

20 February 2025

2/11 Newton Street
Cremorne
VIC 3121

Ms Anna Collyer

Chair

Australian Energy Market Commission

Level 15, 60 Castlereagh Street

Sydney NSW 2000

Reference: ERC0399

Directions Paper – Real Time Data for Consumers

Dear Ms Collyer and colleagues

Energy Locals Pty Ltd (ACN 606 408 879) (**Energy Locals**) does not support the proposed rule changes outlined by the Australian Energy Market Commission (**AEMC**) in the Directions Paper on real time data for consumers (**Directions Paper**).

Energy Locals is an authorised electricity and gas retailer that supports customers directly as well as via partnerships with newcomers to the energy retail sector, such as RACV, RAA, Indigo Power, IO Energy, Tesla, and others.

After reviewing the Directions Paper, we agree with many of the comments made by other stakeholders in response to the Consultation Paper. As these concerns have already been identified, we have decided not to provide a detailed response to the questions raised in the Directions Paper. We do, however, expect that we will have further comments as the review progresses.

1. Ongoing cost recovery

A crucial issue that we do not think has been sufficiently addressed by the AEMC is the need for an appropriate ongoing cost recovery mechanism for retailer expenses. While we support an initial upfront charge for customers who choose to access real-time data, it is equally important that retailers be able to recover any costs incurred for the ongoing provision of such access.

We disagree with the AEMC's proposal that:

*"Retailers may not charge consumers any ongoing costs to provide real-time data. The MSP would incur these costs directly but would pass on these costs to retailers. Retailers should manage the cost to MSPs through their commercial contracts."*¹

If this proposal is implemented, it is essential that the AEMC ensures retailers can recover any ongoing costs they incur. Relying on commercial contracts to manage these costs is an inadequate solution. If retailers are unable to pass on costs to specific customers, these costs will inevitably need to be distributed across all consumers, leading to higher prices for everyone.

2. Previously identified limitations of the proposed changes for real-time data

Regarding previously identified limitations of the proposed rule changes, Energy Locals agrees that:

- **Currently available energy consumption data is sufficient for many consumers**

We agree with the observations made by other retailers, and acknowledged by the AEMC, that the current energy consumption data, with a day's lag, is sufficient for many consumers to monitor and manage their energy usage patterns over time and to respond to price signals.² With this data, customers can make

¹ AEMC, Real-time data for consumers, Directions Paper, 30 January 2025, p.14.

² Ibid, p.6.

informed decisions about their energy needs. Real-time data (at 5 minute intervals) may not offer additional value for the majority of consumers.

- **There is low demand for real time data**

We agree with the observations made that current consumer demand for real-time data is low. Further research is required to assess consumer demand in, and willingness to pay for, real-time data access.³

- **The proposed rule changes do not align with the Consumer Data Right (CDR)**

Retailers have already incurred significant costs in implementing required system improvements for compliance with CDR Rules. Notwithstanding the limited demand for real time data, if this is progressed through a different mechanism to CDR, it creates unnecessary complexity for retailers, may confuse customers and ultimately undermine the effectiveness of the CDR.

- **It does not align with smart meter rollout** given the current fleet of smart meters lacks the built-in functionality to support real-time data.⁴

- **There are other alternatives for customers to access real time data**

If a customer wishes to access instantaneous data, there are options available such as the digital meter readers in Victoria.⁵ These solutions are easier to implement and ensures that costs are incurred by the specific customer. These devices are available at low cost in other states too.

In summary, Energy Locals considers that the costs of these proposed rule changes significantly outweigh the benefits. As outlined by other retailers, it is essential that a comprehensive cost/ benefit analysis and further research be performed to evaluate the need for real time data for consumers. If these proposed changes are implemented, we request the AEMC to ensure that there are sufficient cost recovery mechanisms for retailers to recover any spend to metering services providers.

We appreciate the opportunity to provide feedback and expect that we will have more substantive comments as the review progresses.

Please contact me if you would like to clarify any aspect of our submission.

Yours sincerely,

Adrian Merrick
Chief Executive Officer
Energy Locals Pty Ltd

³ Ibid, p11-12

⁴ Ibid, p.11.

⁵ Ibid, p.9.