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## **UNISON SUBMISSION ON RETAIL DATA PROJECT: ACCESS TO CONSUMPTION DATA**

Unison Networks Limited (Unison) welcomes the opportunity to submit on the Electricity Authority's (EA's) consultation paper: *Retail Data Project: Access to Consumption Data*.

### **General Comments on the EA's Proposal**

The EA proposes to amend Part 11 of the Electricity Industry Participation Code 2010 (Code) to establish a framework for access and exchange of consumer's consumption data – with minimum obligations on retailers as the main custodians of this information.

Unison is generally supportive of the proposals in the paper as it will help those consumers who are actively seeking more information about their electricity use to decide how and when to use their energy, and when it may be appropriate to invest in energy efficiency or in alternative energy sources such as distributed generation. Better access to consumption data will also help inform consumers of their energy at peak use times when there is increased load on the network. Unison sees the benefit of using this increase in information to potentially introduce future incentive schemes to the tariff structures to shift electricity use from peak to off-peak times.

However, there will be limitations on the 'accessibility' of consumption information for those consumers who are not technically savvy or have difficulty interpreting this type of data. Unison recommends that if such proposals are introduced, it is vital that a clear marketing/communications programme is put in place that sets out what information can be requested, how it can be interpreted and who to approach to get this information. Consideration should also be given to the small segment in the community who may not have access to technology (e.g. the elderly) and would value hardcopy information. To complement this initiative, Unison also believes the EA should continue to consider the option of consumers being able to access information on separate energy and lines charges to allow more effective

comparison of competing retailers' services. This would also assist those consumers who are not equipped to review and interpret detailed consumption data.

Finally, Unison submits that the EA should undertake a more detailed assessment of the proposal relative to what is currently available in the competitive retail market. For example, we understand that retailers such as Genesis and Mercury have consumption information available and have an online application that consumers can use to receive and analyse this data. Other retailers do not provide this information, but the cost of their service may be cheaper in comparison. By asking that all retailers provide this level of service may have the unintended consequence of driving prices up and reducing competition.

Unison's responses to the specific questions in the consultation paper are attached. For any questions on the points raised in this submission, please contact Roanna Vining, Regulatory Affairs Analyst, by phone (06) 873 9329 or email [Roanna.Vining@unison.co.nz](mailto:Roanna.Vining@unison.co.nz).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Nathan Strong'.

Nathan Strong  
**GENERAL MANAGER, BUSINESS ASSURANCE**

## Unison Responses to Electricity Authority's Consultation Questions

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><b>(a)</b> Unison agrees that there is a link between consumer information and retail competition (as outlined by EA), however the significant number of consumers that will not approach or consider change is a reflection of not just lack of information, but also likely a function of the 'utility' nature of the service. Consumers do not perceive any real choice or benefit of competition as the experience of the utility does not change (i.e. same network connection, same network performance, and in many cases - same lines company to deal with faults). The reality is that, in the perception of many consumers, all that changes by switching retailer is the logo on the top of the electricity bill – there is no change in the experience of the service. Electricity paradoxically is an essential yet low engagement service for consumers<sup>1</sup>. Unison notes also the impact of 'confusion marketing' and the 'walled garden' (referred to by EA) which limit understanding and engagement with other retailers. Standardising the format for information may slightly improve level of engagement, however is unlikely to overcome confusion of current Retailer innovation in tariffs. This issue may be addressed by further standardising tariffs (or tariff nomenclature) and separating line (distribution) and energy charges to enable consumers to value and compare retail service offerings.</p> <p><b>(b)</b> Current levels of engagement are reasonable but increasing it further appears to be challenging (see argument made in previous question).</p> <p><b>(c)</b> The current limits on access to data are unacceptable (noting that it is the consumers' data under the privacy act) and does inhibit to some extent (noting the limitations suggested above) consumer engagement and retail competition. Unison supports this data being made available in standard formats and via standard protocols, however we believe that genuine engagement requires dismantling of 'confusion marketing' by separating energy and lines charges and standardising nomenclature of retailers charges<sup>2</sup>. Separation of lines and energy charges need not be explicitly on consumer bills, but rather made available on Retailer websites for those consumers who wish to access it.</p>

<sup>1</sup> OFGEM Retail Market Review (2011). <https://www.ofgem.gov.uk/ofgem-publications/39648/rmr-domestic-consultation-december-2011.pdf>

<sup>2</sup> OFGEM Retail Market Review (2011). <https://www.ofgem.gov.uk/ofgem-publications/39648/rmr-domestic-consultation-december-2011.pdf>

Q2.	What are your comments on the Authority's assessment of the problems arising from limited access to consumption data?	Unison agrees with the EA's assessment regarding access to data limiting competition and efficiency. However, we believe the bigger limitation is for the difficulty consumers have in understanding Retailers' tariff offers, let alone comparing them (even with access to 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?	<p>Unison agrees that the EA's approach has benefits and is appropriate given consumer ownership of consumption data. However it must be realised that this is a 'big data' solution that requires customers to exercise a degree of technical (IT) and analytical (data manipulation, interpretation). Not all customers will be able or willing to engage in this "big data process".</p> <p>Many consumers make decisions on 'list price'<sup>3</sup>. As distribution is a monopoly service "passed through" by the Retailer, the consumer should be able to view the unbundled costs for transparency. This would enable consumers to better value this service (taking into account network performance). Energy which can be competitively supplied can then be sold on a 'naked' energy only basis, enabling consumers to readily compare offerings (based on published price) rather than have to engage in processing data to make valid comparisons.</p> <p>Unbundling charges need not be displayed on consumers' bills – as an alternative this information could be made available on Retailers' websites for consumers to view if they wish. Unison will discuss this issue further in our submission on the EA's consultation paper: <i>Improving Transparency of Consumers' Electricity Charges</i>.</p>
Q4.	Do you have any comments or suggestions about the requirement for retailers to provide consumption data?	No.
Q5.	Do you have any comments or suggestions about the process for responding to requests to provide consumption data?	No.

<sup>3</sup> OFGEM Retail Market Review (2011). <https://www.ofgem.gov.uk/ofgem-publications/39648/rmr-domestic-consultation-december-2011.pdf>

Q6.	Do you have any comments or suggestions about the development of procedures requiring the supply of data using standardised formats and structures?	No – this seems reasonable.
Q7.	Do you have any comments or suggestions about whether retailers should be required to hold consumption data?	No.
Q8.	Do you have any comments or suggestions about the requirements of the process for providing interval data?	Unison suggests that the data should be made available in hardcopy to those who request it (e.g. to allow for the section of the community who may not have access to computer technology). However, the nature of the data may make this an expensive process and may be grounds for retailers to charge consumers for special requests such as this.
Q9.	Do you have any comments or suggestions on privacy, confidentiality and security of consumer data?	No.
Q10.	Do you have any other comments or suggestions on the proposal?	Refer to responses above.
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.
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.	Yes.
Q13.	In particular, do you agree that option 1 is better than option 4?	Yes – at the present time.

Q14.	What are your views on the establishment of a centralised meter data store at some point in the future?	This would be very useful information to hold, however, the costs and benefits would need to be fully explored.
Q15.	Do you agree with the assessment of benefits, costs and net benefits? If not, please explain your reasoning.	Unison submits that the EA undertake a more detailed assessment of the proposal relative to what is currently available in the competitive retail market. For example, retailers such as Genesis have consumption information available and have an online application that consumers can use to analyse this data. Other retailers do not provide this information but the cost of their service may be cheaper. By asking that all retailers provide this level of service may have the unintended consequence of driving prices up and reducing competition.
Q16.	Do you agree that with the Authority's assessment that the proposed Code amendment meets the requirements of Section 32 of the Act?	Mostly – see response to question 15 above.