National Gas Response to Ofgem Consultation on: Governance of a Data Sharing Infrastructure

Cover Letter

Date: 20/09/2024

Dear Mr. Finch,

Please find attached our response to the consultation on Governance of a Data Sharing Infrastructure. Please treat our response as open and we are happy to release this response to the public.

National Gas feels that this is a valuable initiative to be part of and will invest time to contribute towards the development of common industry standards and common information models. National Gas believes that this is the best way to ensure success of the initiative, by driving common standards and models with a decentralised architecture remaining technology agnostic, which will allow participants to adopt the standards more easily.

National Gas believes that the DSI should support a two-pronged model which offers a granular level of data to trusted partners and is able to filter appropriate data to public participants in order to prevent exposure to cyber or other threats. This will require in depth analysis and classifications ensuring that cyber and threat protection is embedded at attribute level.

National Gas is keen to understand funding mechanisms to implement the work whilst still under the T2 period, as well as how the re-charging for participating members will be attributed across the DSI going forward. National Gas would also like to ensure that appropriate gas representation is present in the DSI so that gas use cases get appropriate prioritisation and input.

A governance process across the industry will require input and assurance from independent bodies to ensure that the DSI Governance partner is remaining objective, balanced, and applying appropriate security measures as well as adapting to industry changes at a good pace. This will require some definition and work which National Gas would be keen to participate in.

As this framework grows and the initiative moves into a second phase post 2028, understanding the ramifications and chain of custody of data beyond the UK and how data is shared into international markets will also need to be analysed and consulted carefully across the participating members and National Gas wishes to reinforce that this should not be done lightly.

Lastly, any pass-through costs from the DSI will need to demonstrate that the use cases deliver the promised value and outcome which is applicable to participating members. This will require a balanced approach from the System Operator to ensure that use cases are prioritised and applicable to members.

National Gas looks forward to being part of this process and is ready to engage throughout.

Kind regards,

Louise Blais, Chief Data Officer

National Gas responses

Section 2 Questions

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

National Gas agrees that there is a role for the DSI in the day-to-day operation in the whole energy sector. A data spine across the industry would support interoperability and help support the drive to net zero. As a gas system operator, we would want to participate in this.

One of the key next steps National Gas sees would be to further shape the overall vision and audience for the DSI. This document indicates that the DSI is for the energy sector participants which operate through a trusted framework. However, there are later in sections such as 2.48, 3.11, and others, where reference is made that the DSI will be eventually opened up to other parties. The governance, classification, data triage and operations of the DSI will therefore need to cater for two use cases: trusted partners and public requests. The design of the platform will need to enable adequate data filtering and secure access based on which community of users the request is coming from. National Gas feels that we need to recognise that trusted partners in our core ecosystem need to have access to more granular data and due to their roles and licence obligations, will not misuse this data and ensure its security and appropriate usage.

Opening data availability more widely without another level of triage opens much broader cyber and security risks which need to be very clearly outlined and understood. The impact of extending to

more global markets will also need to be better understood ensuring that key data does not invariably end up in markets where there are security concerns about intended usage of the data.

Within the trusted network, there are multiple advantages to sharing volumes, demand, supply, and other key parameters to operate the network more effectively and we welcome developing this in a safe and secure way.

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

National Gas have no issue with the proposal to fund the MVP using the SIF and NIA agreements. However, National Gas would like to understand how licensee and stakeholder participation will be funded to implement the recommendations and fund the ongoing operation of the DSI. As National Gas would like to participate and input into gas specific use cases and augment the service, funding mechanisms would need to be explored to ensure appropriate coverage.

It is also important to ensure a balance and transparency in pass-through costs onto licensees where the funding and work is not applicable to them.

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

National Gas would like to understand if any period of review will be established post-delivery of the Pilot to consider any feedback or challenges on areas such as architecture, security, use case implementation and licencing.

It is important that National Gas understands whether the proposed use case of outages will be extended to gas in the 2025-2026 period, so that we can begin to build this into our planning in terms of preparing to help NESO tailor the use case to gas specific data. To extend this use case would require funding to support gas networks during that timeline to input and be part of this work. National Gas would also like to ensure that use cases and prioritisation for gas is catered for through the governance framework and that post-MVP, a roadmap can be agreed for the industry with common use cases.

It is also important that any use case required of National Gas during the T2 period can be impact assessed in terms of the amount of data requested, reformatting required, and the resources required to meet the new standards and technical integration work to join the new DSI framework. Timelines are therefore key to prioritise specific use cases and understand timeframes of which organisations will be onboarded first and then consequent roll-out and adoption.

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?

National Gas has assessed the short-term governance structure for the Interim DSI and feels it is appropriate andwe have confidence that Ofgem and NESO will evolve the governance structures if required during this initial period.

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

As stated above, National Gas wants to ensure that focus is balanced and appropriately covers gas knowledge, use cases and concerns. The best way to do this is through augmentation using gas partners into the governance process.

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

Assurance of the overall DSI Governance function is an area that should be looked at to ensure that desired outcomes are achieved, and that impartiality is maintained. National Gas feels that routes of escalation should be created and accessible if, for example, a partner is not comfortable with the policies adopted, or robustness of the security put in place. This may be satisfied with an over-arching role of mediation and/or assurance.

Management of change ensuring that standards and frameworks evolve with the industry and key game changers such as hydrogen to ensure relevance and fit for purpose data sharing.

It is suggested that entities such as DESNZ or NCSC do regular audits of the information that is shared, act as a focal point of veto or override for security or cyber issues.

National Gas would also like to see an independent committee in place to ensure that all network priorities are properly assessed and delivered with no prejudice towards one area. Technical assurance and oversight are also required and could again be sourced from the independent group.

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

The Interim DSI Coordinator role is pitched at the right level with the view that this is an incremental journey to be developed as the process evolves.

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?

It is recommended that a governance framework be developed including:
- Clear roles, responsibilities, and accountabilities within the ecosystem.
- Mechanisms to identify and onboard trusted partners to be vetted and allowed into the network.
- Data classifications of each dataset that gets published along with the process to determine and evaluate classifications.
- A model including both use cases of trusted partner vs public request ensuring that the triage process and classifications cater for both.
- A challenge process where participants can raise concerns or objections and have them transparently addressed.
- An assurance model which will cover cyber and technical reviews ensuring the caliber and integrity of the solution and compliance.
- A list of policies and processes that the participating organisations will need to adopt.

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.

National Gas have confidence that NESO has the appropriate experience and knowledge to put together a sound governance framework and is best placed at this time to take on the role as the Interim DSI Coordinator. Their breadth, knowledge and experience covers the energy industry however National Gas would propose that its detailed knowledge as a gas system operator could augment the governance forum to include detailed gas representation as required to ensure a balanced and prioritised view which therefore caters to all participants in the network. National Gas do not want to see this sort of augmentation outsourced to a third party who will not be close to the detail and scenarios which impact gas providers most and where security concerns may be less obvious to an external party.

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

National Gas feels the following could be added to the assessment criteria:
- Efficacy of the DSI solution (based on usage figures, number of successful downloads, time to market for a use case, etc.)
- Value for money for all participants and ability to demonstrate knowledge and understanding of all energy sector use cases.
- Stakeholder satisfaction with engagement from the DSI Coordinator and processes they have been subject to throughout development of Pilot and MVP
- Assessment of the security and architectural elements of the model, have they proven to be fit for purpose against the pilot and MVP by an independent auditor.
- Ability to scale to secondary and potential future use case to provision external users to the DSI and supporting security and triaging processes.

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?

The use cases will drive further assessment criteria as well as the nature of the new standards and areas to be prioritised in the first roll-out. However, a few key items will be to look at commonality across the full energy industry, ability to assess appropriate cyber risk and classification.