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Re: Consumer Data Right – Priority Energy Datasets

The Australian Energy Council ('AEC') welcomes the opportunity to make a submission to Treasury on the *Consumer Data Right – Priority Energy Datasets*.

The Energy Council is the industry body representing 22 electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. These businesses collectively generate the overwhelming majority of electricity in Australia, sell gas and electricity to over ten million homes and businesses, and are major investors in renewable energy generation.

The AEC remains steadfast in its support for introducing the Consumer Data Right ('CDR') into the energy sector and wider economy. As an active stakeholder and participant in the consultation process, we consider that the CDR has the potential to enhance competition in the retail market and empower consumers to make more informed choices. Improving the customer experience should be a principal objective of the CDR. Fulfilling this objective will require the designated datasets to accommodate the unique characteristics of the energy sector. In this respect, we welcome Treasury undertaking targeted consultation with the energy sector.

From the AEC's perspective, the CDR is a service that improves the customer experience because it provides the customer with information about their energy usage, which they can use to make a commercial decision related to their energy consumption. This could include whether to remain with their current retailer or switch to another offer, or using the information to assess what type of solar system best suits their circumstances.

When designating a priority dataset, Treasury should be asking if an ordinary customer would benefit from such information, if the retailer is the most effective party to provide that information, and if it is reasonable or practical for the retailer to do so.

The AEC provides the following high-level comments in light of the criteria specified above. References to the customer in this submission can be taken to also refer to their agent.

National Metering Identifier Standing Data Fields

Regarding question 2, the AEC does not believe advanced use cases should be targeted in this stage of consultation. This is because it will impose compliance costs on retailers that are not proportionate to the benefit received in return. Customers in search of 'advanced use' energy technology are likely to already be engaged in the market and therefore not an immediate CDR priority.

Customer Provided Data

Regarding question 9, the AEC views the CDR as an information service that can enable switching rather than a switching service *per se*. Any data designated should therefore be done with the intent to help inform the customer about their past or current energy usage. With this in mind, information about the customer's consumption and electrical appliances are necessary.

However, the AEC would not support the CDR compelling retailers to provide personal information about a customer, such as their phone number or date of birth. The accredited third-party should already have access to this information by virtue of them servicing the customer. While communication of this information may be necessary for the purposes of verifying identity, the information itself should not be subject to a CDR. This only creates an unnecessary privacy risk that could lead to identity theft or fraud, and potentially expose ‘at risk’ customers (such as a victim of domestic violence).

Metering Data

Regarding question 3, it is the AEC’s view that type 1-3 meters should be outside the scope of the initial designation. This is because these meters only apply to large customers who do not require access to the CDR. Large customers already have mechanisms in place to access real time energy monitoring capabilities and, when seeking an energy contract, can request for their data directly from a retailer or third party. Given these circumstances, the costs associated with setting up access rights outweighs the benefit it brings to large customers.

Speaking more broadly, it is also important that the designation instrument makes clear who the ‘metering’ data holder is. As it currently stands, AEMO will have interval meter data from July 2021 but not full access to all metering data until sometime in 2022. The AEC would not support an interim solution that sees AEMO designated for interval meter data from July 2021 and then retailers designated for accumulation meters from the same date until AEMO is ready to take over all metering data. This will only be costly and inefficient for all parties. It would be more appropriate for types of metering data to be designated under the CDR as AEMO gains the capability to deliver it.

Billing Data

The AEC notes that the ‘historical billing information’ referenced on page 7 overlaps with metering data. Billing data, as the AEC understands, is data that a retailer has produced through applying its personal rates on the raw metering data of the customer. The two most relevant forms of billing data are costs and payment arrangements. Retailers share this billing data with only the customer and no other market participant. In contrast, metering data (such as consumption) is shared with a number of market participants. Given this potential for overlap, it is important Treasury clarifies what constitutes billing data.

As it stands now, the AEC does not see a reasonable need under the CDR for billing data to be shared between all market participants. This data may be commercially sensitive and since a customer already has access to it, they can elect to share it with the accredited third party if necessary.

Retail Product Data

The AEC’s preference is for Treasury to adopt a two-tiered approach to manage Retail Product Data depending on whether it is generally available information or tailored retail product information.

For generally available information, Energy Made Easy and Victorian Energy Compare are established services that can be modified with APIs to facilitate the CDR.

For tailored retail product information, the AEC has some concerns if the legislation compels retailers to publish ‘below the line’ or restricted offers into EME or VEC. These offers are personalised to suit the circumstances of a customer (such as the pattern or size of their consumption) and are not made generally available for that reason. Requiring retailers to publish these offers would reduce the incentive to provide them, potentially leading to their withdrawal. This would be detrimental to the customers these offers benefit.

Notwithstanding this concern, the AEC supports providing a customer with access to their own specific plan information. A possible solution is to have the tailored data provided as personal information for the customer to use in their own capacity when assessing what offer is best for them.

Other Issues

Definition of Value-Added Data

The AEC notes that the consultation paper does not mention value-added data, and how Treasury will look to define this term. It would be worthwhile for Treasury to clarify whether the definition of value-added data will be raised for consultation at a later date.

As it stands, the AEC would support Treasury following the approach used in the Open Banking Designation Instrument. This instrument uses a test: if the data has been 'materially enhanced' then it is excluded from the scheme. Examples are then provided as to what 'materially enhanced' data looks like.

Timing

The current consultation is taking place amidst a series of other significant reforms to the energy sector. Of note, the Australian Energy Market Operator (AEMO) is committed to implementing Five-Minute Settlement on 1 July 2021 and will likely implement Wholesale Demand Response on 1 July 2022. Both these reforms are major IT projects that will require energy businesses to change how their systems operate. It is critical then that data holders are given reasonable time to implement the CDR. Rushed implementation will only lead to sub-optimal results for consumers and a loss of confidence in the service.

The AEC urges Treasury to continue to closely engage with other government departments, the ACCC, AEMO and other relevant market participants to ensure a coordinated timeframe for implementation of these reforms.

Any questions about this submission should be addressed to Rhys Thomas, by email to Rhys.Thomas@energy.council.com.au or by telephone on (03) 9205 3111.

Yours sincerely,



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