



MAJOR ELECTRICITY USERS' GROUP

4th August 2015

Dr John Rampton
General Manager Market Design
Electricity Authority
By email to submissions@ea.govt.nz

Dear John

Consultation Paper - Retail data project: access to tariff and connection data

1. This is a submission by the Major Electricity Users' Group (MEUG) on the Electricity Authority (EA) consultation paper¹ "Retail data project: access to tariff and connection data" dated 23rd June 2015.
2. MEUG members have been consulted in the preparation of this submission. This submission is not confidential. Some members may make separate submissions.
3. MEUG members have an interest in the retail data project as a whole because improving competition at the retail level will lift expertise in managing risk that will have flow on benefits to risk management upstream. We are interested in this phase of the retail data project because many MEUG members have smaller and medium sized connected sites that will fall within the definition of "generally available retail tariff plan" and therefore benefit directly from the implementation of proposed improvements to access tariff and connection data.
4. Responses to questions in the consultation paper follow:

Question	MEUG response
1. 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.	Agree.

¹ Web: <http://www.ea.govt.nz/development/work-programme/retail/retail-data/consultations/#c15378>

Question	MEUG response
2. Do you agree that a Code amendment would lower consumers' transaction costs more quickly than would market forces? Please give reasons with your answer.	Agree gross benefits are likely to be achieved earlier.
3. 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?	This seems to amount to the same thing so why name ConsumerNZ specifically? It would be clearer if cl. 11.32G referred generically to any person asking for the information because to avoid any confusion and, as we understand the policy, it is not intended to give ConsumerNZ a preferential or exclusive right to access generally available retail tariff plans.
4. 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?	Given retailers must provide information in a standardised format if requested to do so then a variation to alternative 2 would be to remove the obligation under the Code that retailers provide comprehensive information on their web site. Under such a variation a retailer may choose to publish comprehensive information on their web site voluntarily but would not be compelled to do so.
5. 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?	This is essential as a differentiating element of alternative 2 compared to alternative 1.
6. 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?	Agree because this information is, as described in paragraph C.17, "banal and uncontroversial".
7. 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.	Agree that the proposed objectives of both alternatives relate to the improved competition and efficient operation limbs of the EA's Competition-Reliability-Efficiency objectives with probably positive but minor reliability outcomes.
8. Do you agree that the connection data which the Authority proposes to make publicly available is not personal information?	No view.

Question	MEUG response
9. If you disagree, please give reasons and suggest a way to address the privacy issue(s) you have identified.	See response above to Q.8.
10. Do you agree with the assessment of gross benefits, costs and net benefits? If not, please explain your reasoning.	<p>The initial quantitative estimate and qualitative discussion on pp 27 to 44 is reasonable but, as the paper notes (paragraphs 5.11.62 and 5.11.63); a more informed estimate will be possible after considering feedback.</p> <p>Provision may be needed in alternative 1 for costs to monitor compliance by retailers' in providing all of their generally available retail tariff in formats that they choose in case practices develop that are contrary to the intent of the proposal. In any case for both alternatives the EA should have an archive of all tariff plans provided by every retailer for possible but currently undefined research.</p>
11. 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.	See response above to Q. 10.
12. 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.	Agree.
13. 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.	Agree.

Question	MEUG response
<p>14. 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.</p>	<p>Agree, subject to one caveat below, with the Authority's assessment of the two proposed alternative options against the Code amendment principles. In particular MEUG agrees with the conclusion in paragraph 5.14.26 that "What is still unclear though is the relative net economic benefits of each of the proposed alternatives" and feedback on this consultation round should inform the EA on the relative net benefits.</p> <p>The single caveat is that the definition of uninvited direct sale agreement in the proposed code amendment interpretation cl. 1.1 for both alternatives in referring to those types of agreement as defined in s.36K of the Fair Trading Act covers the situation of very small retailers or retailers supplying themselves that do not have publicly posted offers for any interested party.</p>

5. MEUG looks forward to further work by the Authority on this important second phase of the Retail Data project.

Yours sincerely



Ralph Matthes
Executive Director