

16 March 2013

Lisa Nardi
Senior Advisor
Australian Energy Market Commission
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Sydney South NSW 1235

Dear Ms Nardi

Submission to Proposed Rule Change: Access to NMI standing data

Thank you for the opportunity to provide a submission to EnergyAustralia's proposed rule change to allow retailer authorised third party access to MSATS for the purposes of quoting.

Key Point

It is essential that this proposed Rule Change be extended to any customer appointed agent and not artificially restricted to Retailers only. In addition, any such access must have the explicit informed consent of the customer, in electronic form, to safeguard against phishing trips and moving the unsolicited "doorknock" problem online.

Background to BidEnergy

BidEnergy is an on-line energy procurement platform that provides customers with:

- A. Spend Visibility – We source and present meter and contract data to provide customers with spend analytics and metrics relevant to their businesses.
- B. Competitive Procurement – We run monthly on-line contests where retailers provide offers for our customers energy demand.
- C. Bill Reconciliation – We reconcile retailer bills to expected customer spend.

We represent business customers' requirements for competitive energy market barriers to be removed. From a market perspective we are a *customer authorised* third party.

Current Market Barriers to Customer Information

As a customer appointed third party we require the same information sought by EnergyAustralia under its Rule Change Application in order to source accurate contract offers from retailers. Without access to MSATS, BidEnergy is exposed to individual retailer and distributor interpretation of market rules in relation to customer data. Actual responses from three industry participants for customer data include:

"Meter data as in all the reads from a meter? This is not something we can provide."

“... the meters are basic there is no meter data”

“Once the data has been collected it will be emailed directly back however please note this can take 2-4 weeks.”¹

“Our policy is that requests for customer data must be on their company letterhead so we cannot respond to BidEnergy’s request”²

Like EnergyAustralia’s appointed third parties we have also requested of AEMO access to MSATS in order to simplify and standardise data collection on behalf of our customers. AEMO’s response was:

“Currently, the National Electricity Rules (clause 7.7(a)) only permit a customer to request access to metering data through their financially responsible Market Participant (i.e. the customer’s Retailer). There is currently no head of power permitting the access you require. AEMO can only consider the implementation of changes to data access arrangements following the publication of a National Electricity Rules Final Determination to include specific provisions to support 3rd party requests for customer metering data.”³

These industry responses demonstrate the issues by a customer authorised third party to gain access to customer data and provide a demonstration of the barriers to information that would facilitate an efficient market outcome.

Issues with EnergyAustralia’s Proposed Rule Change

BidEnergy supports access to MSATS by *customer authorised* third parties. However as currently written EnergyAustralia’s proposed rule change for *retailer authorised* third party to NMI standing data fails each of the AEMC’s assessment criteria as follows:

| Criteria | Failure |
|---|--|
| Contribute to the achievement of the National Electricity Objective (price) | The proposed rule change is unlikely to deliver effective price-based competition. |
| Transaction costs for consumers | Any efficiencies from the proposed changes are unlikely to be passed on to consumers. The transaction costs borne by consumers can be reduced by giving them the capacity, either directly or via their appointed agents to obtain and publish a full set of their energy related information to retailers who may be interested in making a competitive offer to them, rather than those retailers individually seeking that information themselves. |
| Appropriate safeguards | The proposed rule change will add additional compliance monitoring requirements on the Australian Energy Regulator. |

¹ Actual correspondence from retailers and distributors to BidEnergy is available to the AEMC on request and on a confidential basis

² Verbal advice from a retailer’s call centre that they were unwilling to provide as an email to BidEnergy

³ Email advice from AEMO Information and Support Hub, 30 January 2013

AEMO is currently the administrator for participant and non-participant access to MSATS. Their administration is supported by the National Electricity Rules and published Guidelines.

EnergyAustralia is proposing a 'Retailer authorisation' regime whereby customer information protection and safeguards are assured through private commercial agreements.

Potentially, this means that every individual retailer-third party commercial agreement will be different adding compliance complexity and increasing the potential for safeguards to fail.

At a minimum, any applicant for access to such data should be able to demonstrate explicit informed consent of the customer, to avoid fishing trips.

Improved AEMO market systems and processes

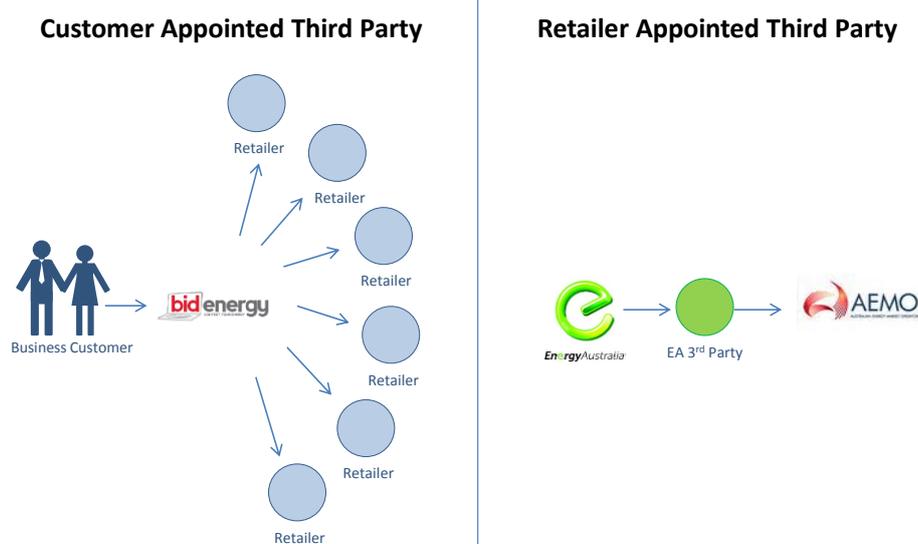
The proposed rule change adds to market complexity by establishing and codifying a two-tiered MSATS access regime – differentiating between those authorised by retailers and those authorised by customers.

Implementation of the proposed rule change will limit industry acceptance of the need for customers to have better access to their energy data as described in the AEMC Power of Choice Review.

Improving EnergyAustralia’s Proposed Rule Change

EnergyAustralia’s proposal for third parties to have access to MSATS demonstrates the current market inefficiencies for the provision of customer information. In order to comply with the National Electricity Rules, EnergyAustralia would need to adopt many of the business processes implemented by BidEnergy to gain access to customer data.

■ Current Customer Information Discovery Processes



In order for EnergyAustralia's proposed rule change to meet the AEMC's assessment criteria it should be written so as to support customer or customer appointed third party access to MSATS creating a standard process for all interested parties rather than a special process for some retailers.

As a final comment, it is concerning to note the AEMC's discussion that AEMO is currently revising the MSATS introduction guide and other relevant documents to remove references to third party agents in response to AER's compliance bulletin⁴. This approach appears inconsistent with the recommendations of AEMC's Power of Choice Review and at face value does not appear to be supportive of a framework that would provide customers and their third parties with better access to their information held by AEMO.

Should you have questions or require any additional information, please do not hesitate to call myself on (0408) 630 534. We look forward to a more considered rule change being developed that better represents customers interests and that enhances market competition through standardised and defined access energy information by third parties consistent with the AEMC's Power of Choice Review recommendations.

⁴ Consultation Paper, National Electricity Amendment (Access to NMI standing data) Rule 2013, 14 March 2013