
4 August 2015

Electricity Authority
PO Box 10041

WELLINGTON 6143

(by email to submissions@ea.govt.nz)

19494 Access to Tariff and Connection data

Cortexo Limited appreciates the opportunity to contribute to the discussion on the availability of retail tariff and connection data.

We believe that without access to the critical information discussed in this consultation paper then the first phase of this project, the already promulgated access to consumption data, will have reduced benefit to consumers of electricity.

Please find below Cortexo's responses to the specific questions raised in the consultation paper.

Yours faithfully,



Terry Paddy

Managing Director

Cortexo Response

	QUESTION	RESPONSE
Q1.	Do you agree that the current arrangements for accessing retail tariff plan data and connection data mean that consumers face higher-than-necessary transaction costs identifying electricity-related offers available to them? Please give reasons with your answer.	<p>Retail tariff plan information is not easily accessible. Information on retail web sites is not detailed enough to allow a consumer to <u>compare</u> offers. Most retailers ask a series of questions and then offer an estimated cost. Retailers do not advise exact costs but warn that it depends on your distribution network and meter configuration.</p> <p>This makes the effort required to <u>compare</u> offerings in the market difficult as the consumer is required to spend time and some effort to gain comparisons</p> <p>Retailers make it easy to switch by offering tempting “estimates” of cost at your address and simple sign up processes.</p>
Q2.	Do you agree that a Code amendment would lower consumers’ transaction costs more quickly than would market forces? Please give reasons with your answer.	<p>Yes – making tariff data available in partnership with consumption data will enable those consumers who are interested in doing their own price comparison to do so. More importantly it would lead to an increase in independent 3rd party services that would provide a comparison or advice service. These 3rd party services remove the barrier of time/complexity from consumers therefore they also remove the consumers transaction cost.</p> <p>It is common for some to suggest that the lack of demand for information by consumers indicates their current satisfaction, but research shows that consumer insight for innovative services is a poor indicator of consumer demand once a new service is available. Bottled water for a fee is one example where consumers indicated they wouldn’t need or buy such a service.</p> <p>Relying on market forces will maintain the status quo with consumers not understanding what advantages they could get if data was available, and retailers continuing to package offerings to differentiate their products by making them difficult to compare with others.</p>

<p>Q3.</p>	<p>Under alternative 1 do you have any comments or suggestions about all retailers being required to provide retail tariff plan information to ConsumerNZ, and having to provide that same retail tariff plan information to any person who requested it?</p>	<p>Cortexo considers this alternative to be the optimal approach initially with the potential to follow on with alternative 2 or a modified version depending on the feedback by all stakeholders on the outcomes from alternative 1. Our concerns revolve around the quality and completeness of tariff information voluntarily provided to ConsumerNZ and whether this is of suitable quality to provide <u>accurate</u> pricing of consumption data to allow for <u>accurate</u> comparisons. We are also concerned that the data provided to an individual or 3rd party would need to be the same as the data provided to ConsumerNZ, i.e. there would need to be transparency to ensure there was a level playing field regarding price comparison.</p> <p>Alternative 1 can be implemented in conjunction with the consumer access to meter data code change giving a clear benefit to accessing meter data (price comparison). It also allows for all parties to understand the issues arising from attempting to standardise information exchange formats, a process that has the ability to hinder the timely introduction of alternative 2.</p>
<p>Q4.</p>	<p>Under alternative 2 do you have any comments or suggestions about retailers being required to publish information about their generally available retail tariff plans on their websites?</p>	<p>It is logical for a retailer to do this as they can control the customer experience and engage with that customer interactively. To not publish tariff information but be required to provide it to others leaves the customer experience and communication in the hands of others.</p> <p>There must be an obligation however that the published data is current and complete and the code should require this.</p>

Q5.	Under alternative 2 do you have any comments or suggestions about the requirement to supply retail tariff plan information using standardised file formats and structures?	<p>Cortexo agrees on the need to use standardised file formats however also understands that some work will be necessary to allow for file formats that don't inhibit innovation and take into account the 'whole' offering which maybe part of a bundle of services.</p> <p>Although we accept the complexity that may arise we also note that this requirement could be used to incorrectly suggest that this requirement is impractical and therefore this alternative is not possible.</p> <p>We believe that by commencing with alternative 1 immediately (1 Feb 2016) and then progressing to alternative 2 will allow all parties to understand the complexities and devise solutions while at the same time delivering value to the consumer.</p>
Q6.	Under both alternatives do you have any comments or suggestions about making publicly available the connection data held in the registry that is set out in appendix D?	The connection data is required to make any meaningful assessment of available tariff plans
Q7.	Do you agree that the objectives of the proposed alternatives are appropriate and consistent with the Authority's statutory objective? Please give reasons if you disagree.	Yes
Q8.	Do you agree that the connection data which the Authority proposes to make publicly available is not personal information?	Yes
Q9.	If you disagree, please give reasons and suggest a way to address the privacy issue(s) you have identified.	N/A
Q10.	Do you agree with the assessment of gross benefits, costs and net benefits? If not, please explain your reasoning.	While not economists we can understand the analysis and have no reason not to consider the assessment to be realistic.

Q11.	Do you have any comments or suggestions about whether the additional gross benefits of alternative 2 outweigh its additional costs vis-à-vis alternative 1? Please give reasons with your answer.	Cortexo believes that ultimately alternative 2 has the best outcomes and benefits for consumers and the market as a whole. We believe costs can be managed by implementing alternative 1 immediately and then alternative 2 as analysis of the outcomes of alternative 1 are analysed. This would have the effect of refining requirements for alternative 2 and also allowing services to develop that may make implementation of alternative 2 more cost effective for the majority of retailers.
Q12.	Do you agree that both of the proposed alternatives are preferable to other options? If not, please explain your preferred option in terms consistent with the Authority's statutory objective.	Cortexo agrees that the proposed alternatives are preferable to the other options covered. However option 3 (centralised database) should be an ultimate goal as it would provide the most efficient service. We believe that the most efficient solutions evolve and are part of a journey and so implementing alternative 1 immediately and assessing the outcome prior to implementing alternative 2 (as described in the previous question) would be the most effective approach. This would allow for option 3 (centralised database) to continue to be an ultimate goal (or not) based on outcomes of an evolving and continually assessed/validated process
Q13.	Do you agree with the Authority's assessment that the proposed Code amendment for each of the proposed alternatives meets the requirements of Section 32 of the Act? Please give reasons if you do not.	Yes
Q14.	Do you agree with the Authority's assessment of the two proposed alternative options against the Code amendment principles? Please give reasons if you do not.	Yes