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Australian Energy Market Commission
Level 15, 60 Castlereagh Street
Sydney NSW 2000

Via online lodgement – www.aemc.gov.au

Real-time data for consumers – Directions Paper (ERC0399)

Alinta Energy welcomes the opportunity to respond to the Australian Energy Market Commission's Directions Paper on the real-time data for consumers rule change.

The Commission notes the rapid growth of consumer energy resources in Australia and coordinating and integrating CER efficiently will be a key challenge over long term. Real-time data has the potential to enable useful applications for consumers, retailers, third party service providers and other market participants. However, we do question the assumed level of interest in some of the proposed use cases for real-time data and note there are numerous ways for customers and their representatives to access real-time and historic demand data at present, including:

- The Consumer Data Right, which provides data through high secure and accredited systems;
- Consumer access to information provisions under the National Electricity and Energy Retail Rules;
- Online and mobile applications provided by customer retailers; and
- Devices that provide real-time data via in-home display or online and mobile applications as is common in Victoria.

A staged approach to implementing access to real-time data is therefore appropriate and provides flexibility to determine the most efficient mechanisms to meet customer preferences, keeping the customer at the centre of decision making. As noted by the Commission, ensuring customers who do not want or need access to real-time data today are not forced to subsidise those that value such access.[1]

Alinta Energy supports the Commission's position that competition and consumer preferences should drive the provision of real-time data and its relevant use cases. The Directions Paper provides a path forward that encourages competition and the flexibility to manage uncertain costs and benefits of real-time data.

While acknowledging that making changes to the Consumer Data Right is outside of the rule-making powers of the Commission, there is merit in utilising elements of its accreditation approach for data recipients to address risks to consumer privacy and protecting consumer data. Our support for the approach set out in the Direction Paper is qualified by concerns around validation and maintaining the currency of consumer consent. Protecting consumer data and personal information may be challenging to address under any more preferable rule made by the Commission.

The Commission offers behavioural response to complex price signals as a potential benefit of access to real-time data.[2] While we agree that this may be a benefit to some customers, it is an argument that runs

[1] AEMC (2025), Directions Paper – Real time data for consumers, page 13.
[2] Ibid., page 7.

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counter to the recent retreat of the long-held policy position of regulators that would expose customers to cost-reflective pricing (for example, the additional safeguards set out in the recent final determination on Accelerating Smart Meter Deployment rule change).

We understand the balance that policy makers and the Commission need to find in helping customers optimise their energy consumption and costs, including the price signals that will enable this (noting this is the focus of the Commission's *Electricity pricing for a consumer driven future* review). It is more likely that use cases for real-time data will involve market participants and third parties optimising CER at small customer premises to minimise the need for customers to monitor and react to dynamic conditions.

Our response to questions contained in the Directions Paper are set out below. Alinta Energy welcomes any further opportunity to discuss our response with the Commission, please contact David Calder (David.Calder@alintaenergy.com.au) in the first instance.

Yours sincerely

Shaun Ruddy
Manager, National Retail Regulation

Question 1: Do you agree with a staged implementation approach for when consumers pay for access to real-time data?

(a) Is 15 years the right timeframe for industry to achieve cost efficiencies in delivering real-time data access from smart meters? Are there ways to support industry to reduce this timeframe?
(b) Would the marginal cost to each consumer be material in the long-term if costs were smeared across all consumers after 15 years?
(c) Are there other ways to facilitate efficiency and equity and support industry to lower costs to consumers?
(d) What incentives would our approach create for retailers, MSPs and third parties?

Question 1(a): 15 years would seem to be reasonable timeframe to allow the market delivering real-time data access to mature. The timeframe may be shortened, but the best approach is to allow the demand for services offered to customers and competition among providers to determine how access to such data evolves.

Question 1(b): It is not possible to say if the cost of providing real-time data and access to real-time data will be marginal if spread over all customers by 2040. If real-time data is not valued or the use cases of questionable benefit relative to the cost of provision at that time (or even before then), the Commission should be prepared to allow access to real-time data to remain a user-pays service subject to competition between providers.

Question 1(c): Alinta Energy supports competition among Meter Service Providers (MSPs) and competition among retailers as the best mechanism to minimise the cost of providing real-time data.

Question 1(d): The materiality of demand and market for real-time data services is unknown at this time, so a flexible approach that supports competition will provide the necessary incentives for services to develop over time.

Question 2: Should the prices for real-time data access be published by the AER?

(a) How and where should the AER publish prices to access real-time data?
(b) What other measures would incentivise retailers to offer real-time data at competitive prices?

Question 2(a): We do not support the publication of prices to access real-time data via the Australian Energy Regulator's website. As an unregulated service, prices to access real-time data should be published on retailer's own websites. The price of access to real-time data may vary by retailer, customer location, connection characteristics and the MSP involved. If prices are to be published, it should use existing platforms such as *Energy Made Easy*.

Question 2(b): Competition among retailers should be sufficient incentive to ensure efficient pricing of real-time data services. We would encourage the Commission to allow the market to develop and for retailers to innovate and compete to determine the optimal provision of real-time data services for customers who seek access to them.

Question 3: Do you agree with our proposed definition of real-time data?

(a) Does the proposed definition enable real-time data products and services to deliver the benefits of real-time data to consumers?
(b) What other features of a real-time data definition should be described in AEMO procedures?

Question 3(a): The definition proposed by the Commission would support the (yet to be quantified) benefits of real-time data for customers and third parties. The one second delivery timeframe needs to be flexible enough to accommodate potential technical failures allowing 'live' access to meter data, which may include communication issues with a customer's meter. While we support the certainty provided by

an agreed definition of real-time data, AEMO procedures will need to support some flexibility around delivery to acknowledge circumstances where it is not possible to meet the definition set out in the National Electricity Rules.

Question 4: Do you agree with the obligation on retailers to provide real-time data access?

(a) Are the proposed timeframes of 10 business days and 20 business days sufficient to enable retailers to give customers access to real-time data?
(b) Are there circumstances where the obligations on retailers to offer and give real-time data access upon customers' request, and the timeframes within which to give access should not apply?
(c) Are additional obligations on retailers required to enable the provision of real-time data access to consumers?

Question 4(a): In principle, the 10 and 20 business day timeframes for retailers to deliver customer access to real-time data seem reasonable, but both are subject to uncertainty that may result in higher costs for individual customers in the absence of flexibility. For example, meeting a 20-business day timeframe for a customer who is in a remote region would be more costly than the same customer located in a regional city or urban area on a marginal cost basis. The proposed service levels should be flexible enough to allow MSPs, retailers and customers to negotiate a least-cost outcome outside of these timeframes if meeting them would be unreasonably costly for consumers.

Question 4(b): As discussed in response to Question 4(a) above, in some circumstances, meeting the timeframes to enable access simply result in unreasonably prohibitive costs and alternative timeframes could be negotiated between customers, retailers and MSPs to minimise costs. Customer location, access issues, meter type and MSPs scheduling similar site visits to access scale economies are all circumstances that would benefit from flexibility rather than strict prescription of timeframes.

Question 4(c): No further obligations on retailers are required to enable the provision of real-time data access for consumers.

Question 5: Do you agree that MSPs should ensure multi-party, interoperable and secure access to real-time data?

a) Are there requirements that we should impose on MSPs in addition to multi-party, interoperable and secure access obligations?

Question 5(a): We do not believe additional requirements should be placed upon MSPs and that rules and procedures (as for other aspects of any more preferable rule) provide flexibility to allow market participants to determine least-cost solutions to allow access to real-time data and competition to drive efficient pricing for access to it during the 15-year implementation period.

Question 6: Which consumer consent pathway do you consider to be the most practical and why?

(a) Are there any barriers to implementing this pathway?
(b) Are there any viable alternative pathways that better deliver outcomes for consumers?

Question 6: While Alinta Energy sees advantages and disadvantages under both the MSP and retailer-centred pathway to verifying customer consent, on balance, we consider a retailer-centred pathway preferable because it benefits from the existing knowledge retailers have about their customers, who may be authorised to request data from a particular meter and leverages existing systems and processes.

Question 6(a): We acknowledge that there will be additional costs for retailers under this model with no reciprocal benefit, it is likely to be the best path to manage validation of customer consent where third parties (who themselves are not market participants) are seeking access on a customer's behalf. While

the Commission's preferred pathway is via the MSP-centred approach (acknowledging the reduction in steps required to validate consent), MSPs do not have access to information about the customer that may create risks. For example, retailers have mechanisms in place to manage customers experiencing vulnerability or at risk of family violence or financial abuse. Such circumstances place greater weight on the effective validation of consent.

Question 7: What should third party access consent look like?

(a) Should the form of consent be left to third parties to determine?
(b) Should there be specifications placed on the form of consent that third parties must obtain from consumers? If so, what could this look like?
(c) Should the process for the withdrawal of consent also be specified?

Question 7(a): Alinta Energy supports a standard form of consent used by third parties seeking access to customer real-time data.

While understanding that the Commission and the rule change proponent prefer the process should not be too onerous, applying less stringent forms of customer consent is not appropriate where products and services provided relate to an essential service such as electricity supply. Some of the services that will benefit from real-time data may directly impact customer CER and other electrical appliances, their billing arrangements and other product characteristics such as pricing structure. Diluting standards that apply to authorised and registered market participants simply to reduce administrative or regulatory burdens for non-participants calls into question the value the current framework.

Setting different levels of regulatory oversight in order to reduce barriers for commercial entities who are not required to be authorised suggests a review of the regulatory framework more generally should be undertaken.

Question 7(b): As discussed above, a standard form should be used by third parties when seeking customer consent to access real-time data.

The consent should include the following information:

- What data will be accessed by the third party;
- How it will be used and applied;
- For how long the consent will remain in force;
- How the third party will protect the customer's private information and data;
- Reference to the third party's privacy policy and how to inquire what personal data is held and how a complaint can be made.

An online form maintained by the AER may be the most efficient approach to record consent.

Question 7(c): A process for withdrawing consent should be specified.

Question 8: Should additional requirements be placed on third parties that request access to consumer data?

(a) Should third parties be accredited by AEMO under the NER?
(b) Are there any other safeguards required to ensure third parties do not misuse data?

Question 8(a): Third parties should be accredited by AEMO under the NER. Such third parties are accessing customer data, and while not market data, the information will be used to provide products and services directly related to an essential service. Accreditation will build credibility and trust amongst customers choosing products and services requiring their real time data. The cost of accreditation would not likely be material for third parties and would discourage service providers without the basic requirements to actively market products and services that leverage real-time data.

Question 8(b): In addition to the consent process, its validation and where required, revocation, third parties should comply with the *Privacy Act* where the nature of their business and customer base requires coverage and provide pathways for customers to lodge inquiries or complaints and the resolution of complaints.

Question 9: What features of the consumer data right (CDR) can we adopt?

(a) What specific features of the CDR would be beneficial to apply to third parties who seek access to real-time data?

The accreditation requirements under the CDR for third party data recipients would usefully apply to organisations seeking access to customer real-time data, where these organisations are not market participants (or CDR participants), including dispute resolution processes and membership of a dispute resolution body.