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MP234 'Addition of Public Task and Legitimate Interests into the SEC' Modification Report Consultation Version 2.0

Responding to this consultation

This is the Modification Report Consultation for MP234 'Addition of Public Task and Legitimate Interests into the SEC'

We invite you to respond to this consultation and welcome your responses to the questions set out in this form. To help us better understand your views on this Modification Proposal, please provide rationale to support your responses.

To help us process your response efficiently, please email your completed response form to sec.change@talan.com with the subject line 'MP234 Modification Report Consultation response'.

If you have any questions or you wish to respond verbally, please contact Lydia Bentley on 020 3922 0748 or email sec.change@talan.com.

Deadline for responses

This consultation will close at **17:00** on **Wednesday 11 November 2026**.

The Change Board may not be able to consider late responses.

Summary of the proposal

What is the issue?

This Modification seeks to add the principles of Public Task and Legitimate Interests into the SEC as additional bases for collecting Consumption Data.

The Proposer believes this would help public authorities to fulfil their regulatory obligations to tackle fuel poverty, protect vulnerable households and uphold minimum standards of housing by identifying at-risk Energy Consumers through their Smart Metering Systems (SMS). The Proposer outlines that this would also enable SEC Parties to offer their services to a wider range of customers.

What is the solution?

The Proposed Solution is to change SEC Section I 'Data Privacy' to introduce new arrangements that will allow for organisations to access Consumer's Consumption Data via the lawful bases of Legitimate Interest (LI) or Public Task (PT), as delivered by the General Data Protection Regulation (GDPR). Consequential changes are also proposed for the Privacy Controls Framework (PCF) to underpin the proposed Section I changes.

The proposed changes to SEC Section I will establish the overarching requirements for access to data via the lawful bases of PT and/or LI. It sets out requirements relating to permission, the role of the Privacy Sub-Committee (PSC) as a 'gatekeeper' of access to the Consumption Data, and details arrangements for the assurance of Parties who access Consumption Data outside the proposed arrangements.

The proposed changes to the Privacy Controls Framework (PCF) detail the granular evidentiary requirements needed by a SEC Party to access Consumption Data via the lawful bases of PT and LI. These more granular requirements relate to the proposed use of the Consumption Data and will support the PSC in their determination of access to the aforementioned data. Arrangements here relate to such things as details of the premises to which the proposed Consumption Data relates, the time period for which Consumption Data is requested, the assessment for necessity, and so on.

Will I be impacted?

MP234 is expected to impact the following SEC Parties:

- Suppliers (Large & Small)
- Other SEC Parties

Full details of how this modification may impact you can be found in the Modification Report.

Respondent details

Respondent details	
Name	Caroline Farquhar/Rachel Mills
Organisation	Citizens Advice
Phone number	caroline.farquhar@citizensadvice.org.uk

Parties represented	
Party Category	Consumer Group
Parties represented	N/A

Confidential information	
Does your response contain any confidential information?	
Response	Not confidential and may be freely published.
If 'yes', please clearly mark all confidential information (e.g. in red font). Any confidential responses will be shared with the Change Board and the Authority under a **Red** classification in accordance with the SEC Panel Information Policy.	

Consultation questions

Question 1	
Do you believe that MP234 should be approved or rejected? ***Please provide your rationale with reference to the General SEC Objectives.***	
Response	**Reject**
General SEC Objectives	☐ (a) facilitate the efficient provision, installation, and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers' premises within Great Britain
	☐ (b) enable the DCC to comply at all times with the General Objectives of the DCC (as defined in the DCC Licence), and to efficiently discharge the other obligations imposed upon it by the DCC Licence
	☐ (c) facilitate Energy Consumers' management of their use of electricity and gas through the provision to them of appropriate information by means of Smart Metering Systems
	☐ (d) facilitate effective competition between persons engaged in, or in Commercial Activities connected with, the Supply of Energy
	☐ (e) facilitate such innovation in the design and operation of Energy Networks (as defined in the DCC Licence) as will best contribute to the delivery of a secure and sustainable Supply of Energy
	☐ (f) ensure the protection of Data and the security of Data and Systems in the operation of this Code
	☐ (g) facilitate the efficient and transparent administration and implementation of this Code
	☐ (h) facilitate the establishment and operation of the Alt HAN Arrangements
Rationale	**<u>Views against the SEC Objectives</u>** We understand that this modification may be positive against SEC Objective d) in that it may facilitate effective competition for new commercial activities as detailed by the Proposer. However, we believe that the potential negative outcomes from this modification far outweigh any positive competition gains. Specifically, there would be negative effects for SEC Objectives a), c) and f) which we outline below. **Objective a)** We believe that implementation of this modification may have a negative effect on Objective a) as there may be a consequential reaction by consumers who may refuse the installation of smart meters, or their smart operation, if they find out that

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	their consumption data has been accessed and used by third parties without their permission or explicit consent. There may be a resultant negative overall effect on the smart meter rollout if consumers refuse to have smart meters fitted.This could negatively impact flexible energy usage thereby requiring increased costs of infrastructure and power production while also increasing consumer bills. Net zero will take much longer to achieve if the smart meter rollout and consequent flexible energy usage is impeded by a loss of trust. **Objectives c) and f)** Consumers currently have substantial rights over the management of their consumption and personal information relating to smart meter data. If this modification proceeds, those protections will be removed such that third parties will be able to access that data without the explicit permission or consent of consumers. We believe that there will be an erosion of consumers' management of their own data and a negative effect with relation to the protection of Data and the Security of Data. We have provided further reasoning for our views below. **Erosion of control over data, and loss of trust** We believe that the proposed solution will be negative for consumers in relation to their control over their data. The Data Access and Privacy Framework, written by Government and reflected in supply licence conditions, is clear that consumers can choose which personal data they share with their suppliers. Customers have repeatedly and clearly said that trust is key for both smart meters and smart enabled products and services (Smartening up: How to improve people's confidence in smart home technology (pages 15-17)) Reliance on GDPR principles of Legitimate Interest or Public Task considerations would be counter to the principle of consumers having control over their data. In most relationships between a consumer and a commercial provider, the consumer gives up their data in direct exchange for a service or product. In this scenario, the consumer will have their data taken without their knowledge or permission and used for a commercial purpose without any direct, or potentially any indirect, benefit. We are concerned that smart meter data users may bypass the existing protections and rely on the GDPR parameters. This is not in consumers' interests. It is also almost inevitable that once such an avenue is opened up many organisations

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	which currently rely on consumer consent and a value-exchange offer in exchange for a consumers' data will switch to using a public task or legitimate interest basis, further reducing the control and choice consumers have over their data. **Negative impacts for wider smart meter rollout** We believe that consumer trust in smart meter data will be impacted negatively if they discover that commercial third parties are accessing their data without explicit permission and passing it (for commercial gain) to Local Authorities, Social Landlords, other public bodies, and, in fact, any commercial entity. Individual as well as private business customer smart meter data could be affected by this modification and any loss of trust in the smart meter environment may result in impacts to the wider smart meter rollout for both the domestic and non-domestic sectors. Such negative impacts could result in a slow down in the smart meter rollout and consequent slowdown in usage of flexibility and in achieving net zero. There is also a risk of an increase in consumers, having lost the ability to choose who can access their smart meter data, choosing to withdraw from smart metering by requesting their meters be removed or have functionality switched off. We already know that when trust in smart meters drops so does appetite for smart-enabled products and services including Time of Use tariffs so this decision will also negatively impact broader net zero goals. **Alternative solutions have not been sufficiently examined** We have not been provided with sufficient evidence to show that providing smart meter usage data to these public bodies and commercial entities will have the benefits for consumers that is described especially as the existing uZero project (The UrbanTide and Data Communications Company (DCC) (https://urbantide.com/uzero) offers many of the same benefits to Local Authorities without any disclosure of individual personal data. We therefore do not believe that there is a need for this modification proposal. The uZero project was developed in combination with academia, many Local Authorities (e.g. Sunderland, South Gloucestershire, Nottingham, Wakefield, Bristol, Barnsley, Blackpool, Hillingdon, Essex, Suffolk, Havering, Eden, Hastings) as well as Electricity Distribution Network companies. The project offers substantial insights for Local Authorities and other users relating to energy usage and fuel poverty while preserving anonymity for consumers.

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	The modification may conflict with the Government's direction of travel in how smart meter data is to be used and how third parties should be accredited We believe that it is premature to introduce this modification when the Retail Energy Code has been tasked by Ofgem to design a Consumer Consent Solution (CCS) for energy data. The CCS is being developed with wide industry input via multiple workshops and consultations. It would be better to await the results of the CCS which will be transparent within industry and have higher visibility to the public via utility press updates. The development of the CCS will likely engender greater public confidence compared to the SEC modification which could be introduced with relatively few parties inputting to it and which may not include the wider considerations that the CCS will incorporate (such as the Ofgem Data Design Principles, for example). We have recently input to the ongoing CCS development and while we have concerns regarding the current CCS design meeting consumer needs for control over their data, we believe that any SEC modification relating to consumer data access should be rejected while we await the conclusion of the CCS project. The recent DESNZ 'Energy smart data legislative framework' consultation makes it clear that the CCS will be an operational building block for the use of consumer energy data. The consultation highlights that the CCS will underpin trust in the use of such data: "Building and maintaining consumer trust and confidence will be essential to the success of the legislative framework. We are therefore seeking views on the consumer experience, including how consumers identify themselves, authorise access to their data, understand who has access to their data, manage permissions over time, and access effective complaints and redress arrangements if things go wrong" (page 10) and "The Consumer Consent Service (CCS) is developing the trust framework, consumer permission management, participant accreditation and onboarding arrangements needed to support trusted consumer-authorised data sharing" (page 9). We therefore reiterate the potential negative outcome to trust if consumers' smart data is accessed without consumer permission via this modification which is relatively non-transparent for consumers compared to the CCS and DESNZ consultations and input processes. In addition, the DESNZ consultation outlines proposals for an accreditation scheme for third parties using energy data: "To support secure and trusted participation, we

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	propose a common accreditation approach for authorised third parties. The CCS trust framework will define the common rules, standards and obligations that participants must meet, while accreditation is the process for assessing and confirming that an organisation meets those requirements. Accreditation would therefore provide assurance that participating organisations meet appropriate standards relating to security, governance, consumer protection and operational compliance. We are seeking views on how accreditation should operate in addition to the CCS accreditation baseline, including the requirements that should apply, and how assurance obtained through other recognised regimes could be reused where appropriate" (page 10-11). The SEC modification has a different proposal from the CCS third party accreditation scheme whereby the SEC Privacy Sub-Committee (PSC) would approve (or reject) individual use cases proposed by third parties wishing to access consumer smart data. The intention is that this SEC PSC approval process will protect consumers, however, the CCS accreditation scheme appears to offer a more transparent, rigorous, uniform and openly-developed process to approve third parties to use consumer smart data. It is therefore preferable to reject this modification and await the outcome of the CCS process and the DESNZ consultation, including the development of the accreditation scheme, to ensure that any future SEC process is aligned and consistent with the Government direction of travel with respect to usage of smart data.

Question 2	
Please provide any further comments you may have.	
Comments	N/A

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