to smart meter data; some apply equally to personal energy data more broadly and others, the general relationship between personal data sharing and non-domestic organisations. That said, the Government recognises the overlaps between feedback received and a range of wider policy considerations:

    a. In 2021 the Government published a call for evidence on how TPIs operate in the retail energy market. This contained references to potential misuse of

[40] https://www.gov.uk/government/publications/non-domestic-smart-energy-management-innovation-competition-ndsemic-evaluation-findings

Letters of Authority by energy brokers and sought stakeholder views on contracting or sales practices by TPIs that could lead to customer harm, building on work identified via Ofgem's Microbusiness Strategic Review. The call for evidence also included a question about whether TPIs can also affect business customers' access to smart metering, smart tariffs and other smart products and services. The Government and Ofgem will announce next steps on these projects in due course.

b. In September 2020, the Government published the National Data Strategy (NDS)[41], which sets out the steps the Government is taking to unlock the full potential of data. Building upon the ambition set out in the National Data Strategy in September 2021, we launched a consultation[42] on a package of reforms to create a new data protection regime that is both pro-growth and trusted for our citizens and businesses. We are also taking steps to improve data availability across the economy, and in November 2021, we published a policy framework that sets out the steps we are taking to overcome existing barriers to data sharing.[43]

c. The Government commissioned research on the key role of consent across Smart Data schemes in energy, telecoms and finance, with scope for applicability across further sectors. The Smart Data Working Group also set out high level objectives for consent in Smart Data, with agreement that the approach should aim to be consistent across sectors as far as is possible, balancing user protection and friction for users. The consent process can confuse and deter users and third parties, an effect which could be exacerbated if different consent journeys are required in each sector.

d. We also recognise that some feedback relates to data access and privacy processes under the Smart Energy Code (SEC) specifically, as flagged in Paragraph 115. Regarding the relationship between landlord and tenants' permissions to access smart meter consumption data, in 2017 the Government published a "Letter to SEC Parties regarding privacy and smart metering energy consumption data (in domestic and microbusiness premises)".[44] This reaffirms that where the microbusiness occupant is not the bill payer, suppliers will need to seek consent from the occupant as well as the bill payer to process half-hourly energy use data in delivering our policy. This mitigates the risk of a landlord or employer misusing data against tenants' interests. We have also outlined in our response to Question 10 that the Government has commissioned a project to better understand the extent to which current SEC

[41] https://www.gov.uk/government/publications/uk-national-data-strategy/national-data-strategy
[42] https://www.gov.uk/government/consultations/data-a-new-direction
[43] https://www.gov.uk/government/publications/national-data-strategy-mission-1-policy-framework-unlocking-the-value-of-data-across-the-economy/national-data-strategy-mission-1-policy-framework-unlocking-the-value-of-data-across-the-economy
[44] https://smartenergycodecompany.co.uk/latest-news/letter-to-sec-parties-regarding-privacy-and-smart-metering-energy-consumption-data-in-domestic-and-microbusiness-premises/

processes facilitate best practice and innovation, including to what extent the current framework is tailored to the specific and unique context of the non-domestic sector.

e. Whilst we appreciate that the development of robust third party consent processes may require time and resource by energy suppliers (particularly if other market actors are involved), current licence conditions already require suppliers to provide nominated third parties with "timely" access to a customer's half-hourly/hourly energy use data upon request. This would require them to collect and verify that customer's consent (and navigate other market actors) in order to grant access. Therefore, there is nothing additional in the policy proposals set out in this consultation affecting this, and as above, we do not propose any changes to existing data privacy regulations.

f. Finally, whilst we appreciate feedback that 10 working days after receipt of a request may not be sufficient to verify a customer's permission in all circumstances, we reiterate that the policy has been drafted in such a way that it is wholly compatible with existing supplier data access and privacy obligations. As such, it allows flexibility for situations where a supplier has genuinely been unable to verify a customer's permission for a third party to access their data (providing the supplier continues to progress the request to reach an outcome). However, the intention of the policy is to avoid situations where willing customers and their nominated third parties experience unreasonable delays in accessing their data whilst waiting for energy supplier responses. We do not wish to prescribe in legislation what may constitute a reasonable supplier rejection of a data access request because the legislation itself must be flexible and it is not possible to foresee all valid reasons for rejection. However, the policy intent is as above.

119. We are aware that some public sector framework providers[45] may have arrangements with suppliers to provide additional layers of clearance upon receiving data access requests. As with Paragraph 118(f) above, we reiterate that the policy wording allows for situations where a supplier cannot meet a data access request within 10 working days due to other existing legal requirements (such as a contractual obligation to verify consent with a framework provider), providing an update is provided to the nominated third party. We also recognise that there are some specific instances where additional data privacy measures may be required in the public sector. However, we would encourage both energy suppliers and such public sector organisations to consider whether such additional layers of clearance are proportionate and necessary in all circumstances, given the known risks that smaller organisations (such as schools) may disengage from the process (including

[45] Frameworks help public and third sector buyers to procure goods and services from a list of pre-approved suppliers, with agreed terms and conditions and legal protections.

engagement with their energy use and the services requested) if there are delays and complexities in the customer journey.

Summary of responses to Q12

Q12. Do you agree with our rationale for why our proposed licence changes are complementary to DCC services? IF NO, how do you think they could they be adapted to ensure they are complementary? Please give reasons and evidence to support your answer.						
Agree	**Agree with caveats**	**Neutral**	**Disagree with caveats**	**Disagree**	**No response**	**Total**
12	3	2	2	3	11	33

120. Most respondents to this question (12 out of 22) agreed, highlighting that the proposed licence changes apply at an individual customer level as opposed to DCC data access routes which can be used to access larger batches of data. Those that caveated their responses repeated feedback that suppliers should be required to provide ongoing access to AMR data feeds, as is possible for SMETS meters via the DCC. Some energy suppliers raised concerns over DCC capability to meet the proposals and suggested this could distract from other core responsibilities.

121. Those that disagreed or were neutral flagged that provision of data via suppliers and the DCC could complicate the data landscape. They also argued that whilst processes may be in place to access data via the DCC, some challenges remain (including the accessibility of the Other User role, limited uptake and challenges in evidencing consumer consent and verification - see Question 11). One stakeholder perceived that the proposals could pose a risk if data access via suppliers proved a simpler and more straightforward route to accessing data than via the DCC. To mitigate this risk, they proposed that guidance be issued alongside the policy to encourage energy suppliers to make use of existing DCC systems and services to meet the obligations.

Government response to Q12

122. There remains no evidence to suggest that these changes to energy supplier licence conditions are not complementary to DCC services. Not least because the

changes largely bring non-domestic rules in line with existing domestic ones (i.e., a customer's right to access their historic smart meter data files for free from energy suppliers). We disagree that the policy itself risks complicating the data landscape; arguably the policy has been developed directly in response to the complexities of a mixed metering landscape[46], where DCC data access routes are not available for AMR meters and a 'meter neutral' baseline data offer needs to be established.

123. We recognise stakeholder views that the policy does not extend to ongoing access to live data feeds and that there are links to other Government policies (the potential for MHHS to unlock third party innovation, Smart Data schemes in the energy sector, the National Data Strategy). The Government is comfortable that the policy changes confirmed in this document are compatible with longer term policy making in this area.

124. The Government has also consulted the DCC on capacity to deliver these requirements for SMETS meters in the non-domestic sector. We can confirm that:

a. Regarding the "on request data offer" coming into effect from December 2022, our analysis suggests that the number of ad-hoc requests for data that large suppliers receive from non-domestic customers and their nominated third parties within the smart metering mandate on an annual basis is comfortably within DCC capacity and would remain so even if that number were to vastly increase.[47]

b. Regarding the "default" data offer, the steps taken to align our policy timeframes with broader industry developments (see Question 5) also ensure alignment with DCC expectations regarding capacity. Only 6% of meters covered by the overall smart meter mandate (once smart) are non-domestic meters; this percentage reduces further when considering that AMR meters will not draw upon DCC capacity.

c. Finally, we reiterate that whilst the obligation is upon energy suppliers to deliver the obligations in these proposals, they can utilise third party service providers (including DCC service providers) to do so.

[46] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/933628/insights-for-innovators.pdf

[47] This uses internal energy supplier monitoring data from 2020, aggregated. The data did not separate AMR requests from SMETS (and therefore likely overestimates the number of requests that would require DCC capacity).

Part 3: Scope

Summary of responses to Q13

Q13. Do you agree with our rationale for the proposed scope of the policy changes i.e., by meter type and business size? Please give reasons and evidence to support your answer.						
Agree	**Agree with caveats**	**Neutral**	**Disagree with caveats**	**Disagree**	**No response**	**Total**
13	2	0	1	10	7	33

125. We received 26 responses to this question, of which responses were broadly split between those that agreed and those that disagreed. All stakeholders that disagreed were energy suppliers or MOPs/MAPs. Most third party innovators and at least one stakeholder from each other sector agreed with the scope.

126. Those in agreement emphasised that it is important for consumers with all meter types to be able to access their energy consumption data and that the proposed universal scope avoided complication.

127. Of those that caveated their agreement, or disagreed with the question, most called for various amends to scope - see Questions 2, 5 and 9. These included suggestions that larger sites and/or multi-sites should be excluded from the default data offer given the existing market for AMR data provision and suggestions that AMR metered sites should be excluded from the proposals altogether given the technical challenges outlined in Question 9.

Government response to Q13

128. As outlined in our responses to Questions 2, 5 and 9 we have confirmed that the "default" data offer will be limited in scope to smaller sites (defined as sites that fall within the smart meter mandate). Our rationale for this is outlined in detail in our responses to those questions. We also set out in those questions why we will not be excluding smaller sites with AMR meters from the default data offer.

129. We have also confirmed that changes to the existing "on request" data offer, as well as the awareness raising requirement, will apply to all non-domestic customers with a SMETS or AMR meter, irrespective of profile class or size. Further justification for this is outlined below:

a. Under current licence conditions, "timely access to half-hourly data upon request" applies to all non-domestic customers with SMETS and AMR, inside and outside of the smart metering mandate. Therefore, our "free data on request" part of the proposal has been designed to enhance the existing licence conditions in this space (including the issues regarding no specificity in licence conditions regarding charging, format and timeliness of supplier responses as outlined in our consultation).

b. In addition, the barriers and benefits to third parties of accessing energy use data outlined in our consultation and evidenced by NDSEMIC are not unique to smaller sites; evidence from an interim evaluation of the Energy Savings Opportunity scheme (ESOS) found that energy use data can enhance audits. Participants which procured a third party to obtain usage data on their behalf found the process less burdensome, though obtaining data from suppliers could be time-consuming.[48] Therefore, there is wider Government policy, and net zero, use cases for expanding these changes to all non-domestic organisations.

c. The broader net zero and data portability arguments for us improving the "data on request" offer still apply to I&C sites. For example, energy managers from larger organisations would benefit from being able to access this data to inform energy efficiency audits and net zero strategies.

d. Energy consumption data files obtained on request (that require manual analysis) are unlikely to compete commercially with existing products and services aimed at larger organisations on the market, which are likely to have more advanced functionalities and conduct analysis on behalf of the user.

e. From a practical perspective, if we did not extend these changes to I&C customers, then there would be different licence conditions regarding third

[48] https://www.gov.uk/government/publications/energy-savings-opportunity-scheme-esos-evaluation-of-the-scheme#full-publication-update-history

party data access requests for smart metering mandate and non-mandate sites which could cause fragmentation. Therefore, these changes also ensure that all non-domestic sites are on a level playing field ahead of possible future policy developments in this area, for example steps to modernise energy data and the potential introduction of Smart Data schemes in energy.

f. All businesses and public sector organisations will benefit from being made aware of the routes by which they can access their energy use data for free from their supplier (see Question 8). Now that the scope and timeframes of the policy has been amended such that the “on request” changes will come into effect from December 2022 for all sites, and the default data offer will come into effect by October 2024 for smaller sites, it logically follows that supplier awareness raising is aligned with the first set of policy changes. This will also support Smart Energy GB to raise microbusiness awareness of the value of smart meter data as per their recently updated objectives as soon as feasible.

Part 4: Creating a policy context that facilitates innovation

Summary of responses to Q14

Q14. How can Government best support industry to drive forward innovation for non-domestic smart meter data tools and services? Please give reasons and evidence to support your answer.

130. We received 25 responses to this question, with at least one organisation from each sector responding. The most common responses related to awareness raising, Government funding and finance, consumer incentives, market support, this consultation and collaboration across industry and Government.

131. Several stakeholders suggested that Government should strengthen messaging around the benefits of smart meter data to non-domestic consumers including energy use and cost savings. This included calls for Government to "publicly back" smart meters wherever possible and for Smart Energy GB to play a role in raising awareness of how consumers can access their data, including via independent service providers.

132. Six stakeholders raised Government funding and finance as a way to drive innovation. This included suggestions for further innovation competitions (given the perceived success of NDSEMIC), funding to test new capabilities via the DCC, grants or loans for energy efficiency measures or subsidised premium services. Specific ideas for future innovation included tariff comparison tools, flexibility markets and prepay offerings for the non-domestic market.

133. Six responses suggested that Government could introduce incentives to drive non-domestic consumer uptake of smart metering and/or engagement with energy use. Suggestions included an energy efficiency scheme for small businesses, strengthening the ESOS scheme, minimum EPC standards for non-domestic buildings, green credentials/ratings, incentives for landlords and mandating non-domestic customers to accept smart meters.

134. Several stakeholders suggested that Government support for the market is needed to support innovation. This included the perceived need for support for DCC Users and Consumer Access Device (CAD) developers and ensuring confidence in DCC service provision. Four stakeholders referenced this consultation specifically as a perceived example of Government facilitating market development. The importance

of collaboration across Government and industry was also highlighted by several respondents. Others referenced their feedback on other questions included in the consultation as factors which may influence innovation in the market.

Government response to Q14

135. We thank stakeholders for responses to this question and for outlining the potential role that Government can play in supporting these objectives. We have outlined a number of activities already undertaken or underway throughout this response (including NDSEMIC, work underway to explore the consent and verification process under the Smart Energy Code (see Question 10) and research around consumer-oriented measures - see Question 15). We continue to explore this area further, including opportunities for innovation.

136. Regarding awareness raising specifically, Smart Energy GB is responsible for leading coordinated consumer engagement activities on behalf of energy suppliers in relation to smart metering, with a specific objective to build microbusiness[49] awareness and understanding of smart metering systems and their benefits including the benefits to be derived from the data that may be obtained using smart metering systems.

137. The Smart Energy GB Board and Performance Management Framework sub-committee works in partnership with Smart Energy GB on setting direction and targets for the year ahead, as well as monitoring performance. Therefore, there is an established process in place for setting Smart Energy GB's strategy and direction, including in relation to smart meter data.

[49] Smart Energy GB's remit focuses on microbusinesses as these account for 70% of sites within the smart metering mandate.

Summary of responses to Q15

Q15. Do you agree that an improved non-domestic data offer will support energy suppliers to deliver the post-2020 framework by acting as an additional consumer incentive? Please give reasons and evidence to support your answer.						
Agree	**Agree with caveats**	**Neutral**	**Disagree with caveats**	**Disagree**	**No response**	**Total**
4	2	6	4	7	10	33

138. We received 23 responses to this question. Responses were varied; 6 stakeholders broadly agreed, 6 were neutral and 11 broadly disagreed.

139. Those that broadly agreed argued that ensuring consumers can access their energy use data is a first step in demonstrating associated benefits and providing compelling reasons for them to seek and accept smart meters, supporting energy suppliers in delivering their obligations under the Targets Framework. Others highlighted that the policy makes it easier to raise awareness of the benefits of smart meters, which could also support uptake.

140. Neutral responses raised a number of themes. These included examples from MOPs/MAPs and third party innovators of how services in the AMR and schools market have driven meter uptake and retention rates- they highlighted that this could apply to this policy, with the caveat that smaller customers may be more challenging to engage. Others flagged that this policy may support uptake but on its own may not be sufficient.

141. Those that broadly disagreed raised a number of themes. These included questioning whether consumer demand for data tools is sufficient to have an impact on uptake, perceptions that a lack of data provision is not a current driver of smart meter rejection and perceived better alternatives for driving smart meter uptake (see Question 14). One stakeholder questioned whether the policy is an “additional” consumer incentive given that customers can already request access to their energy use data under the current policy. Others re-emphasised feedback to other questions, i.e., that increased supplier costs could have a detrimental effect, or that the benefits of the policy may not be realised unless aligned with MHHS.

Government response to Q15

142. Our consultation outlined that some non-domestic customers expect more to 'come with' their smart meter by way of data provision than is necessarily the case at present.[50] Therefore, we consider that there remains a risk that limited supply market offerings are actively deterring non-domestic smart meter "seekers" from taking up smart meters, as well as doing little to engage more passive consumers. Given the clear link between smart meter uptake and consumer benefits realisation[51], we therefore maintain that a baseline default offer for non-domestic customers will be an important component of the non-domestic policy framework governing the remainder of the rollout.

143. We also agree with stakeholder suggestions above that the rollout will become easier to communicate to non-domestic customers once all customers understand they can access the energy use data from their smart meter for free and use it to monitor and manage their energy use.

144. However, we also agree that data provision is not the only factor that may influence consumer acceptance/rejection, and that the non-domestic landscape poses a range of complexities.

145. As outlined in "Smart Meter Policy Framework Post 2020: Government Response to a Consultation on Minimum Annual Targets and Reporting Thresholds for Energy Suppliers"[52], the Government therefore has a programme of work underway to assess, develop and research a number of consumer-oriented, policy measures in readiness for possible introduction later in the rollout.

[50] https://www.citizensadvice.org.uk/about-us/our-work/policy/policy-research-topics/energy-policy-research-and-consultation-responses/energy-policy-research/smart-choices-investigating-microbusinesses-interest-in-and-understanding-of-smart-meters1/
[51] https://www.gov.uk/government/publications/smart-meter-roll-out-cost-benefit-analysis-2019
[52] https://www.gov.uk/government/consultations/smart-meter-policy-framework-post-2020-minimum-annual-targets-and-reporting-thresholds-for-energy-suppliers

Summary of responses to Q16

Q16. Do you agree that the legal text proposed in Annexes A and B adequately captures the proposed policy changes in this consultation? Please give reasons and evidence to support your answer.						
Agree	**Agree with caveats**	**Neutral**	**Disagree with caveats**	**Disagree**	**No response**	**Total**
4	4	3	0	3	19	33

146. We received 14 responses to this question (42% of total respondents). 8 stakeholders broadly agreed that the proposed legal text captures the policy proposals and 3 were neutral. Three respondents disagreed with the question. However, all three were on the basis that they felt the proposals are too prescriptive with little flexibility for supplier implementation. Therefore, disagreement was on the basis of disagreement with the policy content, rather than specific disagreement that the legal text itself does not adequately capture the policy proposals. A small number of other respondents used this question to feedback on the broader policy proposals, for example policy scope, exemptions and guidance. These are addressed in other questions throughout this document.

147. Questions or caveats specific to the draft legal text were:

a. A request for clarification as to whether the word “Form” should be capitalised or defined.

b. Clarification as to what is intended by “provide or make available” the default data offer.

c. Whether SLC 51.22 (as published in the original consultation) could mean that suppliers receive continual one-off requests for data from customers.

Government response to Q16

148. We can confirm that the gas and electricity energy supplier licence condition changes that will implement the policy changes set out in this document, subject to Parliament, can be found in Annexes C and D, published alongside this consultation response. The key changes since consultation are amends to timeframes, scope, additional flexibilities (such as in the awareness raising requirement) and inclusion of

relevant exemptions, as set out in this consultation response. The requirements regarding data access requests have also been made consistent to apply to both consumer and third party data access requests throughout, reflecting the heightened importance of the "on request data offer" for consumers directly (which now comes into effect before the "default data offer") and to ensure consistency in drafting. Guidance has also been issued alongside this response with examples of the means by which energy suppliers could "provide or make available" the default data offer.

149. Regarding the specific queries raised on the legal text raised via consultation:

a. As to whether the word "Form" should be capitalised in licence conditions, we can confirm that this already has a definition. This is defined as "includes the means by which information is communicated and the way in which information is presented or structured". Therefore, this definition is compatible with the principle of the licence changes; that energy suppliers retain flexibility in how they deliver the requirement, but that the energy use information provided or made available to the customer must be communicated, presented or structured in such a way that it delivers the policy intent.

b. Regarding whether SLC 51.22 (as published in the original consultation) could mean that suppliers receive continual one-off requests for data from customers, we can confirm that the legislation does not specify a limit or cap on the number of requests for data that a customer or nominated third party can make of their energy supplier. The reasons for this are:

i. No such cap exists in the current legislation and we have no evidence or grounds to diverge from that at this stage.

ii. That this may unnecessarily stifle a customer's ability to nominate several third parties to access their data for different purposes or in delivery of different services.

iii. The need to ensure the regulation is future proof.

iv. That for smaller sites in receipt of the default data offer, it is unlikely that they would make repeat requests for raw data files in addition to the default offer they are receiving, given existing levels of engagement set out elsewhere in this document.

v. That customers may not need, or even want, to repeatedly request access to their data files if longer-term arrangements are put in place with the supplier that mean this is not necessary. For example, if the supplier provides a year's worth of consumption data to inform annual energy efficiency audits, or if the supplier arranges for the customer or third party to access the data from the meter on an ongoing basis.

c. However, we agree that it will be important to monitor the number of requests that energy suppliers receive for access to data under the policy changes, both from customers and their nominated third parties, so that the policy can be kept under review. This is referenced in the policy's monitoring and evaluation strategy set out in the Impact Assessment published alongside this response.

150. The Government is aware of a live Ofgem statutory consultation on changes to Standard Licence Condition (SLC) 47 as part of the Market-Wide Half-Hourly Settlement (MHHS) Programme. The Government and Ofgem have agreed that the amends to SLC47 published alongside this Government response are compatible (in terms of content) with those set out in Ofgem's live consultation. However, we acknowledge that the numbering of Ofgem's MHHS licence conditions may need to be amended upon finalisation to align with the changes set out in this Government response. Ofgem will consider accordingly during the development of any relevant decision documents.

Part 5: Impact Assessment

Q17. What types of energy supplier data offerings do you think are likely to emerge in response to the policy changes in Box 1 and Box 2? We welcome views from energy suppliers on this question in particular. Please give reasons and evidence to support your answer.

Q18. Under our proposed licence changes, how do you think suppliers would differentiate their "for free" data offering versus chargeable services, and what do you think would drive this?

Q19. What do you foresee as being the primary costs and benefits (and to whom) of the proposed measures in this consultation? Please quantify these as far as possible (though we also welcome views on any wider system benefits which may be harder to quantify).

Q20. In your experience, how much does it cost to develop varying levels of data offerings (ranging from emailed 'visuals' of consumption through to online platforms, apps and more complex services). Please quantify this as far as possible. We are particularly interested in breakdowns of one-off initial investment costs vs ongoing running costs, fixed vs variable costs and costs of in-house development versus commissioned out.

Q21. Do you think there are any equalities impacts in relation to our proposals that have not been considered above? Please outline what these are, their potential impacts and how Government could take steps to mitigate them. Please give reasons and evidence to support your answer.

Summary of responses to Qs 17-21

151. We received 16 responses to both Questions 17 and 18, 21 responses to Question 19 and 15 responses to Question 20. Around half of responses to questions on costs and benefits were from energy suppliers, with the remainder coming from a range of sectors. We received nine responses to Question 21 (equalities impacts), with seven stating that they perceived no equalities impacts. Feedback from two stakeholders has fed into the overall Public Sector Equalities Duty (PSED) assessment included within the Impact Assessment published alongside this response.

152. Broadly, there was a general sentiment expressed in responses that many energy suppliers, particularly smaller suppliers, may look to respond to the policy by creating/procuring the minimum compliant data offer, at least initially (however such feedback was made in context of originally proposed policy timelines). Over time, stakeholders felt that more bespoke solutions (such as tailored advice, detailed analysis or wider digital platforms) will likely emerge that reflect individual customer needs resulting in a wide range of options available supporting the underlying message from the responses that different consumers will have different needs.

153. Some suggested that the bespoke solutions may likely be software based, reflecting non-domestic consumer preferences for ease of access, but may also extend to bespoke energy advice and similar. Overall, stakeholders felt that the determining factor would be cost-effectiveness.

154. There was a broad sense from the responses that the distinction between chargeable services and free services will be strongly driven by the individual needs of consumers (and so suppliers will tailor their offers to their distinct consumer bases). In terms of what these differing offers may look like, the suggestion is that the free offering will be fairly basic, doing enough to meet the requirements of the policy, whereas premium services could look to explore bespoke advice and analysis or a wider digital offer.

155. Stakeholders flagged a range of anticipated benefits from the policy; benefits to consumers (in the form of energy savings), commercial landlords, wider society, the DCC or energy system, third parties (in terms of additional investment and building new services) and energy suppliers (in terms of reputation, customer retention and more informed/engaged customers).

156. With regards to costs, energy suppliers stated that these largely relate to system upgrades (including data collection, storage and handling), with (as per other questions) several emphasising the likely increased costs of these processes being delivered in advance of MHHS, leading some to suggest the draft Impact Assessment underestimated these. Others re-emphasised costs of including AMR within the proposals and costs to third parties if energy suppliers have a market advantage in data provision.

157. Overall, stakeholders did not quantify the benefits or costs referenced. Several stakeholders also queried how the Government plans to monitor and evaluate the impacts of the policy. For some, this was posed within the context of their feedback around likely consumer engagement with data offerings, and how the Government would measure this.

Government response to Qs 17-21

158. Stakeholder feedback (alongside broader research and data referenced throughout this document) on costs and benefits has been central to the Government's consultation analysis and to the policy approach set out in this response. In particular, the Government's confirmed plans to phase the policy into effect over time and broadly align with wider system developments taking place, as well as the amends to scope set out in response to Questions 2, 5 and 13. We feel that this is a proportionate approach that recognises the clear consumer, net zero and innovation benefits (which stakeholders also emphasised in their responses) alongside the need to maximise cost-efficiency from an industry perspective.

159. Feedback on costs and benefits has fed into, and are addressed in more detail, in the final Impact Assessment, published alongside this consultation. The Impact Assessment also contains a more detailed Monitoring & Evaluation plan, as well as Public Sector Equality Duty assessment. Summarised, these are:

a. That the Government will use energy supplier engagement and a range of existing data sources to monitor the number and complexity of data offerings in the market, consumer engagement with such offerings and customer and third party requests for data. Such monitoring will feed into overall policy evaluation including a Post Implementation Review (PIR) of the policy.

b. That the overall equalities opportunities of the policy (by way of making data and energy use information more freely available to non-domestic customers in a user-accessible way) outweigh risks. However, in those areas where risks have been identified, a proportionate package of measures will be implemented to mitigate those. Some are directly built into the final policy proposals (e.g., steps to maximise cost-efficiency) and others are non-regulatory and will be implemented alongside the policy (e.g., Government support for industry in designing data tools for non-domestic customers with accessibility requirements). Further detail is set out in the attached Impact Assessment.

Annex A: List of respondents

Alt HAN
AND Technology Research
Association of Convenience Stores (ACS)
Association of Independent Meter and Data Agents (AIMDA)
Automated Meter Reading (AMR) Service Providers Code of Practice (ASPCoP)
British Gas
Building Research Establishment (BRE)
Citizens Advice
Corona Energy
Drax Group PLC
E.ON
ElectraLink
Elexon
Elmhurst Energy
Energy Services and Technology Association (ESTA)
Energy Sparks
Energy supplier (confidential)
Energy UK
Engie
Gazprom Energy
Good Energy
Hildebrand
Imby
IMServ
Industrial & Commercial Shippers & Suppliers (ICoSS)
n3rgy
Ombudsman Services
Scottish Power
Siemens
Smart Energy GB
SSE Energy Solutions
Stark
Transport for London (TfL)

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