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

Yes, as Stream, operating in the water sector perspective, we have a range of use cases logged within our pipeline that involve the sharing of water and energy data, from resilience, to incident management and planning and supporting vulnerable customers. With data sharing infrastructure now being available in the water sector via Stream, we look forward to the same developing in the energy sector providing the right (people, process, data and technology) foundations to underpin effective, repeatable and secure collaboration cross-sector.

The consultation document however, appears to focus only on use cases *within* the energy sector. It is a risk that cross sector interoperability has not been covered within this consultation document as we feel that governance interoperability is as critical as technical and data interoperability in unlocking the ability to share cross-sector. This requires deliberate forethought in the design stage and should also be a key design principle.

We are very happy to continue to work closely with the energy sector to ensure water to energy interoperability but other sectors will also important. Consideration to the energy sector governance in the context of the establishment of a broader national DSI governance should be given.

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

The cost of shared data use cases are variable, with complexity driving the cost of specific schemes operating within an overarching trust framework and this fact needs to be taken into account in terms of funding flexibility. For example, the cost of the rules and assurance mechanisms of a scheme to streamline the sharing of data that is already being shared manually between DNOs will be significantly less to implement than a scheme requiring the movement of highly sensitive, high integrity data between DNO and third-party market members. The reason for this is that it would require the establishment of more complex, pre-emptive legal agreements alongside automatic (technical) validation of both data and consumers to assure the scheme rules are implemented correctly.

The introduction of a sizing mechanism as part of use case refinement is beneficial, not only to ensure each use case achieves a positive return on investment (ROI) but also to support use case planning and overall financial management. Adopting a principle of designing the trust framework and schemes with re-use and scaling in mind will be important. For example, does a new use case need a new scheme to be implemented or can an existing one be adopted or adapted for speed and efficiency.

It will also be important to consider reciprocity when scoping out use cases to identify where charging for membership of a specific trust scheme may be appropriate. Being prepared for this eventuality by understanding and documenting in the overarching trust framework the circumstances where this is likely to apply will be important so that opportunities can be identified and acted upon in a timely way.

In Stream's experience, the bulk of the cost to stand up the data sharing infrastructure was in the first 9 months (ca. 60%) which then dropped to a more sustainable level of operation for the remaining 15 months of the initial two-year funding period. However, this level of ongoing funding only covers open and simple shared use cases, by design. The expectation is that complex shared use cases secure and bring their own project funding to establish a specific

scheme within the trust framework. This ensures that individual shared use cases have already passed a positive ROI test before being considered for prioritisation within Stream. This mechanism helps Stream manage its operating budget more effectively, whilst still remaining able to deliver valuable complex shared data use cases. Achieving a positive ROI for initiatives is helped greatly by the fact that the existing data sharing infrastructure established by Stream can be leveraged and this will also be true in energy.

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

The timeline as shown is slightly confusing as it appears to show the consultation on governance running whilst the MVP is being delivered (despite section 3.7 stating that the short-term governance of the DSI will involve establishing provisional rules, roles, and mechanisms to facilitate initial rollout of an MVP). Ideally governance should be in place for the MVP to enable learning to be uncovered and incorporated post-MVP. As an example, Stream's governance was established as part of the MVP and has continued to be iterated and refined from that point forward. Governance, like any other process, needs to evolve and mature by adopting a principle of learning through doing.

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

Yes, in principle, having a group responsible for establishing and leading governance is sound as it does require independent oversight. Suggested improvements based on Stream's experience are included in answer to question 5.

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

There is a good opportunity for the governance to be designed to be more member-led (i.e. sector participants) whilst being facilitated by the Interim DSI Coordinator. As an example, in Stream, each water company member ('Stream member') has voting rights within the governance structure via the Steering Group and this ensures ownership of key decisions by *all* members of the overarching trust framework. In this way, decisions are made *by* members rather than *for* members.

Scheme specific governance is co-designed by members of that scheme but the scheme operates within the overarching rules (boundaries) of the overall trust framework which is set by Stream members.

Member-led governance has been critical for achieving engagement and accountability within Stream and this has enabled the initiative to move at pace whilst keeping all members together.

Secretariat functions are provided by an independent third party and each group has an independent co-chair who operates alongside a member co-chair. Member co-chairs are rotated to ensure shared leadership and accountability.

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

In our view and experience, including the network licensees in an advisory function with broader stakeholders misses the opportunity to make the DSI governance more member-led to increase engagement and accountability of some of the key players in this scenario. We would

recommend they are separated out from other stakeholder groups and included more directly in the governance of the DSI (not just in an advisory capacity) given their ability to materially impact the success of the DSI.

A1.7 Q7: Do you agree with the responsibilities of the Interim DSI Co-ordinator? Are there any additional responsibilities that it should undertake?

The governance roles as outlined appear heavily focussed on technology aspects (architecture, technology, cyber) with insufficient mention on governing the other aspects of a DSI. In Stream the governance covers all four key pillars; operations (processes), technology, use cases & data and ecosystem.

In relative terms, the technology of a DSI is often the simplest part, with much more focus, effort and appropriate governance needed to support the other aspects pertaining to people and processes. We would recommend the governance remit should be extended to cover these elements.

It would also be beneficial to reach clarity over what role and responsibility the Interim DSI co-ordinator would have in developing the long term ownership in establishing cross industry governance (see point in answer to A1.1).

In addition, clarity over whether data verification would be a responsibility of the Interim DSI co-ordinator or achieved by self-assurance is worthy of consideration. In some use cases where high integrity data is needed, a data verification service may need to be established and this would benefit from being provided centrally.

There is a risk in the DSI co-ordinator governing both the data sharing infrastructure and the data products and we would recommend consideration is given to governing these as separate concerns to avoid any risk of the DSI becoming use case specific instead of use case agnostic.

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?

The duty to publish an annual report outlining existing and proposed use cases would be better designed as a continually updated and refined backlog of use cases and a set of showcases for delivered use cases. If this can be published openly, this would also support transparency for stakeholders and potentially a mechanism to comment and contribute, particularly to the identification and refinement of future use cases. In addition, having this level of ongoing transparency enables stakeholders to prepare and plan to support or exploit the use cases.

Similarly, waiting for two years to publish a report on the evolution of the DSI potentially misses any opportunity to take action if things are not progressing as expected. At Stream, our governance now includes the agreement of annual target achievement states accompanied by quarterly OKR's (objectives and key results) to continuously track and manage the evolution of all four pillars (operations, technology, ecosystem and use cases and data). This enables both transparency of progress and the opportunity for in-flight course correction.

Additional deliverables should include documented processes and standards (covering ALL standards including data), ideally published openly via a platform such as GitHub to enable others to comment and propose improvements. A process for reviewing and adopting improvement suggestions would also need to be established.

Being able to demonstrate how the DSI has been set up to be interoperable between sectors will also be important and should be considered as part of the deliverables of the Interim DSI Coordinator.

The extent of change management, communications and member capability building were all underestimated in the early stages of Stream and this was a key lesson learned. These skillsets and resources had to be added later as it became apparent that they were critical to achieving the aims and objectives of Stream, which meant re-allocation of budget from elsewhere in the programme.

Recent learning from the London Office of Technology and Information highlighted the importance of two roles: a Data Ethicist and an Information Governance Lead. The Information Governance lead was particularly instrumental in radically streamlining the legal process which meant agreements could be reached within weeks and in some cases days, instead of months and years.

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.

Yes, we agree that the System Operator appears to be the best option out of the three, given the analysis presented. As mentioned in responses to previous questions, there is however an opportunity to make the DSI much more member led rather than driven from a central body. Additionally, independence in the short term could be assured by including independent observers and an independent co-chair in the proposed governance arrangements as this has been found to be beneficial in Stream.

One consideration when considering the challenge of an interoperable cross-sector governance is the absence of a NESO equivalent in the water sector. This may not be material and is raised as an observation only.

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

Long term sustainability will be key – the ability to perform the function in a cost effective and sustainable way.

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?

Keep the criteria under constant review throughout the interim period. We have found regular formal retrospectives with members, partners and stakeholders to be an effective way to understand how aspects of Stream governance and process need to evolve over time. Working groups, if set up correctly with the right people with the right knowledge can also be effective at ensuring key stakeholders can be listened to.