



6 June 2014

Richard Owens  
Director  
Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

Reference: ERC0171

Dear Mr Owens

## **RE: CONSULTATION PAPER - CUSTOMER ACCESS TO INFORMATION ABOUT THEIR ENERGY CONSUMPTION**

ERM Power Limited (ERM Power) welcomes the opportunity to respond to the Australian Energy Market Commission's (AEMC) Consultation Paper on the Rule Change Request *Customer access to their energy and metering data under the National Electricity Rules* (Rule Change Request) submitted by the COAG Energy Council (CEC, formerly the Standing Council on Energy and Resources). We also thank the AEMC for considering this late submission.

ERM Power supports the intent of the Rule Change Request, to ensure customers receive information about their energy consumption in a simple and efficient manner to facilitate informed decision-making. However, we do have a number of concerns with the CEC's specific proposals, including –

- the proposal for customers to obtain their electricity consumption data from DNSPs and MDPs;
- minimum format requirements for electricity consumption data; and
- the provision of a net distribution system load profile to customers.

We discuss these below.

### **About ERM Power**

ERM Power is a dynamic Australian energy company with interests in electricity sales and generation, and gas production and exploration. Trading as ERM Business Energy and founded in 1980, we have grown to become the fourth largest electricity retailer in the National Electricity Market by load, with operations in every state. We initially focused on larger businesses but now offer our industry leading services to small businesses. We have equity interests in 497 megawatts of low emission gas-fired peaking power stations in Western Australia and Queensland, sell conventional gas and condensate from onshore discoveries in Western Australia, and have gas exploration operations in Western Australia and New South Wales.

### **Customer use of energy data**

Consumption data is managed by market participants in sophisticated systems in conjunction with other complex metrics to enable the delivery of a customer's bill. As consumers seek to better understand and manage their electricity consumption, the presentation of related information in simple and practical terms is becoming increasingly important. This has been recognised by the market, with web-portals and

other smart tools becoming common service offerings by retailers, and some distributors. Many business customers also utilise energy management services offered by brokers and other agents. As interval metering is rolled out to small customers across the NEM, we believe that the majority of customers will have access to these services through their retailer or another party.

Web-portals in operation today generally summarise and analyse data through features such as consumption charts and benchmarking information. These features are likely to minimise a customer's need to download their consumption data to analyse themselves. We therefore expect that the primary purpose of consumption data files for customers (and their agents) will be to assess the appropriateness of different electricity tariffs, rather than other forms of analysis.

We have considered the CEC's proposals in this context.

### **Obtaining electricity consumption data from DNSPs and MDPs**

Under the National Electricity Rules, retailers are required to provide a customer's consumption data to them on request. The Consultation Paper explores whether there may be benefit in also allowing consumers to acquire their consumption data from their distribution business, or their meter data provider.

ERM Power is open to the expansion of the data provision requirement to distribution businesses and meter data providers, as we believe consumers are likely to benefit from having these additional options. For example, where a consumer is seeking their consumption data for a period of time which exceeds the time they were supplied by their current retailer, their distribution business may be best placed to provide this.

However, we do also caution that the data received from parties other than the retailer may vary from the data used to calculate the customer's retail bill, potentially causing customer confusion. Meter data providers deliver multiple versions of data to retailers and distribution businesses for each period: data may be estimated, substituted and revised. A retailer compiles a bill based on the best data received at the time it issues the bill, and can make adjustments to subsequent bills if revised data is received at a later date. Where a consumer requests data from another party, the data version may vary from that used to compile the bill (particularly if the request is made some time after the bill was developed). Should the customer attempt to reconcile the data with their bill, this discrepancy may be difficult to understand, and would be likely to lead to further enquiries to the retailer. This may lead to more touch points in the process compared to where the customer had requested data from the retailer in the first place.

We suggest the AEMC considers to this issue in determining the framework for the provision of data by parties other than the retailer, or through the development of data provision procedures by the Australian Energy Market Operator (AEMO), as appropriate.

### **Minimum format requirements for electricity consumption data**

The CEC proposes a requirement for retailers to provide requested consumption data in a standardised minimum format. These would be set out in data provision procedures to be developed by AEMO. ERM Power does not support this requirement, as we believe it undermines investments already made by participants in systems and web-portals that deliver data in formats deemed to meet customer needs. The adaptation of these systems to support a new standardised format is likely to come at significant cost, in return for what we expect will be a marginal customer benefit. As noted above, the presentation of

data through web-portals and other smart tools reduces the use of data file for self-analysis and therefore the importance of the file format.

We also note the difficulty faced by the former Victorian Department of Primary Industries in attempting to develop a common data format to support the development of its My Power Planner website. Working closely with Victorian retailers and distribution businesses, the Department was challenged by the need to provide detailed information while also ensuring the data could be easily understood by customers. Additionally, it acknowledged the prior investments made by participants in developing existing systems and web-portals, which each provide data in different formats. Ultimately, these needs were deemed to be irreconcilable (within the project's schedule) and it was decided that instead of requiring a standard format, My Power Planner should be designed to accommodate the range of data formats chosen by the participants. This resulted in the use of seven different data formats.

We understand the intention of the CEC's proposal is to ensure consumers receive sufficient information in an easily-understood format to support efficient and informed decision making. We therefore propose two alternative approaches which will allow this objective to be met, while minimising the costs noted above.

1. AEMO could develop minimum requirements for consumption data formats, rather than a standardised format. This would list the metrics which a format must include (for example: consumption volume, export volume, read type, etc.) but would not prescribe how this data must be presented to customers. If these minimum requirements are set appropriately, it would be possible that many existing data formats would already conform without the need for costly alteration.
2. Grandfathering provisions could be introduced to enable the continued use of data formats already developed by participants. This would avoid imposing the significant costs of redeveloping the associated systems and web-portals, but would ensure that any new formats would be developed according to the standardised format.

### **Net system load profile**

The CEC proposes that customers with accumulation meters should be provided with a net system load profile (NSLP) relevant to the customer's applicable distribution network. It is suggested that this would allow customers with accumulation meters to compare their electricity usage against a representative electricity usage load profile in their area, and assess the benefits of installing an interval meter.

ERM Power does not support this proposal. Not only do we believe the NSLP cannot deliver the customer benefits described above, but its provision may also inadvertently mislead customers.

The NSLP is a unitless curve, showing an average shape of consumption patterns in an area during a day. It does not indicate average usage, and therefore cannot be used by customers with accumulation meters to compare their electricity usage against a representative usage profile, as suggested in the Consultation Paper. We note the existing requirement under the National Energy Customer Framework for benchmarking data on bills already compares a customer's usage to average usage in a customer's distribution area.

Importantly, the NSLP cannot be used by a customer to assess the benefits of installing an interval meter, as it bears no relationship with that individual customer's load shape; it only represents the average shape of all accumulation-metered customers in the customer's distribution network area. If incorrectly used, the NSLP is likely to lead to poor decision making and ultimately increase a customer's electricity

costs. For example, if a customer assumes the NSLP is representative of their usage profile, they may choose a time-varying tariff (and install an interval meter to enable this) with the belief that this will reduce their electricity costs. In reality, the NSLP gives no indication of an individual's actual usage profile. There is therefore a significant chance that their individual profile will vary from the NSLP, and their choice of a time-varying tariff will increase their electricity costs.

We therefore believe it is not in customers' interest to require the provision of a NSLP profile to customers.

If you would like to discuss this submission further, please feel free to call me on the number below.

Yours sincerely,

[signed]

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