



12 June 2014

Mr Marc Tutaan
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

ERC0171: Via online lodgement

Dear Mr Tutaan,

Consultation Paper—Customer access to information about their energy consumption

Origin Energy (Origin) welcomes this opportunity to respond to the Australian Energy Market Commission's (the Commission's) consultation paper on Customer access to information about their energy consumption.

Origin understands the policy intent behind the COAG Energy Council's (the EC's) proposal is to clarify and improve customer access to information about their energy consumption. The ability of consumers to understand their energy consumption is an important part of supporting a well functioning and efficient energy market.

However, a number of the proposals have the potential to increase costs for customers with limited benefits to offset these impacts. This includes the requirement to provide summary data and the potential costs where third parties seeking information submit bulk data requests, causing significant administrative burden and cost for energy market participants. Given that the proposed rules do not contemplate cost recovery from those seeking data under certain circumstances, there is a risk that the burden on retailers will increase significantly should bulk data requests be submitted by third parties. The Commission may want to contemplate the introduction of a 'reasonable' administration fee where parties other than the consumer are requesting access to information, particularly when this may be for commercial purposes. This will help to strike a balance between allowing third parties to access information on behalf of their customers and minimising any costs associated with this service.

There are some concerns with the proposal for a standardised format of consumption data and the usefulness of some of the information proposed by the EC in its rule change request (for example, information about the use of customer data to be placed on the websites of distribution businesses and retailers). We discuss these in our detailed answers to each of the questions set out below.

Origin would be pleased to discuss any matters raised within this response further with the Commission. Please contact Timothy Wilson (Retail Regulatory Analyst) in the first instance on (03) 8665 7155.

Yours sincerely

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Question 1 - Proposed assessment framework under the NEL

- a) Do you consider that the proposed issues to consider are appropriate for this rule change request? Are there any other issues that we should consider?

Origin accepts the four criteria set out in the consultation paper as being appropriate for this rule change request. Broadly speaking, the Commission will be weighing up the ability of consumers to access and comprehend data about their energy use against the regulatory and compliance burden imposed on behalf of retailers and other bodies to meet these requirements. This is an appropriate framework in which to assess whether the proposed rule change is appropriate.

Question 2 - Proposed assessment framework under the NERL

- a) Do you consider that it is appropriate that the proposed issues to consider, which we will use as a basis to assess whether the proposed rule meets the NERO, should be the same as those used for assessment against the NEO?
- b) Are consumer protections that relate to the provision of information to customers the relevant class of consumer protections for consideration in this rule change request? Are there any other relevant classes of consumer protections that we should consider?

Consistent with our answer to the first question, Origin accepts the four criteria set out in the consultation paper, and agree that it can be used to determine whether the proposed rules meet both the NEL and NERL.

In terms of consumer protections, Origin agrees with the Commission that it should consider that class of consumer protections that govern the provision of information.

Question 3 - Obtaining access to electricity consumption data

- a) Do you think it is appropriate that the NER be amended to allow a customer to access its consumption data by requesting that data from its DNSP?
- b) Should MDPs be able to provide electricity consumption data directly to customers or their agents?

Origin supports the proposal that customers be allowed to request and obtain their electricity consumption data from both their Distribution Network Service Provider (DNSP) and their Metering Data Provider (MDPs). Such a change is consistent with the Commission's current proposals to introduce competition into metering services under the Power of Choice review. It would make sense for the Commission to extend the obligation on providing this data from the retailer to any party that is performing either the Responsible Person or any future Metering Coordinator role.

While supporting the option of customers seeking data from any party able to provide it, there is a risk that data provided by parties other than the retailer may not reconcile with the customer's bill. If the customer is seeking data for this purpose and sources information from DNSPs or MDPs, the customer needs to understand that the data may vary from that shown on their bill. This issue requires further examination in Origin's view.

Question 4 - Minimum format requirements for electricity consumption data

- a) What is the nature and magnitude of costs on market participants of providing data in raw format and summary format to their customers?
- b) What information should be required in the summary data format?
- c) Should the NER stipulate a specific period of time in relation to which the electricity consumption data must cover? If so, what is the appropriate period of time?

To minimise cost and to support investments already made by market participants in portals and meter data management systems, Origin believes that a common standard for raw data should not be adopted. While generally this may indeed reflect NEM12 or 13 files, there should not be a prescriptive approach in the rules to the format itself, rather a description of the information that such files should contain. The experience in Victoria in preparing for the introduction of the *My Power Planner* (MPP) website developed by the Government involved extensive industry consultation and a number of separate data templates or formats being adopted. To prepare for the introduction of Flexible Pricing and the MPP website, Origin made substantial investments in its systems (having already done so in the recent past to support its own online portal). While the MPP tool contains significant functionality, its usage by the general public has not been as extensive as alternative comparators such as the Australian Energy Regulator's *Energy Made Easy*.

While Origin is unable to provide specific data at this time on the costs of provision of raw data under the proposed rule change, we would welcome any opportunity to provide and discuss further information with the Commission as it comes to hand.

With respect to the summary data, Origin does not see the purpose of providing the 'net distribution load profile' to customers with accumulation meters. Such customers will have only four (or 12, if monthly read) observations per year and this accumulation data has no relationship with the net system load profile, which shows the consumption pattern of the average of non-interval metered customers for a particular wholesale settlement node (and is a continuous, rather than discrete series). Origin recommends this element of the summary data be removed. As we note elsewhere in this response, Origin provides detailed consumption information through its Energy Manager product provided free to eligible customers; the load profile of itself does not yield any information to individual customers and may result in them being misled if they make pricing decisions based upon it.

Origin agrees that the summary data provided to interval metered customers will be different than for accumulation metered customers. For accumulation metered customers, it is unclear what meaningful summary could be provided given the limited data sets available. For interval metered customers, Origin believes that the rules should not prescribe the contents or provision of summary data, but rather that market participants develop tools to present summary data in a user-friendly fashion. Substantial investments that have already been made by retailers and DNSPs, particularly to support the Victorian smart meter roll out. Market participants are leveraging this investment in systems and processes. Further innovation will be stifled by a regulatory obligation to provide summary data, whose relevance will be subject to improvements in technology. Codifying outcomes for customers through prescriptive requirements regarding the format and contents of summary data is likely to result in redundant guidelines and information that is better delivered by the marketplace. Finally, we note that summary data in some form is already available to customers via graphical information on energy bills.

Should summary data be considered a mandatory requirement, the projected costs of its provision will depend on the final guidelines set by AEMO as this will govern the degree of work and manipulation required to produce a report for consumers. As the Commission acknowledges, while there is a benefit in providing the data to customers in a more comprehensible summary manner,

this will ultimately involve higher costs for obligated bodies to deploy resources to undertake this work. This is especially the case where a third party could potentially ask for a large number of customers' data, presenting retailers with a significantly increased administrative burden of summarising the data, validating customer consent for this activity, and ensuring privacy obligations are met.

The proposal by the Commission to have AEMO prepare a report that meets its own guidelines, and is based on the Market Settlement and Transfer Solutions (MSATS) database, is reasonable because centralising the administrative burden would lower the overall costs of meeting this obligation. However, as the Commission identifies, meeting AEMO's administrative costs would need to be considered. Once again the issue arises of whether or not retailers (and other bodies) are able to potentially recover costs for the additional administrative burden that is to be expected from this rule change and that this is exceeded by the benefits these changes will provide to customers.

Origin supports the existing NERR requirement that two years of consumption data be provided to a customer on request. This period is deemed sufficient for accumulation meters and as smart (or interval) meters increase in number, far greater detail will be provided within the same two year period than that possible with basic meters in place.

The rules should recognise the constraints of different delivery methods. For instance, for those customers that request printed summaries, it would be impractical and burdensome to expect retailers to provide daily or even weekly break downs of energy use across a two year period; such comparisons are also likely to be too much information for most consumers and little use to assisting them with comprehending their overall energy use profile. Online web portals, such as those presently used in Victoria for customers with smart meters, obviously allow for a greater amount of flexibility for consumers to view their energy use. As such, Origin does not believe the rules should prescribe delivery methods.

Question 5 - Time frame to respond to a request for electricity consumption data

- a) Is 10 business days an appropriate time frame for market participants to respond to a request from their customers for their electricity consumption data?

Ten business days is an appropriate time frame to respond to electricity consumption data requests and is consistent with historic practice.

Question 6 - Fees payable by a customer

- a) How often should customers be able to request their energy consumption information free of charge in the NERR?
- b) Are there any other consumer protections we should take into account when assessing this aspect of the rule change request?

At present a very limited number of customers seek their consumption information and generally providing it is not onerous for retailers, noting that the data may often be extracted manually from the meter data management (MDM) system. The EC proposal that customers be provided with consumption data free for each 'billing period' could expose data providers to potentially significant costs and is inconsistent with existing obligations to provide data free of charge once in a 12 month period. Given the limited number of requests for data made by customers historically, more frequent provision of raw or summary data free of charge will detract from existing investment in online data portals (for example) that can be interrogated more frequently (and in

real time for devices supported by a home area network for smart meters). Furthermore, non-retailer data providers may be unaware of a customer's billing cycle and will be unable to validate if the data should be provided free of charge or matches the billing cycle.

In the case of third parties or agents requesting a large volume of information on behalf of their customers, the costs for providing data could quickly escalate and become more burdensome on market participants. Origin supports the underlying principle that customers should be able to access their information. Where bulk data requests are being sought however, there is likely to be commercial motivation for this and we consider that a reasonable charge should apply in such circumstances. Furthermore, the summary data proposal is an additional obligation relative to existing requirements and, regardless of whether AEMO or market participants are obligated to assemble and present summary data, this change will result in higher costs.

The EC has also proposed that electricity consumption information be free of charge unless the information is requested more than once in a billing period. This deviates from current rules, which restrict customer's to requesting their records free of charge only once every twelve months. If the rule is changed to enabling the free access of information during every billing period then customers on monthly bills could request them twelve times a year free of cost. This would unreasonably increase administrative costs and burdens on retailers and other bodies. Origin believes that if market participants are not allowed to charge for the first request then the current rules, which allow one request every twelve months, will better balance the customer's right to access their information with its administrative burden.

Given the recent development of products and services relating to the provision of consumption and cost information to customers, Origin does not consider that the proposed rule requiring the provision of summary data to customers will address an identifiable market failure.

Question 7 - Time frame for making and revising the data provision guidelines

- a) When should the first data provision guidelines be published?
- b) Should there be an obligation [to] review these guidelines? If so, how often should such reviews take place?

It is important that market participants are given a reasonable time to adjust and upgrade their systems (if required) to meet the new rule change. To optimise the capacity of market participants to respond to the rule change AEMO ought to publish its guidelines at least twelve months before the rules come into effect. Presumably, market participants will be given the opportunity to make submissions to AEMO on the content of these data provision guidelines.

To ensure that the Guidelines are effective and up-to-date it would be appropriate for AEMO to undertake regular reviews every two years, or on an ad hoc basis if there is a market-driven need.

Question 8 - Request from large customers to provide electricity consumption data

- a) Should proposed rule 56A of the NERR only apply to small customers or should it apply to all customers, which would include large customers?

There is a material difference between the energy use of small customers, who are generally restricted to a single premise (e.g a residential home), and large customers that may have a number of premises with individual consumption data. The cost of providing that information to large customers may therefore be more onerous than it is for small customers. For instance, a company may own a number of retail shops, and want to obtain information from a retailer for each of them.

Accordingly, rule 56A ought to only apply to small customers. Furthermore, there are existing processes for large customers, who either have real time energy monitoring capabilities or request their data directly or via a third party when seeking an energy contract from the market. Consistent with other elements of the consumer protection regime, Origin does not believe elements of the rules should extend to large customers where they are in a position to negotiate with suppliers. It will typically be in the interests of those holding data to furnish large customers with their consumption information. Withholding such information deliberately does not seem consistent with commercial reality.

Question 9 - Access by authorised agents or service providers to their customers' electricity consumption information

- a) What is the appropriate term to refer to these third parties in the NER?
- b) Beyond existing privacy laws, should the NER specify:
 - the nature of consent a customer must give to authorities a person to access its data; and
 - any additional privacy obligations on authorised parties, retailers or DNSPs in relation to the disclosure of electricity consumption data?

The most appropriate term to describe these third parties is “authorised third party agents”. This term captures the fact that a relationship exists between the customer and third party whereby the former has consensually transferred its authority to act on its behalf to the latter.

In the very least, customers must have provided explicit formed consent to third parties to access their data. This should mirror the requirements that are currently imposed on retailers in their contractual dealings with customers. In turn, retailers or DNSPs should not be permitted to disclose this information to third parties without sufficient proof of their authority (for example, a copy of a signed document). The recent work undertaken for the Department of Resources, Energy and Tourism is relevant to these considerations.¹

Question 10 - Informing customers about the uses of their electricity consumption data

- a) Is there a significant risk or problem in the NEM that necessitates the publication of standard information on the websites of retailers and DNSPs about how electricity consumption data is used? What are the benefits associated with this proposal? Are there examples of where a similar approach has been applied in other industries?
- b) Is it appropriate for energy-specific regulations to be used to extend privacy law by requiring information about how electricity consumption data is used to be published on the websites of retailers and DNSPs?
- c) Is there a significant risk or problem in the NEM that would require the creation of ‘metering data common terminology guidelines’? What are the benefits associated with this proposal? Are there examples where a similar approach has been applied in other industries?
- d) Are there any other consumer protections we should also take into account?

Origin provides details on how customer information is used in its terms and conditions. A reasonable person will understand that metering data is necessary to prepare the customer’s bill and that this is a key use of metering data. Furthermore, Origin details its privacy obligations and how it uses customer information in a general way in these terms and conditions. Adding to this further detail on the websites of DNSPs and retailers is unlikely to result in material gains in

¹ See Standing Council on Energy and Resources (2013), <http://www.scer.gov.au/files/2011/12/SM-Privacy-Advice-Consultation-Draft.pdf>

consumer understanding of the use of energy consumption data. Therefore, Origin does not believe there is a significant problem to address.

If this information needs to be provided, the most effective mechanism may be for AEMO or the AER to publish a standard explanation which other bodies can either directly link to on their websites or use as a basis for their own pages. This is difficult however as retailers, DNSPs and third parties each may have different uses of customer information.

In relation to question 10(b), Origin would again refer to the work previously undertaken for DRET in respect of meter data and privacy discussed above.

Equally, there is not a significant risk or problem that requires the creation of metering data common terminology guidelines. Much of the detail around terminology is technical in nature and relevant to industry participants for B2B purposes. It is unclear if the proposed guideline would address any identified problem.