



Secretariat  
Inquiry into Future Directions for the Consumer Data Right  
Treasury  
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Submitted via email: [data@treasury.gov.au](mailto:data@treasury.gov.au)

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### **Inquiry into Future Directions for the Consumer Data Right**

Alinta Energy welcomes the opportunity to respond to the Treasury's issues paper on the Inquiry into the Future Direction of the Consumer Data Right.

Alinta Energy is an active investor in energy markets across Australia with an owned and contracted generation portfolio of over 3,000MW, and more than 1.1 million electricity and gas customers. As a significant retailer of energy, Alinta Energy has a strong interest in the effective and efficient development of the CDR in the energy sector and supports its implementation to support improved competition and choice for energy users.

While we support the forward-looking approach in the issues paper, contemplating a significant expansion of the scope of the CDR at this time is premature given it has not gone live in the banking sector and it will be some time before this milestone is reached in the energy sector.

In addition to the extensive work program already underway in the energy sector, implementing significant rule changes (five-minute and global settlement, the wholesale demand response mechanism, the coordination of generation and transmission investment and others), the CDR will require a substantial commitment of resources by retailers (as data holders) and AEMO to implement. This is taking place at a time when all sectors of the economy are facing the challenge of COVID-19 and recovery, placing unprecedented demand on specialist resources required to implement these large-scale changes in the energy sector. Our responses to the matters raised in the issues paper and the future direction and scope of the CDR need to be considered in this context.

#### Terms of reference and scope of the Inquiry

Alinta Energy recognises the potential benefits and convenience that the CDR may provide to consumers in the future. However, we believe that sector specific issues and differences need to be acknowledged in considering the future development of the CDR. Banking and energy products, and the way that they are delivered, exhibit material variation and such differences need to be accounted for as the CDR evolves.. Treating sectors participating in the CDR in the same way may create unnecessary complexity and cost.

#### Future role and operation of the CDR

The benefits of reducing the burden of transaction costs for consumers ("life admin") as discussed on page three of the issues paper is an example of how the development of the

CDR could improve choice and ease of access for consumers. Alinta Energy would emphasise the critical importance of protecting the privacy of consumers and ensuring that they provide informed consent to accredited data recipients when engaging in services enabled by the CDR (under its current and future scope).

While we support the investigation of the future role and scope of the CDR, we reiterate the need for the successful implementation and the acquisition of operating experience before significant expansion is considered.

#### Write access and switching

While the convenience of automated switching between products initiated by a third party with a customer's consent may be a benefit of the CDR, policy makers must consider the high standards of explicit informed consent and protection for vulnerable customers set out in energy sector regulation.

The extent to which customers are aware and understand the authority they grant parties to act on their behalf, the length of time such authority remains in place, and the existence of incentives a third party may receive when switching products from one provider to another, are issues that should be carefully considered, particularly in relation to vulnerable customers and those customers with limited engagement with online services.

The energy sector has undergone significant reforms in recent years to improve customer engagement with respect to the offers they can access and improvements in clarity around price and product terms made available to them. CDR participants should be subject to the same standards which, in many cases, are higher than those required for products in the banking sector. The issue of informed consent on the part of consumers is paramount in the energy sector and trade-offs for convenience will dilute reforms already implemented. If certain regulations are considered unnecessary to enable the CDR, their value and application in absence of the CDR should also be assessed.

#### Read access

Alinta Energy would again caution against cross-sector standardisation; as an essential service, energy has been highly regulated since the introduction of retail competition. While recognising it may not be the Inquiry's intent, adopting a standard approach may diminish current protections for energy consumers. While Alinta Energy strongly supports improved efficiency and regulatory harmonisation, standardisation does not exist in the National Electricity Market jurisdictions at present (for example), despite efforts over many years to achieve it, let alone harmonising language and processes with other sectors of the economy.

We are also concerned with the suggestion of tiered accreditation for service providers intending to access and use customer data. This implies that there may be accredited data recipients who face lower levels of scrutiny and oversight than others. A thorough assessment to justify a tiered approach should be undertaken if it is considered part of a future CDR landscape.

#### Interoperability with existing systems

Alinta Energy agrees that future development of the CDR should complement, rather than displace existing systems and processes. The energy sector is undergoing its greatest transformation since its inception and numerous national rule changes are underway (including a likely re-design of the wholesale electricity market from 2025). Given the existing and future burden on energy market participants to implement wholesale and retail market reforms (including the initial CDR), development of the CDR should integrate as seamlessly as

possible with systems that are unique to the energy sector. Energy market participants and the Australian Energy Market Operator have invested heavily in business-to-business and business-to-market systems over many years. Future CDR development needs to compliment this.

#### Consumer protection

In our view, consumer protection and the confidence of consumers to take advantage of services enabled by the CDR are the most important consideration for the Inquiry. We maintain the view that the CDR first needs to be implemented in the energy sector so experience of its use (and usefulness) to consumers can be established before material changes and enhancements are considered. Part of this necessarily includes the confident use of services enabled by the CDR by consumers, that their privacy is protected and that they can provide informed consent when accessing these services.

Alinta Energy acknowledges the work undertaken assessing the privacy impacts of the CDR to date; continued emphasis on safeguarding privacy for the initial and any future iteration of the CDR should remain a central focus.

Alinta Energy would welcome further discussion of any of the matter raised in this response. Please contact David Calder (Manager, Regulatory Strategy) on (03) 9675 5359 in the first instance.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'G. Hamilton', is positioned above the printed name.

**Graeme Hamilton**  
General Manager, Government & Regulatory Affairs