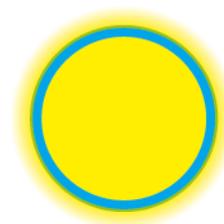


04 August 2015

Carl Hansen
Chief Executive
Electricity Authority
PO Box 10041
WELLINGTON 6011

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

POWERCO



Dear Carl

Powerco's submission on retail data project consultation paper

Introduction

1. Powerco welcomes the opportunity to comment on the Electricity Authority's (Authority) consultation paper *Retail data project: access to tariff and connection data* ("Consultation Paper"), published on 23 June 2015.
2. None of the content of this letter is confidential.

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

3. Access to more comprehensive information about retail pricing could help 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.
4. Powerco considers that the Consultation Paper clearly documents matters that may currently impede competition in the electricity sector and correctly assesses the limitations of currently available information. The final two strands of data discussed by the Consultation Paper complement the previous work on access to consumption data and will allow consumers to access better information that will enable them to participate more effectively in the retail electricity market.
5. While we recognise that the improved access to data should help to facilitate consumer switching, the fact that market forces have not encouraged retailers to make additional information available voluntarily may suggest a lack of consumer interest or perceived benefit by consumers. For this reason, we recommend that the Authority take this into account before imposing mandatory requirements.

Further consideration of privacy matters

6. Powerco acknowledges that the Authority has conducted a thorough privacy risk assessment. However, we consider that connection data includes personal behavioural information, access to which should be limited to the customer. Further detail on this point is provided in response to questions eight and nine in Appendix A.

Conclusion

7. Powerco supports the Authority's work to make more comprehensive information about retail pricing available and agrees with the overall design and timing of the retail data project.
8. Powerco supports the use of industry workshops to discuss and develop proposals and will continue to engage by sending representatives to any future workshops on this matter.
9. 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.	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.	Yes, currently it is a relatively difficult and time consuming process for consumers to get a complete and accurate view of savings to be made under various offers. This is because there is limited publicly available information on consumers' consumption history, applicable price categories and metering configuration. This information is required to determine which offers may apply to individual customers.
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.	It is likely that a Code amendment would effect change more quickly than market forces, but the fact that market forces alone have not led to the information being made available voluntarily may suggest limited interest by consumers. If consumers genuinely wanted and valued greater accessibility and availability of data then it should have been in retailers' interests to develop appropriate customer portals in order to gain a competitive advantage.
Q3.	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?	We agree that having a standardised file format and ensuring that the provision of data to ConsumerNZ is mandatory is a useful step, as it would potentially reduce the administrative effort and ensure completeness. However, given that the majority of retailers already provide this information to ConsumerNZ and ConsumerNZ already has mechanisms to process the different files, it is likely that the potential benefit would be outweighed by the cost of making a Code amendment to address this issue.
Q4.	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?	While most retailers typically publish their residential plans and prices on their relevant websites they do not typically publish information or prices for their commercial plans. Therefore, if all retailers displayed their residential and commercial 'published' plans on their websites it would enable a greater number of customers to view their offers and conduct a meaningful comparison based on their existing connection.

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?	While a standardised file format would potentially make it easier for a consumer to make comparisons between multiple retailers, it would be very difficult to specify a mandatory file format that would be flexible enough to accommodate the multitude of existing plans across all retailers as well as allow for future innovations to pricing plans and tariffs. A potential solution would be to issue guidelines and provide an indicative file format to achieve some degree of consistency across retailers while allowing for variations to accommodate future innovations.
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 on the registry is valuable information not only across the industry but also to consumers. Consumers should have access to this data as it would encourage greater understanding, validation, and personal ownership of the data.
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, it would appear that these objectives have the potential to promote greater competition and allow for the more efficient operation of the industry.
Q8.	Do you agree that the connection data which the Authority proposes to make publicly available is not personal information?	No, we consider connection data has elements of personal behavioural information contained in it such as switching behaviour, connected capacity, price category (which both identify high value connections), address information (which allows for targeted marketing), and metering information (which allows for high level customer value analysis, i.e. AMI capable?, Controllable load?, Night meter?, etc.)
Q9.	If you disagree, please give reasons and suggest a way to address the privacy issue(s) you have identified.	The Provision of all personal information needs to be limited to the customers that are seeking it. Either by customers entering their own ICP number or address details to source the relevant information.
Q10.	Do you agree with the assessment of gross benefits, costs and net benefits? If not, please explain your reasoning.	No comment.
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.	No comment.

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.	Both of the alternative options have merits and ultimately the introduction of both would be preferable to a single option. Option 1 enables the benefit to be derived from consumers directly comparing offers across retailers while Option 2 allows consumers to compare all offers across a single retailer.
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.	We questioned the cost/benefit trade-off in Q3 but it would seem that the EA's analysis has confirmed that the costs are outweighed by the benefit.
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.	No comment.