

Submissions

Electricity Authority

Wellington 6143

By email

The Energy Management Association (EMANZ) welcomes the opportunity to provide further input to this important initiative. As stated in our earlier submission, we support the continued investigation into what can be done to improve how consumers can engage with the electricity market in meaningful ways.

EMANZ is pleased to see some EA resource and effort going into this area, as the complexity of New Zealand's market design does make it difficult for many consumers to understand what can be achieved, and therefore engage, which in turn makes it more difficult for retailers to develop customer solutions that add value.

The bulk of this submission is made up of answers to the questions posed by the EA document, but several issues that don't fit as a particular answer to any of those posed are provided as follows:

- To what extent should/will standard meter consumption information be “free of charge” for (already paid for by) consumers? EMANZ has heard some industry proponents argue for consumption information service fees to apply, and, at some level this may be appropriate for customized information requirements. For obvious competitive reasons however, it should not be the sole domain of electricity retailers and their contracted partners (meter providers) to have access to the meter information from which they build a premium meter information service offering.

The EA's proposed approach (Option 1) at least takes the industry towards a “free” baseline service standard for the provision of consumption information, from which a premium service to consumers can then evolve. The extent to which consumers do or do not already pay for the “consumption information services” sometimes being offered as premium is an important consideration, and this of course leads into the issue of pricing transparency.

- To what extent should retailers have to provide consumption information data to each other post customer switch? EMANZ believes the old retailer should be required to provide historical monthly consumption information to the new retailer,

allowing the new retailer to provide historical data to the consumer on request. This would assist the industry to ensure initial estimate invoices for a new customer are more accurate, resolving many invoicing issues for the new retailer and their customer.

Answers to Questions

Q#	General Comment	Response
Q1.	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?	EMANZ broadly supports the EA's conclusions in describing the current situation, that there is a limited access problem, and therefore an opportunity for improving consumer engagement in, not just the buying process, but also the accumulation of information that would: • Support industry innovation, • Improve consumer decision making with respect to buying electricity i.e. potential switching, process, and • Improve consumer decision making with respect to the consideration of investment in cost effective solutions for reducing electricity use through more energy efficient solutions. EMANZ believes that at a conceptual level, the benefits are wider than just improving switching decision making i.e. the benefits relate to electricity costs (i.e. includes the amount consumed), not just to price, because competition in a market increases when there is less to go around i.e. demand is stable or reducing. Therefore the EA initiative to improve the provision of information that contributes to better decision-making by end users on their consumption can, and EMANZ believes will, improve market competition. EMANZ also agrees with the conclusion in the EA consultation document that in some cases, the provision of information by retailers could be used to "increase barriers to switching" via providing customized information solutions that require bespoke investment by the customer. However, this should not necessarily be seen as a negative, simply a sign that competition is well in play. The real question for the regulator however, is whether retailers are able to use their regulatory status as obligated meter provider to establish barriers to competition from other market players (energy service companies, software system providers etc), in providing customized information solutions. And, we should not forget it is not necessarily the fault of the retailer that consumption information may not be accurately supplied to customers. For example,

		tenants in buildings may simply not have a meter of their own, or the metering arrangements are not set up to match current occupancy arrangements (EMANZ past present and upcoming office electricity metering arrangements are, unfortunately, all of dubious accuracy due to wiring deficiencies. The issue is that there are no guidelines, standards or consistency relating to the provision of consumption information, or any form or degree of requirement for all parties (retailers, lines companies, meter providers, energy service companies) to co-operate in the provision of ensuring information to consumers is provided in a standard and useful way that allows interface with other (software and hardware) systems. For example The consumption information Standard could, over time be used as a reference in contracts by building tenants as an information requirement from the landlord i.e. encourage the provision of more adaptable and functional metering capability over time. It is critical to ensure innovation continues in the provision of information. The question is, who are the innovators and where is innovation likely to happen. Metering installations are part of the infrastructure. The functionality of these meters is determined by what services the retailer wishes to provide. Innovation need not be constrained to the retailer in the provision of information and metering installations should not be used as a barrier to competition. With something like a dozen electricity retailers now and counting, and a plethora of different energy management software systems trying to keep up with the myriad of different data packets and protocols being supplied by these retailers, it is time for some standardisation of how consumption information is presented. This would, in EMANZ view, provide a platform for innovation for all parties to work from. EMANZ believes the Standards set in this area should reference the standards of access to information we enjoy with our banking information in this country. Both business and residential customers are provided access to their information– online, open source, any time anywhere (and able to easily synchronize with other Apps e.g. Xero). The bank holds one year's worth of data for us. Beyond that we pay for recovery of older data.
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Q2.	What are your comments on the Authority's assessment of the problems arising from limited access to consumption data?	EMANZ broadly agrees with the EA's assessment that there is limited access, and as outlined above, agrees there are problems associated with that limited access leading to opportunities for improvement in competition.
Q3	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?	No.
Q4.	Do you have any comments or suggestions about the requirement for retailers to provide consumption data?	On page 9 of its consultation paper the EA states: <i>2.4.14 ... This previous work by the Authority clearly established that consumers have rights of access to their interval consumption data.</i> <i>2.4.15 ... Further, businesses are not explicitly covered by the Privacy Act 1993 and would therefore be unable to access their data using this approach.</i> According to this statement, business electricity customers do not have the same rights under the Privacy Act as individuals and households in terms of the to access their (personal) consumption information. Moving quickly on from any wider public policy debate on the rights of access by businesses to information about them, this does raise a specific issue of what rights businesses do or should have with respect to access to their electricity consumption information and this issue needs to be resolved. There does not appear to EMANZ to be any reason for businesses not to have access rights to their electricity consumption information, and so EMANZ would suggest this is made explicit in the EA Code amendments.
Q5.	Do you have any comments or suggestions about the process for responding to requests to provide consumption data?	As stated above, metered consumption information is not always accurate for reasons beyond the control of the electricity retailer (poor wiring in multi tenanted sites etc). It may be worth further considering how issues outside the control of the retailer should be treated in this process.
Q6.	Do you have any comments or suggestions about the development of procedures requiring the supply of data using standardised formats and	If not already being done it would be worth examining international trends in standardization of consumption data formats and structures to ensure New Zealand is consistent with international trends, to the extent possible.

	structures?	An important factor in the provision of consumption data is information on the read type. For example is the consumption information provided an estimate, actual, customer read, special read. The provision of this information should be considered. Another information identifier worth considering is to identify whether itemised consumption data is between the various meters and registers ascribed to one ICP a customer has, or totals on the ICP.
	Q7. Do you have any comments or suggestions about whether retailers should be required to hold consumption data?	Assuming no other parties were being tasked with holding consumption data (e.g. a central dataset alongside the registry), EMANZ would support the establishment of some rule that required retailers to hold consumption data for say two years, to provide it to customers free of charge, and that any information sought beyond that timeframe would be able to be charged for (or not provided).
	Q8. Do you have any comments or suggestions about the requirements of the process for providing interval data?	No
	Q9. Do you have any comments or suggestions on privacy, confidentiality and security of consumer data?	See answer to Q4. While it is imperative to respect individuals private information, this should not prevent consumers being able to share their data with others if they see benefit in doing so. While it is difficult to quantify, it appears to EMANZ that a central repository of consumption data would provide the advantage of providing innovation and ultimately productivity benefits by allowing retailers and other service providers to compile energy performance comparisons of a larger and standardized data set.
	Q10. Do you have any other comments or suggestions on the proposal?	This project has the potential to rekindle the potential benefits that were promised but ultimately undelivered by the smart metering initiative started in the mid 2000's. If approached correctly and in concert with the market all parties stand to benefit from a new area for establishing a point of difference services with their customers. Nobody should be flinching at this prospect unless they do not like competition.
	Q11. 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, absolutely.

	Q12. 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.	EMANZ believes Option 1 is an appropriate step in the first instance. Ensuring consistency of data provision in consumption information is a useful, relatively low cost first step in improving access to information.
	Q13. In particular, do you agree that option 1 is better than option 4?	The response of retailers and other market players to to Option 1 will ultimately determine whether Option 1 or 4 moves the market forward in terms of providing improved services to consumers. Option 4 should not be ruled out.
	Q14. What are your views on the establishment of a centralised meter data store at some point in the future?	EMANZ believes the establishment of consistent data standards for consumption information will improve on the status quo, but the extent to which it will improve is in the hands of the sector. How these standards will be enforced and the real degree of difficulty consumers experience in retrieving consumption data for themselves or by their agents remains to be seen. Allowing reliable access to robust consumption data from non-retailer businesses in order to improve competition for consumer services may need greater steps in future, and a central data repository would provide additional benefits, albeit at greater cost.
	Q15. Do you agree with the assessment of benefits, costs and net benefits? If not, please explain your reasoning.	Yes, the assessment of costs and benefits appears reasonable, and EMANZ agrees that the dynamic efficiency benefits are real, but difficult to quantify, and the project should not be hampered by reductionist arguments.
	Q16. Do you agree that with the Authority's assessment that the proposed Code amendment meets the requirements of Section 32 of the Act?	Yes.