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Mr Richard Owens
Senior Director
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235
Email: aemc@aemc.gov.au

Dear Mr Owens

EnergyAustralia submission – Customer access to information about their energy consumption (ERC0171)

EnergyAustralia is pleased to provide this submission to the Australian Energy Market Commission's consultation process for its draft rule determination and draft rules in response to a rule change request from the COAG Energy Council.

EnergyAustralia is one of Australia's largest energy companies, providing gas and electricity to over 2.7 million household and business customers in NSW, Victoria, Queensland, South Australia and the Australian Capital Territory. EnergyAustralia owns and operates a multi-billion dollar portfolio of energy generation and storage facilities across Australia, including coal, gas and wind assets with control of over 5,600 MW of generation in the National Electricity Market.

EnergyAustralia is broadly supportive of the policy objectives underlying the AEMC's draft determination; access to data on reasonable terms is an important component of the suite of initiatives that are being considered and implemented following the AEMC's *Power of Choice* review. EnergyAustralia is concerned, however, with some aspects of the draft determination, particularly their likely impact on retailers' operating costs, prescription of the format in which data is to be provided and the impact of that prescription over the longer term, and potential restrictions on how retailers can recover costs.

EnergyAustralia's objective is to provide customers with the best possible data solution, which is tailored to their specific needs and preferences – in terms of content and format – and to develop product offerings that reflect the evolution of those needs and preferences over time. As such, we have invested significant time and money into researching and identifying our customers' requirements from an energy monitoring tool and our future roadmap includes improvements to this product based off this customer research.

eWise is EnergyAustralia's energy monitoring product and helps our customers view their energy usage and adjust their usage profile accordingly (to become more energy efficient, for example). This is a service we currently provide free of charge to EnergyAustralia customers. However, the changes outlined in the Draft Determination would, if implemented, have a negative impact on delivery of this roadmap and would result in significantly higher costs.

This may also apply to other Tier 1 and most Tier 2 retailers, who currently offer the ability for residential customers to access their energy usage information through digital solutions. Data is typically provided through a mix of in-house and third party digital solutions, which means the costs of changes can vary substantially between retailers. For example, changes to third party digital solutions are usually significantly higher than those developed in-house and can be difficult to complete within tight timeframes due to contractual or cost considerations.

We note that one of the AEMC's assessment criteria for proposed rule changes is the commensurate 'regulatory and administrative burden' for market participants. The Draft Determination acknowledges some likely cost impact for retailers but EnergyAustralia welcomes the opportunity to provide further detail about the specific changes to systems and processes that retailers will be obligated to undertake if the proposed rule changes are implemented. We would also welcome the opportunity to hold further discussions with the AEMC on this issue.

A summary of the significant impacts to EnergyAustralia are listed below:

- Increased capital costs, due to having to customise existing digital solutions. The incremental costs would be significantly higher for EnergyAustralia since we partner with a third party SaaS (Software as a Service) provider to deliver our data solution.
- Increased costs associated with responding to requests, including the need to liaise with DNSPs to verify data and the identity of authorised third parties. We note that AEMC expects that some parties will seek information from DNSPs rather than retailers in instances where they are acting in competition with retailers. Even so, this will often require some collaboration between the parties – for the purposes of account and / or location verification and to account for discrepancies, for example. This is not a costless process.
- Increased costs driven by the increased frequency of requests, which will always generate incremental costs, and limitations on the recovery of those costs due to the requirement for information to be provided free of charge four times per annum. Retailers will be able to charge a 'reasonable fee' for more frequent requests but this may be difficult to assess as costs can differ in line with customer categories and between retailers. EnergyAustralia would therefore caution against any arbitrary limitation on the recovery of reasonable costs.
- Amendments to existing systems and processes that retailers will be obligated to undertake to verify and then retain details of authorised third parties that are seeking access to data on behalf of our customers. EnergyAustralia is mindful of its current privacy and data protection obligations and will need to ensure requests from third parties are handled appropriately.

As noted, this discussion relates largely to the likely administrative burden of the proposed rule changes on retailers, only some of which will be recoverable, either from customers or from third parties that have requested the information. EnergyAustralia acknowledges the benefits that greater access to data will generate for all energy consumers but we recommend that the AEMC have explicit regard to the regulatory and administrative burden of the draft determination, which is one aspect of its assessment framework.

In terms of the format of data that retailers must provide, we welcome the AEMC's recommendation to remove the reference in clause 7.16(c)(3) of the proposed NERR rule relating to 'net distribution load profile'. However, EnergyAustralia encourages the AEMC to consider the impact of the prescription of a standardised data format through an AEMO process (given retailers have already developed processes for responding to data requests) and whether the prescribed format will suit future needs. We are concerned that this process might fail to take sufficient account of the significant steps that retailers and others have taken and the strong commercial incentive to ensure they continue to collate and present information to customers in a form that reflects their preferences and circumstances. A prescriptive requirement to present customer data in a particular format will limit innovation in the collection and presentation of data, in addition to imposing costs on those entities that have or are developing market driven solutions.

Finally, EnergyAustralia notes the AEMC's recommendation that the Australian Energy Market Operator's data provision procedures take effect three months after their publication. We do not support this timeframe, noting that it will not provide sufficient time for retailers and other market participants to make the necessary changes to systems and processes, as referred to above. EnergyAustralia expects that a 12 month commencement period would better reflect the timeframe that retailers – only some of whom would have been directly involved in AEMO's consultation process – would require to make the necessary changes.

If you require any further information with regard to this submission, please contact me on (03) 8628 1479 or via email at geoff.hargreaves@energyaustralia.com.au.

Yours sincerely,



Geoff Hargreaves
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