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Electricity Authority
PO Box 10041
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(by email to submissions@ea.govt.nz)

Submission on Retail Data Project: Access to consumption data

Please find attached Cortexo's response to the above Consultation Paper dated 15 JULY 2014.

Cortexo is an independent, 100% New Zealand owned, software company based in Christchurch that has developed a cloud based software platform that provides demand response and customer engagement services for electricity consumers. This is delivered through a multi-channel (web, mobile, sms, email) online energy portal service built on top of a highly scalable remote monitoring and control platform.

Cortexo believes that the two prongs of the Retail Data Project, a database of all retail tariffs and access to consumption data will help consumers greatly in managing their electricity costs better and improve transparency in our industry (the subject of a separate consultation).

The obvious public interest in these matters can be seen in the media almost daily and Cortexo believes that the Authority is right to suggest the changes outlined in the paper.

Yours faithfully,

Terry Paddy
Managing Director



Cortexo's response to the specific questions outlined in the Consultation Paper

	Question	Response
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?	Cortexo believes there has been a significant amount of information in the public domain that clearly indicate that consumers are concerned about their electricity costs but feel that either they have no ability to do anything about it because they have no information or that it is too difficult to do anything about it because of perceived complexity and time requirements. Not only does the UMR research referenced in the discussion paper highlight the paradox between the significant number of consumers that want to do something about their electricity costs and the small number of those that do; but The Consumer's Institute magazine (issue 548 Jul 14) indicates a similar story with 67% of a 5,000 member survey stating "<i>the whole energy supplier picture is too confusing</i>". As Cortexo is a 3rd party provider of innovation and services in the energy sector for the benefit of consumers we strongly agree that the 'walled garden' reference in para 2.4.18 is a reality that is stifling both competition and innovation.
2	What are your comments on the Authority's assessment of the problems arising from limited access to consumption data?	Cortexo agrees with the assessment of the problems arising from limited access to consumption data and would emphasise that just because a retailer makes some information available via its printed bill or on line service is does not mean that it has 'solved the problem'. retailers have their own reasons for providing information to a customer in a particular way and generally they do not enable a customer: 1) to understand if they are getting the best deal for their personal energy use profile and if necessary identify a competitor who does. 2) to easily test the offer of a competitor and have a clear definitive understanding if that offer is better 3) to significantly alter their behavior and make energy savings which reduces their profitability profile. For example showing the consumer the benefits of all the retailers various tariff offerings and automatically offering or switching to the best tariff.
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	Cortexo has no comment on the high level criteria except that 4.2.2 (b) specifies that their will be costs to be borne by the consumer which we believe will impose a barrier. We will discuss this and the



	amendment?	question of consumer expectation of what should be available in our response to question 8.
4	Do you have any comments or suggestions about the requirement for retailers to provide consumption data?	Cortexo agrees that retailers are required to provide consumption data but that access to tariff information also needs to be made available. Cortexo is aware that a retail tariff database is the subject of the parent "Retail Data Project" but we wish to emphasise that from a consumer perspective \$'s have far more meaning than kWh's
5	Do you have any comments or suggestions about the process for responding to requests to provide consumption data?	No
6	Do you have any comments or suggestions about the development of procedures requiring the supply of data using standardised formats and structures?	Cortexo agrees that a common format should be selected that does not inflict undue costs of implementation on parties. Use of existing or similar protocols like EIEP 3 (modified if required) would be preferred although we have not investigated OpenADE/ESPI and would be happy to work with what the industry agrees to.
7	Do you have any comments or suggestions about whether retailers should be required to hold consumption data?	Cortexo believes that retailers need to either hold interval data or have arrangements in place where they can provide interval data for their customers. Any optionality will defeat the objective of this code amendment.
8	Do you have any comments or suggestions about the requirements of the process for providing interval data?	Cortexo understands the need to provide an element of flexibility in how retailers manage this new requirement; however, we believe that arguments of difficulty and cost can be used to create barriers to implementation. This would affect the outcomes described in the evaluation of cost benefits as described in section 5.4. Industry must ensure that the focus is on the best outcomes for consumers. It is envisaged by the Authority in this discussion paper that the processes to access interval data would be automated in most if not all cases, there is no reason to expect otherwise as any manual or ad hoc arrangement for a required process such as contemplated here would be costly for the retailer. Therefore there is no reason why the provision of automated data transfer, especially to the consumers nominated 3rd party service provider could not be within hours, not days. Similar to the consumer swapping timeframe of 10 days with 50% in 5 days, the requirement could be 5 days with 50% in 1 day.



		With automated data, effort to provide data is minimal. Requests for new data should not be restricted to 3 months as contemplated in 4.3.28. If the retailer and consumer have an automated system (ie via a 3rd party provider) then consumption data should be made available on a daily basis when available. This is similar to the systems that MEPs have for providing data already. As to the cost of providing the data as suggested in 4.3.30. Cortexo believes that with an automated system after set up, there should be minimal if not near zero cost for requests. No request would be vexatious if agreements between the consumers nominated 3rd party service provider and the retailer were robust. Therefore Cortexo believes that the data should be provided at no cost regardless of frequency. Manually supplied data however should have a handling cost associated with it. 4.2.2 (c) refers to “<i>minimum requirements for data to be provided, that meet consumer expectations of what should be available.</i>” Cortexo believes that if consumers are aware their interval data is available on their retailers web portals or mobile apps daily, but if it is not available to them in the same manner then the perception will be that the retailer is withholding information for their own benefit.
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 place 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?	Cortexo agrees that privacy and data security are critical to consumer confidence in and services offered and that any party receiving, retaining or processing information on behalf of a consumer be held to a high level of accountability and comply with all aspects of both the law as defined in the Privacy Act but also in terms of industry codes of conduct (Cloud Computing Code of Practice for example) and best practice.
10	Do you have any other comments or suggestions on the proposal?	No
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?	Cortexo believes that that a genuine and visible problem exists and that it falls into the category of the Authority’s statutory objectives to identify and implement a solution.
12	Do you agree that the proposal is	Yes



	preferable to other options? If not, please explain your preferred option in terms consistent with the Authority's statutory objective.	
13	In particular, do you agree that option 1 is better than option 4?	Option 4 is the approach adopted by the UK and the creation of the UK Data Communications Company in 2013 ahead of their major smart meter deployment in 2015-2020. This option is logical at the beginning of the introduction of interval data. However in NZ's case the problem, the public sentiment and the political interest exists now. The solution proposed in option 1 is not anywhere near as expensive or complex as the implementation of option 4 and can be implemented in months, not years. Further, whereas a centralized meter data service may provide benefits of standardisation at the same time it may well inhibit innovation from the myriad of 3 rd party service providers that will provide customized solutions contemplated by option 1
14	What are your views on the establishment of a centralised meter data store at some point in the future?	As a natural evolution of the market and its services to the community a centralised data store may add to the efficiency of the market in the future. The advantage of having carried out what is proposed by the Authority in Option 1 is that a timely solution will be provided for the identified problem. Consumers will not be happy with a solution that is several years away. We would also have the benefit of watching how the UK DCC has operated, its advantages and disadvantages.
15	Do you agree with the assessment of benefits, costs and net benefits? If not, please explain your reasoning.	Yes, although we are not economists.
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, although we are not lawyers.