



1 September 2023

Australian Energy Market Commission
Level 15, Castlereagh St
Sydney NSW 2000

Lodged electronically: AEMC website

Dear Sir/Madam

Energy Security Board - Bill Transparency Consultation Paper

Origin Energy appreciates the opportunity to provide comment on the Energy Security Board (ESB) Bill Transparency Consultation Paper (Consultation Paper). While the ESB developed the Consultation Paper, this consultation we understand that the Australian Energy Market Commission (AEMC) will take carriage of this project going forward.

Origin agrees that energy markets are undergoing a significant phase of reform as we move from a traditional electricity supply model to a renewable and technology driven supply model. Making informed policy decisions is important in ensuring the transition occurs in a way that optimises outcomes for consumers.

There is currently a broad set of data currently collected by multiple agencies and we agree the current approach could be simplified. However, we do not support the ESB's preferred option of a new automated system of data collection. The proposal for a single body (ie AEMO or AER) to collate reporting data on an automated basis will create complex system builds (reporting data spans over a number of different systems) and increase costs of providing data. We believe the costs are likely to exceed the benefits, especially where governments and regulatory bodies continue to maintain state-based reporting requirements.

We support the continued use of the ACCC and AER data collection processes. This data provides for a significant cross section of data and where data is too voluminous to collect, it collects a significant sample size (eg customer billing) to enable this information to be confidently used in regulatory and policy decision making. We believe the focus of this piece of work ought to be on enabling key policy makers to have access to this information rather than attempting to re-create and extend current process.

In terms of streamlining the current data gathering process, this could readily and cost-effectively be achieved through more agreement across governments and regulators. The ESB's approach does not resolve this. This issue ought to be a focus of the AEMC to reduce the regulatory burden on energy retailers. If there is no general agreement for all parties to obtain information from a single reporting body, duplication of processes will simply continue creating unnecessary costs.

The Consultation Paper does not provide adequate evidence to justify changes to current reporting requirements. Retailers have already incurred costs and set up process to comply with current reporting requirements and it would be inefficient to make changes to without clear tangible benefits to governments and consumers.

For these reasons, more work is required to obtain agreement from key governments and regulators on specifically what information gap there is and why and then further cost benefit analysis on the best delivery mechanism. In the interim we support a continued use of the ACCC and AER data collection processes.

Origin's response to questions raised in the Consultation Paper are set out below.

The need to improve access to billing data

Question 1: Have we appropriately captured the issues with the current approach to data gathering?

Question 2: What are the issues faced by data holders or data users in providing and/or collecting data?

Under the current arrangements, retailers provide data and information to regulators and agencies in a format and presentation specific to the agency's individual needs – it is not provided in a raw format for the requesting agency to then manipulate.

In many circumstances this requires retailers to undertake significant data manipulation to ensure it meets the requirements of the requesting agency. For example, data may be required for a subset of hardship customers which requires data to be segmented based on postcode, concession type, tariff or discount. It is not a simple extraction of raw data from a retail billing system.

In addition, there is limited consistency across key agencies in terms of the content and format of the requested information. State based regulators generally request specific information about concession schemes while the ACCC and AER request information about pricing and NECF requirements.

We believe that having a central repository of customer billing data will not change the current approach of regulators and agencies requesting; rather it is likely to duplicate effort. It is not just the quantum of information that is the issue – these agencies want a certain type of information at a particular level of granularity and presented in a certain format. We are deeply concerned that the addition of another reporting and data requirement will simply add to the costs and complexity of retailer reporting with no or limited commensurate benefit.

Billing data required to inform policy decision making: Policy Themes

Question 3: Do you agree with the policy themes identified that need to be answered through small customer billing data? If not, are there other policy themes relevant to billing data?

While the policy themes are broad, we question the underlying data that would be required to answer these questions. Origin's initial review of the policy questions highlights that retail data would need to be manipulated. For example, policy questions in relation to whether a customer is selecting better plans, impacts on customers that do not switch retailers, whether cost reflective tariffs provide savings to households and whether certain customer groups are paying more are not questions that can be answered with raw data sets from retailer systems. Manipulation of data adds complexity to the development of IT systems.

With respect to Distributed Energy Resource (DER) data, the quality of the data is reliant on: 1) the installer completing paperwork with completed fields; and 2) the data being inputted into the distribution businesses systems. DER data is available through CDR, and we are experiencing both data quality and timeliness concerns. Data quality given missing fields and installers have considerable time from installation to submit the data to the distributor. The framework for installation of DER technology will need to be reviewed if it is intended this data form part of a reporting framework.

Billing data required to inform policy decision making: Use Cases

Question 4: Are there other potential end users that need consideration?

The ESB has identified vulnerable customers as a focus of retail reporting. We agree that the protection of vulnerable customers is a priority area for regulators and policy makers. Significant measures are already in place to both monitor and assist vulnerable customers. It would be useful for the AEMC to identify the energy specific issues with regard to vulnerable customers as distinct from broader economic

challenges such as low income and housing affordability and how the provision of more detailed energy data will help address these challenges.

Additional end users identified include consumer energy, market design and general energy researchers. The limited details of what each of these end users encompass and the broadness of the category of users makes it difficult to comment on other users that should be included within the end user category.

Origin understands the desire for policy makers or consumer groups to have a detailed understanding of how the market is working and especially across different demographics. However, there needs to be clear use cases that demonstrates the benefits from increasing or changing the reporting requirements. Origin supports further scoping more clearly understand the end users who will benefit from the provision of energy data.

Gaps in billing data

Question 5: Of the limitations identified, what are the most critical issues for policy makers to address?

Origin believes a number of limitations identified go beyond the scope of an energy regulator and reporting requirements. Non-energy related products and services should not form part of an energy reporting framework. Additional goods and services (ie telecommunication services) are provided under commercial arrangements with consumers and do not form part of the energy regulatory framework.

It is important to note that non-energy related products and services are not always billed by the energy retailer. 'White labelling' is a commonly recognised arrangement utilised in the market where an energy retailer will offer an additional product, however a third party manages and bills the customer on the energy retailer's behalf. In these cases, the energy retailer does not hold the data – it is held in a different system and not linked to an energy account.

Finally, tariff and product data are readily available through Energy Made Easy and Victoria Compare. We question how requiring retailers to report this data on an automated, aggregate basis would enhance data quality or availability for policy makers. Origin urges the AEMC to analyse existing forms of available data before deeming additional data fields being necessary.

Components of any data gathering solution

Question 6: Do you have views on the scope of data collected and preferred common data standards?

Scope of data collection

The data scope requires further consideration and investigation. The data fields need to be of value to the policy makers, not pose privacy concerns and the benefits and costs of each of the datasets analysed. The greatest concern for the business is the listing nature of all the potential data fields without clear consideration for the use of the data fields. Any data fields should not extend beyond the supply of electricity – which is the focus of current reporting requirements.

The provision of detailed disaggregate information is likely to impose a significant cost impost on retailers that will ultimately be passed on to customers. Accordingly, it is essential that the AEMC provide a clear understanding of what problem is trying to be solved and how expanded data fields will be utilised.

Data Standards

Data standards are key and essential to the development of an automated reporting framework. While the concept of the CDR framework could be utilised (ie developing APIs), we do not believe that the CDR standards will be transferrable to a reporting framework. The CDR standards have been designed to access and extract data based on individual accounts – there is no ability to return a bulk return of data. Each of the standards are based on an API "get" requirement that are linked which each of the data fields for an account. There is no ability to sue the standards to seek information on a certain postcode or subset of customers (ie vulnerable). Industry would be required to start again to write and develop standards that could be used on a bulk basis.

Component of data collection

Question 7: Do you have views on the preferred body to collect the data?

The ESB identified a number of bodies that could take on the reporting data collection role. The ESB's preferred position is for either the AER or AEMO to take on the reporting role. The ESB's least preferred options included the ACCC continuing with current reporting, extending the ACCC reporting mandate or other bodies such as regulators or the ABS taking on the role.

It is not clear to Origin that there are major concerns with the current ACCC reporting requirements. The data seems to be diverse and provide sufficient sample of consumer data across a range of scenarios. The major concern appears to be that the ACCC cannot share the data that it collects. Origin notes that the ESB has not been able to provide a solution to allow for the sharing of data if the data was collected by the AER or AEMO.

Origin's preferred position is for the continuation of the ACCC reporting. Processes and systems are already established to extract and provide the data on an annual basis. If there are concerns with the timeliness in which this data is released, Origin suggests increased technical and qualitative abilities should be developed within the ACCC to allow for the release of the data in a timelier manner.

Origin does not support AEMO taking on the reporting and analysis role. AEMO has a technical operational role in the electricity industry. Origin does not believe that AEMO has a role for developing consumer reporting frameworks and nor providing services directly to other third parties (regulators or other approved bodies).

We have a general concern with the proposal to set up a centralised depository of reporting data. We see there are practical issue with data being deposited from multiple parties (ie retailers, distributors, meter providers) and then consolidated into a single, automated process. Data is constantly being revised and updated. Establishing and maintaining a 'global' database of reporting data and requiring constant information flows between retailer systems and the data base is likely to be inefficient, expensive and time consuming.

From whom data is collected

Question 8: Do you have views as to collection of data from retailers and considerations to optimise this? What scope of retailers should be included?

Data is of the most value to the market if it includes data from all energy retailers. Data from all energy retailers can show the difference in product offerings, tariff arrangements and how each of the retailers are responding to market conditions. Origin does not support the position that reporting of data be limited to the largest retailers in the market.

We note that the paper suggests that the reporting framework should reflect the CDR framework. That is, retailers consuming less than 10,000 customers will be excluded from reporting. While this is supported for CDR, the continual adoption of this position may act as a barrier to competition. Retailers may not seek to enter the market or restrict customer numbers to less than 10,000 customers to prevent them from incurring costs of automation for both CDR and reporting. This has flow on implications for the viability of a retailer as the recent failure of energy retailers, suggests that you need economies of scale to cover retail costs of entering and supplying energy customers.

Origin requests that the AEMC substantiate how the ESB has derived an estimated retail cost of \$1 million in reporting costs. There is no evidence in the report to validate this cost and it is not clear if this is an estimated cost for the industry or per retailer. Origin has not provided reporting costs.

Systems to collect billing data

Question 9: Do you have views on the appropriate systems to collect data? Does this vary by which retailers are covered or which agency is collecting data?

We support the ESB's analysis of the shortcomings of utilising the CDR framework for the collection of retailer-held data. There is no ability of a government agency to access data on a bulk basis, not all data fields are compulsory, and it has been built on the premises that an individual is required to provide consent for the release of consumer data.

Origin believes that there will be considerable costs incurred with moving to an automated reporting scheme. The indicative costs of automation are evident with the implementation of CDR. In particular, AEMO was required to develop one API for the automated exchange of AEMO related data. The capital costs of the automation were \$5 million with additional ongoing yearly operating costs¹. This cost is for one entity alone – this cost significantly escalates if these costs are incurred for each market participant that is required to develop new reporting capabilities.

It should be noted that while CDR has developed an automated system to deliver consumer data through an ADR, a number of energy retailers have not developed these capabilities internally. Energy retailers have outsourced the automated service requirements to a third party to perform the functions on their behalf. This is given the significant costs to build the systems internally. While it may be a more cost effective for energy retailers to outsource this function, it exposes retailers to a moderate-high level of risks. Risks that the third party is performing the functions as required, and if the third party becomes insolvent then energy retailers are non-compliant with regulatory requirements.

Systems and data quality for the management of data

Question 10: Do you have views on the challenges in managing data quality and processes to achieve this efficiently?

Data quality is an ongoing issue for all market participants, including retailers. Data quality on a mass level is often difficult to detect without processes in place to randomly check individual data sets or comparing the data against a previous reported information. The completeness of data sets is also limited to the extent that the information is collected and collated on a consistent basis across retailers.

Data quality can be improved if there are consistent parameters and metrics for both the collection and extraction of data. This is to ensure consistency across retailers. As discussed previously, we do not believe the CDR standards can be utilised given the very specific drafting of the standards to apply to individual accounts.

Data security and privacy are key considerations to any reporting framework. The Consultation Paper does not provide details of data security framework options. Given the increased number of cyber security breaches, this should be a priority consideration for the AEMC in assessing reporting options.

Geographical coverage

Question 11: Do you have views on the challenges in managing regional coverage?

We see significant challenges in all jurisdictional regulators agreeing to a national data collection, analysis and reporting framework. While retailers report to the AER, the AER reporting excludes Victoria as they have their own reporting framework. States also have their own reporting frameworks for concessions and other social policy schemes. Benefits of a national framework will only be achieved if all governments and regulatory bodies agree to only utilise data and reporting through this scheme. Otherwise the proposed model will simply add an additional costly form of reporting.

¹ AEMO (2023) Draft Report and Determination at <https://aemo.com.au/en/consultations/current-and-closed-consultations/participant-fee-structure-for-the-consumer-data-right-cdr-declared-nem-project> p.10

Frequency of data collection

Question 13: Do you have views on the frequency of data collection and the relative cost and timeliness of data collection?

The more frequent the data request, the more costly it will be. Even if the data requests are automated, there are always going to be system or volume exceptions that require manual intervention. System exceptions can result as data has not been uploaded, data fields are missing or the NMI's (in a sample data) are no longer active. Manually responding to the review of data sets is labour intensive and costly. Origin believes that reporting should be no more frequent than annually.

While there is a desire for more frequent data collection, the Consultation Paper does not address how it is proposed that the data could be released in a timelier manner. The paper notes that the ACCC takes 5-6 months to report on the data². It is not clear to Origin, even if more frequent data was provided, it could be published in a prompt manner. This is given data is frequently revised for errors. While automation may increase the speed which data is transferred, it does not necessary reduce the time taken to review, revise, analysis and report.

Systems to share data

Question 14: Do you have views on how to best facilitate sharing to ensure consumer benefits? What considerations are required around linking data while also ensuring privacy? Is there a preferred body to facilitate?

Origin agrees that a key objective of the review should be to reduce duplication of the data requests to retailers submitted by jurisdictions and regulatory bodies. However, to achieve this objective, all bodies that currently request data from retailers would need to agree and rely on a single, national body to collect and provide this data to them. Evidence has not been presented in the Consultation Paper to suggest that that jurisdictional or national regulators would agree such an arrangement. It will be imperative that the AEMC seek the views of data requesters before progressing this review further.

The preferred body to facilitate the transfer of data is dependent on capabilities, costs and national policy with regards to the collection and sharing of energy data. Origin believes current reporting is adequate and changes to current arrangements will come at an increased cost. Origin strongly believes that reform benefits will only be realised if there is consensus view among all policy makers to a consistent and standardised reporting format.

Options for data collection, management and sharing

Question 15: Are there other options that we should consider for collection, sharing, and analysis and reporting of billing data?

Origin believes the AEMC needs confirmation from Governments and regulators that they would utilise a single reporting body before scoping the functions and role of the body.

Assessment Criteria

Question 16: Are there any other assessment criteria or relevant considerations which we should include to determine the preferred option?

Origin broadly supports the criteria identified by the ACCC in assessing the appropriate CDR model for the energy sector. The key consideration for Origin is the cost of implementing a new reporting framework and the use of the framework by both Governments and policy makers. It will be to the

² ESB, Bill Transparency Consultation Paper, July 2023, p25.

market's detriment if sophisticated systems are built for low levels of use or transactions. Customers will also ultimately pay the costs for policy decisions made with regards to reporting.

Preliminary Assessment of options and recommendations

Question 17: Do you agree with our preliminary assessment of each option?

Question 18: Do you agree with ESB's recommendations?

It is imperative that the AEMC provide industry with quantitative data to be able to assess the merits of each of the options. This includes evidence of tangible benefits and a cost assessment that shows that the costs of moving to national reporting body do not outweigh the benefits. We do not support nor agree with the Consultation Paper analysis until such time as this data can be provided to energy retailers.

We believe that given the substantive nature of our concerns with this Consultation Paper, the energy sector ought to be provided with further opportunities to review and comment on the policy positions developed as part of the AEMC Bill Transparency Review.

If you have any questions regarding this submission, please contact Caroline Brumby in the first instance on (07) 3867 0863 or caroline.brumby@originenergy.com.au.

Yours sincerely



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