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Distribution licensees and other  
interested parties

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Date: 29 June 2018

Dear stakeholder,

## **Approval Letter for WPD's data privacy plan for access to household electricity smart metering data**

### **Summary**

With this letter, the Authority<sup>1</sup> approves Western Power Distribution's (WPD's) data privacy plan for accessing household electricity smart metering data. The plan is approved based on our assessment that WPD's data privacy plan meets the requirements of Licence Condition 10.A.4. The plan approval will allow WPD to collect and process domestic smart meter consumption data which relates to a period of less than one month in the format and under the conditions set out in the data privacy plan.

### **Background**

The conditions under which distribution licensees are allowed to access household Electricity Consumption Data from smart meters ("Consumption data") are set by Standard Licence Condition 10A (SLC10A) of the Electricity Distribution Licence. Within the scope of the data privacy plan, paragraph 10A.4 is of interest. The requirements of paragraph 10A.4 are that:

- (a) the licensee has submitted proposals to demonstrate to the satisfaction of the Authority that it can implement practices, procedures and systems which are designed to ensure that, so far as is reasonably practicable, the outcome described at paragraph 10A.5 is achieved;
- (b) the Authority has given approval to the licensee to obtain, once it has implemented such practices, procedures and systems, Electricity Consumption Data which relates to any one or more periods of less than one month; and
- (c) the licensee has implemented those practices, procedures and systems.

Paragraph 10A.5 goes on to state the outcome that paragraph 10A.4 is seeking to achieve: that smart meter data obtained by the licensee which relates to a period of less than one

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<sup>1</sup> References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.

month ceases (through aggregation or by means of any other process) to be capable of being associated with a domestic customer at relevant premises.

In our open letter "Overall criteria for the assessment of Distribution Network Operators' data privacy plans for access to household electricity smart metering data"<sup>2</sup> published on 30 September 2016, we defined the criteria that we would apply in our assessment of whether or not a distribution licensee has met the conditions of paragraph 10A.4, such that consumption data relating to a period of less than one month can no longer be attributed to a specific household.

### **Reasons for our decision**

We have assessed WPD's data privacy plan against the criteria described in our Open Letter. The approach proposed by WPD in their data privacy plan satisfies these criteria. In particular, the data privacy plan:

- (a) sets out the nature of the data WPD will collect and process, the format in which WPD will store it, the period of time for which it will be retained, and the nature of the individuals from whom it will be collected;
- (b) summarises how use of this smart meter Consumption Data favourably compares to the use of traditional electricity consumption data and the overall benefits WPD anticipates use of this Consumption Data will bring;
- (c) provides assurances that Consumption Data will not be used for marketing purposes or sold to third parties for commercial or marketing purposes;
- (d) provides information about how WPD will collect, maintain, secure and use the Consumption Data, and explains who will be responsible for carrying out these activities;
- (e) explains how WPD has considered the best available techniques for minimisation, aggregation, anonymisation and other techniques to safeguard Customers' privacy;
- (f) includes a copy of WPD's Privacy Impact Assessment carried out by WPD in relation to its Smart Metering Implementation Programme; and
- (g) sets out how WPD's IT systems conform to ISO 27001 and ISO 27005 standards.

Our review of WPD data privacy plan has benefitted from external advice provided by BEIS, the Information Commissioner's Office (ICO) and Citizens Advice and has been carried out through an iterative process with WPD. The review has shown the final data privacy plan to comply with the requirements of Licence Condition 10.A.4 as well as the above mentioned criteria. Moreover, our review has been carried out in light of the GDPR and under the assistance of the ICO on these specific aspects.

Therefore, we have decided to approve WPD's data privacy plan. A version of the plan redacted of any confidential information will be published on our website alongside the present Letter.

### **Next steps**

Following the data privacy plan approval, WPD will have the right to collect and process domestic smart meter consumption data which relates to a period of less than one month, according to the procedures laid out in the plan. WPD will access such data via the DCC<sup>3</sup> on a regular, scheduled basis.

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<sup>2</sup>[https://www.ofgem.gov.uk/system/files/docs/2016/09/open\\_letter\\_on\\_dnos\\_privacy\\_plans\\_for\\_the\\_access\\_to\\_smart\\_meters\\_data\\_0.pdf](https://www.ofgem.gov.uk/system/files/docs/2016/09/open_letter_on_dnos_privacy_plans_for_the_access_to_smart_meters_data_0.pdf)

<sup>3</sup> Smart DCC Ltd (DCC) manages the smart metering data and communications infrastructure in GB, under the Smart Meter Communication Licence.

We reserve the right to check compliance at short notice in order to ensure that the practices, procedures and systems proposed by WPD are being implemented according to the plan and to a satisfactory standard. Should any change occur in their practices as stated in the data privacy plan, WPD have an obligation to communicate such changes to us in a timely manner.

We may undertake a wider review of the criteria in the event of any change in law, key documents (including emerging experience in the data privacy area) or government policy that is relevant to this data and data privacy, to ensure the continued applicability of the criteria. The timing of such a review will depend on the relevant trigger. If this happens, we reserve the right to require relevant amendments to be undertaken to ensure WPD remain compliant.

The approved plan is specific to WPD, reflecting WPD's network and business arrangements. Thus, while it provides an example framework, we note that there is not an automatic guarantee that other distribution licensees following the same approach will be approved. Other companies will still need to demonstrate they meet the requirements of their licence condition, and they may propose other approaches that better fit their own and their customers' needs.

We are keen to facilitate appropriate access, in accordance with the licence condition, in a timely manner. For this reason, we are sharing a redacted version of WPD's data privacy plan. We will also be working with the ENA and other licensees to share the lessons learnt during the approval process of WPD's data privacy plan, to assist with future applications. Angela Picciariello will be following this up with the relevant organisations and can be contacted via [DNO.PrivacyPlans@ofgem.gov.uk](mailto:DNO.PrivacyPlans@ofgem.gov.uk).

Yours faithfully,

**Louise van Rensburg**

Interim Deputy Director, Energy Systems Transition

**For and on behalf of the Authority**