

25 September 2014

Mr John Pierce
Chairman,
Australian Energy Market Commission
PO Box A2449,
Sydney South NSW 1235

Re: Draft Rule Determination National Electricity Amendment (Customer access to information about their energy consumption) Rule 2014: ERC 0171

Dear Mr Pierce

ENA welcomes the opportunity to make a brief submission to the AEMC draft rule determination on customer access to information about their energy consumption.

The Energy Networks Association (ENA) is the national industry association representing the businesses operating Australia's electricity transmission and distribution and gas distribution networks. Member businesses provide energy to virtually every household and business in Australia. ENA members own assets valued at over \$100 billion in energy network infrastructure.

ENA supports in principle initiatives that enhance the ability of customers to gain information and understanding of their energy usage and so enable them to make informed decisions about their consumption, if they so choose.

In our attached submission ENA comments on only three aspects of the draft rule change.

1. Value of customer access to information;
2. Scope of the proposed information provision and its application to NSPs; and
3. Timing of implementation.

ENA refers AEMC to responses from ENA Members which provide greater detail on the proposals.

ENA looks forward to engaging further on consideration of these issues, along with the related review and rule change proposals resulting from progression of the AEMC Power of Choice review. If you wish to discuss this further, please contact Susan Streeter, Director Future Networks on 02 6276 1555 or sstreeter@ena.asn.au.

Yours sincerely



John Bradley
Chief Executive Officer



CUSTOMER ACCESS TO INFORMATION ABOUT THEIR ENERGY CONSUMPTION

ENA submission to AEMC draft Rule Determination
25 September 2014

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EXECUTIVE SUMMARY

INTRODUCTION

The Energy Networks Association (ENA) is the national industry association representing the businesses operating Australia's electricity transmission and distribution and gas distribution networks. Member businesses provide energy to virtually every household and business in Australia. ENA members own assets valued at over \$100 billion in energy network infrastructure.

ENA welcomes the opportunity to provide a submission in response to the Australian Energy Market Commission (AEMC) draft rule determination on customer access to information about their energy consumption.

ENA supports in principle initiatives that enhance the ability of customers to gain information and understanding of their energy usage and so enable them to make informed decisions about their consumption, if they so choose.

ENA supports provision of a clear right in the National Electricity Rules (NER) and the National Energy Retail Rules (NERR) to enable parties authorised by a customer to obtain access to their customer's electricity consumption data.

ENA supports the introduction of clarity and conformity between provisions in the NER and NERR relating to the ability of network service providers (NSPs) to provide information to customers.

ENA considers that primary responsibility for provision of information to customers will rest with retailers.

ENA has some concern about the proposed scope of information provision by NSPs and the prescriptive coverage of its delivery. ENA feels that the potential scope, costs and complexity entailed in the AEMC approach requires further consideration.

This submission will focus upon three key issues:

- » Value of customer access to information;
- » Scope of the proposed information provision and application to NSPs; and
- » Timing of implementation.

RECOMMENDATIONS

ENA recommends that :

- » AEMC review the practical implications of imposing prescribed delivery times on response to information requests. At the least, prescription of delivery times should commence only after verification has been successfully undertaken
- » a reasonable fee should be allowed to be imposed by NSPs, especially where information requests relate to multiple customers or multiple sites;
- » the customer access to their information rule change should come into effect when the data provision procedures are available.

BACKGROUND

ENA notes the AEMC's draft determination seeks to implement the recommendation from the Power of Choice review that customers should obtain better access to their consumption data and information about their electricity use and be able to share their data with approved service providers. The recommendation was expected to:

- » Improve customer's awareness of their electricity consumption and use patterns;
- » Enable more informed choices about DSP services that better suit their circumstances; and
- » promote efficient retail electricity markets through innovative products and services¹.

The proposed rule change is one of a basket of measures currently underway or planned relating to the Power of choice review and the ENA remains concerned that these measures should be considered in a coordinated and prioritised manner.

VALUE OF CUSTOMER ACCESS TO INFORMATION

The rule change initiatives currently underway relating especially to metering and tariff reform, if appropriately constructed, coordinated and integrated in their delivery with timely and meaningful information to customers about their energy use, should be expected to result in more efficient and effective price, product and information signals being available to customers.

If customers are able to evaluate, either for themselves or via their selected agents, the impact of retail product options, tariff options and service options guided by realistic information of how these would interact with their energy use patterns, it should lead to more predictable outcomes based upon informed decision-making.

In turn, their informed decisions could support more nuanced investment decisions by networks and others.

ENA supports in principle initiatives that enhance the ability of customers to gain information and understanding of their energy usage to enable them to make informed decisions about their energy consumption.

ENA also supports allowing a person authorised by a customer to access data on their behalf, with appropriate verification procedures.

¹ AEMC Draft rule determination *National Electricity Amendment (Customer access to information about their energy consumption) Rule 2014*, p.2

SCOPE OF INFORMATION AND APPLICATION TO NSPS

ENA acknowledges the potential value in principle to customers of having a broader range of valid and effective providers of consumption information. However, ENA notes that the value of information provision will be significantly impacted by the nature of the data available.

Interval and smart meter installation, especially when combined with time-varied tariff options, will provide both usage signals and meaningful information on consumption impacts to customers.

Tariff information for customers is available only from retailers and hence provision of information to small customers will be most effectively provided at this time by retailers.

With the exception of Victoria, most small customers do not have smart meters. The current metering contestability rule change is intended to extend the availability of smart meters for small customers. However, this is not expected to be operational before 2016 at the earliest and implementation is likely to be effectively phased in over several years.

Where customers have accumulation meters installed, information will be limited to total consumption to date, often separated into peak and off-peak rates.

As noted by AEMC and other stakeholders², load profiles for individual customers with accumulation meters are not available and average customer load profiles or net system distribution load profiles have very limited value and can be misleading. ENA endorses the decision to remove the need to provide net distribution load profile to customers.

Where distribution businesses have access to appropriate metering technology, such as within the Victorian AMI program, there will be value in enabling them to make available consumption information to small customers. However, in other areas where technology does not allow meaningful consumption data, there will be less value in NSP responses to customer requests for information.

Provision of information to customers and their agents is also governed by privacy requirements. Verification that a small customer or their agent is the appropriate party to receive consumption data from an NSP can be challenging.

² Idib, p. 20-22

While NSPs will have energy consumption data relating to sites within their network boundaries, the impact of customer and retailer churn may reduce the level of specific customer details immediately available. The NSP is reliant on retailers to provide customer details via Customer Details Notification (CDN) from a B2B transaction.

The requirement for verification of customer details will also impact upon speed of response to enquiries by NSPs. This issue is further considered in section entitled 'Timeframes for information provision'.

Data provision procedures

AEMC endorses the COAG Energy Council view that electricity consumption data should be provided in 'raw' data and summary data format.

The draft rules refer to AEMO developing data provision procedures specifying the manner and form in which retail customers' *metering data* and *settlements ready data* must be provided, including a detailed data format and a summary data format.

As noted previously, NSPs will have limited data available, especially where accumulation meters are installed. In addition, NSPs do not have access to customer tariff information, which is developed and provided by retailers.

As such, the customer consumption data available to most NSPs for potential provision to customers will be limited for a number of years.

ENA notes the Draft NER amendment includes reference in development of proposed data provision procedures "*to ensure the manner of data provision allows for web portal, electronic and hard copy delivery*". Mandating delivery of information by specific delivery modes by all parties risks imposing significant costs on both information seekers and providers.

ENA considers that the cost and benefit in prescriptive provision of information formats and delivery will need to be balanced in this process.

Timeframes for information provision

To provide certainty and transparency to customers (or authorised parties), AEMC consider that a maximum time frame for retailers and DNSPs to respond to a request for data should be stipulated in the NER as **not more than 10 business days** with the precise time frame to be specified by AEMO in its data provision procedures. By providing AEMO with the discretion to set the precise time frame in the procedures (but not exceeding 10 business days) AEMC consider that this allows for the possibility for market participants to progressively improve the timeliness of their response due to advances in technology.

AEMC consider that the obligation to respond within a specified period of time should be a 'reasonable endeavours' obligation.

Regardless of the supplier of information, ENA considers that this broad requirement does not take into account the potential for bulk information requests on behalf of small customers by agents. The draft NER amendment states:

7.16 (d) The data provision procedures must ...

(4) include a timeframe which a retailer or a Distribution Network Service provider must, using reasonable endeavours, respond to a request...

(i) taking account of procedures... and

(ii) be no more than 10 business days.

In terms of both verification obligations and potential very detailed information provision, this requirement (even when expressed as reasonable endeavours) appears ambitious and onerous if applied in all cases.

This obligation becomes more onerous when considering the potential for bulk information requests to be delivered to NSPs by agents acting on behalf of a range of customers, where verification of both authorisations and customer details will be required.

In addition, in the case of NSPs, information requests may require searching multiple records in multiple systems, both manual and automated. As noted previously, verification of customer details may also be needed.

ENA recommends that AEMC review the practical implications of imposing prescribed delivery times on response to information requests. At the least, prescription of delivery times should commence only after verification has been successfully undertaken.

Cost for data provision

AEMC notes that *“determining whether a customer’s request for data should be provided free of charge or subject to a reasonable fee imposed by market participants needs to appropriately balance a customer’s entitlement to readily access their data against any costs incurred by market participants in responding to such data requests”*³

Unlike the obligation applied to retailers, where provision of information is limited to the past two years maximum, there is no expressed time limit for data provision imposed upon NSPs.

As noted previously, this may require responses to bulk requests by interrogation of multiple systems.

ENA recommends a reasonable fee should be allowed to be imposed, especially where information requests relate to multiple customers or multiple sites.

TIMING OF IMPLEMENTATION

AEMC propose that should the rule be made, it will take effect immediately on the date the rule is made.

AEMC propose that AEMO's data provision procedures would take effect three months after AEMO publishes these procedures.

This would allow customers (or authorised parties) to request their electricity consumption data from retailers and DNSPs as soon as the rule comes into effect although the minimum requirements in the data provision procedures would not apply until those procedures are made.

AEMC contends that AEMO would also have time to develop, consult upon and publish the data provision procedures while also allowing industry to change their systems and processes in compliance with these procedures.

Further, if substantive changes to the data provision procedures are made by AEMO, then these changes will only come into effect after a 3 month delay. This should provide industry with sufficient time to change their systems and processes to comply with substantive changes to the data provision procedures.

The phrasing of this proposal is clearly aimed to gain access by customers to their consumption data as soon as possible, while accepting that establishing minimal content and data formats and procedures will take additional time.

ENA queries the speed of implementation, if a short delay would improve the quality and comprehension of the data.

ENA recommends that the customer access to their information rule change should come into effect when the data provision procedures are available.

³ AEMC draft rule determination, p. 26