



Meridian Energy Australia Pty Ltd
Level 15, 357 Collins Street
Melbourne VIC 3000

29 May 2020

Secretariat
inquiry into Future Directions for the Consumer Data Right
The Treasury
Langton Crescent
PARKES ACT 2600

Email: data@treasury.gov.au

Dear Secretariat

Inquiry into Future Directions for the Consumer Data Right

Meridian Energy Australia Pty Ltd and Powershop Australia Pty Ltd (MEA Group or Powershop) thanks the Australian Treasury Department (Treasury) for the opportunity to provide comments to the Inquiry into Future Directions for the Consumer Data Right Issues paper (the Paper).

Background on the MEA Group

MEA Group is a vertically integrated generator and retailer, our generation is focused entirely on renewable generation with a portfolio of assets, including the Mt Millar Wind Farm in South Australia and the Mt Mercer Wind Farm in Victoria. We also acquired the Hume, Burrinjuck and Keepit hydroelectric power stations, further expanding our modes of generation. We also have several power purchase agreements with other renewable generators, and through this investment in new generation we have continued to support Australia's transition to renewable energy.

Powershop is an innovative retailer committed to providing lower prices for customers. We recognise the benefits to customers in transitioning to a more distributed and renewable-based energy system. Over the last five years, Powershop has introduced a number of significant, innovative and customer-centric initiatives into the Victorian market, including the first mobile app that allows customers to monitor their usage, a peer-to-peer solar trading trial and a successful customer-led demand response program. Powershop has also been active in supporting community energy initiatives, including providing operational and market services for the community-owned Hepburn Wind Farm, supporting the Warburton hydro project, and funding a large range of community and social enterprise energy projects through our Your Community Energy program.

MEA Group broadly support the Paper and its intent to provide a high-level direction as to how Consumer Data Rights (CDR) will be further implemented for consumers once it has been introduced to the banking industry from 1 July 2020. We note that the Paper focuses on CDR expansion (even before the banking industry officially transacts under these requirements from 1 July 2020), further promoting innovation for vulnerable customers, accreditation regime to support a safe, digital economy and leverage overseas equivalent frameworks.

However, we would also like to raise the following specific issues.

Innovation and Consumers

MEA Group agrees with the sentiments of ensuring the industry continues to innovate through frameworks such as the CDR and allow a greater opportunity for vulnerable consumers to have access to their energy data, to help them more easily choose, compare or switch their energy retailer. Further research of the energy market and stakeholder consultation is required to confirm that there will be material benefits to vulnerable or disengaged consumers.

However, MEA Group believes that if the CDR is to help vulnerable and disengaged customers engage with their energy consumption data, so they can readily choose, compare or switch their energy retailer, it should be an interactive approach between the consumer, their representative and retailer without interference (such as from the Australian Energy Market Operator (AEMO) and the proposed Gateway model). If this model is to be used, then Treasury must ensure it is easy for the consumers to use, so that they can have confidence in the Gateway and their retailer.

Security and Privacy

MEA Group agrees with the concerns that the Paper raises about ensuring the security and privacy of any data sharing outside of the consumer / retailer relationship. Retailers already have stringent Privacy Policies in place to comply with the Privacy Act 1988. MEA Group also has strong processes and systems to ensure compliance with our policy. The CDR framework must ensure there are rigid security and privacy checks required for any party that purports to represent a consumer. As MEA Group has learned through the recent Essential Services Commission of Victoria, implementation of their Family Violence framework, privacy and security is the key data priority and MEA Group will not compromise a consumer's rights accordingly.

Infrastructure and Technology

The Paper rightly states that Australia is becoming a far more digitalised economy (and society) and because of this movement, greater innovation is potentially available through the CDR. However, whilst there are pockets of the energy industry that are moving with digitalisation (e.g. retailer innovations), MEA Group is concerned that there is already an assumption that CDR for energy has the adequate technology and support available for Treasury to focus on its implementation for 2021/2022.

For CDR to be effective in the energy sector, data integrity should be the highest priority. One significant barrier to achieving such integrity is that not all states have rolled out smart meters and the live, legitimate data they provide. However due to ongoing various state government and regulatory burdens, the rollout of these meters has been very slow in all states apart from Victoria. This means that any request for data from manual meter types will be subject to potential estimated data only.

Treasury cannot expect CDR to be effective in the energy sector until there is a consistent data source from metering technology, which delivers legitimate data for sharing between consumers, retailers and third parties. If the CDR were to be implemented with manual, estimated data then this may only cause further confusion, complaints and put pressure on the framework's legitimacy to deliver the benefits highlights in the Paper.

This is further amplified for gas with meter reads across the National Energy Market obtained manually, again open to estimation and fault. There are no gas smart meter equivalents.

Costs and Resources

For CDR to be effective, Treasury will require retailers to implement various technology and data system needs on top of their current processes, particularly if Treasury wishes to expand its functionality. For this to occur retailers, especially smaller retailers such as the MEA Group, will require further resources and support to implement the tools and systems required. Therefore, it is critical for any further directions of the CDR framework to strongly consider the outcomes of the initial implementation that energy retailers will undertake in 2020-21. This is critical for the consumer as the costs to implement this framework are potentially borne on the customer.

Treasury has already assumed on many issues that the energy industry could adopt CDR, just as banking has. However, the two industries are structured completely differently with energy a more competitive, more complex industry with technology needs, data, products and offers.

MEA Group would like to further consult with Federal Treasury and other key stakeholders to help ensure that any impact CDR future directions has in the energy industry materially benefits consumers and the industry. If you have any queries or would like to discuss any aspect of this submission, please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'AL' followed by a horizontal line.

Alan Love
Regulatory Manager
Powershop Australia Pty Ltd
Meridian Energy Australia