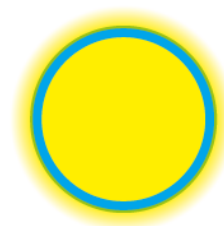


26 August 2014

Carl Hansen
Chief Executive
Electricity Authority
Level 7, ASB Bank Tower
2 Hunter Street
WELLINGTON 6011

[Sent by e-mail to: submissions@ea.govt.nz]

POWERCO



Dear Carl

Powerco's submission on *Retail data project: access to consumption data*

Introduction

1. Powerco welcomes the opportunity to comment on the Electricity Authority's (Authority) consultation paper *Retail data project: access to consumption data* ("Consultation Paper"), published on 15 July 2014.
2. None of the content of this letter is confidential.
3. Appendix A contains Powerco's responses to the Authority's questions.

Powerco supports the Authority's work to promote competition in the electricity industry

4. Access to more comprehensive information reduces barriers and helps to improve consumers' ability to assess and compare electricity charges, and consequently enhance the overall competitiveness of the retail market. Additionally, increased information should allow the Authority and other parties to monitor and report on the market more effectively.

Proposed approach of focusing on access to consumption data

5. The Authority's retail data project issues paper, published in January 2014, identified three issues that have impeded consumer switching: these were:
 - incomplete data on retail prices and costs;
 - incomplete data on tariff plans and tariffs; and
 - incomplete consumption data.
6. Along with the majority of other submitters, we agreed that these deficiencies that needed to be addressed together rather than focusing on one or other of them. Consequently, we

question the Authority's proposal to amend Part 11 of the Electricity Industry Participation Code 2010 (Code) in isolation.

7. We find it hard to believe that limited access to consumption data is, of itself, limiting retail competition and that increased access to consumption data will result in increased consumer engagement. A consumer or a retailer does not need interval consumption data to make a meaningful comparison between multiple retailers.
8. Powerco recommends that the Authority reconsider the proposed amendment to Part 11 and instead develop a package of amendments that will address all three identified deficiencies.

Centralised meter data store

9. If the Authority decides to persist with the proposal to amend Part 11 to provide increased access to consumption data, our preference is the concept of a centralised data store for all consumption data. A centralised meter data store has the potential to deliver significant efficiencies across the industry by negating the need for each and every retailer to submit separate consumption data to both the reconciliation manager and to each distributor.
10. Our preference would be for the Authority to utilise the existing electricity registry as the centralised data store, as it is our understanding that a number of retailers already use the registry as a portal to submit consumption data to distributors. The registry already holds ICP and metering information on each and every ICP and, therefore, storing consumption data there seems like a logical step.
11. Thank you for the opportunity to make this submission. Please contact Oliver Vincent at oliver.vincent@powerco.co.nz (tel. (06) 757 3397) in the first instance if you wish to discuss any aspect of this submission.

Yours sincerely



Richard Fletcher
General Manager Regulation and Government Affairs

Appendix A Format for submissions

Question No.		Response
Q1.	Do you have any comments on the description of the current situation, including:	
A	The link between consumer engagement and retail competition?	There is clearly a link between consumer engagement and retail competition which centres on consumers' perception of the level of competition and the complexity of the market. If consumers believe that switching is easy, and this will result in meaningful savings, they will be more likely to participate in the process, which will, in turn, result in increased competition among retailers (as the <i>What's my number?</i> campaign has shown).
B	Current levels of consumer engagement?	Over the past three years we have seen an increasing amount of consumer engagement due, at least in part, to the EA's various marketing campaigns. It is important to note that there will always be a natural ceiling to the feasible level of consumer engagement, as there will be segments of consumers across the residential and (to a lesser extent) commercial markets who consciously choose not to engage.
C	Current limits on access to consumption data?	No comment.
Q2.	What are your comments on the Authority's assessment of the problems arising from limited access to consumption data?	Is it difficult to accept that limited access to consumption data is, of itself, limiting retail competition to any significant degree. A consumer or a retailer does not need interval consumption data to make meaningful comparisons between multiple retailers. Currently, the Powerswitch website is able to provide consumers with estimated savings based on specific information which potentially would be no more accurate if it were based on interval consumption data.
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 comment.

Q4.	Do you have any comments or suggestions about the requirement for retailers to provide consumption data?	<p>We believe that a centralised data repository such as the electricity registry would be a much better mechanism for providing access to consumer data. Currently, the registry contains ICP and metering information for all ICPs across NZ.</p> <p>If the registry were also to contain consumption data (populated monthly for NHH and HH connections) then retailers (and potentially consumers) could access the relevant historical consumption data for a given ICP spanning a specified time period even if a site had switched retailers within the relevant period.</p>
Q5.	Do you have any comments or suggestions about the process for responding to requests to provide consumption data?	If the intention is to provide consumption data for interval and non-interval meters then we suggest providing a standardised file format for the provision of non-interval consumption data as well as interval data.
Q6.	Do you have any comments or suggestions about the development of procedures requiring the supply of data using standardised formats and structures?	We suggest that the standardised file format stipulate that the consumption data relating to the individual trading periods be provided in columns rather than rows (similar to the GR-040 file format). This would limit the number of rows in the data file to only 365 rows of data per meter per year rather than 17,500 rows, which would make it significantly easier for a consumer (or their representative) to manipulate and analyse the resulting data.
Q7.	Do you have any comments or suggestions about whether retailers should be required to hold consumption data?	No comment.
Q8.	Do you have any comments or suggestions about the requirements of the process for providing interval data?	Allowing for four free data requests for each 12 month period relating to each ICP would seem to impose an excessive cost burden on retailers if they did not hold the relevant information themselves. We suggest that retailers should have the ability to pass through any reasonable costs incurred in the collation of more than one data request over a six or twelve month period.
Q9.	Do you have any comments or suggestions on privacy, confidentiality and security of consumer data?	No comment.
Q10.	Do you have any other comments or suggestions on the proposal?	No comment.

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?	It is difficult to agree with the Authority's suggestion that increased access to consumption data will result in increased consumer engagement. There will undoubtedly be consumers that will request and analyse their consumption data, but these consumers are already likely to be strongly engaged with the market. Therefore, it would appear that minimal improvement in competition and market efficiency is likely to result from increased access to consumer data. Hence, in our view, the proposal is unlikely, in practice, to promote the Authority's statutory objective.
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.	<p>Our preference is for the Authority to utilise the existing electricity registry as the centralised data store, as it is our understanding that a number of retailers already use the registry as a portal to submit consumption data to distributors. The registry already holds ICP and metering information on every ICP and, therefore, storing consumption data there seems like a logical step.</p> <p>We also note that the proposed option appears to be a stop-gap solution as the Authority states (para 5.3.10) that a centralised meter data store (option 4) could potentially deliver greater benefits over time.</p>
Q13.	In particular, do you agree that option 1 is better than option 4?	No, given the time and effort associated with any consultation and associated Code amendments it would seem more sensible for the Authority, should it decide to proceed down this path, to implement the single best solution rather than adopt an interim measure with the intention of making further Code amendments at some future date.
Q14.	What are your views on the establishment of a centralised meter data store at some point in the future?	We support the concept of a centralised data store for all consumption data as it has the potential to deliver significant efficiencies across the industry by negating the need for each retailer to submit separate consumption data to both the reconciliation manager and to each distributor.
Q15.	Do you agree with the assessment of benefits, costs and net benefits? If not, please explain your reasoning.	It would appear that the stipulated benefits would result from the provision of monthly consumption data as readily as from interval data, with the additional advantage of being able to be delivered at a much lower cost to retailers. We suggest that, if the Authority wishes to mandate the provision of consumption data, that it first consider mandating monthly aggregated consumption data rather than interval data, as this would potentially deliver the same benefits at a fraction of the cost.
Q16.	Do you agree that with the Authority's assessment that the proposed Code amendment meets the requirements of Section 32 of the Act?	The proposed amendment does not appear to be contrary to section 32, but may not promote the achievement of section 32(1).

