



Ausgrid Submission

Treasury consultation on draft data sets for the
Consumer Data Right
September 2019



26 September 2019

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To whom it may concern

Ausgrid is pleased to provide this submission to the Treasury consultation paper on Priority Energy Datasets for the Consumer Data Right (CDR) in energy. We support the policy intent of the CDR, which is to increase competition and provide customers with greater control over their energy data.

Our submission provides views on a number of issues, including the scope of the data sets to be designated by Treasury. In our view, implementation of the CDR should build on existing platforms where possible in order to ensure that the costs of implementing the CDR do not outweigh the benefits to competition.

As we previously submitted to the Australian Competition and Consumer Commission (ACCC), electricity distributors have existing systems to provide customers with access to their meter data. Since 2016 when our Customer Access to Meter Data website went live, we have received an average of about 52 requests per month for customer meter data. These small numbers demonstrate that the number of requests for customer data will have to increase substantially in order for expected competition benefits to materialise.

Should Treasury have any questions in relation to this submission, please contact John Skinner, Regulatory Policy Manager on 02 9269 4357 or by email john.skinner@ausgrid.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read "Iftekhar Omar", written in a cursive style.

Iftekhar Omar
Head of Regulation

Submission

Ausgrid is the caretaker of an asset which has connected communities and empowered the lives of its customers for over a century. Today, our grid is shared by 4 million Australians living and working in 1.7 million homes and businesses. This shared asset stretches from the heavily populated Sydney CBD to the sparse Upper Hunter.

We are continuing to transform our business in order to provide more cost-effective network services and deliver greater value for customers. As of 1 July 2019, network charges for our average residential customer are expected to be \$213 (or 28 percent) lower than in 2014.

Customers have told us that energy affordability is currently their number one concern. We therefore support the policy intent of the CDR, which is to improve competition by giving consumers more control over their information and greater choice in where they take their business.

The designation of datasets is an important step in the development of the energy CDR. Our submission provides views on a number of issues relating to the CDR, including the scope of the data sets to be designated by Treasury and the risk of scope creep in the CDR process. We also suggest that the CDR project not be considered in isolation but take into account other processes currently underway in the energy sector, including existing access to data provisions and global settlements implementation.

Scope of the CDR data sets

We provided a submission to the ACCC in May 2019 expressing our concern about the expansion of the scope of the CDR framework beyond that outlined by the ACCC in its February 2019 *Consultation Paper: Data access models for energy paper* and by Houston Kemp in its June 2018 report for the COAG Energy Council *Applying a Consumer Data Right to the energy sector*. For example, the draft CDR rules propose a much broader framework for the verification of customer consent than the ex-post audit regime proposed by Houston Kemp and the ACCC.

There is a risk of further scope creep in the process currently being undertaken by Treasury. As the consultation paper recognises, the exact nature of energy data held by different entities varies depending on both jurisdiction and which entity holds the data. Given the variation in exactly which entities hold which data sets, we suggest that Treasury conduct a more detailed investigation into which entities hold which data fields prior to making its designation instrument. This is likely to result in a more efficient outcome and reduce unnecessary complexity (and increased development costs)

when implementing the CDR. Given the benefits to competition from introducing the CDR are not yet known, keeping development costs for relevant parties to a minimum is particularly important.

Existing and future obligations in the energy sector

The 2014 Customer Access to Information rule change required distributors to have systems in place to facilitate the provision of meter data to customers by March 2016. Ausgrid spent approximately [REDACTED] developing a partially automated system that allows customers to access their data via the Ausgrid website. This system does not provide customer information in real time and is a bespoke system that does not utilise B2B platforms, which would incur additional costs. This example demonstrates that new CDR requirements are likely to involve significant costs for industry participants such as distributors and retailers. Cyber security and privacy risks will also need to be addressed.

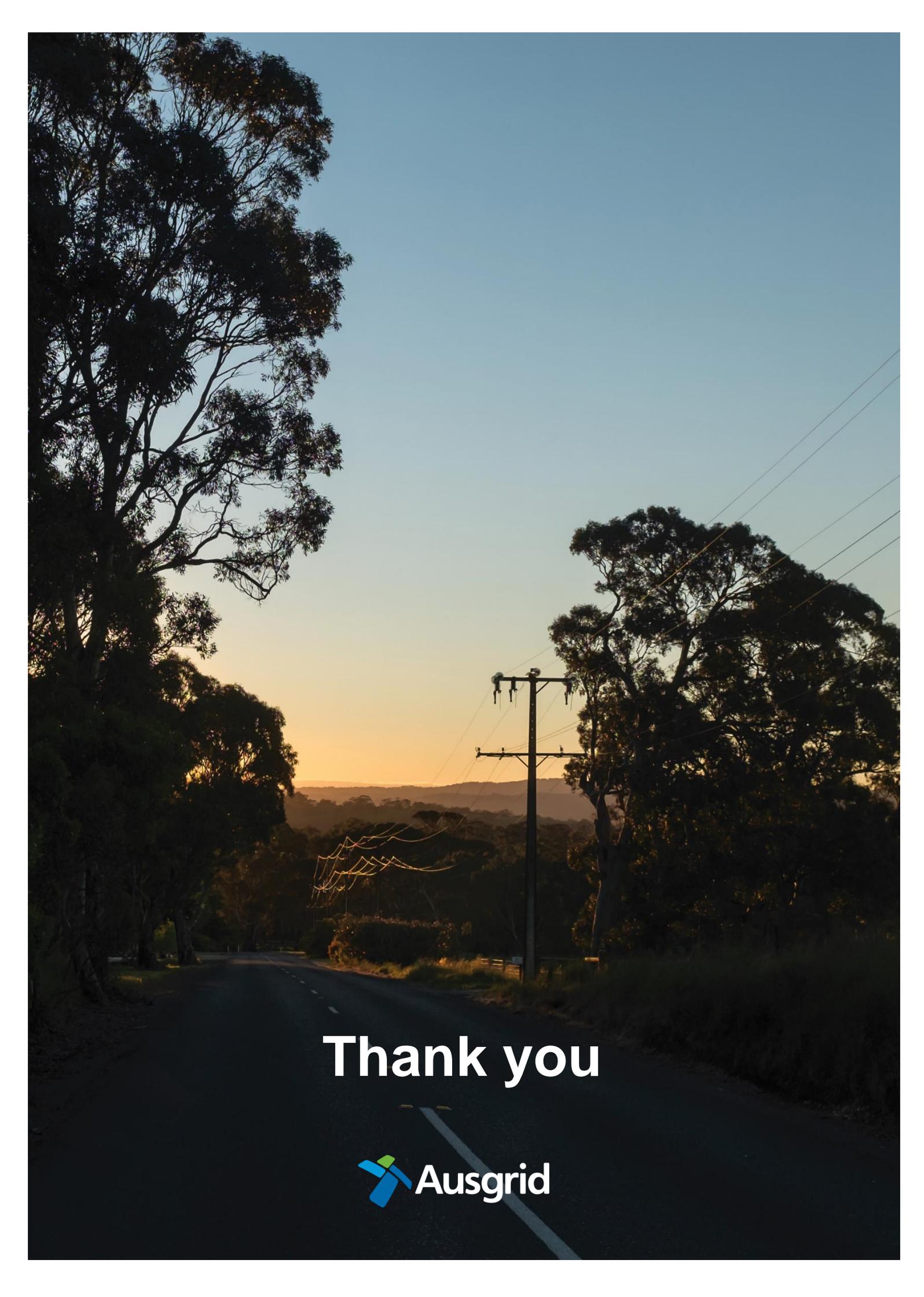
The Australian Energy Market Operator (AEMO) is currently working with industry to implement a rule change that requires a move to a global settlement framework for the demand side of the wholesale electricity market. As the Treasury consultation paper identifies, this work will see AEMO being the only entity in receipt of metering data for all NEM connection points.

It is important that implementation of the CDR takes into account these existing processes and obligations. Any unnecessary duplication of data holdings or systems will result in higher costs being incurred by parties subject to the CDR. This must be avoided as customers will ultimately bear the cost of any regulatory changes to implement a CDR for energy.

Privacy and compliance with NSW licence conditions

The *Treasury Laws Amendment (Consumer Data Right) Act 2019* contains complex provisions which allow consumers to (i) access their own customer data for use as they see fit, or (ii) disclose their customer data to accredited data recipients (ADRs) subject to privacy safeguards. How these requirements are implemented by the ACCC when developing CDR rules for the energy sector, particularly in the area of customer consent, is of critical importance for the efficacy of the CDR for energy. For example, there may be certain fields, such as date of birth, that customers may not give their consent to disclose.

The ability of ADRs to access, store and use data sets will also need to be considered as part of the CDR process. Ausgrid's licence conditions, which are overseen by the NSW Independent Pricing and Regulatory Tribunal (IPART), contain strict provisions regarding the handling of customer data. ADRs may require a similar set of requirements to ensure that customer data is handled appropriately.

A scenic landscape at sunset. A paved road with a white dashed line runs through the center, flanked by large, dark trees. In the distance, a utility pole with power lines stands against a sky transitioning from orange to blue. The overall mood is peaceful and serene.

Thank you

