

Chris Taylor  
**Sandbox Call for Evidence**  
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Information Commissioner's Office  
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Sent via email to: [Sandbox@ICO.org.uk](mailto:Sandbox@ICO.org.uk)

12 October 2018

Dear Chris

### **ICO Call for Evidence: Regulatory Sandbox**

Energy UK is the trade association for the GB energy industry with a membership of over 100 suppliers, generators, and stakeholders with a business interest in the production and supply of electricity and gas for domestic and business consumers. Our membership encompasses the truly diverse nature of the UK's energy industry – from established FTSE 100 companies right through to new, growing suppliers and generators, which now make up over half of our membership.

Our members turn renewable energy sources as well as nuclear, gas and coal into electricity for over 27 million homes and every business in Britain. Over 730,000 people in every corner of the country rely on the sector for their jobs, with many of our members providing long-term employment as well as quality apprenticeships and training for those starting their careers. The energy industry invests £12bn annually, delivers £88bn in economic activity through its supply chain and interaction with other sectors, and pays £6bn in tax to HMT.

The comments below represent a high-level industry view in response to the ICO's regulatory sandbox call for evidence, and Energy UK's members may be best placed to answer specific questions. We would be happy to discuss any of the points made in further detail with the ICO or any other interested party if this is considered to be beneficial.

### **Scope: Energy as a Priority Sector**

Energy UK is keen to enhance the level of consumer engagement with the energy market, which is seeing continuous improvement. This continuous improvement in customer engagement can be seen most prominently in the increasing levels of switching, but consumer surveys show that there is a cohort of consumers who view engagement with the energy market as cumbersome, unnecessary, or time-exhaustive and reward-light.

New, innovative products and service offerings have the potential to enthuse and excite the consumer and provide new avenues to market engagement. Surveys have shown a high level of consumer interest

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in new service offerings, such as innovative EV or smart appliance tariffs, choosing smaller community generators, or securing the lowest possible cost for electricity supply. Consumers' data will be at the heart of these new, innovative approaches to engage consumers in the energy market and needs to be effectively harnessed. Smart meters will underpin this flexible, data-driven energy system which will allow retailers to offer more innovative products and provide customers with greater control of their energy use and bills.

Energy UK, therefore, believes that the ICO should prioritise the energy sector if it decides to put in place sector-specific demand management. The availability of more detailed, up to date data on energy usage through the rollout of smart meters can see the introduction of innovative, cost-saving or lifestyle-supporting services for consumers that are currently not possible. However, work is already underway that will put in place the first steps to enabling these innovative offerings, such as Ofgem's moves towards more principles-based regulations for customer communications and redesigning systems to enabling faster switching.

Of particular relevance, BEIS and Ofgem are currently leading a cross-departmental project to implement Midata across the energy sector following a 2016 call for evidence, which would give third parties instantaneous access to customers' energy data with their consent.<sup>1</sup> This could be implemented as early as next year. We expect that this work will also feed in to the recently announced BEIS and DCMS-led cross-government Smart Data Review, which will focus on how data portability can be used to improve the consumer in regulated markets.<sup>2</sup>

## **Managing Demand**

Energy UK's members have experiences of energy sector sandboxes, such as those operated by Ofgem or the various industry codes, and will be best placed to share that experience individually.

However, we would like to highlight a concern with a potential negative consequence of the ICO implementing a strict regulatory sandbox regime. Energy UK would not like to see a formalised process raising a barrier to ICO's informal engagement with those who are not part of the sandbox. While we recognise that the ICO is working with finite resources, we believe that it could risk stifling innovation if any advice or engagement is strictly limited to products or offerings that have formally applied and been accepted into the regulatory sandbox. As such, we would welcome further clarity as to how the ICO envisages these changes impacted the way in which it currently engages with companies seeking advice on less formal terms.

## **Engagement with Suppliers**

Energy UK is keen to engage positively with the ICO during this consultation period, and we welcome the call for evidence as a first step. We would like to invite yourself or members of your team to attend one of our monthly Regulation Managers meetings. The Regulation Managers group provides a forum to consider a variety of retail policy and regulatory issues, often being the first point of call to discuss new developments and initiatives with our members, and it is made up of regulatory representatives from our energy suppliers members. The next meeting will be held on the morning of 7 November.

**If you would like to discuss the above or any other related matters, please contact me directly on 020 7747 2931 or at [steve.kirkwood@energy-uk.org.uk](mailto:steve.kirkwood@energy-uk.org.uk).**

Yours sincerely,

**Steve Kirkwood**  
Policy Manager, Energy UK

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<sup>1</sup> <https://www.gov.uk/government/consultations/call-for-evidence-implementing-midata-in-the-energy-sector>

<sup>2</sup> <https://www.gov.uk/government/publications/smart-data-review/smart-data-review-terms-of-reference>