

Retail data project: access to consumption data

Format for Submissions

Submissions close: 5:00pm Tuesday 26 August 2014

15 July 2014

Appendix A Format for submissions

Question No.	General comments in regards to the:	Response
Q1.	<p>Do you have any comments on the description of the current situation, including:</p> <p>a) The link between consumer engagement and retail competition?</p> <p>b) Current levels of consumer engagement?</p> <p>c) Current limits on access to consumption data?</p>	<p>TLC is not a retailer but has found itself in a unique position of contracting directly with consumers.</p> <p>a) Increased customer engagement does and will benefit the efficiencies of the network model.</p> <p>b) Energy literacy has been shown to increase levels of customer engagement. For example many TLC customers monitor energy and power consumption via in-home displays (IHD).</p> <p>c) We currently provide consumption data to customers on request. These requests are increasing, suggesting a greater desire to be engaged.</p>
Q2.	<p>What are your comments on the Authority's assessment of the problems arising from limited access to consumption data?</p>	<p>a) Yes, we agree, limited access to consumption data does limit competition in the retail sector. Furthermore as TLC has seen, increased access to consumption data can lead to improved efficiencies in the network distribution sector.</p> <p>b) Energy literacy is a must. Knowledge becomes the driver and this in turn encourages innovation, provides greater buyer power and depending on the pricing signals encourages the adoption of alternative supply.</p> <p>c) Third party energy experts are able to provide independent advice to customers with regard to demand patterns, a significant factor in network efficiencies. A number of TLC's customers benefit from this type of</p>

		<p>advice and are actively reducing both energy and power demands.(3.2.9)</p> <p>d) TLC's business belief aligns with particularly the last paragraph of this section. "No industry has a monopoly on innovation. Only the end user, having understood and used a service, can decide if it is useful." (3.2.10)</p> <p>e) Increased knowledge allows wiser investment decisions and greater buyer understanding.(3.2.14)</p>
<p>Q3</p>	<p>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?</p>	<p>We agree with the proposal to have a data custodian, but suggest that the metering equipment provider (MEP) be the ideal candidate.</p> <ul style="list-style-type: none"> • Retailer has disincentive to provide more competition. • The present industry structure is such that the best short term step is for the MEP to be responsible for populating a central data registry. The MEP has expertise, no disincentive and fewer collection or access points. • Forcing this role onto retailers will increase barriers to entry in the retail industry sector. • There is some evidence that by making retail competition simpler via the TLC direct charging model, the resultant retail increases were less than those that customers in other areas were exposed to. This aligns to the EA's thinking with this proposed change. <p>Longer term, once Networks modify their pricing away from the legacy models (triggered by reducing energy volumes and the downward spiral brought on by</p>

		<p>alternatives) that have been copied forward for many years then they would be best positioned to take control of this function. Longer term, it is believed that customers are the best owners of the meters or at least major influencers in the technology that is fitted to their installations, not a retailer or an MEP contracted to a retailer. In this scenario networks will quickly be best positioned to be the neutral competition facilitators.</p>
<p>Q4.</p>	<p>Do you have any comments or suggestions about the requirement for retailers to provide consumption data?</p>	<p>We disagree with the proposal to force retailers to be custodians of the consumption data. This will increase barriers to entry for small retailers. The best short term solution is for the MEPs to be required to act as data custodians. MEPs already have large data marshalling facilities and leveraging off these would minimise costs and maximise efficiencies of data transfer for all parties. A byproduct would be increased pressure for the unbundling of retailer and network charges thereby increasing transparency of “electricity” bills. This unbundling is necessary if the industry is going to move past the present legacy network tariffs into a format that is more innovative and efficient.</p>
<p>Q5.</p>	<p>Do you have any comments or suggestions about the process for responding to requests to provide consumption data?</p>	<p>a) TLC supports the concept of the registry as a central data archive.</p> <p>b) The paper does not mention the reality that many of the advanced meters being installed cannot be remotely read. It should be possible to manually download annual data for these sites and upload this into the registry. The customer, network and retailer(s) will all benefit from having this data available. The only independent link in the short term to do this is the MEP. The EA could give consideration to</p>

		ensuring annual download and upload into the registry is a requirement.
Q6.	Do you have any comments or suggestions about the development of procedures requiring the supply of data using standardised formats and structures?	<p>We have had not had time to work our way through this in detail.</p> <p>a) A key consideration is the reality that if meters are changed due to customer requirement or faults the archived data will need to be tied together.</p> <p>b) Meters will lose data from time to time and formats/systems will have to accommodate this.</p>
Q7.	Do you have any comments or suggestions about whether retailers should be required to hold consumption data?	<p>a) If MEPs are custodians then agree that a data holding period will be necessary.</p> <p>b) Suggest that most MEPs already have systems and processes in place to hold data thus there would be no significant implications.</p>
Q8.	Do you have any comments or suggestions about the requirements of the process for providing interval data?	<p>a) Customers will request the data from not only retailers but all industry participants including professional energy/power advisors.</p> <p>b) The rules around data supply need to be simplified so that all groups can access the data, subject to customer sign off.</p> <p>c) The commercial terms of supplying data need to be kept out of the proposed code. Supplying data to customers needs to be allowed to develop in an innovative way.</p>

<p>Q9.</p>	<p>Do you have any comments or suggestions on privacy, confidentiality and security of consumer data?</p>	<p>TLC's experience is that a very small number of customers will want to use this data for lobbying and while this is useful if constructive, it can be problematic if a negative view is taken. The rules around privacy and vexatious requests/acts will become important.</p>
<p>Q10.</p>	<p>Do you have any other comments or suggestions on the proposal?</p>	<p>TLC believes the proposal of ensuring customers can assess data is a significant step forward. The main benefits nationally will be the long term saving of significant investment in assets through the energy supply chain so that NZ can compete more strongly on the international market with its products and services. This will be enabled by the data helping to improve 'energy literacy'. It will also benefit the customers who are challenged to pay for electrical energy and power. TLC disagrees that the retailers should be wholly responsible for this and suggests that for the next few years the MEPs are probably the most practical and lowest cost solution. Longer term once the data is more established and the EA chooses to add more competition into the MEP service and network pricing has matured further, it will likely be the networks that will be best positioned to co-ordinate the data. The registry needs to be extended to be the central holder of the data.</p>

<p>Q11.</p>	<p>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?</p>	<p>Yes we agree that the purpose and objectives as set out in 5.2 are appropriate; subject to the custodians of the data being more neutral than retailers because:</p> <ul style="list-style-type: none"> a) If MEPs are data custodians then the proposal will decrease barriers to entry in the retailer market place thereby increasing competitive forces. b) Furthermore by improving energy literacy and therefore, customer engagement, we believe that there will be an opportunity to increase efficiencies in other sectors of the electricity market. c) Innovation is another winner as improved knowledge and engagement will encourage problem solving and solution seeking. This benefit will be significant, judging by TLC's experience. d) The industry needs an initiative like this to evolve.
<p>Q12.</p>	<p>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.</p>	<ul style="list-style-type: none"> a) Yes b) We don't think it would impose higher costs as the Registry already collects a significant amount of data and has efficiencies in place for data storage. c) Furthermore, if MEPs were data custodians there would be efficiencies because of current data channels.
<p>Q13.</p>	<p>In particular, do you agree that option 1 is better than option 4?</p>	<p>No: Option 4 will cost more but will give the best savings to NZ Inc. Retailers will soon find ways to add value to the core data.</p>

Q14.	What are your views on the establishment of a centralised meter data store at some point in the future?	<p>Yes and sooner rather than later.</p> <p>a) Going through option 1 and then to 4 in the future will add costs. Getting to the best solution, Option 4, sooner will speed up the industry progressing to some of the major 'low hanging fruit' that we have not yet got to e.g. controlling reactive power flows through the use of data and demand side innovation.</p> <p>b) Suggest the focus shifts from customer data to meter data. Meter data that is available to customer.</p>
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<p>Q15.</p>	<p>Do you agree with the assessment of benefits, costs and net benefits? If not, please explain your reasoning.</p>	<ul style="list-style-type: none">a) Paper has neglected to visit the potential efficiencies (decrease in x-inefficiency) of networks responding to increased buyer power.b) Dynamic efficiency encouraged if barriers to entry (retailers) kept low, but only if MEPs are the short term data custodians and networks the longer term co-ordinators.c) The costs will be largely avoided if MEPs are required to act as data custodians. Costs would need to be recovered through metering charges. This will not deter smart metering investment. Smart meters will provide efficiencies across the industry and the data needs to be used by the entire supply chain to maximise national savings through the improvement of 'energy literacy'.d) Cost of proposal insignificant compared to cost of recent TP upgrade. Maybe some of this could have been deferred if Smart meter rollouts had received regulatory support.e) Add to this the ongoing costs of the distribution industry system growth (\$1.7b in the most recent Information Disclosure Compendium); even a very achievable 1% reduction in power demand growth, through customer energy literacy education equates to a \$17m saving. \$17m will pay for the development of a substantial registry before any of the other items in the cost benefit study.
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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 and more so if MEP is data custodian. Ideally the best person to own this data is the customer. Energy literacy will quicken the transition to perception of ownership value.
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