



Retail data project: access to consumption data

Submission on Consultation Paper

25 August 2014

26 August 2014

Dear sir / madam

We are responding to the Retail Data Project consultation paper. Rabid Technologies is a Wellington based technology firm that develop new digital services. Our capabilities include core business intelligence, data management, product strategy, cloud and web service infrastructure, mobile and web development.

We are a potential operator of consumer decision-making tools. Our comments focus on two considerations. First, technical considerations of the project relating to data and management of any service. Second, factors likely to relate to customer engagement with the proposed data and any barriers or opportunities to maximise consumer value.

Particular points we note :

- We endorse option 1 but highlight benefits of option 4. Some of these benefits relate to improved competition and some may be broader than the goals of your proposal.
- Any new services comparing providers must be premised on neutral and unbiased access to data.
- No Application Programming Interface (API) is described in the standards and development of a common approach may save costs across retailers.
- Open data standards approach is best. Static data format rather than recurring will reduce likelihood of consumers engaging long term.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'J Forde', written in a cursive style.

Josh Forde
Business Development
Rabid Technologies Limited

No.		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>We agree with the consultation paper's perspective about the challenges to efficient consumer behaviour in negotiating with retailers.</p> <p>The economic opportunity in the proposed framework is to empower consumers to engage with <i>other prospective suppliers on equal information terms</i>. These suppliers can use the underlying data to model the consumption and business profile of a consumer.</p> <p>A brief explanation of our perspective follows.</p> <p>There is an asymmetry of information between 3 parties: consumer, current retailer, prospective retailer</p> <p>The current retailer can profile/segment their customers according to a number of valuable factors</p> <ul style="list-style-type: none"> ● Consumption history (i.e. units of power). ● Consumption profile (when and how power is consumed). ● The profitability of the individual customer relative to the tariff they are charged. ● The relative impact of pricing innovations. <p>The prospective new supplier does not currently have this information. Independent consumer decision tools must take care to put appropriate disclaimers in any pricing guidelines. This uncertainty increases risk in any prospective supplier offering competitive terms to new customers.</p> <p>The consumer is also limited by their ability to interpret their data and conclusions stemming from data is subject to debate and opinion.</p> <p>From a decision-making/behaviour perspective, consumers will always be challenged to engage with complex data. Price comparisons may not be an effective motivator to change. These challenges in comprehension of the data lower the likelihood of to take actions like switching or negotiating.</p> <p>Other potential retailers are sophisticated and can make the investment and calculations to bid for attractive customers.</p>

		<p>This activity has potential to accrue benefits to consumers who do not price check. Those that do negotiate may discipline/incentivise retailers to reward good clients more as a result of the switching behaviour of those most motivated to negotiate.</p>
Q2.	<p>What are your comments on the Authority's assessment of the problems arising from limited access to consumption data?</p>	<p>We have comments on paragraphs 3.2.11-3.2.15. We agree about the potential for this data to assist consumption and investment decisions.</p> <p>There is an emerging opportunity in technology for home automation. The technology pathways remain uncertain but reducing energy consumption is a real prospect. The proposals do not address the potential for realtime/regular monitoring - currently you need to buy additional hardware to do this. One of the barriers to automation is the ease with which impact can be managed. Making consumer monitoring available at a negligible cost broadens the base of those who may consider making changes and measuring these impacts.</p> <p>If this consumption data is readily available, it will enable relatively low-cost, easy comparisons of various household strategies. Decisions and investments by those implementing these initiatives can be evaluated independently.</p>
Q3	<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>no comments</p>
Q4.	<p>Do you have any comments or suggestions about the requirement for retailers to</p>	<p>The industry can avoid duplication of effort, by using standardised APIs and formats to expose, exchange, and authenticate data. This also allows the consumer to compare 'apples with apples', independent of</p>

	provide consumption data?	retailers choosing completely different metrics and display formats.
Q5.	Do you have any comments or suggestions about the process for responding to requests to provide consumption data?	no comments
Q6.	Do you have any comments or suggestions about the development of procedures requiring the supply of data using standardised formats and structures?	<p>These appear to be good steps.</p> <p>Benefits of the data are :</p> <ul style="list-style-type: none"> - comparable data from any supplier - the format is a reasonable proxy to the cost to supply (for variable costs) - 2 years is a reasonable timeframe - the data set is neutral. Agents will need to be cautious with conclusions that they reach from the data. There is an incentive to distort information for commercial outcomes (e.g. an agent who achieves fees from switching). Providing a neutral data set will be critical for ensuring fair usage of this data. <p>Presumably any authorised third party will be able to access a consumer's electricity data provided they receive explicit consent from the consumer.</p> <p>There are separate technical issues about authentication/authorisation of data access, and the technical routes of the data itself. Smart meter operators aggregate data in their networks. It is reasonable to standardise an API for accessing these networks, saving retailers from developing their own integrations.</p>
Q7.	Do you have any comments or suggestions about whether retailers should be required to	no comments

	hold consumption data?	
Q8.	Do you have any comments or suggestions about the requirements of the process for providing interval data?	<p>As described, data is specified to be supplied in a static format (a .csv document) or can be authorised to be continuously drawn down as available. The value of ongoing/recent data is significant, as is the costs of procedures to initiate new requests.</p> <p>The consideration of vexatious demands for consumption data are interesting. Given the costs to businesses will primarily be the business processes in approving requests, there may be an opportunity to improve the processes here and save costs to retailers.</p> <p>Having an automated service that can poll retailers for automated feeds of data would reduce barriers to consumer access. This implies a web service that would request this access, and it is arguable that the retailer should compete to develop this as an innovation in their service rather than the regulator stipulate these requirements.</p>
Q9.	Do you have any comments or suggestions on privacy, confidentiality and security of consumer data?	<p>Retailers have existing relationships with consumers of electricity. They can use their existing authentication procedures to identify the account holder, and then allow the account holder to further authorize other household members, or staff.</p> <p>Usage data can reveal patterns of habitation, so privacy considerations are very valid. Power consumption can reveal households are vacant/on holiday.</p>
Q10 .	Do you have any other comments or suggestions on the proposal?	no comments

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?	no comments
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.	no comments
Q13.	In particular, do you agree that option 1 is better than option 4?	<p>There are significant economic advantages of option 4 and some steps in the implementation of the proposed option 1 amendment are worth considering to enable some of these benefits to be captured sooner or lessen the cost of a future option 4 plan.</p> <p>We drew a brief diagram (below) to indicate that the design of option 1 could anticipate the requirements of option 4 and make cost savings overall.</p>

Q14.	What are your views on the establishment of a centralised meter data store at some point in the future?	<p>The centralised data store has significant merit, from the defined pricing mechanism of consumer/supplier negotiations and improving the ability of the market to innovate on quality by having access data in a neutral manner.</p> <p>A centralised data store would reduce duplication of effort and standardise this information for analysis against other data sources in future. By definition, a centralised data store would be neutral and in an accessible format.</p> <p>The technical pathways (i.e. APIs and associated intellectual property) could be reused by retailers within their own systems to innovate more cheaply in their services to customers.</p> <p>Future benefits could be:</p> <ul style="list-style-type: none"> ● consumer access to the data to model consumption strategies for environmental considerations ● the central data store would be an incredibly valuable research resource. Rapid feedback on the impact of consumption would give evaluation information for insulation policies, advertising campaigns, marketing efforts etc. The resource could provide benefits to retailers, not just cost. ● campaigns of national interest (e.g. a load drop in Auckland or avoidance of a brown out in regional zones) can be promoted and the data could be used to report and even gamify or incentivise consumer behaviour. <p>There may be other approaches to achieve these outcomes but we draw attention to the value of access to data, agnostic of any retailer or supplier policy.</p>
Q15.	Do you agree with the assessment of benefits, costs	no comments

	and net benefits? If not, please explain your reasoning.	
Q16.	Do you agree that with the Authority's assessment that the proposed Code amendment meets the requirements of Section 32 of the Act?	no comments

Q10: Diagram- Technical Implementation of Option 1 could be developed in a manner that makes cost savings for the future central meter store and anticipates interoperable data

