ESTA RESPONSE TO:

SMIP: A call for evidence on privacy and data access
DECC

Issued: 18 August 2011
Closes: 13 October 2011

[redacted]
T: [redacted]
F: [redacted]
E: [redacted]
W: www.esta.org.uk

ESTA Energy Services and Technology Association
ESTA is the UK Industry Body representing suppliers of products, systems and services for Energy Management. The 120 members cover Energy Consultants, meter, AMR and controls manufacturers through to full Energy Services/Contract Energy Management.

ESTA is engaged with UK Government policies on Energy and Climate Change, The Green Deal, Energy Performance of Building Directive, Part L Building Regulations, Display Energy Certificates, Carbon Reduction Commitment, Energy Services Directive and the roll-out of smart and advanced meters. It also provides UK input to developing international energy management standards and Chairs several BSI committees.

ESTA members are key to the realisation of a low carbon, secure and affordable energy future. Our members provide equipment, systems and services for energy management to reduce energy demand at source and including renewables.

Our response is a majority consensus of the members involved. Where ESTA members respond directly, they may offer differing opinions on some issues which we respect as expressing their own definitive view.

SMIP: A call for evidence on privacy and data access

Responses covering specific questions as laid out in the consultation.

2. The privacy policy framework

2. To what extent would different rules for access to data between suppliers and third parties be expected to impact on the development of an energy services market (in terms of product and tariff innovation and / or entry to the energy market by third parties)? What are the particular data uses to which these concerns apply?

It is important to maintain a level-playing field at all times, different rules for access of data should only be applied to the supplier managing the customer account and the same supplier offering energy services. Access to specific data for both suppliers and third parties offering energy service provision should be via customer consent for that specific purpose and the same rules applied

Internal data 'bleed' from the supplier who requires data for regulatory purposes to their energy services arm should not take place without consumer 'opt-in' and regulation should be in place to combat activity that ignores this. DPA rights should be maintained.

For the development of services, for innovation purposes, anonymised data, aggregated or otherwise via the DCC could be made available for those wishing to enter the market. Data gained by energy services companies from their opted-in customer base should not be restricted, nor customer data available to the supplier for the creation of bespoke or time-of-use tariffs.

Regulation should be in place to combat dominant market players from abusing their position in the market, should misuse of data be evidenced.

An increased presence of energy service offerings by energy suppliers in the market should increase innovation at the lower end, maximising savings and driving competition. This scenario should not be impeded because of poorly regulated data access rules.

3. Are there any data uses, apart from those set out below, where the arrangements for access to data could have an impact on the benefits of the programme. How does this analysis differ for the gas market?

It is early days to discover what informational drivers will be needed to reduce domestic energy consumption. This will require innovation, and probably input from independent energy savings businesses. In industry it is generally 3 categories

a) take general measures (e.g. insulation, more efficient plant, etc) and watch the monthly consumption drop - such action requires only monthly register data access, or what regulation requires of a supplier. Access to this data is unlikely to be sensitive, but permission by the consumer should still be required for use by anyone other than their supplier. Standard energy brokers are likely to be able to provide this service

b) low hanging fruit - by looking at recent half-hourly data it is easy to target areas of wastage from base load (consumption overnight or during times away from home). Such data is currently not required by regulation, and consumers should be able to grant access to both their supplier and any other independent agent. Used extensively in I&C markets.

c) targeted measures - this relies on access to more immediate demand data, so that alerts can be raised if there is unexpected consumption. This is the fine tuning, for consumers who have already acted on drivers a) and b). Such data, although available fiscally in I&C through advanced meters and GPRS technology is not used extensively yet. It generally requires significant user intervention, but there is plenty of scope for automating information to the consumer based on this data. Such data is likely to be the most sensitive, as it indicates immediate occupancy. Consumers should be able to grant access to this to whom they choose, but should be appropriately warned, and the facility to remove access quickly should also be in place.

In gas it is unlikely that anything more than category a) will be necessary. Hourly consumption is useful in industry where there is considerable plant use, but is unlikely to be useful in the home. Perhaps c) may have some uses if the user is aware of the effect of thermostatic control in central heating.

It is unlikely that the suppliers will be the innovators for energy savings. Therefore it is imperative that the whole market is able to have unfettered access with the consumers permission and under his control. We want to avoid the situation where the Big 6 agree between themselves the maximum savings that could be achieved in what is told to the consumer. Independent innovators need to be able to continually challenge this.

4. What types of energy services and energy advice could be provided by the market (by suppliers and / or ESCOs / potential new entrants) that require access to specific levels of data? What level of data granularity (frequency, time-lag) are needed to provide such services and what is the potential impact of these services in terms of percentage energy savings? Please provide empirical examples and explain the basis of any assumptions and distinguish between gas and electricity.

See response to question 3.

7. What level of take-up of time-of-use tariffs could be expected under different scenarios for access to data? What information is needed to design time of use tariffs? In particular would sample or anonymised data be sufficient?

For customers opted-in to receiving information from their supplier for a more bespoke and beneficial tariff, data use should not be restricted for this purpose. For those that are not opted-in, anonymised data could be used as a way of suggesting possible alternatives via billing communications.

8. Do you agree that individual half-hourly data is not currently required for suppliers to meet their obligations in relation to settlement? Over what timescale are any changes to settlement likely to take place and what might the implications be in terms of data requirements?

Yes. Settlement is currently done by profiling. However many suppliers are installing advanced meters that can be easily enabled to record and retrieve half-hourly data. There is a case for allowing independent parties to access this half-hourly data on behalf of the customer. This will catalyse its use in settlement. Most I&C customers are aware of the varying costs of electricity supply in different time periods, and their access to HH data will enable them to negotiate better with their suppliers. We do not want to be in a position where suppliers are reading HH data from the customer, charging them for it, and the customer not seeing it. Note there is still a large part of the HH market where this is still the case.

13. Do you consider that use of data by network companies to support them in maintaining an efficient and economic network should be considered a regulated duty?

Use of data by network companies, should be considered a regulated duty.

16. Are there any alternatives to a basic opt-in or opt-out approach to consumer choice such as some form of prompted choice? What are the practical and consumer protection considerations in relation to different options(for example when and how)? From a consumer perspective what alternative approaches and vehicles (for example letter, email, phone) to seek customer consent are there?

If customers are opted-out, they should only be reminded of their opted out status and the other options made available via the communication that they are opted-in for. Prompted choice, in the direct sense should only be used until a choice has been made, which should be within the initial stages following the move to a smart meter.

18. What current and future technical options exist for energy consumption data minimisation / privacy enhancing technologies? How might aggregated or anonymised data be provided in practice? Would this imply additional services to be provided by DCC?

The DCC would be well placed to provide anonymised and aggregated data as an additional service for new entrants to the market and for those ESCOs wanting to expand into other areas. The costs in accessing this information should not be as restrictive as to defeat the purpose of driving innovation and competition in the market.

It is unlikely that energy consumption data will minimise in future as broader technologies are developed, although privacy for differing levels of data may require further thought as the SMIP progresses and more granular detail required to provide necessary benefits to customers.

19. What parts of the privacy policy framework do you think should be delivered by regulation and why?

It is imperative that boundaries surrounding data access is regulated in order to maintain consumer choice and value. And in addition to maintain the level playing field required to deliver the competition required in the energy services sector and to maximise the benefits in energy efficiency from that.

20. What is the most effective way to set out any sector specific protections around privacy (e.g. licence conditions or other alternatives)?

Privacy should be included in the supplier licence conditions setting out the boundaries for use of consumer data.

2. Data Access

21. What practical options for authentication would provide the right balance between allowing easy access to consumer data in the home while providing the necessary privacy protection? Are there any other issues or options that the programme should be considering in developing the approach in this area?

An account number coupled with the Smart Meter ID should provide the necessary privacy protection when dealing with the HAN.

22. Are there other issues that need to be considered to make using the HAN a viable route for access to data in the home, from either a process or consumer perspective?

The consumer must have unfettered access to the HAN and for the addition of any 'bridging device' to be made. The coupling of a bridging device could be via manual input on the smart meter.

23. What sort of arrangements would provide an appropriate balance between providing ease of access for consumers seeking to sign up to new services and adequate protection for consumers' data when accessed via DCC? Do you have any suggestions for alternative approaches?

We would envisage a web portal or automated phone line that allowed the consumer to grant certain access. For example access a) b) and c) above to

i) everyone

ii) current supplier

iii) specific parties

24. Are there other issues or options that the programme should be thinking about for the Foundation Stage or for non-domestic customers to facilitate access to data?

Access to data should not be an issue for customers after the initial roll-out. Access to data from the customer should be available via the HAN and for third parties including the supplier for energy services purposes via HAN and DCC.

25. Do you have any suggestions as to how the Foundation Stage can be used to further learn about our approach to data access and privacy?

Data access and privacy will be a continual issue as technology improves, How and what customers access from the information available will be a key indicator as to the approach that needs to be taken in the future.