Smart Metering Implementation Programme – Roll-Out Team
Department of Energy & Climate Change
3 Whitehall Place
London
SW1A 2AW

13 October 2011

Dear Sir or Madam,

Smart Metering Implementation Programme – A call for evidence on data access and privacy

EDF Energy would like to thank DECC for the opportunity to respond to the questions raised in your call for evidence on data access and privacy and we hope you will find our input of use.

Firstly, EDF Energy has only installed a limited number of smart meters to date as part of various tests and trials and as a result has little evidence that we are able to provide. We are looking to increase our smart meter installations somewhat over the coming months and will look to these as opportunities to refine our thinking based on the analysis we will undertake. Our first opportunity to undertake such research will be through our participation in the Low Carbon London project.

EDF Energy agrees with Government that it is the customer that owns the smart metering data and they should have some say as to who has access to it and how it is used. However, as an energy supplier we have a number of regulatory obligations and associated legitimate business activities (for example, the wider legitimate activities of electricity supplier beyond the specific requirements imposed by supply licences), which require access to data, and for which it would be inappropriate for customers to be able to refuse such access.

The current regulatory obligations in place are based upon the data that is available from a 'dumb' meter with limited technology. The move to smart metering, with its new technology and greater capabilities, calls into question whether these obligations in their current format are fit for purpose in the new, smart world. For example, EDF Energy typically discharges its duty to prevent and detect energy theft using one read per quarter. The window for potential theft is approximately 90 days and could be longer if the Data Collector is not able to gain access to the premises to read the meter. With the introduction of smart metering, the capability to detect theft much earlier is realised – saving considerable costs and time.

We would therefore urge DECC and Ofgem to consider a review our obligations, taking account of views and evidence from licensed industry parties and other stakeholders. We believe there must be clear guidance set out by the Programme and Ofgem on what level of smart metering data is required to discharge both regulatory duties and associated activities. This guidance must provide the necessary clarity and transparency for customers, licensees and code parties (BSC and SEC) and will be a key factor in

EDF Energy
40 Grosvenor Place, Victoria
London SW1X 7EN
Tel +44 (0) 020 7752 2187

edfenergy.com

determining the appropriate consent mechanisms. By ensuring that all suppliers abide by the same regulations and obligations, a level playing field will be created thereby ensuring consumer choice and affording appropriate protections while allowing suppliers to deliver the benefits and savings that smart metering will bring.

Please find our responses to the 25 questions raised in the attachment to this letter.

We look forward to continuing to work with the Programme and providing further input into the many present and future discussions. [redacted]

[redacted]

[redacted]

[redacted]

Attachment

Smart Metering Implementation Programme – A call for evidence on data access and privacy

EDF Energy's response to your questions

Q1 Please submit any further evidence, such as surveys or consumer research, regarding privacy issues and smart metering. In particular is there evidence available about the effects of the availability and aggregation levels of more granular data (for example daily)?

EDF Energy does not have any specific evidence or consumer research regarding privacy issues and smart metering that it can provide in response to this call for evidence. Indeed, we do not believe there is much evidence detailing any concerns around the availability of data on a daily basis versus half hourly.

At this moment in time, EDF Energy has not seen any explicit or implicit adverse customer reaction to having access to more granular data. We believe this position will be heavily influenced over time by how industry uses the data e.g. whether customers see the value or not or whether there are issues over unwanted marketing etc.

Consumer research shows that customers may have some concerns around costs, faults and the reliability of the technology. However, there were far fewer concerns or queries raised about issues such as data privacy and how energy companies might use smart meters and the information this gave them.

Customers have also expressed some concern at the data being used for sales and marketing purposes. This is an area where EDF Energy has defined policy and processes in place to ensure that the relevant consents are obtained from customers before undertaking any such activity. This principle also applies to EDF Energy passing customers' details onto a Third Party for marketing purposes.

We believe that customers should be made aware of their rights in relation to Privacy and Data Protection. Research has shown that customers are not particularly aware of their rights around data protection – a generic issue that is far wider than just the energy industry.

EDF Energy is currently working with the Energy Retail Association in developing the Privacy Charter which will go along way to address this and ensure customers are better informed.

Q2 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?

Existing published research shows that consumers trust the advice provided by their supplier relating to energy efficiency. EDF Energy believes that the energy services market

is already a competitive one and supports the view that existing participants and new entrants should be able to participate on an equal basis.

As an energy supplier, EDF Energy will need data access to fulfil obligations that are quite different from the role of an Energy Services Company and as such there may be the need for different rules to ensure that we can continue to operate according to licence obligations. EDF Energy believes that suppliers will play a key role in raising the profile of energy efficiency with its customers.

Energy Suppliers already have an existing licence obligation around the provision of energy efficiency advice. While this advice is fit for purpose, it is often generic and at a high level and is not tailored to individual customers.

With appropriate consent, we believe that we can drive customer engagement in energy usage through analysis of actual energy consumption (read data) and home/behavioural data (third party and customer supplied data). Such analysis can be fed back to customers through a variety of media, such as energy saving reports (supported by energy saving tips), alerts and products to aid energy reduction.

In addition, more detailed consumption data will allow EDF Energy to innovate and develop tariffs that accurately reflect the requirements of energy services technology, including Electric Vehicles, Heat pumps and Time of Use products.

We strongly believe that all parties who access smart metering data using the DCC must pay the costs attributable to this activity.

EDF Energy believes that all users of the DCC should sign up to the Smart Energy Code (SEC). The SEC should be the vehicle for ensuring that appropriate obligations are placed on all signatories in ensuring security and privacy of smart metering data.

We believe that further discussions are necessary to understand whether the existing regulated duties are fit for purpose for the smart metering world and the Government's low carbon ambitions.

Q3 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?

EDF Energy expects to be able to deliver a set of benefits to customers through the effective use of data enabled by smart metering, including;

- accurate bills and better customer service;
- the ability to better manage customer energy needs;
- customers having easy access to meaningful and tailored energy efficiency advice from a range of sources;
- smoother and faster switching between suppliers; and
- being able to take advantage of more tailored products and services that better meet their needs.

Q4 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.

The provision of energy efficiency advice is an existing part of EDF Energy's supply licence obligations and we would draw DECC's attention to Standard Condition 31.2 - The licensee must maintain:

(a) information about the efficient use of electricity to enable a Domestic Customer to make an informed judgment about measures to improve the efficiency with which he uses the electricity supplied to his Domestic Premises; and

(b) information about sources from which a Domestic Customer may obtain additional information or assistance about measures to improve the efficiency with which he uses the electricity supplied to his Domestic Premises, including information:

(i) that is publicly available about financial assistance towards the cost of the measures available from government; or

(ii) that is available through bodies in receipt of financial assistance from government in connection with measures to promote the efficient use of energy.

Existing market research shows that most beneficial energy efficiency advice comes from using accurate and specific data. Advice that is tailored to the customer is far more powerful than simply providing generic advice that may or may not be wholly appropriate. We will be seeking customer opt in to provision of granular data to deliver this enhanced service offering.

We believe that we can drive customer engagement in energy usage through analysis of actual energy consumption (read data) and home/behavioural data (third party and customer supplied data). Such analysis can be fed back to customers through a variety of media, such as an energy saving report, supported by energy saving tips, alerts and products to aid energy reduction. Based on deployments in the United States, an energy reduction of 1.5 - 3.5% could be expected. Indeed, EDF Energy's own research from Energy Demand Research Project (EDRP) showed that customers are much less engaged with high level, out of date data when it comes to energy advice.

EDF Energy is considering whether to participate in the Green Deal when this is launched by Government. We believe that accurate consumption data would allow EDF Energy to provide tailored advice, assess customer suitability, provide the relevant energy saving measure and accurately assess the payback period.

Q5 Should theft management be considered a regulated duty for which suppliers should have access to a certain level of smart metering data? What level of data would be required and how would this be used to manage theft? Please provide practical examples.

The provision of theft management is already an existing part of EDF Energy's supply licence and we would draw DECC 's attention to Standard Condition 12.1 - The licensee must take and must ensure that its agents take all reasonable steps to detect and prevent:

(a) the theft or abstraction of electricity at premises supplied by it;

(b) damage to any electrical plant, electric line or Metering Equipment through which such premises are supplied with electricity; and

(c) interference with any Metering Equipment through which such premises are supplied with electricity.

We believe that a regular set of meter readings from which we can proactively detect unusual consumption patterns will allow us to even more effectively discharge this duty.

The current economic climate potentially poses additional risk and it is therefore necessary to have accurate data in a timely fashion in order to mitigate and react to these risks.

We would also draw DECC's attention to the current Ofgem Consultation on Theft of Gas for which we are currently considering our response.

Q6 Does data need to be collected from all customers all of the time, for theft management, or could there be a trigger for accessing more detailed data (for example where theft is suspected)?

As stated in our answer to question 5, EDF Energy believes that regular meter readings should be taken for the prevention and detection of theft. This provides EDF Energy with a set of meter readings from which we can proactively detect unusual consumption patterns but does not require granular consumption information.

The technical specification for smart meters includes a number of alarms to highlight meter tampering but these will only be triggered if there is possible tampering of the smart metering equipment itself. EDF Energy's own experiences have shown that energy theft often occurs away from the meter, such as on incoming electricity cables. In these situations a meter tamper alert would not be triggered and EDF Energy would not be aware that energy theft is taking place.

EDF Energy has a Revenue Protection Service that pro-actively investigates and looks for evidence of energy theft and access to more frequent data would support this activity even further.

In addition, we believe that the Network Operators have a key role to play and should work collaboratively with energy suppliers in both the detection and prevention of theft. Through such collective working, and with more data available, we will have a much better understanding of network/supplier losses, which would in turn make settlements more accurate.

Q7 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?

EDF Energy will require access to an aggregated level of data from smart meters in order to deliver innovation in the provision of new products, services and tariffs including Time of Use (TOU) for our customers. Innovation is seen as an essential requirement in order to encourage consumer engagement in reducing energy demand to support meeting the Impact Assessment.

If Half Hourly Settlements were to be introduced then data on a more individual level would be needed as more complex time of use tariffs would become possible and EDF Energy would want a review of regulated data for tariffs at this point.

Certain customer groups or customer lifestyles mean consideration has to be made when thinking of providing ToU tariffs, as shown in the Australian roll-out where vulnerable groups were hit disproportionately causing a delay in the smart meter roll-out. Consideration must be made as to how to deal with these customers with greater access to data.

In the Republic of Ireland smart meter business case, provision has been made for a minimum 55% take up of ToU tariffs for customers with smart meters. Initially, we believe the uptake for ToU in the GB roll-out is likely to be substantially less than the Irish roll-out as we believe customers prefer simple tariffs and do not yet have a full understanding of the need of ToU to support national infrastructure costs or the savings that could be made to their bills. We therefore believe that support for ToU will be needed in the national roll-out / consumer engagement campaign to ensure a wider acceptance of ToU tariffs and the benefits they bring.

We believe that suppliers are likely to push ToU far more with Electric Vehicle and Heat Pump customers so the take up of these will have a bearing on the overall ToU tariff take up.

Future supply intermittency that significantly impacts wholesale prices is likely to provide the price drivers for more complex tariffs to manage and reduce customer bills which may lead to a further uplift in ToU tariff take up (but such tariffs would rely on HH settlements). Before advanced (dynamic) ToU tariffs can be introduced, customers would need to have a certain level of understanding and be used to the simpler Time of Use tariff structures.

Q8 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?

EDF Energy needs accurate meter register data on a monthly to quarterly basis for the current gas and electricity settlements systems covered by the smart meter roll-out.

EDF Energy has some concerns over the ability of the industry, pre Half Hourly settlements, to create profiles for settling ToU tariffs with more than 2 rates to maximise the benefit of suppliers developing and selling these tariff types. This concern includes the industry

agreeing times when switching will happen as different suppliers would have different generation assets being used to meet customer demand.

Half Hourly settlements is expected at some point before 2020 and this would alter the data requirements, with more data needed should it operate in a similar way to the existing Half Hourly settlements market. We believe that when Half Hourly settlement is introduced the data requirements of suppliers should be reviewed and expanded. Half Hourly settlements would enable EDF Energy to match tariffs to our generation more easily as opposed to using the current settlement profile process.

In the Half Hourly settlement world, one particular area that EDF Energy will need to access data is with respect to Demand Response actions. We believe that we will need to know demand response actions and the effect on our customers by 3rd parties (including DNO's) to ensure minimal impact on trading positions and generation efficiency.

Q9 How far would aggregated or sample data provide suppliers' with what they need in the area of wholesale hedging? Please provide examples of how the data would be used and where possible quantify potential benefits and costs.

EDF Energy would support the need for aggregated profile data being available for wholesale hedging and associated energy trading processes. Data would be used for improving forecasting and confidence in trading positions which should allow better use of generation assets and lower CO2 emissions.

The data needed by EDF Energy in energy trading, including hedging, would need to be reviewed if Half Hourly settlement starts for PC1-4 as it would have a larger impact on the way the industry operates in this area than the introduction of smart metering on its own.

To reaffirm our response in Question 8, in the Half Hourly settlements world, one particular area that EDF Energy will need to access data is to know the data on Demand Response actions.

Q10 What level of data would be required and how would this be used to manage debt? Please provide practical examples.

The provision of debt management is an existing part of EDF Energy's supply licence obligations and we would draw DECC 's attention to Standard Condition 27.8 - The licensee must take all reasonable steps to ascertain the Domestic Customer's ability to pay and must take this into account when calculating installments, giving due consideration to:

(a) relevant information provided by third parties, where it is available to the licensee; and

(b) where installments will be paid using a prepayment meter, the value of all of the charges that are to be recovered through that meter.

We believe the availability of more detailed data will allow EDF Energy to provide a more enhanced service to its customers.

As stated in our answer to question 5, EDF Energy believes that regular, accurate meter readings are required for the management of debt. This will allow us to not only predict more accurately what a customer will consume going forwards (and so ensure payment installments are more accurate and more reflective of a customer's own consumption) but

it will also facilitate improved tracking of whether the installment value continues to be appropriate. We believe this to be of particular importance operating in an ever changing market, uncertainty in the future wholesale market and the financial uncertainties faced by much of the population.

We believe that this will significantly improve existing arrangements. Estimated meter readings used for billing purposes is recognised as a contributing factor to the build up of customer debt.

Q11 How would suppliers envisage using daily data to support debt management and what evidence do they have to support claims of additional savings that could be achieved with access to daily data as opposed to less frequent data?

We would refer DECC to our response to Question 10.

This is an area where we intend to undertake further research and analysis over the coming months to quantify the anticipated benefits.

Q12 How could smart metering data be used to identify and protect vulnerable consumers? Should such activity be considered a regulated duty and are any licence changes needed to create particular duties on suppliers in this area?

EDF Energy believes that the availability of regular smart meter data could help more easily identify customers in, or close to, fuel poverty. For example, customers who regularly self disconnect in PAYG mode might indicate that they don't have sufficient money to regularly top up. With such information, EDF Energy could proactively ensure that these customers are aware of assistance that might be available to them.

Detailed consumption data in itself would not necessarily help EDF Energy in identifying vulnerable customers as this is purely metering data. In order to identify a vulnerable customer, EDF Energy would need to be aware of the customer age, whether they had young children and their ages and details of disabilities etc – none of which will be available from the smart meter. In addition, health information is considered as sensitive data under the Data Protection Act and would therefore place additional requirements (in terms of expressed permissions etc) upon EDF Energy.

The Priority Services Register will continue to be used to note those customers who have specific needs and we will continue to use and reference this register in a smart meter world.

EDF Energy already has obligations and responsibilities to identify and protect vulnerable consumers. EDF Energy does not feel it necessary to impose additional regulations upon suppliers to identify customers who may be classed as vulnerable. We believe the majority of customers would not want to freely share their personal circumstances with suppliers and, even if they did, a conversation on its own would not necessarily reveal the full picture.

We would urge DECC to be mindful of the potential damage to the roll-out programme that could be caused if customers felt that suppliers appeared to be intruding on their personal life.

Q13 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?

As a generator and supplier of electricity, EDF Energy is happy, with one caveat, with both the Distribution and Transmission Network Operators in having the smart metering data needed to support the development of the low carbon infrastructure. This is clearly needed to support more capacity for Electric Vehicle and Heat Pumps at a local level, the ability to deal with larger central generation assets and wind intermittency at a national level and lowering customer bills.

Having said this, EDF Energy does have concerns with the Distribution and Transmission Network Operators using regulated data for commercial advantage if it is unavailable to the rest of the industry. The area of most concern is altering any new demand response market in the Profile Class 1-4 arena from where it has most value to UKPLC and the customer. Tight controls must be in place in this area if competitive advantage is possible.

Q14 Do you agree with the requirement for such data to be anonymised or aggregated wherever possible, and how should this be monitored?

EDF Energy supports the most efficient use of the data to deliver a secure, reliable, low carbon and low cost national infrastructure. If data can be anonymised or aggregated and still provide the data the Distribution Network Operators need then we support this requirement.

Further work is needed to identify who should aggregate data and how this should be done and we look forward to contributing to these discussions with DECC over the coming months.

Q15 Would suppliers be expected to advise consumers of network company usage of data given network companies do not have a direct relationship with customers?

EDF Energy believes that suppliers will be best placed to inform customers as to what data will be taken and used from the metering system and by who as it is the supplier who maintains the customer relationship.

EDF Energy believes this can by done through a variety of media including letters and the Privacy Charter (which is currently being collaboratively developed by suppliers) or through a supplier's Terms & Conditions.

Q16 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?

EDF Energy believes it is appropriate to obtain customer consent to collect and use consumption information over and above what is required for Regulated Duties, and in order to deliver the full range of smart metering benefits. We believe there must be clear guidance set out by the Programme and Ofgem on what level of smart metering data is

required to discharge both legitimate and Regulated Duties. This guidance must provide the necessary clarity and transparency for customers, licensees and code parties (BSC and SEC) and will be a key factor in determining the appropriate consent mechanisms.

EDF Energy looks forward to continuing to work with DECC and the other stakeholders in this area to ensure that the right balance is reached, ensuring that customers are afforded the right level of protection and that EDF Energy is able to deliver the benefits smart metering will bring.

Q17 What evidence is there of likely take-up rates that could be achieved through different approaches to consumer choice?

We are currently unable to provide DECC with any evidence of likely take up rates through different approaches to consumer choice. This is an area where we will be conducting analysis over the coming months and will be able to provide DECC an update on our findings then.

Q18 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?

EDF Energy is aware of some of the possible data minimisation and privacy enhancing technologies and research that could be used for smart meters.

We believe that much of the technologies and theories currently being researched are specifically aimed at aggregating and/or anonymising data at the customer premises before being sent to energy companies leading to no customer level consumption data being sent to an energy supplier. EDF Energy does not believe that this level of privacy technology is necessary, or indeed appropriate, for smart meters.

We do not believe that methodologies for the aggregation or anonimisation of data have been fully considered by the Smart Metering Programme to date. In addition, the impacts and benefits to all of the regulatory or legitimate uses of data have not yet been defined.

We would urge DECC to commit the appropriately skilled resource to fully investigate and research all of the options available. If aggregating or anonymising data is seen as the default option, consideration must be given to which party will undertake this activity as no one within the current arrangements carries out such a role.

Finally, we urge DECC to be mindful that the implementation of a new technology comes at a cost. There must be full and transparent discussions around financial implications to industry, including cost allocation and cost recovery.

Q19 What parts of the privacy policy framework do you think should be delivered by regulation and why?

EDF Energy would draw DECC's attention to the existing industry regulatory framework which has operated without any specific licence obligations relating to data privacy. We do not believe that the introduction of smart metering requires changes to this existing framework or any new or further regulation in this area.

The Privacy Charter being developed by suppliers will set our minimum standards that all suppliers will maintain around data privacy. We believe that this Charter, together with the protections offered under the Data Protection Act are fit for purpose in ensuring customer data is protected. EDF Energy regularly ensures data privacy compliance is considered throughout the business.

Q20 What is the most effective way to set out any sector specific protections around privacy (e.g. licence conditions or other alternatives)?

As mentioned in our response to Question 19, we do not believe that the introduction of smart metering requires any changes to the existing framework or that any new / additional regulation is required in this area.

EDF Energy does not believe that sector specific protections around privacy are necessary. We currently process significant volumes of customer data without the existence of any sector specific protections.

We believe that there will be effective protections put in place to protect privacy. All users of the DCC will be signatories to the Smart Energy Code, energy suppliers already have obligations in their Standard Licence Conditions, and the Data Protection Act underpins the process.

Q21 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?

EDF Energy believes that allowing customers easy access to their data in the home requires the right balance between ease of use (otherwise customers will not be engaged) and applying the appropriate security and privacy levels.

There are a number of factors that must be taken into consideration when reaching any decision in this area. The solution must be customer friendly and take into consideration that many meters are likely to be situated outside of the premises. If customers need to interact directly with their smart meters to pair devices there will need to be a security confirmation process with each device.

EDF Energy has participated in the recent ODAG Data Access Group discussions where it has been suggested that some form of PIN could be used to achieve this. Before reaching any decision we would urge DECC to undertake further analysis of costs and benefits associated with any such solution, usability i.e. ease for consumer to carry out this process, together with identifying other potential solutions. The potential options that will be tabled for further consideration as this matter develops must go through a security & privacy risk assessment process via the existing Security and Technical Expert Group. EDF Energy welcomes the opportunity to continue to contribute to these discussions.

In addition, there are a number of issues still to be resolved around the HAN – the technology and ensuring that the HAN is available throughout the customer's home are two key considerations.

There are likely to be properties where there is insufficient signal propagation between the smart metering HAN and the customer's devices within the home. To address this

problem, we may need to use additional signal repeaters (or comparable technology) and the Programme should give this due consideration, in terms of technology availability, cost and the role that EDF Energy and the other suppliers might have in this scenario.

Q22 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?

As referenced in our response to Question 21, EDF Energy believes that for the HAN to be a viable route for customers to access data within the home, the HAN must be user friendly, secure and be available throughout the customer's premises.

Customers will be able to access up to 13 months of Half Hourly consumption data from their smart metering system. This data includes the units used and the current price. It does not include previous tariffs the customer may have been on in the previous 13 months. Further work is needed to ensure that customers are aware of this, and are therefore empowered to make informed decisions, particularly in relation to price change events that may occur, or if a customer moves from one tariff to another.

EDF Energy believes that the technology deployed must be secure and not prone to inappropriate customer intervention e.g. turning it off. In addition, the interface must be customer friendly so that devices are easy to pair and only need to be paired once otherwise customers will quickly lose interest.

Finally, whatever HAN technology is chosen, customers must be able to access their data in a consistent format regardless of what the technology might be in one premises from another.

Q23 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?

EDF Energy believes that the approach must ensure only a minimal amount of effort is needed from customers to allow an Authorised Third Party (ATP) to access their data using the DCC. We believe that all ATPs should be signatories to the Smart Energy Code in order to obtain access permission from customers. In addition there must be processes in place to prove that a customer's permission has been obtained and these must be auditable as required.

EDF Energy believes that the DCC should be responsible for, and operate, the access regime as it is the organisation that has responsibility for the end to end security and for controlling access to smart metering points.

There have been proposals tabled at the ODAG Data Access Group of using a 'one-off PIN' to ensure the customer is in the correct premises. We believe the process for PIN generation, if there is to be one, should sit with the DCC but we would require further work to be undertaken to understand how this will actually work in practice and whether this would have any impacts on us and our customers.

Q24 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?

EDF Energy would bring to DECC's attention that during Foundation Stage the required infrastructure, such as DCC, will not be in place and therefore each supplier is likely to have their own processes for accessing customer data. The security and privacy arrangements, while complying with existing legislation, may not meet the requirements of the enduring solution.

In addition, the customer's ability to access their consumption data within the home environment may not be comparable across suppliers as various HAN technologies and devices are trialed and tested – as referenced earlier, the HAN technology has not yet been chosen.

Although we do not have research to support our view, it is likely that domestic customers' awareness and appetite for accessing their data is limited. The current availability of bridging devices for customer use within the HAN is somewhat questionable, and in an emerging market current costs to consumers are likely to be higher than in a developed, competitive marketplace. This may act as a deterrent to customer desire to access data.

EDF Energy has not seen any explicit or implicit adverse customer reaction to their supplier having the ability to access a more granular level of data. We believe this position will be heavily influenced over time by how industry uses the data e.g. whether customers see the value or not, or whether there are issues over unwanted marketing etc. Taking this into consideration, we believe the Foundation stage is therefore crucial to drive out this insight.

EDF Energy believes that a key element of the success criteria for the Foundation Stage must be that it has enhanced consumer engagement with both energy efficiency and with smart metering. The issues we describe above will not at all help to achieve consumer engagement and putting right any wrongs may prove to be costly and as an industry we should seek to avoid them.

In today's SME market, ESCOs and Metering Services Providers (MSPs) are already providing an energy services offering direct to the customer that includes metering and data services. EDF Energy, as the customer's supplier, has no access to this data and our role is simply to bill for the energy used.

Looking to the future enduring solution in the SME sector, EDF Energy has real concerns at how data will be accessed by suppliers where the customer has entered into a separate contractual relationship with a MSP who has opted out of the DCC.

EDF Energy must have the ability of two way communication with the smart metering equipment, to carry out other functions such as tariff updates, meter reconfiguration and the safe receipt of alerts and alarms for action. This could be done by allowing suppliers direct access to an 'opted out' meter utilising the DCC or by having appropriate regulation placed upon the MSP to perform those functions thereby safeguarding EDF Energy's ability to operate under business as usual conditions.

EDF Energy strongly believes that MSPs, and any other comparable party who has opted out of the DCC, must have standard interfaces and must adhere to the same obligations as those parties who are signatories to the Smart Energy Code – particularly for security and data quality. We would recommend that DECC includes in its scope how suppliers can resolve failures by an opted out party e.g. MSPs infrastructure provider goes into administration.

Finally, EDF Energy has concerns that it may be held accountable for a licence breach where the MSP had failed to honour or comply with a request made by us as the supplier e.g. reconfigure from credit mode to prepayment mode.

Q25 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?

We believe that the proposed Foundation phase is an excellent opportunity to test and trial a variety of technologies and approaches in order to maximise the success of the mandated roll-out. Such tests and trials should not be limited to technologies and, among the many opportunities open to us, we should also include consumer engagement and approaches to data use alongside the options for consent.

We firmly believe that the customer is at the heart of the roll-out and EDF Energy would like the opportunity, working within the existing regulatory framework, to maximise collective learning opportunities.

EDF Energy
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