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Sent by e-mail to: digitalisation@ofgem.gov.uk

Dear Jeff,

Governance of the Data Sharing Infrastructure Consultation

Thank you for providing the opportunity to respond to the consultation on the governance structure for the Data Sharing Infrastructure (DSI), which was published by Ofgem on 26 July 2024. As our energy system continues to expand, we recognise that sector participants will require secure and easily accessible data.

Standardising the data transfer process across the system will decentralise the process and thereby increase interoperability. We believe that data sharing and joint working between different systems and operators will be critical to enhance the efficiency and security of the network as we progress towards net zero. Hence, we support data transfer standardisation and believe that the DSI is a viable solution to meet these challenges.

We are committed to digitalisation and continue to focus on data transformation in RIIO-3. We will propose a series of investment proposals as part of our RIIO-T3 business plan submission including further development of our open data portal. We are of the view that our RIIO-T3 investments need to progress in parallel with the work on Data Sharing Infrastructure. Accordingly, we believe that Ofgem should consider directing a reopener window (within the RIIO-T3 period) to allow network companies (such as ourselves) to request funding for implementation of the DSI up to and beyond the pilot stages. This would also allow us to ensure integration (with the investments we are due to make in the RIIO-T3 period and beyond) is done in a considered and prudent manner. We look forward to engaging with you further on this topic.

We are broadly in support of Ofgem's initial DSI governance model outlined in the consultation, and we have set out our views in response to Ofgem's questions in Appendix 1 to this response. We welcome the opportunity to engage with Ofgem regarding the matters raised in this response. If you require any further information, please do not hesitate to get in touch.

Yours sincerely

Katie Stewart
Regulation Analyst, SSEN Transmission

Appendix 1

Section 2 Questions

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

1.1.1   We have identified several potential use cases within the energy ecosystem that are mostly applicable, but not limited to, Transmission Owners (TOs).

1.1.2   Opportunities exist to utilise the DSI throughout the design, planning and construction phases of our infrastructure projects. From data exchanges between the System Operator and TOs at the initial stages of a TO construction offer, long term planning studies, contractual arrangements and agreements, project progression and financial updates, through to project completion and handover of built asset information and exchange of customer Grid Code compliance data.

1.2.1   Potential use cases exist in the long-term system planning model where the DSI could be used for strategic planning, local area planning, Electricity Ten Year Statement, Holistic Network Design (HND), network options assessment and whole system planning. The DSI could facilitate these types of data exchanges between the System Operator, Distribution Network Operators (DNOs) and TOs.

1.1.3   There is also potential to explore how to build digitisation into the regulatory reporting framework at a later stage, to create a centrally coordinated solution streamlining data exchanges between the TO and the regulator.

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

1.2.1   We do not have strong views on the funding mentioned within Section 2 pertaining to funding recovery by the System Operator. However, the funding mechanisms described encourage agile delivery during the initial stages of DSI deployment at the System Operator end, which is critical as we continue to work together to roll out the DSI throughout the network.

1.2.2   We wish to engage with Ofgem to explore the potential funding mechanisms that will be offered to TOs to deliver the DSI Minimum Viable Product (MVP), fund annual operating costs and further use cases. As you will appreciate, as at the date of this response, our baseline funding requests for RIIO-T3 are currently at an advanced stage of governance and review since our RIIO-T3 Business Plan is due to be submitted to Ofgem in December 2024. Accordingly, we believe it would be more appropriate to offer an agile funding mechanism to TOs (e.g. such as by way of a price control reopener window) that would provide funding for implementation of the DSI up to and beyond the pilot stages and for future uses across the RIIO-T2 and RIIO-T3 price control periods.

1.2.3   The DSI is a critical feature that will digitalise our network, making it more agile and secure, thus it is critical that funding is available rapidly as we digitalise and decarbonise the energy system. Therefore, we request that the funding mechanisms are flexible and can be utilised at appropriate times to support agile deployment of the DSI.

1.2.4   We look forward to receiving further engagement from Ofgem on the alternative funding routes described in Section 2.48 including connection charges, usage-based charges, and targeted charges to recover operational costs and how they interlink with the different operators.

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

1.3.1   Implementation of the MVP is due in 2026 (as shown in Figure 2 of the consultation), which is in advance of implementation of the CSNP use case expected in Q4 of 2025. We understand the significance of the CSNP and the holistic benefits it will bring to the network. However, we are concerned that implementing the CSNP use case prior to the MVP will limit the opportunity to address any lessons learned from the initial stages of MVP implementation. In particular, the complexity of the prepare and trust element of Data Sharing incorporated into the CSNP use case will be highly challenging to change at later stages of development. Therefore, we request that complex use cases such as Strategic Planning and CSNP run in parallel with each other and implementation occurs after completion of the MVP, allowing us to address any necessary improvements highlighted during MVP delivery.

1.3.2   We appreciate that implementation of the DSI is prioritised to streamline and improve services in order to meet stakeholder needs. However, we request that Ofgem consider the learnings associated with the DSI pilot when developing future timelines.

1.3.2   We wish to highlight that an aggressive timeline may exacerbate issues around limited resource availability currently being experienced across the industry. This is an increasing concern facing the energy sector as the global IT skills gap increases. We have concerns that this situation would increase the reliance on third party resources, an expensive alternative that offers less value to the consumer over the long run. Therefore, we request that risk allowances are included into proposed timelines to mitigate against such limitations allowing deployment to occur at a pace that is relative to the industry and the challenges the industry is facing.

1.3.3   The milestone "Launch for regulated networks" is at the early stages of the "Promote in energy sector for additional use cases" task. We request that Ofgem provide clarification if the launch for regulated networks will be solely based on MVP use cases.

Section 3 Questions

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?

1.4.1   We agree with the short-term governance structure model where the Interim DSI Coordinator is responsible for leading the short-term governance (2024 – 2028) of the DSI.

1.4.2   Section 3.8 states that "Should participants misuse the DSI for commercial gain and violate the trust framework, the System Operator should take appropriate action to seek redress and prevent future misuse of the DSI." We request that Ofgem assess if this should read "System Operator" rather than "Interim DSI Co-ordinator" as the appointment of the System Operator to the Interim DSI Co-ordinator role is only a preferred option within section 4.

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

1.5.1   N/A – We agree with the short-term governance structure model (refer to our response to question A1.4 Q4).

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

1.6.1   We request that Ofgem consider whether the agreement, implementation, extension and testing of common data standards (to enable an interoperable model and data exchange) is adequately covered within the "Architecture - Prepare" governance element. Consideration should be given to whether this significant responsibility may merit a standalone governance role. For example, reference to CIM alone is not sufficient to define a standard for common grid model exchange.

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

1.7.1   We agree with the responsibilities of the interim DSI Coordinator. Subsequently, we wish to highlight the additional responsibilities that it should undertake including co-ordination of the agreement, implementation, extension and testing of common data standards to enable model and data exchange, and interoperable data assets.

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?

1.8.1   We agree that the proposed deliverables reflect the outputs that the DSI Coordinator should focus on in the initial DSI stages. Subsequently, we request that the following additional deliverable is considered: promoting and ensuring that the correct standards are chosen to ensure interoperability of data being requested and shared using the DSI.

Section 4 Questions

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.

1.9.1   We agree that the System Operator is the best option as the Interim DSI Co-ordinator due to its significant industry domain experience and its obligations around Data Best Practice. The System Operator participates in, and leads, on multiple industry codes, standards and processes as well as playing a key industry role in the GB and European energy industry. Therefore, it has the capabilities, co-ordination and resources to carry out the role. Moreover, once NESO is established, it is ideally placed to inherit the existing System Operator's responsibilities to encourage data sharing across the sector.

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

1.10.1   We request assessment against the interim roles and responsibilities in addition to any additional elements arising from the pilot and the MVP implementation.

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?

1.11.1   We would support the implementation of a shared Data Catalogue to drive alignment and interoperability across industry. Having a shared catalogue that aligns industry terms, and the interpretation of these terms, would ensure all participants use the same definition, removing any ambiguity.