

## EnergyAustralia submission: Peer to peer data access model Design Paper

EnergyAustralia supports the decision by the Government to move from the Gateway model to the Peer to Peer model for the energy sector. Our feedback discusses specific design issues for the Peer to Peer model.

### Historical Metering Data from previous Retailer

In our view, the priority key issue to resolve is the provision and data flows around historical Metering Data (which is an AEMO data set) and historical Billing Data (which is a Retailer data set). For ease of reference, we have mainly focused on historical Metering Data to illustrate the issues below but similar issues will arise for historical Billing Data.

The issue arises where a data request covers a period which would require historical Metering Data which either relates to:

- a customer's supply with a previous Retailer for the same National Metering Identifier (NMI); or
- a customer's supply with a previous Retailer and for a different NMI.

Three pieces of information are required to link the Retailer to the right historical Metering Data: the linkage between the customer, the NMI, and the Retailer. Only a Retailer has visibility over all three pieces of information but only for the time that the customer's supply was with that Retailer. i.e. the current Retailer does not know this information for historical supply where the customer was with a previous Retailer. AEMO has complete visibility over the NMI, address and Retailer for the life of the NMI, but AEMO cannot link this information to the customer or Account Holder details.

This is a layered and complex issue, and the following important considerations should be taken into account:

#### 1. Customer experience and technical barriers:

**One potential option**, which may already be the preferred approach, is to have the customer identify their previous Retailers in the Accredited Data Recipient (ADR's) dashboard or initial part of the customer's engagement with the ADR. This approach is like the approach for the banking sector where customers need to identify their bank in one of the first steps presented in the ADR's customer journey.

The ADR would then send requests to the identified Retailers and the identified Retailer would be able to verify when the customer was with them and the relevant NMI. The Retailer would only request AEMO for Metering Data (or provide Billing Data) for the period the customer was with them and for that NMI. i.e. The current Retailer would request Metering Data for the customer's current supply, and previous Retailers would request historical Metering Data for historical customer supply.

This option does have some issues and neither of the three options proposed is straightforward or free of issues. For example, many customers may not be able to recall their previous Retailers for the last two years (two years being the likely maximum period for Metering Data requests).

**A second option** would involve having a third party (like AEMO) route requests to different Retailers where a request spans both current and historical Metering Data (and likewise for historical Billing Data). There are technical barriers to AEMO being this third party as they do not have visibility over customer details at all. i.e. AEMO will not be able to tell when the current customer moved in and how far back the current Retailer has supplied them. AEMO is only aware of when a new Retailer starts supplying that address but this may be because the same customer

has decided to switch Retailers and not because a new customer has moved into the premises with that NMI. This gap is a barrier to AEMO fulfilling this routing function.

**A third option** which has been briefly outlined by the ACCC is to add to NMI Standing Data a new field which would indicate when a customer changes at the NMI (but not customer information itself), thereby giving AEMO some visibility over customer switching at the NMI. However, without the customer name, AEMO will not be able to associate the customer with the NMI and route the request to the right current and previous Retailers (unless they ask for the NMI). We are not suggesting that AEMO perform this routing function, but are pointing out that it does not appear to be a full solution. It would be problematic to create a separate record of customer information that is held by a separate party and that would not be a 'source of truth'. Additionally, changes to customer details can be subtle – e.g. a change in surname but the customer remains the same, an Account Holder is added or moves temporarily out of the site. It would be complex to have these changes reflected accurately in AEMO's systems in the myriad of customer scenarios that occur. For all these reasons, we advise against taking up this option.

## **2. Multiple authentication with different Retailers required**

Under all options, the customer will need to authenticate their identity with each identified Retailer (including the current Retailer for current Metering Data and previous Retailers for historical Metering Data). This multiple authentication with different Retailers may lead to customer confusion as to why their previous Retailer is interacting with them or customer friction. It would also lead to failed attempts to authenticate when the customer's contact details used for authentication have changed.

However, in our view, this multiple authentication is the best way to solve for the privacy issue which Treasury refers to in the Paper.

EnergyAustralia notes that it would be completely inappropriate to rely on the current Retailer's authentication of the customer linked to a NMI, to provide Metering Data when that NMI was supplied by another Retailer or Retailers. A simple example demonstrates why this is a privacy issue:

- A person (customer 1) may have been at a property for a year before a new customer (customer 2) has set up a new account but both customers have remained with the same Retailer. Customer 2 has been with the Retailer for a year and has now engaged with an ADR who wants access to two years of Metering Data
- In this case, AEMO can see that there has been no change of Retailer for that NMI over the two-year period.
- However AEMO doesn't necessarily know that a different customer was at the house prior to the date that customer 2 set up an agreement with them. This would definitely be the case if (as commonly occurs) the electricity supply was not disconnected between customer 1 moving out and customer 2 moving in.
- If the ADR was given access to the previous two years of Metering Data, this would mean that customer 1's Metering Data has been wrongly disclosed to unrelated parties.

Due to the above scenario, it is difficult to see any alternative to the customer having to be authenticated with each Retailer over the period for which the historical Metering Data is required.

## **3. Cost/benefit:** While EnergyAustralia is supportive of historical Metering Data being part of the initial Metering Data set, the cost and complexity of designing a solution to incorporate historical Metering Data may outweigh the benefit. The benefit of historical Metering Data is limited to the subgroup of customers who have recently changed Retailers and do not have with their current

Retailer Metering Data over a long enough period to accurately reflect their consumption and support comparison use cases.

What qualifies as enough Metering Data depends on the customer, but the upper end is around 12 months of data. Therefore, the benefit of historical Metering Data may be limited to those customers who have not been with their Retailer for 12 months, and this limited benefit should be weighed up against the cost/complexity of implementing a solution that will provide it. We also note that it is a common difficulty to have limited access to historical Metering Data for customers depending on if they were an Account Holder at the various places they may have resided over the prior year or two. Even if continuous Metering Data is available to the customer, it is also common for Metering Data to show significant step changes between different properties and this makes it of limited use for virtually all foreseeable use cases for ADRs. i.e. historical Metering Data may be of limited utility to ADRs.

This historical Metering Data issue has been recognized for some time, including in the Gateway model context. **We strongly encourage a workshop** involving Treasury, DSB, AEMO, Retailers and customer representatives, to facilitate developing potential solutions and to quickly eliminate solutions that are clearly not workable. Final stakeholder positions can be provided via GitHub if published feedback is preferred.

### Responsibilities and functions of AEMO vs Retailers

We generally agree with the outlined responsibilities for AEMO and Retailers in the Paper, with the following clarifications and additions:

- **Privacy safeguards** – The Paper proposes that the relevant Privacy Safeguard (PS) obligations for Data Holders will apply to Retailers for *CDR data provided to the Retailer by AEMO* (AEMO held data). While this is a reasonable approach for most of the Privacy Safeguards, it does not appear to be appropriate for PS 11 and 13 which relate to:
  - ensuring data is accurate, up to date and complete;
  - obligations on the Data Holder to notify the customer of incorrect data when it becomes aware of it; and,
  - on the customer’s request, disclosing correct data to persons the incorrect data was previously disclosed to; and making corrections to the data.

Given the data is not the Retailer’s data, PS 11 and 13 should not apply to the Retailer for AEMO held data. We also question whether it is necessary for PS 11 and 13 to apply to AEMO either as there are existing industry processes to correct NMI Standing data, DER register data, and Metering Data. We also note that for Metering Data – AEMO obtains Metering Data from other third parties (Metering Data Providers) and therefore corrections should be made by the MDP to the source data.

- **Internal and external dispute resolution** – Treasury proposes that Retailers will receive and manage all CDR consumer complaints for both Retailer and *AEMO held data*. A Retailer may request information from AEMO in connection with complaints about AEMO held data.

The CDR Rules should define the Retailer’s role in relation to complaints about AEMO held data to make it apparent that it is a front-end and administrative role. Retailers are well placed to receive the complaint from the customer and interact with the customer to help manage their complaint and raise it with Ombudsmen. However, AEMO needs to clearly be involved, accountable and liable if the root cause of the complaint or dispute lies with AEMO:

- AEMO should be accountable for the resolution/compensation to the customer. This is key to ensuring quick resolution of the issue and to incentivise AEMO to deliver their functions under the CDR in a way that promotes good customer outcomes beyond compliance.
- Any associated Ombudsman costs and material internal costs for Retailers need to be paid by AEMO. We expect that an error on AEMO's side such as incorrect data disclosure would be caused by a system error which would be vastly widespread, leading to potentially hundreds of complaints (and escalated call time and administration costs). The CDR Rules should provide for a cost recovery mechanism from AEMO for any material costs.
- AEMO's costs of managing escalated complaints and remediation activities; and paying compensation or penalty amounts should not be able to be recovered from energy industry or CDR participants. AEMO and government should bear some responsibility for ensuring that additional cost burdens are not transferred onto other organisations. It may also be appropriate to consider requiring AEMO to publicly report on its dispute resolution and compliance metrics under the CDR.

We note that some consideration should be given to common matters that may result in disputes or queries. With respect to Metering Data, the main matters are likely to be: timing differences between Metering Data versions held by Retailers and AEMO; estimated reads and who is responsible for this information; and discrepancies between customer-provided reads and other 'industry' Metering Data held by Retailers and AEMO.

- **Verification of Retailer by AEMO before AEMO discloses data:** The Paper states that AEMO will not be required to verify that a valid authorisation is in place before disclosing AEMO held data (paragraph 26) i.e. AEMO can rely on the Retailer's authorisation. However, it may be beneficial for AEMO to perform other checks. For instance, AEMO could be required to verify that the Retailer is the Financially Responsible Market Participant connected to that NMI (i.e. the Retailer for that NMI) for the specific data request period.
- **AEMO interaction with CDR register needed** – The paper suggests that AEMO will not be required to directly interact with the CDR register. We expect that AEMO will need to initiate or push notifications to the CDR register when its APIs are down for maintenance/outage. At these times, Retailers will not be able to complete the ADR request in the timeframe prescribed by the Standards and the CDR ecosystem should be made aware of this.
- **Records of data disclosed from AEMO** – The Paper states Retailers will be required to keep and maintain records that relate to data disclosures from AEMO, and that AEMO will similarly be required to keep records of disclosures to Retailers. We understand that this will not require Retailers or AEMO to store data that was actually disclosed from each other (only *metadata* will have to be retained). From an enforcement perspective and to resolve complaints and disputes by customers about unauthorised disclosures of data, it will be important that record keeping is able to show with certainty what data each party disclosed – and to this extent, meta data will not be sufficient.

## Implementation

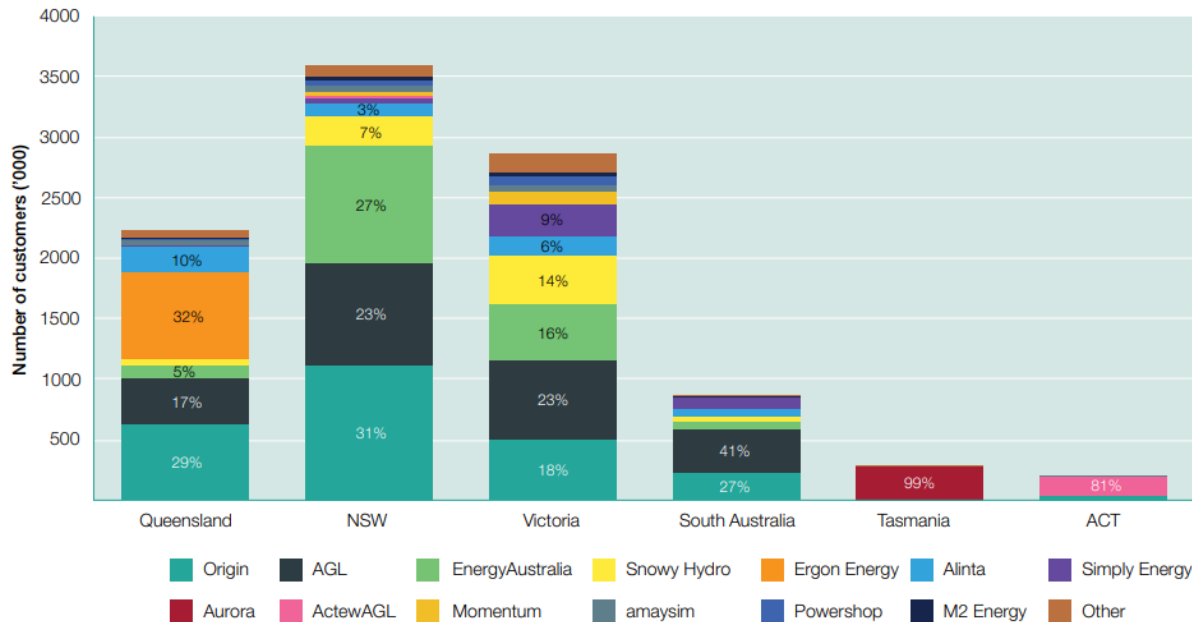
We support the first tranche of participants being the Australian Energy Regulator and the Department of Energy, Land, Water and Planning for Generic Product Data.

In relation to implementation by Retailers, **our preferences in descending order are:**

1. Our preferred position is that **all Retailers** (mandated to participate in the CDR) should have the same implementation date so that all electricity customers have access to the CDR at the same time. We do not support two tranches requiring Larger Retailers to implement ahead of Smaller Retailers. This would be unprecedented in comparison to energy sector reform.

- Should Treasury adopt a two-tranche approach, we would recommend that Treasury define the first tranche widely to include at least 95% of the residential and SME customer market (Small Customers). This would roughly equate to the top 12 Retailers after Aurora is excluded (as Tasmania is a non-contestable retail market). See the below AER graph from its [State of the Energy market 2020 Report](#), p 50 for an illustration.

**Figure 6.7**  
**Electricity retail market share (small customers)**



Treasury could engage the Australian Energy Market Commission (AEMC) or Australian Energy Regulator (AER) to access data about market shares as both these regulatory bodies report on it annually.

A widely defined first tranche (with 95% market share) would ensure that a large majority of customers are able to access ADR services and the benefits of the CDR – not just for comparison use cases but also other use cases such as improving household energy efficiency. It would also help to ensure “critical mass” to help the overall success of the CDR in the energy sector and reduce poor customer experience for customers who will not be able to access the CDR when it first launches.

- If Treasury does not adopt the market share approach, then we recommend that at a minimum, the first tranche should include the **top 6 Retailers** – that is the ‘second tier’ Retailers (Red/Lumo (Snowy Hydro), Alinta Energy and Simply Energy) along with EnergyAustralia, AGL and Origin.

We caution against limiting the first tranche to the “**Big 3**” (Origin, AGL and EnergyAustralia) as this would only capture about 63% of residential and small business electricity customers (AER, [State of the Energy market 2020 Report](#), p 249), thereby excluding a significant proportion (37%) of customers from the CDR. It would also fail to capture the largest three Retailers in some regions, as the three businesses with the largest market share in some network regions no longer consist of the “Big 3” (AEMC, 2020).

The Paper discusses a threshold below which a Retailer will not be mandated to participate in the CDR as a Data Holder. Electricity regulation does provide many precedents on exemption thresholds. For example, under the SA Retail Energy Productivity Scheme, Retailers with 5,000 or less residential electricity customers; or 5,000 or less residential gas customers are excluded from most of the scheme’s requirements. This rule should accommodate parent company or other arrangements with larger retail

entities (including in other sectors) so that there is no incentive for Data Holders to set up separate entities and avoid participation in the CDR.

### **Customer Account selection**

We support Option (a) allowing energy customers with multiple accounts to actively choose which accounts they share and do not share from. We consider this would be valued by the customer – to give them the ability to exclude accounts, particularly across residential and small business accounts. The Paper suggests that it is uncommon for the energy sector to have customers with multiple accounts.

According to our data, around 4% of residential and small business electricity customers have more than one account. It can be difficult to measure this percentage as customer records on one account may not match those on another. Regardless, this suggests that building the account selection feature for customers will provide benefit for only a small portion of customers and so we do not see this as a high priority issue.

### **Other issues**

The provision of Generic Product data by the AER and the DELWP to ADRs is not covered in the Paper. Unlike AEMO data, Generic Product data does not relate to any customers and therefore a Retailer does not need to authenticate or authorise that data. There is therefore no real reason why Retailers should be involved in the data access flow from the AER and DELWP to ADRs for Generic Product data. We recommend that the AER and DELWP directly provide Generic Product Data to ADRs.

Separately, we also question why customer email and not customer ID or account ID is being used as the login for the Data Holder dashboard. This appears to be different from banking. We do not express a view on this but consider there should be further consultation on it via a workshop.