7 November 2024

Electronically: https://www.aemc.gov.au/contact-us/lodge-submission

RE: ERC0399 Real time data for consumers.

Origin Energy appreciates the opportunity to provide a submission in response to the Australian Energy Market Commission's consultation paper on *Real time data for consumers*.

In our submission, we:

- Establish our understanding of the ECA rule change request and discuss whether the AEMC's paper reflects the concerns that were contained therein.
- Consider what is being proposed as 'real time data' and whether this would reflect what a lay person would understand this to mean.
- Discuss data provision and data access options currently available to customers.
- Suggest tools which may perform the customer facing task outlined by ECA as necessary to support customer engagement with and management of their energy costs.

We are uncertain on what basis the AEMC would like industry to assess the type and magnitude of costs associated with their proposal. We do not consider enough information has been provided to support such an assessment.

Our views on these issues are set out below.

Premise of ECA rule change request

Energy Consumers Australia (ECA) proposal outlines that smart meters can enable access to energy usage information in real-time. While this may be the case, current data is available at a 24-hour delay. Neither the ECA proposal nor the AEMC's paper would change this. ECA proposes that a definition for 'real-time data' could be 'data that is received instantaneously or received within no more than 300 seconds'[1]. Suggesting that the data available to consumers would be 'real time' because of the proposed rule change is inaccurate.

Additionally, the ECA's proposal was focussed more on a capability for customers to engage in 'demand response' activities to effectively reduce their bill totals. We do not believe that the rule change request made by ECA, or more specifically the proposal outlined by the AEMC in response to this rule change request, would achieve this. Assuming that customers are exposed to demand pricing, usage data would need to be available to customers in actual real-time, along with specific real-time market signals for them to respond to. Increasingly this world seems unlikely.

The AEMC note that real-time functionality would come at a cost and seek stakeholder feedback on the costs and benefits of improving access to real-time data, and views on changes that may be needed to improve access to real-time data. In our view these issues are largely secondary to the question of whether this proposal would serve any purpose that cannot already be met.

In our view, the problem statement outlined by the AEMC in figure 2.1 does not accurately reflect the rule change request problem statement. Instead, figure 2.1 is probably more consistent with the AEMC's views which underpin its recommendations in its *Review of the regulatory framework for metering services*, which has much broader implications than the request ECA raised.

[1] AEMC Consultation paper Real-time data 10 October 2024, p ii.

The ECA request relies on the premise that there is a real-time impact of usage decisions that relates directly to customers energy costs. Given the increasing reluctance of regulators to actively expose consumers to pricing signals such as demand-based pricing, the actual ability of time-based customer usage changes to impact customer bills is questionable. It is additionally questionable because customer usage data is only one side of this pricing model. The customer would also require real-time visibility of peak demand events to respond to. Engagement with this is even more unlikely. Not only is access to this information not readily available to customers, in our experience most customers would prefer to be able to largely ignore their energy use and costs and barely engage in taking up 'better offers' that may reduce their energy costs even when presented with these directly.

The AEMC sensibly does not expect all consumers to have the time or desire to monitor data in real-time. Instead, they believe third-party systems or other intelligent electrical devices will be able to collect and analyse real-time data, identify patterns within, and independently act based on the data to maximise value and lower bills for consumers. We consider this is a much more likely scenario.

ECA is also concerned at the potential cost of providing real time data, given their main concern is increasing costs of energy to customers. We consider that there are much cheaper options to providing customers with insights into their data usage to help them navigate simpler, customer-appropriate tariffs such as time-of-use alongside the installation of a smart meter.

Definition of real-time data

ECA proposes that a definition for 'real-time data' could be 'data that is received instantaneously or received within no more than 300 seconds'. Industry cannot determine when something is 'received' unless it is deemed to have been received a specific timeframe after it was sent. We do not believe that this represents what a lay person would interpret at 'real time' and would not serve the purpose the ECA desires in terms of providing customers visibility of their immediate usage in its end form of energy costs.

We consider that a more relevant customer focused understanding of 'real time' would mean up-to-the minute data, without a 24-hour delay. We do not support the implementation of this; the volume of transactions associated would be enormous when we consider that 75% of customers have more than one metering data stream. We estimate that such a change would result in in excess of 3.5 million datapoints being transacted every thirty seconds at a minimum.

We do not believe that the digital readiness of industry is mature enough to support such volume at this stage, irrespective of the massive cost we would expect such a definition and build to result in.

We additionally observe that some of the use-case the ECA raises is one of product. If there were benefit in having real time data, there is nothing preventing industry from making arrangements with their metering counterparties directly to obtain this in order to develop a product for a customer group who desired it. The lack of this occurring would indicate that current data access and latency arrangements remain sufficient to provide customers with the information that they need to reduce their energy costs under current product and pricing models. We do not dispute that there may be a lack of customer appetite to actively engage with their energy use to achieve this. In any case, we do not think it is appropriate to construct market rules to dictate what products are available in a competitive market.

Current data provision and access options

Origin does not consider that there is a lack of data available, or that there is significant delay in the provision of that data to customers. Currently, a customer can access their data in the following ways:

- Customers can access their data including data that relates to their Consumer Energy Resources (CER) via the Consumer Data Right (CDR), in a specified format and within a specified timeframe. There are rigorous cybersecurity and privacy parameters in place when customers and their agents interact with the CDR.
- Customers can access their smart meter data under industry's existing customer access to data (CAD) provisions. This file format is specified to be utilised compare energy offers using

regulated platforms, allowing customers to engage in finding an energy product that is more suitable or could potentially provide a saving on their energy costs.

- Customers can access their usage data via retailer apps. Origin's app will display customers smart meter usage data and estimate costs on an hourly, daily, monthly or bill-period basis. A customer can also request their usage data file as established under the CAD provisions directly from the app. The AEMC notes in its paper that customers could be waiting an unspecified period to receive this data but does not attempt to determine whether there is any existing delay in its provision once requested under current arrangements. If a customer were to request their usage data via the Origin app, the CSV NEM file simply commences download to the customers device and is generally available within a very small timeframe, depending on the customers internet connection.
- Customers in Victoria can access an in-home display energy monitor for free under the Victorian Energy Upgrades (VEU) program. Customers in other states may be able to access such a device through a similar energy efficiency program, or alternately can purchase one at relatively low cost. These in-home displays show what is more realistically understood as 'real time', although the data is 'unvalidated' and therefore any cost estimate it provides may be subject to change.

We are additionally concerned that the increased access to data the AEMC seems to propose would actively undermine the protections and security afforded customers under the existing CDR structure, since the paper does not discuss the impacts of access, privacy, and authorisation components of data sharing on the scale suggested. Such an approach could directly undermine customer trust in industry, if it appeared that industry was trying to circumvent the rigorous guards in place to ensure their privacy and data is protected under existing data access platforms.

We suggest instead that it would be worthwhile the AEMC engaging with Treasury to ensure that usage data can be made available through the existing CDR arrangements, in a way that might be of greater use to customers, if this is considered lacking.

Tools to effectively reduce customer bills

We understand that different customers have different wants. This is the reason retailers have developed products which appeal to different customer segments. Outside of changes to the existing data format and frequency design settings, we consider the ECA rule change proposal is one relating to managing energy costs through the appropriate availability, selection and understanding of energy products.

We consider that the competitive market has already responded to meet the wants of customers who wish to engage with something comparable to fully cost-reflective, demand-based pricing, through retailers who provide variable price products with significant cost-reflectivity. These are the same subset of customers who may actively engage with 'real-time data' to help manage their energy bills, which they are currently able to do to participate with their product offering.

Other approaches to helping customers reduce their energy bills exist within the market. For instance, Origin's Spike program aims to help customers save money on their energy bills by 'gamifying' energy use in Spike hour events. We encourage customers to adjust their energy use to off-peak times or opt for more environmentally friendly habits. In addition to a bill reduction for reducing usage, the energy participants save from beating their 10-day average turns into Spike currency, called Watts. Watts can be redeemed for PayPal cash and gift cards from a range of retailers.

Many retailers have developed apps which show customer usage data and an estimate of costs.

Finally, we consider that a cheaper, more transparent and simple-to-engage with tool for helping customers keep track of their energy use and costs are in-home energy displays. These are available and accessible within the current framework at low or no cost. We consider these are an appropriate

and cost-effective mechanism to accompany smart meters and the time-of-use tariffs which can be accessed once a smart meter is installed.

In the United Kingdom, such displays were installed at the time a customer was provided with a smart meter to help them better understand and manage their usage and support the positive uptake of time of use tariffs.[2]

It may be the case that the negative customer perceptions of cost-reflective pricing options and smart meters in Australia could be alleviated through the provision of such a device at the time a smart meter is installed. This may also serve to increase customer trust in smart metering and sensible customer facing pricing options such as time of use.

Determining potential costs

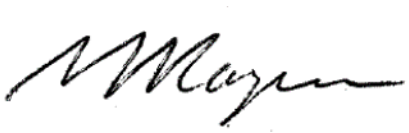
Given the readily available options to access usage and CER data we have outlined, we do not consider that the proposal in the AEMC's consultation paper would provide any additional benefit to customers or industry.

We are uncertain on what basis the AEMC would like industry to assess the type and magnitude of costs associated with their proposal. The specifications of industry data itself does not appear to be changing under the proposed definitions.

We observe that if there are costs associated with any rule change, these are ultimately borne by the customer and contribute to increased energy bill costs irrespective of where in the supply chain any fee for access occurs.

If you have any questions regarding this submission, please contact Courtney Markham in the first instance on 03 9821 8086 or at courtney.markham@originenergy.com.au.

Yours sincerely



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[2] Currently, English energy suppliers are obligated under Energy Supply Licence Conditions to maintain in home display (IHD) equipment for the 12 months following installation with the occupier that received the installation.