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Australian Energy Markets Commission (AEMC)
Level 15, 60 Castlereagh St
Sydney NSW 2000

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

Endeavour Energy appreciates the opportunity to provide feedback to the AEMC's *Real-time data for consumers* directions paper. We support the AEMC's intent to develop a clear regulatory pathway enabling customers and authorised third parties to access their real-time data and benefit from new and innovative energy services and pricing options.

Flexibility in the exchange timeframe would support more use cases requiring real-time data

The directions paper proposes a definition for real-time data which includes voltage, current and phase angle recorded every second and delivered within a second. We agree with the suggested parameters and consider an obligation to deliver data within one second ideal.

From a Distribution Network Service Provider (DNSP) perspective, network use cases supported by real-time data can be deployed effectively using near real-time data, mindful the Victorian DNSPs can access the data they need to support network operation every five minutes. We support the observation from Energy Consumers Australia (ECA) that near real-time data delivery could be a more cost-effective option that metering service providers could more readily comply with.

Opportunity to uplift consistency regarding DNSP real-time data consent and access obligations

We broadly agree with the AEMC's positions in relation to data security, interoperability requirements and the need for a consent mechanism governing third-party access. We note, however, that there appears to be a potential inconsistency in real-time data consent requirements for DNSPs between the existing and proposed frameworks. This is because DNSPs currently negotiate directly with metering service providers to obtain access real-time or 'advanced' power quality data which is consistent with advice from the AEMC explaining that an advanced power quality data service can include basic power quality data collected, processed and delivered differently than under the basic power quality data arrangements[1] including more frequent provision or near real-time delivery.[2]

In our view, DNSPs should be differentiated from other third parties and not be bound by the proposed consent and authorisation requirements. This is because there are regulatory safeguards which prevent DNSPs from misusing metering data, which may not extend to other third parties seeking access. Furthermore, as some network use cases deliver the largest net benefits at high levels of real-time data penetration, it would be difficult for DNSPs to gain consent from the cross-section of customers required. It would also be challenging for DNSPs to gain consent from customers with whom they do not have a direct or primary relationship, and where network benefits arising from the use case are shared with customers across the network. In contrast, it would be more practicable for third parties to seek consent when engaging

[1] AEMC, Rule Determination, *National Electricity Amendment (Accelerating Smart Meter Deployment) Rule 2024*, 28 November 2024, page 20.

[2] AEMC, Final Report, *Review of the regulatory framework for metering services*, 30 August 2023, page 122.

with customers through the market, with authorisation more likely to be granted when the potential financial and service benefits accrue solely to the individual customer.

We also consider this rule change provides an opportunity to harmonise existing DNSP obligations to provide customers with access to their metering data. In contrast, it would be unnecessarily duplicative and inefficient to provide customers with a data access right from metering service providers while also providing a route to access this data through the DNSP, because the DNSP would need to either negotiate with a third party and/or obtain the customers consent to access it from a third party, to then provide it back to the same customer.

Charging customers for real-time data access is not consistent with the objective of the rule change request

The AEMC's proposal to allow customers to be charged for accessing real-time data is neither consistent with nor promotes the core objective of ECA's rule change request, which is directed at providing customers with unfettered access to their energy data at no additional cost. Rather, upfront charges for accessing real-time data prioritises the interests of metering service providers at the expense of customers, and will:

- embed additional costs for an increasing volume of services that rely on real-time data as an input;
- deter customers from taking up product and service offerings (due to the embedded input costs arising from real-time data access) which could otherwise deliver them cost savings and service improvements;
- create an incentive for metering service providers to only replace meters when they become faulty rather than proactively or as part of a bulk replacement program timed to match the expected meter life; and
- risk loss of social licence and community support for the accelerated smart meter rollout.

In particular, the proposal to delay universal free access to real-time data for up to 15 years is far too long, in the context of a rapidly evolving energy industry in which participants are increasingly reliant on timely access to data, enabling data-driven insights to deliver efficient customer outcomes.

We note the minimum Advanced Metering Infrastructure (AMI) specifications in Victoria includes a wider set of functionalities than the national metering specification. This specification was developed in collaboration with the Victorian DNSPs to support a broader range of use cases which has delivered benefits for Victorian customers through lower bills and better services.

However, despite the immaterial difference in manufacturing costs, the National Electricity Market (NEM) smart meter rollout did not leverage this learning to align with the AMI data arrangements and enable customers the opportunity to access the same benefits as their Victorian counterparts. Instead, customers will bear the cost of the divergence in specifications and the sub-optimal procurement decisions of metering service providers.

We are concerned that the NEM smart meter rollout has not adequately considered the full spectrum of benefits that could be enabled by prescribing real-time data functionality as part of the accelerated rollout, particularly those benefits that would accrue to customers through giving them access to their data more efficiently, and at lower (or no) cost. We are also concerned that the rollout will, at best, take three times as long (2018-2030), with a lack of clarity as to how associated costs have been shared among customers.

Market forces have not proven effective in encouraging a timely rollout of metering, particularly with advanced functionality beyond the minimum mandated that could create additional value for customers (either directly or via network use cases) nor has an effective framework been established for the sharing of data on commercially reasonable terms. As a result, further regulatory interventions have been required to accelerate the rollout, share basic power quality data and now this rule change to provide a pathway to real time data access. We would encourage strong regulatory action to avoid the need for further amendments and to ensure the benefits originally envisaged in the 2017 Power of Choice reforms are realised as a matter of urgency.

Consumers and the broader energy system would benefit from distribution network use-cases, enabled by real-time data

Throughout these consultations, DNSPs have provided several examples of network use cases supported by real-time data that can deliver benefits to consumers and the energy system. These use cases leverage the functionality of smart metering and data analytics to enhance visibility of network conditions and include outage management, neutral fault detection, flexible connections through dynamic operating envelopes and dynamic voltage management.

Several of these use cases are detailed in documentation accompanying DNSPs' regulatory proposals to the Australian Energy Regulator and highlight the unique capability that networks have to use real-time data to access operational efficiencies that deliver significant network-wide cost reductions and service improvements that are valued by customers.

The benefits from these network use cases are not ambiguous, theoretical or sensitive to future energy market trends or reform outcomes. Nor are they merely "incremental".[3] DNSPs can develop and deploy these solutions quickly and at scale; however, they remain underutilised due to barriers preventing widespread access to low-cost real-time data from smart meters on reasonable commercial terms.

These benefits are not able to be achieved from basic power quality data. For instance, to manage significant volumes of distributed energy resources, including consumer energy resources (CER), networks need to make data-driven decisions regarding export constraints and local network needs. Doing so requires visibility of real-time behaviours at different levels of the network, because it is necessary to coordinate more complex and variable technologies while also securely managing physical constraints. As these behaviours and their impact on the system can be unpredictable, access to real-time data is vital. In other words, receiving day-old basic power quality data will be inadequate to monitor network conditions and respond to new and increased risks to system security.

Pricing transparency alone will not produce efficient pricing outcomes

We welcome the AEMC's proposal to introduce greater transparency in the prices charged to access real-time data, noting the current lack of visibility has made it impossible to ascertain the level of competitiveness for metering services. However, pricing transparency alone will not produce efficient pricing outcomes for real-time data services because:

- the metering framework establishes the metering data provider as the exclusive custodian of a customer's real-time data. Absent competitive tension or regulatory control, they are not incentivised to price access at any level below the cost of installing and accessing data via an alternative device; and
- real-time data access charges are likely to be small relative to the bundled retail bill charged to customers. This reduces the prospect that that customers will consider changing their retailer based on their comparative upfront access charge. Also, decisions to churn retailers are typically based on comparisons of energy plan prices which do not incorporate charges for customer-requested services.

If the low interest in accessing real-time data exhibited by Victorian customers is observed by customers in other jurisdictions, it will mean that DNSPs will likely drive demand for real-time data in the short-to-medium term. DNSPs will continue to be price-takers, with little countervailing power to negotiate a lower price for real-time data for a given site.

Publishing access charges does not address the fundamental issue of monopolistic pricing of real-time data services which, despite its monopolistic characteristics, currently lacks any regulatory oversight and,

[3] AEMC, Directions Paper, *National Electricity Amendment (Real-time data for consumers) Rule 2025,* 30 January 2025, page 41.

consequently, has restricted DNSPs from being able to unlock the significant scale of benefits that could otherwise be unlocked by this rule change.

We maintain our view that these challenges are best addressed by mandating the provision of real-time data to DNSPs. Alternatively, establishing a regulated price for real-time data services would reduce the ability of metering service providers to exercise their existing market power and help to ensure that real-time access charges are fair, reasonable and efficient.

If you would like to discuss any aspect of our submission, please contact Patrick Duffy, Manager Regulatory Transformation and Policy at patrick.duffy@endeavourenergy.com.au.

Yours sincerely

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