

Ofgem
10 South Colonnade
Canary Wharf
London, E14 4PU

16th September 2024

Email: digitalisation@ofgem.gov.uk

Response to consultation: Governance on Data Sharing Infrastructure

BUUK Infrastructure (BUUK) welcomes the opportunity to respond to the consultation on Governance proposals relating to Data Sharing Infrastructure.

Overview of our business

BUUK Infrastructure (BUUK) is the leading UK multi-utility infrastructure investor, working across Great Britain and competing against incumbent utility companies. Our initial interest in utilities began with ownership of regulated gas networks and we have gradually expanded our portfolio into other utility sectors including electricity, fibre, water, wastewater, and heat. As a result of our diverse asset base, we recognise the importance of effective data sharing and welcome opportunities to improve this across industry.

We understand and support the principle of NESO undertaking responsibilities – including overseeing data-sharing structure – under the proposed future models and would welcome further information as these principles develop. We feel some caution around the timelines currently being discussed for this activity as they are, in our view, optimistic. We would highlight the current re-visiting of the MHHS associated timelines as an example of how ambitious planning may not always yield the desired progress.

The primary risk which we have identified at this stage is that of the short-term governance model. While in itself we feel the structure has its merits, due to the relatively limited timelines associated, there is the potential that this will lead to temporary contractual arrangements for resources during the initial period. The concern is then that there could be an exodus of knowledge from the project within the early life support stages of development, to the detriment of its effectiveness.

We would also request that the NESO make effort to ensure that the views of Independent Network Parties are sought throughout the life of this project. Our experience unfortunately has often been that the views of incumbent Network Parties are taken to represent all Distributors, which is not the case and has led to important opportunities to gain a representative view of industry not being taken.

We would encourage this risk to be considered when implementing changes and look to ensure that robust party engagement is included at the heart of these reforms.

Yours faithfully,

Alex Travell
Head of Regulation

Responses to consultation questions:

A1.1 Q1. Do you see potential uses for the DSI within your day-to-day operation in the energy sector?

Possibly, however this is unclear at this time due to the limited amount of information available.

A1.2 Q2. Do you have any comments on the funding mentioned within this section?

We are comfortable with the proposal of this being funded by NESO rather than ourselves however, again, we believe further information on this is warranted.

A1.3 Q3. Do you have any comments on the timeline shown?

We believe at this stage that the timelines may be optimistic when measured against amount of detail yet to be confirmed and amount of action necessary to implement.

A1.4 Q4. Do you agree with our short-term governance structure model where the Interim DSI Coordinator is responsible for leading the short-term governance (2024 – 2028) of the DSI?

Yes, although there is a risk that this may lead to contracting of resource as a temporary measure to cover the interim period. If this did occur, as opposed to enduring set-up activity, it could potentially result in knowledge loss at the end of the initial period – to the detriment of the project and industry as a whole.

A1.5 Q5. If not, state your reasons and propose an alternative governance model or improvements to our proposed solution.

N/A

A1.6 Q6. Are there any additional governance roles that are not covered by the proposed governance model? If so, what are these?

None that we can identify at this time given the information available.

A1.7 Q7. Do you agree with the responsibilities of the interim DSI Coordinator? Are there any additional responsibilities that it should undertake?

None that we can identify at this time given the information available.

A1.8 Q8. Do the proposed deliverables reflect the outputs that the Interim DSI Coordinator should focus on in the initial DSI stages? Do you suggest any additional deliverables?

None that we can identify at this time given the information available.

A1.9 Q9. Do you agree with us that the System Operator is the best option as the Interim DSI Coordinator? If no, explain your reasons and justify your proposed option.

We have no concerns with the proposal.

A1.10 Q10. What assessment criteria do you foresee being required when transitioning from short-term governance to an enduring governance model?

To be determined when further information available.

A1.11 Q11. What suggestions or feedback do you have for refining these governance assessment criteria to better meet the requirements and challenges of digitalisation in the energy sector?

We would emphasise the importance of NESO consulting with industry – and ensuring that feedback is captured from both incumbent and independent network parties as the impact of this change could vary significantly between these parties.