

26th August 2014

RETAIL DATA PROJECT: ACCESS TO CONSUMPTION DATA

emhTrade is a participant in the New Zealand electricity market. We are active in the hedge and FTR markets and are developers of energy services tools including software assisting consumers with portfolio visualisation and risk management.

We commend the Authority on taking further steps to ensure that consumers or their agents are able to access consumption data. We agree that this will likely result in increased retail competition. However, our view is that the Authority's assessment understates the efficiency benefits that could be provided by the proposal, if indeed it successfully facilitates a new eco-system of innovators in the energy services space.

At the heart of the proposal is explicit confirmation in the Code that consumers have access to their data as accorded by the Privacy Act 1993, and that this access should be extended to consumers that are not individuals. It is of concern that the proposal leaves unclear whether or not parties other than retailers must provide data upon request by a non-individual consumer. We think that unequivocally, a consumer (or their *suitably authorised* agent) should be able to rely on the Code, rather than reverting to the Privacy Act 1993 when approaching any participant to request a copy of the consumption data that the participant holds.

Given that under the proposal, the data will be available from retailers (albeit less frequently, and perhaps through a less automated process), other parties should retain their right to charge a reasonable cost for this data, and to negotiate the format and frequency of delivery (within the bounds of the Privacy Act). Whilst the proposed Code amendment allows consumers access to their data in a prescribed and efficient manner, a minor change would also ensure that authorised agents requiring more timely data from their clients will be able to negotiate to obtain it on their behalf from their MEP, or in fact any party that holds that data (as is currently the case for individuals due to the Privacy Act). There are myriad potential uses for smart meter data which will only be found if that data is able to be obtained by innovators with the same ease that retailers currently access the data for the purpose of reconciliation and billing.

Our view is that extending the proposal to all participants that store consumption data will unlock the potential for dramatic efficiency benefits, and may hasten smart meter roll outs as MEPs are able to receive additional revenue through the value in AMI that is unlocked with greater innovation in the energy services space.

We don't see that these suggested changes would add any cost to the proposal given that all participants holding consumption data must already field and respond to requests from individuals seeking to access that data under the Privacy Act. Those participants that are not retailers are unlikely to receive requests from anyone but a limited number of professional agents acting on behalf of consumers, and in the case of MEPs the infrastructure is already in place for them to provide and charge for AMI data.

Please see below for specific answers to the questions in the consultation paper. Whilst no part of this document is confidential, a confidential supporting document has also been submitted to the Authority.

ANSWERS TO SPECIFIC QUESTIONS

1. Do you have any comments on the description of the current situation, including:
 - a. The link between consumer engagement and retail competition
 - b. Current levels of consumer engagement
 - c. Current limits on access to consumption data

Not only do the 'walled gardens' identified in the paper fail to help consumers compare tariffs, they also limit innovation and competition to provide the 'value add' services that AMI data can facilitate.

2. What are your comments on the Authority's assessment of the problems arising from limited access to consumption data?

Agree.

3. Do you have any comments or suggestions about whether the criteria used in developing the proposal are a suitable basis for the proposed Code amendment?
4. Do you have any comments or suggestions about the requirement for retailers to provide consumption data?

Aside from some minor modification, we think the proposal will work well. Although we have two concerns:

- Proposed clause 11.32B (3) appears to give retailers a right of refusal if consumption data has been requested 4 times in the previous year. Whilst we understand the need to reach an efficient frequency of requests for data, clause 11.32B (5) should ensure this occurs (through fees). Clause 11.32B (3) should be removed or the usefulness of the proposal will be drastically reduced.
 - Secondly, that the requirements don't extend to other market participants, particularly MEPs. Whilst most consumers will likely contact their retailers, some may prefer to also obtain the data held about them by other organisations as is their right under the Privacy Act. Furthermore, it may be more efficient for some consumers or their agents to obtain data from parties other than their retailer. The Code proposed doesn't explicitly confirm that consumers have this right.
5. Do you have any comments or suggestions about the process for responding to requests to provide consumption data?

A standard format could be developed for requests themselves. Although consumers could request data by phone or email using plain English, agents are likely to be making requests to multiple retailers and a standardised format for requests would simplify this process (in the same way a standardised response does).

6. Do you have any comments or suggestions about the development of procedures requiring the supply of data using standardized formats and structures?

Industry Standards for the transfer of customer data should be applied uniformly for all participants and any standards developed should be identical to those used in other industry processes where possible, not just 'based on' these standards as proposed.

7. Do you have any comments or suggestions about whether retailers should be required to hold consumption data?

Seems low cost and sensible.

8. Do you have any comments or suggestions about the requirements of the process for providing interval data?

Industry Standards for the transfer of customer data should always be at the lowest granular interval. HHR / TP where available.

9. The Authority has investigated a prescribed approach to customer authorisation to provide high levels of privacy and data security and considers that retailers are best placed to provide this service in an efficient and cost-effective manner. Do you have any comments or suggestions on privacy, confidentiality and security of consumer data?

Privacy is paramount. Whilst we agree that development of appropriate authorisation protocols should be left to the market, the Authority should closely monitor the development of these protocols and be prepared to issue guidelines or take further action if it becomes apparent that they are either too loose, or that unwarranted privacy concerns are being used as an excuse to withhold data (for instance if requested by a competing retailer).

10. Do you have any other comments or suggestions on the proposal?

11. Do you agree that the purpose and objectives of the proposal as set out in section 5.2 are appropriate and consistent with the Authority's statutory objective? If not, why not?

Yes

12. Do you agree that the proposal is preferable to other options? If not, please explain your preferred option in terms consistent with the Authority's statutory objective.

Yes, with minor modification to ensure fruitful development and innovation in the use of AMI data for the long term benefit of consumers.

13. In particular, do you agree that option 1 is better than option 4?

Yes

14. What are your views on the establishment of a centralized meter data store at some point in the future?

Whilst in principle the idea of a central store of data seems appealing, we do not agree that the Authority, or any party, should collect and store personal information such as consumption data on anything other than an 'opt-in' basis, unless it is necessary for the

provision of contracted services (eg electricity supply). Thus in practice there may be little benefit.

15. Do you agree with the assessment of benefits, costs and net benefits? If not, please explain your reasoning.

No, we think the Authority has underestimated the benefits that could be gained through efficiency from energy services technology and innovation that is yet to be conceived or developed, but that is likely to occur following the implantation of the proposal.

16. Do you agree that with the Authority's assessment that the proposed Code amendment meets the requirements of Section 32 of the Act?

Yes.

We would be happy to discuss further any of the views expressed in this submission. For any further information please contact me at stu.innes@emhtrade.com.

Yours faithfully,



Stuart Innes,
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