

# Retail data project: access to tariff and connection data

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Decision and reasons paper  
Final decision

24 November 2015



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# 1 Introduction

## Purpose of this paper

1.1 This paper sets out:

- (a) the decision of the Electricity Authority (Authority) to:
  - (i) amend the Electricity Industry Participation Code 2010 (Code) to require all retailers to provide generally available retail tariff plans to any person who requests them
  - (ii) make publicly available the connection data held in the registry fields shown in Appendix B
- (b) the reasons for the decision, including the Authority's responses to key issues raised in the submissions it received when consulting on access to tariff and connection data.

## The Authority has consulted on access to tariff and connection data

1.2 The Authority is an independent Crown entity whose statutory objective is to promote competition in, reliable supply by, and the efficient operation of, the electricity industry for the long-term benefit of consumers.<sup>1</sup>

1.3 In late June 2015 the Authority released for consultation a proposal to establish a framework for giving consumers, their agents and other parties better access to:

- (a) information about electricity retailers' generally available retail tariff plans (retail tariff plan data)
- (b) technical information about points of connection to electricity distribution networks (connection data).<sup>2</sup>

1.4 The objective of the proposal was to promote retail competition and the efficient operation of the electricity industry for the long-term benefit of consumers.

1.5 The Authority considers that more consumers will be likely to actively and effectively participate in New Zealand's retail electricity market, thereby improving retail competition, if they or their agents or other parties can easily access retail tariff plan data and connection data.

## The Authority proposed two alternatives for facilitating access to tariff and connection data

1.6 The Authority put forward two alternatives for facilitating access to tariff and connection data.

1.7 Under alternative 1, the Authority would amend the Code to require all retailers to:

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<sup>1</sup> This is the Authority's statutory objective. Refer to section 15 of the Electricity Industry Act 2010.

<sup>2</sup> The consultation paper, an independent research paper by Sapere Research Group (Sapere), which informed the development of the consultation paper, and the submissions on the consultation paper are available from the Authority's website at: [www.ea.govt.nz/development/work-programme/retail/retail-data/consultations/#c15378](http://www.ea.govt.nz/development/work-programme/retail/retail-data/consultations/#c15378).

- (a) provide information about their generally available retail tariff plans to Consumer NZ for use on the Powerswitch tariff comparison website
  - (b) provide, to any person who requested it, the same current information about retail tariff plans that the retailer was providing to Consumer NZ.
- 1.8 Under alternative 1, the Authority would prepare a standardised file format for supplying (transferring / making available) retail tariff plan data, for voluntary adoption. The Authority would also make publicly available connection data held in the registry that was necessary for comparing retailers' electricity charges.<sup>3</sup>
- 1.9 Under alternative 2, the Authority would amend the Code to require all retailers to:
- (a) publish information about their generally available retail tariff plans on their websites
  - (b) require retailers to provide generally available retail tariff plan data to consumers and other parties using the standardised file format(s) and data structure(s) developed by the Authority.
- 1.10 Under alternative 2, the Authority would also make publicly available connection data held in the registry that was necessary for comparing retailers' electricity charges.

### **The work is part of the Authority's retail data project**

- 1.11 Looking at ways to facilitate access to tariff and connection data is a component of the Authority's 'retail data project'. So too is looking at ways to improve consumers' access to consumption data.
- 1.12 More information about the retail data project is available from the Authority's website at: [www.ea.govt.nz/development/work-programme/retail/retail-data/](http://www.ea.govt.nz/development/work-programme/retail/retail-data/).

### **The Authority received 17 submissions**

- 1.13 The Authority received 17 submissions on its consultation paper. Table 1 lists the parties that made submissions.
- 1.14 These submissions, and a summary of submitters' comments, are available from the Authority's website at <http://www.ea.govt.nz/development/work-programme/retail/retail-data/>.

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<sup>3</sup> The electricity industry's national 'database of record', known as the registry, is the main source of connection data necessary for determining what retail tariff plans are available to a consumer.

**Table 1 List of parties that made submissions**

Consumers	Retailers	Services companies	Distributors
Consumer NZ	Contact Energy	Cortexo	Horizon Energy
Major Electricity Users' Group (MEUG)	Electric Kiwi	Rabid Technologies	Orion
	Flick Energy	Saveawatt	Powerco
	Genesis Energy		
	Meridian Energy/ Powershop <sup>4</sup>		
	Mighty River Power		
	Nova Energy		
	Pulse Energy		
	Trustpower		

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<sup>4</sup> Meridian Energy and Powershop made a joint submission.

## 2 The Authority has decided to require that certain tariff and connection data is made available

### The Authority's decision

- 2.1 The Authority has decided to:
- (a) amend the Code to require all retailers to provide generally available retail tariff plans to any person who requests them
  - (b) prepare a standardised file format for supplying retail tariff plan data, for voluntary adoption
  - (c) make publicly available the connection data held in the registry fields shown in Appendix B. A Code amendment is not required to make this connection data publicly available.
- 2.2 The Authority's decision is a variation on the first of the two alternatives put forward in the consultation paper for facilitating access to tariff and connection data.
- 2.3 In broad terms, a generally available retail tariff plan is a 'headline' retail tariff plan that a retailer would offer to a consumer:
- (a) that is not a retail tariff plan
    - (i) made available by the retailer only via direct selling to the consumer, and
    - (ii) which provides the consumer with a financial discount or other benefit when compared with the retailer's other tariff plans available to that consumer
  - (b) if the consumer meets the requirements specified for the retail tariff plan for:
    - (i) physical location
    - (ii) metering configuration
    - (iii) price category code
    - (iv) creditworthiness.
- 2.4 The connection data to be made publicly available enables consumers, or their agents, to compare the tariff plan(s) of competing retailers that are applicable to them.
- 2.5 The connection data may be summarised as follows:
- (a) the physical location of a consumer's point of connection to an electricity distribution network (referred to as an installation control point (ICP))
  - (b) the type and configuration of the metering used to measure the consumer's electricity consumption, and details about any unmetered consumption
  - (c) the capacity of the connection from the electricity distribution network to the consumer's premise(s)
  - (d) the existence of any electricity generation at the consumer's premise(s)
  - (e) the network supply point (NSP) to which electricity consumption at the ICP is reconciled for settlement in the wholesale electricity market<sup>5</sup>

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<sup>5</sup> An NSP is a point of connection between the local distribution network or embedded distribution network on which the ICP is located and the electricity network supplying the local network or embedded network.

- (f) the price category code and loss category code used to define the electricity distribution line charges for the ICP
- (g) the trader that purchases electricity for the ICP from the wholesale electricity market
- (h) whether the distributor invoices the consumer for electricity line charges.

### **The decision complements the Authority's decision to facilitate access to consumption data**

- 2.6 The Authority recently amended the Code to give consumers better access to their electricity consumption information.<sup>6</sup> The Code amendment is scheduled to take effect on 1 February 2016.
- 2.7 The benefits of the 'access to consumption data' initiative will be more fully realised as a result of the decision set out in this paper. The reason for this is that the gross benefits from facilitating access to tariff and connection data and the gross benefits from facilitating access to consumption data are mutually dependent.

### **Implementing the decision**

#### **Retail tariff plan data**

- 2.8 The Code amendment requiring retailers to provide generally available retail tariff plans to any person who requests them will apply from 1 February 2016. This aligns with the implementation date for the Code amendment facilitating access to consumption data.<sup>7</sup>
- 2.9 The Code amendment does not specify the manner or format in which retailers must provide generally available retail tariff plans to persons who request them. The Authority will prepare a standardised file format for supplying retail tariff plan data, which retailers may use if they wish. In developing this voluntary file format, the Authority will obtain input from relevant stakeholders (eg, consumers, retailers, tariff comparison websites and other energy services companies). It expects to do this primarily through a technical working group.
- 2.10 The voluntary standardised file format must accommodate different tariffs and must not inhibit innovation. The Authority expects this process will take some time and does not expect to complete it by 1 February 2016.
- 2.11 Despite this, the Authority considers the Code amendment facilitating access to retail tariff plan data should take effect at the same time as the Code amendment facilitating access to consumption data, and connection data becoming publicly available. The Authority wants to see benefits from easier access to retail tariff plan data realised as soon as practicable.
- 2.12 By the Authority adopting this implementation approach, consumers and energy services companies can decide whether to wait for the voluntary standardised file format to be prepared before obtaining retail tariff plan data, or to instead use workaround solutions in the meantime.

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<sup>6</sup> Refer to the Authority's decision and reasons paper titled 'Retail data project: access to consumption data', dated 19 December 2014. This is available at [www.ea.govt.nz/dmsdocument/19025](http://www.ea.govt.nz/dmsdocument/19025).

<sup>7</sup> The Code amendment (*Electricity Industry Participation Code Amendment (Access to Retail Data) 2014*) is available on the Authority's website at: [www.ea.govt.nz/dmsdocument/19041](http://www.ea.govt.nz/dmsdocument/19041).

### **Connection data**

- 2.13 The Authority plans to make the connection data publicly available by 1 February 2016.
- 2.14 Access to the connection data will be read-only and will be available via a web user interface and an application programming interface (API).<sup>8</sup>
- 2.15 The web user interface is intended primarily for consumers who wish to look at the publicly available connection data for their ICPs. Consumers will need to enter their ICP identifier or the ICP's physical address in order to see any such information.
- 2.16 The API is expected to be used by tariff comparison websites and other energy services companies. These parties will also need to enter the consumer's ICP identifier or the ICP's physical address in order to see information.

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<sup>8</sup> An API is a set of commands, protocols, and tools for building software applications. In this instance it would enable the development of software programmes that could automatically communicate with the registry's database management system, so as to access connection data.

### 3 The decision promotes competition and the efficient operation of the electricity industry

#### The benefits of competition and information

- 3.1 When markets work well, firms are encouraged to compete to provide consumers with what they want in a better and more cost-effective manner than their competitors. Effective competition provides significant benefits for consumers through greater choice, lower prices, and better quality products and services (including through innovation). Competition helps raise productivity by providing strong incentives for firms to be more efficient than their rivals, to reduce their costs and to innovate.
- 3.2 Effective competition is promoted by enabling consumers to easily access useful information. Easily obtainable and accurate information is expected to lift consumer engagement in the retail electricity market, by enabling consumers to compare the relevant prices and terms of products and services. This information allows consumers to 'shop around' and seek the best deal, which enhances competition between, and innovation by, suppliers.

#### The decision promotes retail competition

- 3.3 After considering submissions, the Authority considers that the decision set out in paragraph 2.1:
- (a) will promote competition in, and the efficient operation of, the electricity industry for the long-term benefit of consumers (thereby promoting the Authority's statutory objective)
  - (b) is preferable to the status quo.
- 3.4 Consumers or their agents will have quicker and easier access to tariff and connection data. So will tariff comparison websites and other energy services companies. This will enable the energy services companies to provide more relevant and accurate tariff information to consumers. Consumers will incur reduced 'search costs' when choosing their retailer and retail tariff plan, and when making other energy-related decisions.<sup>9</sup> Their decision making will be more informed by the more relevant and accurate information which, for example, will enable them to pay lower prices and/or receive better service.
- 3.5 Easier access to tariff and connection data will also increase the potential for innovation in energy products and services offered to consumers (eg, periodically checking that a consumer is on the lowest available retail tariff plan, or helping a consumer to get cheaper hot water by enabling the hot water cylinder to be turned off during periods of peak electricity network usage). Increased competition will also place a stronger incentive on retailers and energy services companies to develop more innovative products and services, in order to attract and/or retain customers (eg, energy services companies offering switching services to consumers).

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<sup>9</sup> Search costs are the time, effort and money spent by a consumer researching a product or service to buy. Rational consumers will search for a better electricity deal until the marginal cost of searching exceeds the (expected) marginal benefit. Search costs are a form of 'transaction cost', which is the cost associated with buyers and sellers interacting to buy/sell a good or service – in this instance, electricity.

- 3.6 Helping consumers to easily access useful information (whether themselves or via a third party) is expected to lift consumer engagement and participation in the retail electricity market. This is expected to provide incentives for increased competition between existing retailers, as well as encouraging new retailers and energy services companies to enter the retail market.

**The decision promotes the efficient operation of the electricity industry**

- 3.7 Reducing the time and effort for consumers or their agents to access tariff and connection data is expected to improve the operational efficiency of the electricity industry in the short term. It could also improve the long-term operational efficiency of the electricity industry, since more informed consumers make it more likely that suppliers and consumers will make more efficient investments than they would otherwise.

**The decision is not expected to materially affect reliability**

- 3.8 The Authority does not expect the decision to materially affect the reliability of consumers' electricity supply (the second limb of the Authority's statutory objective). However, some reliability benefits are possible if better access to tariff and connection data enables consumers to make more informed decisions that improve reliability of supply (eg, load shifting during periods of electricity network capacity constraint in response to price signals).

**The benefits of the decision exceed the costs**

- 3.9 The Authority has assessed the expected economic benefits described above against the costs of facilitating access to tariff and connection data. The decision is expected to deliver a net economic benefit.
- 3.10 The Authority's estimates of the costs and benefits of the decision are described more fully in section 4 of this paper.

## 4 The Authority has considered the key points made in submissions

4.1 In making its decision, the Authority has considered the key points made in submissions. These may be summarised as follows:

- (a) consumers may or may not face transaction costs that are higher than necessary
- (b) a Code amendment to facilitate access to tariff data would decrease consumers' transaction costs more quickly than would relying on market forces to do so
- (c) the definitions in the proposed Code amendment should be refined
- (d) should retailers provide retail tariff plan information to Consumer NZ and any person who requests it?
- (e) retailers should have to publish on their websites information about their generally available retail tariff plans
- (f) it should not be mandatory to supply retail tariff plan information using standardised file formats and structures
- (g) what connection data should be made publicly available?
- (h) how should the connection data be made publicly available?
- (i) making connection data publicly available may or may not have privacy implications
- (j) the objectives of the proposal for making tariff and connection data available are appropriate and consistent with the Authority's statutory objective
- (k) is the Authority's focus on encouraging third parties into the electricity market consistent with the Authority's statutory objective?
- (l) there is a risk that consumers may receive poor-quality advice
- (m) Powerswitch could be upgraded and made the 'single source of truth'
- (n) the assessment of benefits and costs overestimates the net benefit from facilitating access to tariff and connection data.

### **Consumers may or may not face transaction costs that are higher than necessary**

#### **Submitters' views were evenly divided**

4.2 Submissions were evenly divided over whether the current arrangements for accessing retail tariff data and connection data mean that consumers face higher-than-necessary transaction costs identifying electricity-related offers. Six submissions believed this is the case, while six did not. Three submissions partially agreed while also partially disagreeing.

4.3 Comments made in submissions agreeing that consumers face higher-than-necessary transaction costs included:

- (a) consumer access to tariff information on retailer websites needs to be addressed, along with consumer awareness of the ability to compare providers through existing services

- (b) retail tariff plan data is not easily accessible, so a lot of effort is required to compare offerings in the market and get a complete and accurate view of savings to be made under various offers
  - (c) there is a widespread view that switching is a difficult and time-consuming process, which is partly due to a lack of transparency in the advertising of tariffs to consumers.
- 4.4 Comments made in submissions disagreeing that consumers face higher-than-necessary transaction costs included:
- (a) the Authority appears concerned with the transaction costs faced by third party energy services companies under current arrangements, which it should not be
  - (b) consumers can compare all retailer offers by using Powerswitch
  - (c) tariff plan information is available via Powerswitch as well as via retailers' websites, or on request and at no charge to the consumer
  - (d) the complexity in electricity pricing in New Zealand is not higher-than-necessary, because of the complexity of distribution pricing and also because of retailer innovation.
- 4.5 Meridian Energy/Powershop, Mighty River Power and Orion all agreed that consumers face some transaction costs that are higher than necessary. However, these submitters considered this is not the case for consumers who are accessing retail tariff plan data, because the information is easily available via Powerswitch and other tariff comparison websites.

### **The Authority's response**

#### **Retail tariff plan data**

- 4.6 Tariff comparison websites and other energy services companies help reduce the time and effort that consumers expend to compare electricity retail tariff plans. They do this by combining relevant pieces of information from various sources<sup>10</sup> and putting this information in a more simplified form (ie, they reduce complexity in retail tariff plans). This enables a consumer to decide more easily which retail tariff plan they consider to be best for them.
- 4.7 The Authority agrees with those submitters that note consumers can access retail tariff plan data on tariff comparison websites such as Powerswitch and Switchme. However, the Authority notes consumers cannot access retail tariff plan data for all retailers on these websites. Powerswitch offers the greatest range of retail tariff offerings (approximately 75% of the retail electricity brands in New Zealand). Consumers, or their agents, must therefore approach some retailers directly to obtain information about retail tariff plans, if they wish to have fuller information when deciding on the best available tariff plan.
- 4.8 For most retailers, consumers can access retail tariff plan data from the retailer's website. However, as noted in the consultation paper, the Authority has found that a residential consumer comparing different retailers' tariffs may encounter difficulties finding tariff information on some retailers' websites. Consumers can phone the retailer,

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<sup>10</sup> Ideally, different retailers' tariff plans, a consumer's electricity usage, and information about a consumer's point of connection to an electricity network.

but this is relatively time-consuming (ie, entails higher transaction costs), compared with accessing tariff information via the internet.

- 4.9 Consumers then have to expend time and effort interpreting this information and comparing it against information on other retailers' tariffs.
- 4.10 As noted in the consultation paper, the Authority is aware that comparator websites and other energy services companies have encountered, and continue to encounter, difficulties convincing retailers to provide them with retail tariff plan data. This lessens their ability to reduce consumers' time and effort comparing retail tariff plans.
- 4.11 The Authority therefore remains of the view that consumers face higher-than-necessary transaction costs identifying electricity-related offers.

#### **Connection data**

- 4.12 The Authority agrees with submitters who stated that consumers can access connection data via their electricity retailer or distributor. Consumers can also access this information via the Authority by making a request under the Official Information Act 1982. However, the Authority considers that accessing connection data via a dedicated website or via an easy-to-use application leveraging an API, per the Authority's decision, is easier and lower cost for consumers than via these parties (typically done by phone or e-mail).

#### **Third parties' transaction costs**

- 4.13 The Authority believes it is appropriate to consider whether comparator websites and other energy services companies are able to obtain tariff and connection data in an efficient manner. Reducing third parties' transaction costs is expected to increase the number and diversity of channels by which consumers can more easily obtain information to assist their energy-related decision making. This is a consequence of third parties being able to provide services to consumers in a more cost-effective manner. Third parties, amongst other things, help to remove complexity in electricity pricing for consumers. As noted in the consultation paper, if these third parties have difficulty obtaining tariff and connection data, it increases the search costs for consumers using the services.

### **A Code amendment to facilitate access to tariff data would decrease consumers' transaction costs more quickly than would market forces**

#### **Submitters' views**

- 4.14 The majority of submissions agreed, or appeared to partially agree, that a Code amendment to facilitate access to tariff data would lower consumers' transaction costs more quickly than would relying on market forces. For example, Electric Kiwi considered that market forces alone are not going to achieve the Authority's statutory objective in a timely manner because lowering transaction costs is not in the best interests of incumbent retailers. Saveawatt agreed that transaction costs would be lowered more quickly with a Code amendment because it would enable a faster decision making process.
- 4.15 However, some of the support is qualified. For example, Orion believed that transaction costs might be reduced more quickly with a Code amendment, but if the costs were low to start with then the effect would be small. On the other hand, in Orion's view any Code amendment carries with it the risk of unintended consequences. Powerco considered it

likely a Code amendment would effect change more quickly than market forces. However, Powerco noted the fact that market forces have not led to the information being made available voluntarily could suggest limited consumer interest. If consumers genuinely wanted and valued greater accessibility and availability of data, it should have been in retailers' interests to develop appropriate customer portals, to gain competitive advantage.

- 4.16 Four submissions disagreed that a Code amendment would lower consumers' transaction costs more quickly than would market forces. Contact Energy believed the Authority should prefer small scale changes, consistent with the Code amendment principles. Genesis Energy, Mighty River Power and Pulse Energy submitted that the change would have no impact on transaction costs because the information was already available. Genesis Energy believed the Authority's proposals primarily benefitted agents and brokers.

### **The Authority's response**

- 4.17 The Authority believes a Code amendment could place competitive pressure on consumers' search costs in a matter of months. In contrast, market forces may take several years to achieve this. The Authority notes submissions disagreeing with this view did not explain how market forces could achieve a Code amendment's outcomes in the same, or a lesser, timeframe. Rather, the submissions focused on other matters, which the Authority addresses in the next two paragraphs.
- 4.18 The Authority agrees with those submitters who pointed out that tariff and connection data is available. However, the Authority considers that reducing the transaction costs associated with accessing it will promote retail competition. The Authority's decision will reduce consumers' transaction costs, for the reasons set out in paragraphs 4.6 to 4.13.
- 4.19 The Authority's decision to implement alternative 1 is consistent with the first of the tie-breaker principles under the Authority's Code amendment principles, which is a preference for small-scale 'trial and error' options.

### **The definitions in the proposed Code amendment should be refined**

#### **Submitters' views**

- 4.20 Mighty River Power submitted that there are several issues and omissions with the draft definition of 'generally available retail tariff plan'. These include:
- (a) the draft definition makes no allowance for requirements set by retailers that a consumer must meet in order to qualify for a specific retail rate (eg, the consumer is a member of a rural supply firm or is supplied by a particular telecommunications provider, the consumer owns or operates an electric vehicle)
  - (b) the definition of 'uninvited direct sale agreement' in the Fair Trading Act 1986 is too narrow because it relates only to door-to-door selling and telemarketing
  - (c) there should be a general exclusion for tactical pricing that is offered from time to time through 'above the line' channels, because this is important to allow retailers to manage portfolio size.
- 4.21 MEUG noted that the definition of 'uninvited direct sale agreement' covers the situation of very small retailers, or retailers supplying themselves, that do not have publicly posted offers for any interested party.

### The Authority's response

- 4.22 The Authority has refined the definition of 'generally available retail tariff plan' to:
- (a) remove the reference to the Fair Trading Act's definition of 'uninvited direct sale agreement'
  - (b) exclude retail tariff plans that would not be made available to the general public but for a direct selling method (eg, door to door selling, telemarketing, e-mail direct selling and postal direct selling), and which provide a consumer with a financial discount or other benefit when compared with the retailer's other tariff plans available to that consumer.
- 4.23 The Authority considers that restricting the definition of 'generally available retail tariff plan' by requiring consumers to satisfy more than the four requirements set out in the draft Code amendment consulted on would undermine the intent of the Code amendment.<sup>11</sup>
- 4.24 For example, energy services companies should be able to make consumers aware of electricity deals that are for owners/operators of electric vehicles. The Authority sees this as being no different to making consumers aware of electricity deals that are for owners/operators of night store heaters.
- 4.25 Similarly, a retail tariff plan made available to consumers who are customers, members or affiliates of a retailer's partner organisation should, by default, be a generally available retail tariff plan. Many consumers are members of organisations or schemes that partner with electricity retailers (eg, Fly Buys, Grey Power, Farmlands). The Authority considers it important that energy services companies, as well as retailers, can make consumers who are members of such organisations or schemes aware of electricity deals that rely on this membership.
- 4.26 If, however, a retailer is direct selling to a member of a particular scheme and the retail tariff plan offered provides the consumer with a financial discount or other benefit when compared with the retailer's other tariff plans available to that consumer, then the Authority considers this to *not* be a generally available retail tariff plan.
- 4.27 The Authority considers a generally available retail tariff plan should also include short-term tactical pricing that is offered from time to time through 'above the line' channels. The Authority wants tariff comparison websites and other energy services companies to be able to show all retail tariff plans available through 'above the line' channels. There is a risk that the credibility of tariff comparison websites and other energy services companies is adversely affected if a consumer sees a retail electricity offer in, for example, the local newspaper, but then cannot compare it against other offers on a tariff comparison website.
- 4.28 The Authority has considered whether its policy position will result in significant additional transaction costs for retailers, thereby reducing the incentive on retailers to offer a range of different generally available retail tariff plans. The Authority considers that the additional transaction costs should be small. A retailer can automate the process by which it provides generally available retail tariff plans to requesting parties (eg, e-mail, API, downloadable files on its website). The Authority has also clarified the Code drafting to make it clear that if a requestor wants generally available retail tariff plan data in a

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<sup>11</sup> The four requirements were: credit worthiness, physical location, metering configuration, distribution price category code.

manner or format that differs from that typically used by the retailer, then the retailer may impose a reasonable charge for providing the information in this alternative manner or format.

## **Whether retailers should provide retail tariff plan information to Consumer NZ and any person who requests it**

### **Submitters' views**

- 4.29 Submissions on whether retailers should provide retail tariff plan information to Consumer NZ and any person who requests it can be grouped into four categories:
- (a) those that supported, or at least gave qualified support for, retailers providing retail tariff plan information to Consumer NZ and to any person who requests it
  - (b) those that saw no need, or were unsure of the need, to move away from the status quo, but who indicated support for alternative 1 if a move from the status quo were to occur
  - (c) those that supported the proposal to require retailers to provide retail tariff plan information to any person who requests it, but did not support the Code specifically referring to Consumer NZ
  - (d) those that disagreed, or appeared to disagree, with the proposal to require retailers to provide retail tariff plan information to any person who requests it.<sup>12</sup>
- 4.30 Cortexo's submission fell into the first category. Cortexo considered alternative 1 to be the optimal approach initially with the potential to follow on with alternative 2, or a modified version of alternative 2. This would depend on stakeholder feedback on the outcomes from alternative 1. Cortexo had concerns around the quality and completeness of tariff information voluntarily provided to Consumer NZ. Cortexo also considered transparency of data provision would be needed, to ensure a level playing field through individuals and third parties getting the same data as Consumer NZ.
- 4.31 An example of a submission that fell into the second category was Genesis Energy's. This submitter saw no reason to depart from the status quo, but thought that alternative 1 had less risk of unintended consequences than alternative 2. Genesis Energy suggested that certain pricing plans should only be published at the retailer's discretion. It also believed a single regulated tariff comparison website would impinge on retailer innovation.
- 4.32 The submission of Meridian Energy/Powershop is an example of a submission in the third category. They submitted that the Code should be drafted in a more generic manner to what the Authority had proposed. They believed the drafting of the proposed Code amendment specified Consumer NZ as the only conduit for tariff information. This precluded:
- (a) alternative providers from being a conduit like Powerswitch
  - (b) a retailer supplying the information on its website rather than via Powerswitch.
- 4.33 Flick Energy's submission fell into the final category. It believed that Consumer NZ (via Powerswitch) is the best party to display tariff information to consumers. Flick Energy

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<sup>12</sup> One submission does not appear to agree or disagree with the proposal to provide retail tariff plan information to Consumer NZ and to any person who requests it.

noted that its pricing does not fit the traditional pricing model and that it and Consumer NZ have jointly created intellectual property to enable its pricing to be represented. Flick Energy considered it would be inappropriate for it to be required to share this intellectual property with other parties.

### **The Authority's response**

#### **There is a need to move from the status quo**

- 4.34 Although the Authority agrees with submitters who note tariff and connection data is available, the transaction costs associated with accessing it are higher than they need to be. The Authority's decision will reduce consumers' transaction costs, for the reasons set out in paragraphs 4.6 to 4.13, thereby promoting retail competition.

#### **The Code does not need to specifically refer to Consumer NZ**

- 4.35 The Authority agrees with those submitters who consider the Code does not need to specifically refer to Consumer NZ. The reference to Consumer NZ in the Code amendment proposal was intended to minimise retailers' transaction costs by enabling them to simply forward the same retail tariff plan data they provided to Consumer NZ to any other parties requesting it.<sup>13</sup>
- 4.36 The Authority considers that requiring retailers to provide information about their generally available retail tariff plans to anyone requesting it should achieve the Code amendment proposal's intent and have very similar transaction costs. Given this, the Authority has refined its proposal, by removing the reference to Consumer NZ in the Code amendment.

#### **Retailers should provide generally available retail tariff plan data to any requestor**

- 4.37 The Authority considers that requiring retailers to provide information about one or more of their generally available retail tariff plans to any person who requests it will promote competition in the retail electricity market.
- 4.38 As noted in the consultation paper, the Authority is aware that comparator websites and other energy services companies have encountered, and continue to encounter, difficulties convincing retailers to provide them with retail tariff plan data. The Authority has been approached by multiple parties wanting to offer switching services, but not being able to access retail tariff plan data.
- 4.39 The inability of comparator websites and other energy services companies to obtain retail tariff plan data, in full or in part, can reduce the credibility and value of the party's service offering to consumers wanting to find the best power deal. This also increases the search costs for consumers using comparator websites and other energy services companies to find electricity deals. Higher search costs reduce the likelihood of consumers searching for a better deal than the one they are currently on. This in turn reduces the pressure on retailers to compete vigorously.
- 4.40 The Authority considers that, overall, retailers will not face significant transaction costs providing this information. Currently most retailers provide Powerswitch with information

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<sup>13</sup> With reference to the submission of Meridian Energy/Powershop, the Authority wishes to clarify that the effect of the Code amendment proposal was not to make Consumer NZ the only conduit for information about retailers' generally available retail tariff plans.

about their generally available retail tariff plans. The Authority will work with stakeholders to develop a file format for the exchange of retail tariff plan data, for voluntary adoption.

**Retailers do not have to provide the same ‘below the line’ retail tariff plan data to all requestors**

- 4.41 The Authority notes the Code amendment proposal would have had the effect of ensuring all tariff comparison websites and other energy services companies had at least the same retail tariff plan data as Powerswitch. However, it would not have ensured that Powerswitch always had the same retail tariff plan data as other parties (who conceivably could have had more).
- 4.42 The Authority has considered whether to mandate that any party who requests tariff information from a retailer should receive the same information as any other requestor. Since all requestors will be able to obtain generally available retail tariff data, the question is whether each of these parties should be entitled to obtain the same ‘below the line’ tariff data as each other.
- 4.43 As one submitter noted, requiring retailers to provide all parties with the same retail tariff plan data would provide a level playing field for energy services companies to operate on. It would reduce the possibility of retailers using the threat of withholding tariff data to obtain more favourable outcomes (eg, a tariff comparison website prioritising one retailer’s tariff offerings over other retailers’ offerings, an energy services company agreeing to a lower commission in return for access to more ‘below the line’ tariff data).
- 4.44 On the other hand, there is a risk that requiring retailers to provide all parties with the same retail tariff plan data would limit innovation and possibly end up being anti-competitive (eg, a retailer might be reluctant to provide ‘below the line’ tariff information to an energy services company that targets a particular consumer group, if the retailer had to provide the same information to anyone who requested it, including competitor retailers).
- 4.45 The Authority considers that, on balance, the risk to innovation and competition is greater than the risk of retailers seeking to obtain more favourable outcomes for themselves by threatening to withhold ‘below the line’ tariff information from parties. Therefore, the Authority has made it mandatory for retailers to provide only generally available retail tariff plan information to any person who requests it.

**Retailers should have to publish information on their websites about their generally available retail tariff plans**

**Submitters’ views**

- 4.46 The majority of submissions supported, or appeared to support, requiring retailers to publish information on their websites about their generally available retail tariff plans, as proposed under alternative 2 in the consultation paper. Comments made in submissions supporting this requirement included:
- (a) the Code must require that the published data is current and complete
  - (b) half-hour tariff data must be published in order for the retail tariff data to be meaningful and allow for pricing innovation that benefits consumers
  - (c) it is unlikely that a standardised file format would be able to accurately portray innovative tariffs

- (d) the Authority should pursue policies that work towards entirely open publication of data, compliant with a data standard that is clearly articulated.
- 4.47 Genesis Energy did not object to information being made available to consumers on its website but submitted that this should be unregulated and un-prescribed. This is so the information is appropriately flexible and accurate, and does not impinge on retailer innovation. Orion did not think there needed to be much attention placed on how the information is made available to consumers, so long as it is easily accessible and in a reasonably common format.
- 4.48 Four submissions did not support requiring retailers to publish information on their websites about their generally available retail tariff plans. MEUG suggested the proposed obligation on retailers to provide comprehensive information on their website under alternative 2 is unnecessary. This is because of the requirement on retailers to provide information in a standardised format if requested. Mighty River Power considered it would be more efficient to provide connection-specific tariff information on Powerswitch (and other comparator websites), where generally available retail tariffs from all providers could be compared.
- 4.49 Pulse Energy submitted that the Authority continues to add considerable costs for retailers in the pursuit of improved competition. Pulse Energy already provides its price data to Powerswitch and on its website. Trustpower submitted that alternative 2 would lead to a higher cost for retailers to implement, which ultimately would be borne by consumers. It would also remove consumers' ability to go to one trusted destination to get all information, unless a third party did this, which would increase transaction costs.

### **The Authority's response**

- 4.50 The Authority has decided to not mandate that retailers must publish information on their websites about all of their generally available retail tariff plans. The Authority has instead simply placed an obligation on retailers to provide information about their generally available retail tariff plans to anyone who requests it. The Code amendment does not specify the manner or format in which retailers must provide generally available retail tariff plans to persons who request them.
- 4.51 This approach reflects the Authority's desire to provide an opportunity for innovative solutions to occur in the retail electricity market rather than regulated solutions. Retailers may, for example, find that the lowest cost option for them is to put this information on their websites, rather than providing it to requesting parties on an ad-hoc basis. Alternatively, or in addition, they may set up an API.
- 4.52 The Authority will observe the extent to which tariff comparison websites and other energy services companies combine tariff, connection and consumption data to provide consumers with more accurate information about available electricity deals. As Mighty River Power notes in its submission, rather than requiring retailers to place tariff information on their websites, it would be more efficient to provide connection-specific tariff information on comparator websites. This would enable comparison of all retailers' generally available retail tariffs.
- 4.53 The Authority's main reservation about not requiring retailers to publish generally available retail tariff plans on their websites is that consumers who try to obtain tariff information directly from retailers may face higher-than-necessary search costs, for the reasons set out in paragraph 4.8. The Authority will therefore observe retail market

developments and consider the extent to which new services and products provide these consumers with lower cost alternatives.

## **Supplying retail tariff plan information using standardised file formats and structures should not be mandatory**

### **Submitters' views**

- 4.54 Eight of the 15 submissions that commented on whether retail tariff plan information should be supplied using standardised file formats and structures disagreed with any such requirement. Comments included:
- (a) it is unlikely that a standardised file format will be able to accurately portray innovative tariffs
  - (b) it will be complicated, expensive and time-consuming to provide tariff information using different file formats and structures to what is currently used when providing this information to Consumer NZ
  - (c) standard file formats and structures are likely to inhibit innovation in tariff design and make it difficult for retailers to highlight those aspects of their tariffs which might be regarded as valuable to particular groups of consumers
  - (d) standard formats may be useful for simple comparisons, but complex formats may lead to a higher implementation cost, which will ultimately be borne by consumers.
- 4.55 Four submissions agreed that retail tariff plan information should be supplied using standardised file formats and structures. Comments included:
- (a) standardised formats for the disclosure of tariff plan information would assist comparisons between providers and reduce transaction costs
  - (b) having information in a standardised format is preferred because it will enable comparisons without having to account for prompt payment discounts, acquisition credits, etc
  - (c) mandatory requirements should be considered if a voluntary approach did not result in improved disclosure
  - (d) some work will be necessary to allow for file formats that do not inhibit innovation and which take into account the 'whole' offering, but the complexity that may arise does not mean it is impractical to develop standardised file formats and structures
  - (e) the standardised file structure must require all tariff data to be supplied to the half-hour level and be allocated across a specified time period. This is to enable the comparison of profiled, daily, weekly or seasonal tariffs with traditional single tariff options.

### **The Authority's response**

- 4.56 The Authority has decided to not mandate, at least for now, that retail tariff plan information is transferred or otherwise made available using standardised file formats and structures. Developing and implementing a mandatory standardised file format may take 12-18 months. Delaying the implementation date for the Code amendment to align with this is expected to result in forgoing some benefits in the meantime. The Authority does not want this.

- 4.57 However, the Authority considers there are benefits from using a standardised file format for supplying retail tariff plan data. It will work with relevant stakeholders to develop such a format, which will be made available for voluntary adoption.
- 4.58 The Authority agrees with submitters that some complexity in the file format may arise, so as to not inhibit innovation in retail tariff offerings. However, the Authority also agrees with Cortexo's point that this complexity does not mean it is impractical to develop a standardised file format.
- 4.59 The Authority anticipates adopting a similar process to the one it used to develop the file formats for the Code amendment facilitating access to consumption data. It expects the file format will be based on the relevant Electricity Industry Exchange Protocols (EIEPs), or other appropriate file formats. The Authority will seek input from a technical working group, which has broad representation, including energy services companies.
- 4.60 Once the voluntary file format has been developed, the Authority will observe its use, the level of benefit obtained, and any drawbacks that need to be addressed.

### **What connection data should be made publicly available?**

#### **Submitters' views**

- 4.61 Six submissions commented on what connection data should be publicly available.
- 4.62 Mighty River Power and Saveawatt thought the proposed set of connection data to be made available seemed appropriate for the intended purpose. Saveawatt submitted that it would also be beneficial to have access to ICP transfer files (eg, switch requests, switch completions). The transfer files would enable a consumer's agent to monitor the progress of the consumer's switch.
- 4.63 Contact Energy, Genesis Energy, Meridian Energy/Powershop and Orion queried whether the proposed set of connection data to be made available was appropriate.
- 4.64 Contact Energy anticipated that consumers would struggle with the complexity of the connection data to be made publicly available. It also submitted that third party energy services companies would struggle to interpret the connection data in a way that enabled them to provide accurate proposals to consumers.
- 4.65 Genesis Energy submitted that the connection data to be made available far exceeded the data it considered necessary for comparing tariffs. It believed that a consumer would have no use for, amongst other things, the point of connection, reconciliation type or loss category code at their ICP. Genesis Energy accepted that an agent might wish for more data than a consumer. However, Genesis Energy believed there was still more data than was necessary for determining the best cost for a consumer (eg, how the current trader reconciles wholesale electricity purchases or the current status of the ICP).
- 4.66 Meridian Energy/Powershop were unsure of the value/relevance of making available the distribution charge loss category code. They also considered that the connection data would need to be disclosed with certain caveats. For example, it would need to be made clear that the information had been compiled from the best information available from registry records at that time.
- 4.67 Orion was unclear what the connection data proposed to be made available added to existing comparison tools other than complexity. This was because these tools already mapped retailer pricing plans to each other, so that a consumer only needed to know what their current retailer called their pricing plan.

- 4.68 Orion was not sure if connection capacity conveyed useful information – it did not in Orion’s case. Orion also considered that the connection data should include records for all registry statuses, in particular “de-commissioned”. Orion thought the metering information might not be sufficient to map to innovative offerings.
- 4.69 Orion was unsure of the value of the following fields in the connection data to be made available: GPS data; metering category; compensation factor; serial number and channel number; and accumulator type. Orion considered these fields were not relevant or useful, unless they affected either distribution pricing or retailer mapping of pricing plans.

### **The Authority’s response**

- 4.70 Making the connection data publicly available will enable tariff comparison websites and other energy services companies to provide more relevant and accurate tariff information to consumers than is currently possible.<sup>14</sup> It will also provide an incentive for retailers and energy services companies to invest in product and service offerings for consumers and to innovate more over time than they otherwise would.
- 4.71 The Authority agrees that, as a general rule, consumers may be interested in less connection data than their agents or energy services companies. However, this is not a reason to limit the connection data that can be accessed. Instead consumers’ data preferences can be managed via the data interface with the registry.
- 4.72 The Authority notes that some consumers are interested in connection data, evidenced by requests made of the Authority under the Official Information Act. Some energy services companies have also expressed to the Authority an interest in obtaining access to connection data, in order to provide services to consumers (eg, switching services). Making connection data publicly available via a web browser and API is expected to minimise such requests, thereby improving the Authority’s operational efficiency.
- 4.73 The Authority remains of the view that the connection data fields consulted on are appropriate to enable consumers to receive sufficient information to make informed decisions about retailers’ tariff offerings.<sup>15</sup> The Authority is concerned that reducing some of the data to be made publicly available would reduce the scope for innovation by energy services companies.
- 4.74 The Authority notes that submitters who were third party providers of energy-related services agreed with making the connection data publicly available. They did not raise any concerns about the complexity of the connection data.
- 4.75 On the matter of providing access to ICP transfer files, the Authority would need to re-consult with interested parties on this matter because it is outside the scope of the proposal in the consultation paper. The proposal consulted on did not propose that transfer files should be made available in a similar manner to the connection data. The Authority will ask the submitter whether it wishes to separately propose a Code amendment.<sup>16</sup>

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<sup>14</sup> Tariff comparison websites and other energy services companies will not have to make as many assumptions about, for example, the distribution network pricing arrangements applicable to a consumer.

<sup>15</sup> Including larger consumers / consumers with many ICPs tendering for their electricity supply.

<sup>16</sup> The Authority will also do likewise with the submitter who proposed that:

- distributors should be provided with outage information from advanced meters in a standardised format
- distributors be listed as an authorised agent for electricity consumer information under clause 11.32E of the Code.

## How should connection data be made publicly available?

### Submitters' views

- 4.76 Five submissions commented on how the connection data should be made publicly available.
- 4.77 Contact Energy submitted that its preferred approach was for Powerswitch to be connected with the registry, providing connection data for consumers. Contact Energy believed there would be real value for consumers in making Powerswitch the 'single source of truth'.
- 4.78 Flick Energy believed that Powerswitch could be upgraded to include links to the registry, and to allow the downloading of consumption data, to provide a cost-effective tool that provided independent tariff information to consumers.
- 4.79 Genesis Energy submitted that the Authority's proposals for disclosure of connection data were unnecessarily complicated and would ultimately cause additional costs that would need to be passed on to the consumer. Genesis Energy considered there was a simpler way for agents to access the data: amending clause 11.28 of the Code to allow the registry to be used for marketing purposes and adding non-participant access rights (as is currently granted for some organisations). This would effectively achieve the outcome the Authority was aiming for, but at very little cost and with a simple Code amendment.
- 4.80 Orion submitted that the proposal to provide third parties with access to connection data could be supplemented by the publication of a regular extract of the connection data, available for download as a complete dataset by any party.
- 4.81 Rabid Technologies submitted that the Authority's proposal could be extended to a cloud storage service that included consumption data, tariff data and connection data. This would paint a compelling picture of high-quality independent data that private players could innovate upon.

### The Authority's response

- 4.82 The Authority believes its approach to disclosing connection data is uncomplicated and minimises additional costs passed on to consumers via the Authority's levy. It also avoids the need for a Code amendment.
- 4.83 The approach enables Powerswitch and other energy services companies to interface with the registry and access connection data, without discriminating between them. It enables parties to obtain the connection data in a tailored manner rather than via indiscriminate bulk downloads.
- 4.84 The Authority notes that its approach to making connection data publicly available is equivalent to a cloud storage service for connection data. The Authority previously decided not to proceed with a centralised database to assist consumers to access their consumption data, opting instead for retailers to make this information available to consumers or their agents upon request and in a standardised format. The Authority considers that a database containing all generally available retail tariff plan data would be likely to have higher costs and delayed benefits when compared with making the Code amendment set out in this paper.
- 4.85 The Authority considers there are potential competition benefits from removing the restriction on the registry being used for marketing purposes, but also some drawbacks.

A decision on whether or not to remove the restriction would need to be informed by a material amount of policy analysis and consultation with interested parties. The Authority does not wish to delay realising the identified net benefit from making connection data publicly available, while the Authority considers whether the registry should be used for marketing purposes. The Authority will therefore put this policy question on its work programme.

## **The privacy implications of making connection data publicly available**

### **Submitters' views**

- 4.86 Twelve submissions expressed a view on the privacy implications of the Authority's proposal to make certain connection data publicly available. Half of the 12 submissions clearly agreed that the connection data the Authority proposed to make available was not personal information. The other six submissions thought making the connection data publicly available would, or could, raise some privacy issues.
- 4.87 Genesis Energy's view was that ICP information held in the registry did not contain personal information. However, Genesis Energy believed there might be a chance that consumers at ICPs with credit disconnections (current or past) may be disadvantaged if status data were to be made publicly available. Similarly, Pulse Energy submitted that the connection data was not personal information, but noted that an ICP's connection status may provide certain "indirect personal information".
- 4.88 Meridian Energy/Powershop questioned whether the connection data to be made publicly available was obtained and would be made available to promote retail competition. Meridian Energy/Powershop submitted that it was unclear whether consumers have been adequately notified that the information's purpose relates to retail competition. Meridian Energy/Powershop considered it was arguable that the purpose of the information was more closely linked with efficient operation of the electricity market.
- 4.89 Mighty River Power supported the Authority's proposal to make a set of specified connection data held in the registry available to third parties, as long as the privacy of consumers was adequately protected. Mighty River Power considered that consumers might be sensitive about third parties linking them with data about the existence of any on-site electricity generation at their dwelling. Mighty River Power considered the best way to address privacy concerns was for third parties seeking access to personal information to obtain authorisation from the consumer.
- 4.90 Orion submitted that the Authority might wish to consider whether historical information about an ICP, in particular changes to it, could give information to the current consumer(s) at the ICP that related to a previous consumer. Orion thought it might be prudent to release only the connection data necessary to help find the applicable pricing plan. On the other hand if there were no privacy issues and the dataset was appropriately limited, Orion asked why not just make all of the data available as a single file. Orion suspected that potential third party providers would like the ability to undertake analysis on many ICPs at once. However, Orion was unsure whether this was consistent with the original conception of the registry.
- 4.91 Powerco submitted that connection data includes "personal behavioural information" and that all personal information needed to be limited to those consumers who were seeking it. Meridian Energy/Powershop submitted that releasing physical address information

could create privacy risks. Specifically, address information carries with it the risk that it could be converted into personal information with relative ease.

### **The Authority's response**

- 4.92 When developing the proposal that it consulted on, the Authority liaised with the Office of the Privacy Commissioner, to clarify various points about the connection data proposed to be made publicly available and the requirements of the Privacy Act 1993. After considering submissions, the Authority remains satisfied that making the connection data held in the registry fields shown in Appendix B publicly available is consistent with the requirements of the Privacy Act. This is because:
- (a) the connection data to be made publicly available is a snapshot of the information at a point in time
  - (b) the connection data to be made publicly available is not personal information as defined in the Privacy Act, because it does not identify any property owner, occupier, electricity account holder or ratepayer
  - (c) even if the connection data were to be personal information, making it available is permitted by one of the exceptions in privacy principle 11 of the Privacy Act, because the purpose for making it available is directly related to one of the purposes for which it was obtained (to promote retail competition)
  - (d) even if making the connection data available were to not be permitted under privacy principle 11, doing so would not constitute an interference with privacy because no harm would result
  - (e) if a third party were to link the connection data with the name of the property owner or occupier obtained from another source, the connection data could become personal information in the hands of the third party. However, the banal nature of the connection data means this would be unlikely to facilitate privacy intrusions by others.

### **No historical connection data is to be made available**

- 4.93 The connection data to be made publicly available is a snapshot of the information at a point in time. No historical connection data is made available in response to a query against an ICP. So a person querying an ICP will not, for example, be able to look back at the frequency with which an ICP was disconnected/reconnected.
- 4.94 The Authority intends monitoring instances of an ICP being queried very frequently over time, as this could be an indication of parties trying to gather behavioural-related information about the consumer(s) at the ICP. The Authority will have the ability to limit queries against an ICP if necessary, using API management tools.

### **Registry information is not personal information**

- 4.95 In deciding how the Privacy Act applies to the connection data to be made publicly available, the first question is whether the connection data is personal information, which is defined as "information about an identifiable individual".
- 4.96 The Authority considers that the connection data to be made publicly available is not personal information because it is not capable of identifying any individual. This is because none of the connection data is about the electricity account holder, property owner, ratepayer or occupier for any given property. The connection data is about an

ICP. If a person were to ask the Authority to provide the connection data held about them, the Authority could not tell what information that was.

**The Privacy Act permits disclosure of the connection data**

- 4.97 The Privacy Act contains a set of information privacy principles. Privacy principle 11 sets out restrictions on the disclosure of personal information. Disclosing personal information does not breach privacy principle 11 if the disclosure is directly related to one of the purposes for which the information was obtained.
- 4.98 The registry was established, and information in it was obtained, to enable consumers to switch electricity retailers, and to help facilitate reconciliation in the wholesale electricity market in an operationally efficient manner. The purpose of both of these activities was to facilitate retail competition in the electricity industry.
- 4.99 The Authority is making the connection data publicly available so that consumers, or their agents, can find the best deals for them. The disclosure is directly related to facilitating retail competition.
- 4.100 Therefore allowing access to connection data is consistent with the privacy principles, even if the connection data were to be personal information.

**Making the connection data publicly available is not an interference with privacy because no harm results**

- 4.101 Anyone may allege that an action is an interference with privacy. Section 66 of the Privacy Act states that an action is an interference with the privacy of an individual only if it breaches a privacy principle, code of practice or information sharing agreement and:
- (a) causes some loss, detriment, damage, or injury; or
  - (b) adversely affects the rights, benefits, privileges, obligations, or interests of that individual; or
  - (c) results in significant humiliation, loss of dignity, or significant injury to the feelings of that individual.
- 4.102 Even if connection data was personal information and disclosing it breached privacy principle 11, the disclosure would not constitute an interference with privacy because it would not result in the kind of harm described in the section 66 of the Privacy Act.

**Other privacy implications of making the connection data publicly available**

- 4.103 The Authority notes that in some cases information that is not personal information (such as connection data) can become personal information if added to information from another source.
- 4.104 If someone were to link the connection data with the name of the owner of the premises, for example, then in the hands of the person who linked the two sets of information the connection data could become personal information.
- 4.105 The Authority considers that the nature of the connection data is so banal that even if it were to be compiled with other information that identified an individual property owner or occupant, the risk of facilitating privacy intrusions by others would most likely be very low.
- 4.106 The Authority has carried out a formal privacy risk assessment to assess the implications of enabling third parties to combine the connection data with other information (set out in

Appendix C). The assessment concludes that the privacy risk associated with making the connection data publicly available is minimal.

### **The objectives of the proposed alternatives are appropriate and consistent with the Authority's statutory objective**

#### **Submitters' views**

- 4.107 Fourteen submissions expressed a view on whether the objectives of the proposed alternatives for making tariff and connection data available were appropriate and consistent with the Authority's statutory objective.
- 4.108 The substantial majority of these submissions agreed the objectives were appropriate and consistent with the Authority's statutory objective.
- 4.109 Four submitters either disagreed or queried whether this was the case.
- 4.110 Consumer NZ submitted that the consultation paper did not assess the current status of competition in, and the efficient operation of, New Zealand's retail electricity market, and whether the proposed changes were justified. Consumer NZ believed that the supporting Sapere paper also failed to address the cost of having many comparison sites, or the cost of regulating these sites.
- 4.111 Contact Energy submitted that the Authority's expected productive efficiency benefits from retailers operating more efficiently appeared to be a covert word for price.
- 4.112 Genesis Energy and Pulse Energy submitted that the Authority's proposals appeared to primarily benefit agents or other interested third parties, rather than consumers. Pulse Energy believed the proposal would be likely to add costs to consumers and reduce or limit the scope for competition and innovation.

#### **The Authority's response**

- 4.113 The Authority considers that competition in the retail electricity market can be improved because the current arrangements for accessing tariff and connection data mean that consumers (particularly residential consumers), or their agents, face higher-than-necessary 'search costs' when identifying and comparing electricity-related offers available to them. The consultation paper discussed this issue.
- 4.114 The Sapere research paper that informed the development of the consultation paper also discussed this issue, along with policy response options to lower consumers' search costs. The Sapere paper's consideration of policy options included listing the advantages and disadvantages of different policy options for tariff comparison websites.
- 4.115 As noted in section 3, the Authority's decision to facilitate access to tariff and connection data is expected to benefit consumers by providing them with an opportunity to obtain more relevant and accurate tariff information than under the status quo, as well as more innovative energy services. The Authority expects these benefits will encourage consumers to more actively participate in the retail electricity market, which in turn is expected to encourage competition amongst retailers and energy services companies. Amongst other things, competition places an incentive on retailers to operate efficiently in order to be able to offer consumers the most competitive electricity prices. The Authority considers this to be consistent with its statutory objective.

**Making connection data available is consistent with the Government's ICT strategy**

4.116 The Authority also notes that making the connection data publicly available is consistent with the Government's ICT strategy and action plan to 2017.<sup>17</sup> This states that:

*government agencies will continue to release in open formats the public (non-personal and unrestricted) data that they create when delivering their services. They will work more actively with communities, people, and companies who wish to re-use this data to build new products and businesses to grow the economy and create better social outcomes for New Zealanders.*<sup>18</sup>

4.117 Making the connection data publicly available is also consistent with the Cabinet-approved principles for managing data and information held by the New Zealand Government.<sup>19</sup> Under these principles:

- (a) government data and information should be open, readily available, well managed, reasonably priced and re-usable unless there are necessary reasons for its protection
- (b) personal and classified information will remain protected
- (c) government data and information should also be trusted and authoritative.

**Is encouraging the entry of third party energy services companies into the retail electricity market consistent with the Authority's statutory objective?**

**Submitters' views**

4.118 Three submissions (Contact Energy, Genesis Energy and Trustpower) noted that encouraging third parties into the retail electricity market is not listed as one of the Authority's statutory objectives and/or falls outside the Authority's functions. They also stated there is no certainty that third parties will make much difference to sustainable competition.

**The Authority's response**

4.119 The Authority wants to make it easier for consumers to obtain information that helps them compare electricity suppliers' charges and to make energy-related decisions. This is the purpose of the Authority's retail data project, referred to in section 1.

4.120 Third party energy services companies facilitate consumers' energy-related decisions. They fulfil several roles, including aggregating information and distilling it into a form that reduces the time and effort for consumers to make decisions. A third party can also assist a consumer to identify decision-making opportunities that provide benefit to the consumer.

4.121 Provided third parties ensure the benefits they offer consumers outweigh any fees they may charge,<sup>20</sup> they offer a means by which consumers can reduce the cost of searching for a better power deal or making energy-related decisions. Lower search costs for

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<sup>17</sup> This is available at <https://www.ict.govt.nz/assets/Strategy-and-Action-Plan/ICT-Action-Plan-2014-NEW.pdf>.

<sup>18</sup> New Zealand Government, 2014, Government ICT Strategy and Action Plan to 2017: ICT Action Plan 2014, p. 13.

<sup>19</sup> These are available at <https://www.ict.govt.nz/guidance-and-resources/open-government/new-zealand-data-and-information-management-principles/>.

<sup>20</sup> Which is to be expected since they will otherwise offer consumers no (positive) value proposition, meaning consumers will not use them.

consumers have two key benefits that are directly related to the Authority's statutory objective:

- (a) they enhance the efficient operation of the electricity industry
- (b) they increase the likelihood of consumers searching for a better deal than the one they are currently on. This in turn increases the pressure on retailers to compete vigorously.

### **There is the risk that third parties give poor advice to consumers**

#### **Submitters' views**

- 4.122 Three submissions (Contact Energy, Meridian Energy/Powershop and Trustpower) noted that encouraging third parties into the retail electricity market carries with it the risk that consumers receive poor advice from third parties on the best available electricity deals.
- 4.123 Contact Energy highlighted concerns in the United Kingdom over how third parties have presented information about what tariffs are available and whether consumers are being presented with a full picture of the market.
- 4.124 Meridian Energy/Powershop recommended further consideration be given to accreditation standards for comparison service providers. They noted that accreditation standards feature in overseas markets (eg, the United Kingdom), and were concerned that New Zealand consumers may not receive reliable advice unless such standards exist.
- 4.125 Trustpower asked the Authority to clarify how energy services companies' quality and compliance will be managed. It also asked the Authority to consider the detrimental effects on consumer confidence in switching if Powerswitch is removed and replaced with low-quality providers.

#### **The Authority's response**

##### **The Authority is aware of the risk**

- 4.126 The Authority is aware of the risk of consumers receiving poor quality advice on the best electricity deals available to them. This could result from, for example,:
- (a) a poorly designed or badly operated tariff comparison calculation engine yielding inaccurate results
  - (b) a comparison being based on an incomplete or outdated set of tariffs
  - (c) a party providing biased advice (eg, due to undisclosed or inappropriate relationships with retailers or other energy businesses).<sup>21</sup>
- 4.127 The provision of poor quality advice to consumers could have an adverse financial effect on consumers and possibly cause some loss of consumer confidence in the retail electricity market.

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<sup>21</sup> Factors such as commissions, referral fees and preferred search orders for tariffs on offer can bias the recommendations tariff advisers give to consumers.

**The risk exists now**

- 4.128 The Authority notes the risk exists now. Retailers and energy services companies already advise domestic and non-domestic consumers on available electricity deals.
- 4.129 Currently, this risk is managed primarily by relying on competitive market pressures to regulate firms' behaviour (ie, bad service will result in lost customers), and:
- (a) generic consumer protection legislation, in particular the Fair Trading Act 1986 and the Consumer Guarantees Act 1993
  - (b) consumers having access to the Disputes Tribunal<sup>22</sup>
  - (c) in respect of retailers, the Electricity and Gas Complaints Commission (EGCC).<sup>23</sup>

**Other options for managing the risk**

- 4.130 Other options for managing the risk described above include:
- (a) the Authority putting in place market facilitation measures in regard to energy services companies (eg, a voluntary code of practice or an accreditation scheme)
  - (b) the Authority influencing the behaviour of energy services companies via contractual arrangements
  - (c) regulating energy services companies.

**Retaining the status quo**

- 4.131 The Fair Trading Act prohibits misleading and deceptive conduct, false representations and unfair practices. If consumers, retailers, the Authority or other parties were concerned that the behaviour of a retailer or energy services company breached the Fair Trading Act, they could:
- (a) refer the matter to the Commerce Commission to investigate
  - (b) take action themselves by referring the matter to the Disputes Tribunal or the District Court.
- 4.132 The Consumer Guarantees Act sets out a number of guarantees concerning the supply of goods and services, and requires traders and manufacturers to provide remedies to consumers when these guarantees are not met. Consumers must seek redress directly from a supplier or manufacturer in order to resolve a dispute. Where agreement cannot be reached, the Disputes Tribunal may hear a claim from a consumer.
- 4.133 In addition, complaints about retailers may be made to the EGCC.

**Introducing market facilitation measures**

- 4.134 The Authority could introduce market facilitation measures to help manage the risk of energy services companies providing consumers with poor advice. The measures could also increase consumer confidence and participation in the retail electricity market.

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<sup>22</sup> The Disputes Tribunal is intended to provide a quick and inexpensive forum for resolving disputes. Disputes Tribunals are not like the formal courts. A lawyer cannot represent the complainant and there are no judges, although any ruling made is binding and can, if necessary, be enforced by the courts.

<sup>23</sup> Consumers could not take complaints about energy services companies to the EGCC because the EGCC can only consider complaints about retailers, distributors and Transpower (except in its capacity as system operator).

- 4.135 The two more obvious measures are a voluntary code of practice or an accreditation scheme. The Authority could use either of these to clearly signal the behaviour it expects of (either a subset of or all) energy services companies, without imposing mandatory obligations on these parties.
- 4.136 A voluntary code of practice could be comprehensive, or targeted at key risk areas.
- 4.137 By its nature, an accreditation scheme would be more likely to be comprehensive. The Authority notes that an accreditation scheme would be consistent with measures adopted in the United Kingdom and Ireland. The accreditation scheme could take several forms (eg, the Authority accrediting energy services companies, the Authority approving other parties as accreditors (as it does with auditors under the Code)).

#### **Influencing behaviour via contract**

- 4.138 The Authority could adopt a contractual approach to influencing the behaviour of energy services companies. For example, the Authority could agree to promote providers who had agreed to provide services in accordance with certain terms and conditions set by the Authority in a contract with the provider.

#### **Regulating behaviour**

- 4.139 The Electricity Industry Act 2010 could be amended so that consumers were able to make complaints about the behaviour of energy services companies to the Electricity and Gas Complaints Commission. This would require an amendment to the Electricity Industry Act to define energy services companies as industry participants. As participants, they would be required by the Act to become a member of the EGCC dispute resolution scheme.
- 4.140 If energy services companies were industry participants, that would also allow the Authority to amend the Code to regulate their behaviour if necessary.

#### **Retaining the status quo is the Authority's preferred position initially**

- 4.141 The Authority expects its decision will result in more consumers using the services of energy services companies. This could increase the risk of some consumers receiving poor advice, which might both have an adverse financial effect on the consumers and cause some loss of consumer confidence in the retail electricity market.
- 4.142 However, as noted above, the risk of consumers receiving poor advice exists now. There is no evidence of any market failure caused by retailers and energy services companies giving poor advice about electricity deals.
- 4.143 In the absence of a clear market failure it is difficult to know what market intervention is most appropriate (eg, a regulatory solution versus a contractual solution; requiring energy services companies to be members of the Electricity and Gas Complaints Commission scheme rather than, or in addition to, empowering the Authority to regulate these parties under the Code). The Authority is concerned that a solution put in place now for a possible future market failure may not address the market failure that subsequently arises (if one were to arise).
- 4.144 The Authority also notes that in a small, competitive market such as New Zealand's retail electricity market, an energy services firm's reputation is an important regulator of its behaviour. This is particularly the case for smaller firms looking to establish themselves in the market and build a customer base.

- 4.145 The Authority has therefore decided that the most appropriate action for it initially is to monitor the behaviour of energy services companies. The Authority will also include some educational information about consumers' use of energy services companies in its communications for accessing retail data. This could be undertaken as part of the "What's My Number?" advertising campaign.

### **Powerswitch could be upgraded and made the 'single source of truth'**

#### **Submitters' views**

- 4.146 Three submissions (Contact Energy, Flick Energy and Trustpower) said that Powerswitch could be upgraded and made the 'single source of truth'. This would involve linking Powerswitch to the registry, so that Powerswitch could provide connection data to consumers. Contact Energy submitted that Powerswitch's funding would need to be reinstated in order to enable these things to occur. Flick Energy suggested that Powerswitch could be upgraded to enable the downloading of consumption data.
- 4.147 Contact Energy also said it would like to see Powerswitch targeted at those who may not otherwise have access to it (eg, through the Authority providing site access at libraries and community centres). Flick Energy believed that Consumer NZ (via Powerswitch) is the best party to display tariff information to consumers and show what it means for consumers' power bills. Trustpower stated that its support for alternative 1 in the consultation paper is conditional on Powerswitch remaining in place. Trustpower would not support alternative 1 or the other options in the consultation paper if Powerswitch were to be removed.
- 4.148 On the other hand, Genesis Energy submitted that a single regulated tariff comparison website will impinge on retailer innovation. As such, the provision of data should not be limited to Consumer NZ.

#### **The Authority's response**

- 4.149 Upgrading Powerswitch and making it the 'single source of truth' would be expected to crowd out other tariff comparison websites. This would in turn be expected to adversely affect innovation in this type of service. It could also result in higher search costs for consumers in the long run, by impairing retailers' ability to differentiate/target consumer groups, compared with a more open and competitive approach to tariff comparison websites.<sup>24</sup>
- 4.150 The Authority's view is that competition amongst tariff comparison websites is preferable to a monopoly situation. By facilitating access to retail data, the Authority anticipates not only greater competition amongst retailers, but also amongst energy services companies (including tariff comparison websites).
- 4.151 However, the Authority notes the consumer research findings on the benefits of having at least one independent tariff comparison website in New Zealand. The Authority is currently considering possible policy options in regard to this matter. The Authority has not yet formed a view on the relative merits of these, and therefore is not in a position to include a decision in this paper.

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<sup>24</sup> Sapere Research Group, 2015, Tariff information in consumer search decisions, p. 51.

## The assessment of benefits and costs overestimates the net benefit

### Submitters' views

- 4.152 Eleven submissions commented on the assessment of gross benefits, costs and net benefits associated with the proposed alternatives for making tariff and connection data available. Eight submissions disagreed with the assessment,<sup>25</sup> while three agreed.
- 4.153 The common theme in submissions that disagreed with the assessment was that the expected gross benefits were overstated and/or the expected costs were understated. Specific points that were raised include:
- (a) the assessment does not take into account third party providers charging consumers fees/commissions for their services, which reduces consumer savings and gives third parties an incentive to ensure consumers are on the lowest price offer for which the third parties are remunerated, rather than on the offer that is best value for the consumer
  - (b) the benefits are overstated because only a small number of those consumers switching will switch to the cheapest provider
  - (c) it is optimistic to presume that at least 5% of consumers that do not typically switch are encouraged to do so and achieve savings of at least \$160 from their switch, given that New Zealand's electricity switching rates are estimated to be ranked highest in the world
  - (d) there may be additional costs and potential negative outcomes associated for consumers using a third party provider that is not mandated to represent all retailers
  - (e) there may be costs to consumers in reviewing a number of tariff comparison websites
  - (f) there are costs associated with regulating tariff comparison websites
  - (g) retailers may have to incur costs managing a presence on multiple tariff comparison websites
  - (h) some distributors are indicating a move to 'cost reflective' pricing, which will add further complexity and cost in due course
  - (i) the cost for a third party to develop a standardisation tool is likely to be more expensive than the Authority's estimate of \$250,000-\$500,000 and would require significant ongoing support – alternative 1 in the consultation paper does not require this expenditure to achieve the desired outcomes
  - (j) the overseas case studies considered in determining that benefits will be in the 'many millions' are of tangential relevance only
  - (k) the "x-inefficiency" argument seems to assume the same efficiency gain can be achieved multiple times

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Genesis Energy submitted that it struggled to see any benefits to the consumer to justify costs spent on this issue, implying it disagreed with the assessment of gross benefits, costs and net benefits. However, it then went on to say that it could not comment on the assessment because it did not understand the figures projected or the reasoning behind them. Hence, Genesis Energy's submission has been categorised as having no comment on the assessment of gross benefits, costs and net benefits.

- (l) the proposed changes would result in scarce capital being allocated to developing price data provisioning systems, rather than to product development, innovation and competition
  - (m) the reduction in customer effort resulting from the proposed changes will not significantly impact switching rates
  - (n) Australian evidence shows that third party aggregators will choose a single (or small number of) retailer(s), and as a result many consumers will end up paying more than the best market offer
  - (o) the overall net benefit is likely to be within the margin of modelling error.
- 4.154 In contrast, Electric Kiwi believed there is a net benefit to consumers in allowing for retail tariffs to be compared in a more transparent manner. Information asymmetry in regard to retail tariffs is a cost which is currently being borne by the consumer. Electric Kiwi's view is that the commercial costs incurred by retailers in providing better data to consumers are not as high as the Authority has estimated.
- 4.155 MEUG stated that the initial quantitative estimate and qualitative discussion of costs and benefits is reasonable, but that a more informed estimate will be possible once the Authority has considered feedback.

### **The Authority's response**

#### **The Authority considers there will be a net benefit**

- 4.156 The Authority is satisfied the benefit of its decision outweighs the cost.
- 4.157 The Authority has revised downward both the estimated cost and benefit contained in the consultation paper. The reduction of \$50,000-\$75,000 in the estimated cost relates to facilitating access to connection data. The reduction of \$200,000 in the bottom-end estimate of the benefit relates to reduced allocative efficiency benefits.
- 4.158 The Authority notes the cost-benefit analysis is reasonably insensitive to the estimate of cost, as the benefit is expected to substantially exceed the cost.

#### **The estimated cost of the Authority's decision is \$50,000-\$75,000 lower**

- 4.159 The Authority's estimated cost for putting in place and operating the API and web user interface to make connection data publicly available is less than was estimated in the consultation paper. Specifically, the present value of the cost has halved, falling from \$100,000-\$150,000 to \$50,000-\$75,000.<sup>26</sup>
- 4.160 The reduced cost stems from the Authority being able to leverage existing systems and processes to make connection data publicly available. The cost estimate is based on the following key assumptions:
- (a) parties accessing the connection data have view-only access
  - (b) searches may be undertaken on the basis of ICP identifier or physical street address
  - (c) multiple ICPs may be retrieved in a single inquiry.

<sup>26</sup> The period over which operating costs are estimated is 10 years, which is the time period over which all costs and benefits have been assessed.

- 4.161 Several submissions disagreed with the Authority's cost estimates for the two alternatives set out in the consultation paper. However, they did not provide supporting evidence.
- 4.162 On the cost for a third party to develop a standardisation tool, the Authority remains of the view that its estimate of \$250,000-\$500,000 is reasonable. The Authority notes a party is already providing this service for some retailers, while another party is considering providing such a service. Although Mighty River Power submitted that alternative 1 does not require this expenditure to achieve the desired outcomes, the Authority considers it does. Hence, the Authority has retained this cost in its assessment.

**The bottom-end estimate of the benefit of the Authority's decision is \$200,000 lower**

- 4.163 The Authority believes its expectation that at least an additional 5% of consumers move to a lower price is realistic. That New Zealand's switching rate is at or near the top of switching rates internationally does not mean it cannot be higher. This rate also takes into account savings made by consumers who switch/intend to switch but end up remaining with their existing retailer because the retailer offers them a better deal (eg, matches the savings available to the consumer from switching).<sup>27</sup>
- 4.164 In the consultation paper, the Authority adopted a conservative approach to estimating the benefit from facilitating access to tariff and connection data (eg, using a price elasticity of demand of -0.26 and a discount rate of 8%). The Authority believed it was conservative to use \$160 as the estimated saving available to consumers who move to a lower price because this figure includes all consumers who are already on the lowest tariff. In other words, consumers moving to a lower tariff are on average likely to save more than \$160 because those with little or nothing to save are unlikely to switch.
- 4.165 The Authority has nevertheless added a further scenario to its table of estimated allocative efficiency gains in response to the point made in submissions that not all consumers will switch to the cheapest provider.<sup>28</sup> This is shown in Table 2, which is Table 3 in the consultation paper, with the addition of a scenario whereby consumers save on average \$140 per annum.
- 4.166 In short, the Authority considers that most consumers who switch will take the lowest priced offer available to them amongst the retailers included in the Authority's estimate of average savings,<sup>29</sup> and that energy services companies will typically not charge consumers a commission.

<sup>27</sup> The Authority notes that not all retailers have elected to be protected from saves initiated by retailers that have lost customers.

<sup>28</sup> Allocative efficiency is achieved when the marginal value consumers place on a product or service equals the cost of producing that product/service, so that the total of individuals' welfare in the economy is maximised.

Productive efficiency is achieved when products and services that consumers desire are produced at minimum cost to the economy. That is, the costs of production equal the minimum amount necessary to produce the output. A productive efficiency loss results if the costs of production are higher than this, because the additional resources used could instead be deployed productively elsewhere in the economy.

Dynamic efficiency is achieved by firms having appropriate (efficient) incentives to innovate and invest in new products and services over time. This increases their productivity, including through developing new processes and business models, and lowers the relative cost of products and services over time.

<sup>29</sup> The retailers included in the Authority's average savings estimate of \$160 were: Bosco Connect, Budgie Power, Contact Energy, Energy Direct NZ, Energy Online, Genesis Energy, GLOBUG, Just Energy, King Country Energy, megaENERGY, Mercury Energy, Meridian Energy, Nova Energy, Opunake Hydro, Payless Energy, Powershop, Pulse Energy, Tiny Mighty Power, Trustpower.

- 4.167 The effect of this reduction in the annual savings available to consumers moving to a lower price is a reduction of \$200,000 in the bottom-end estimate of the allocative efficiency benefit.
- 4.168 However, the Authority's view remains that there will be a significant dynamic efficiency benefit for consumers, and the economy more generally, from facilitating access to tariff and connection data. This will come about from retailers and energy services companies competing to provide products and services to consumers who are participating more in the retail market. The increased competition will lead to greater innovation in products and services, and business models over time. Although it has not identified a robust approach for quantifying the potential dynamic efficiency benefit, the Authority considers the overseas studies referred to in its consultation paper are relevant and indicate the potential dynamic efficiency benefit is significantly larger than the static efficiency benefit.

**Table 2: Estimates of allocative efficiency gains (2015 dollars)**

Additional consumers moving to a lower price (%)	Present value of savings available from moving to a lower price (\$/consumer)			
	\$100	\$140	\$160	\$200
1% more (or 21% in total)	\$70,000	\$135,000	\$175,000	\$270,000
5% more (or 25% in total)	\$340,000	<b>\$665,000</b>	<b>\$870,000</b>	<b>\$1,355,000</b>
10% more (or 30% in total)	\$680,000	<b>\$1,325,000</b>	<b>\$1,735,000</b>	<b>\$2,710,000</b>

Notes:

1. 20% base switching rate
2. 10 year discount period at 8% with no inflation
3. -0.26 elasticity of demand (sensitivity of demand to a change in price)

- 4.169 Table 3 summarises the different estimated benefits and costs associated with facilitating access to consumption data, retail tariff plan data and connection data. The table highlights that the static efficiency benefits are expected to be positive as a result of the Authority's decision.<sup>30</sup>
- 4.170 The Authority notes that an increase in the rate of switching in New Zealand is unnecessary for some of the benefit of the Authority's decision to be realised. The reduced consumer effort resulting from implementing the Authority's decision is expected to result in some consumers receiving bill savings without needing to switch retailers. The more competitive the retail electricity market, the greater the likelihood of retailers offering discounts to existing customers, particularly high value customers. Greater competition in the retail market also encourages consumers that have agreed to switch retailer to invite their existing retailer to offer them a better deal to stop them switching.

<sup>30</sup> Noting the possibility that they could be slightly negative.

**Table 3: Summary of benefits and costs of improved access to consumption data, retail tariff plan data and connection data**

<b>Benefits and costs</b>	<b>Present value (2015 dollars)</b>
Allocative efficiency benefits from increased engagement that makes consumers more likely to compare and switch retailers to obtain a better deal	\$665,000 to \$2,700,000
Productive efficiency benefits from retailers seeking efficiency gains to capture some of the wealth transfer to consumers arising from more consumers comparing and switching retailers	\$920,000 to \$2,300,000
Dynamic efficiency benefits as more vigorous competition between retailers and energy-related services firms delivers innovation and efficiency gains	Significant (many \$millions)
Present value of costs of providing easier access to consumption data	\$425,000-\$1,000,000
Present value of costs of providing easier access to tariff and connection data	\$350,000-\$700,000
<b>Present value of <i>static</i> efficiency net benefits (subject to certain key assumptions holding)</b>	<b>-\$0.12m to &gt; \$4.22m</b>

Notes: 1. The Authority has assessed the benefits and costs over a 10 year period. The full benefits and costs of the proposed alternatives and any related retail data project proposals are likely to take some years to be realised (eg, five years). However, the benefits and costs are unlikely to continue indefinitely, for example because technology change will result in changes in how retail data is captured and exchanged. This has led the Authority to determine that 10 years is a reasonable time period for assessing the proposal's benefits and costs.

- 4.171 The Authority wishes to clarify that the estimated "x-inefficiency" benefit has not been duplicated across the elements of the retail data project. As the consultation paper noted, the gross benefits from facilitating access to tariff and connection data and the gross benefits from facilitating access to consumption data are mutually dependent. Consequently the estimated "x-inefficiency" benefit is for facilitating access to consumption data, tariff data and connection data combined.
- 4.172 The Authority notes that a move by distributors to cost-reflective or service-based distribution pricing could add further complexity to electricity tariffs. The Authority sees this as a reason to facilitate access to tariff and connection data, rather than a reason to not facilitate access. The Authority believes third party energy services companies have an important role to play in translating complex information into understandable information that consumers are confident to act on.
- 4.173 Lastly, Trustpower submitted that Australian evidence shows third party aggregators will choose a single (or small number of) retailer(s), and as a result many consumers will end up paying more than the best market offer. As noted in the consultation paper, the Authority is aware that, in New Zealand, comparator websites and other third party

energy services companies have encountered, and continue to encounter, difficulties convincing retailers to provide them with retail tariff plan data. The Code amendment removes this difficulty and increases competitive pressure amongst energy services companies. Both of these things increase the incentive on energy services companies to include more retailers' offerings in their services to consumers.

## Appendix A Code amendment

A.1 Set out below is the Code amendment to give effect to the Authority's decision to require all retailers to provide information about their generally available retail tariff plans to any person who requests it.

### 1.1 Interpretation

(1) In this Code, unless the context otherwise requires,—

...

#### generally available retail tariff plan—

(a) means a retail tariff plan that a **retailer** will make available to any **consumer** (subject to credit requirements) if the **consumer** satisfies the requirements specified for the retail tariff plan relating to:

(i) physical location:

(ii) **metering** configuration:

(iii) **price category** code: but

(b) does not include a retail tariff plan made available by a **retailer** only under an agreement reached as a result of the **retailer** directly contacting a **consumer** to offer a retail tariff plan that provides the **consumer** with a financial discount or other benefit when compared with any other of the **retailer's** tariff plans to which paragraph (a) applies that are available to that **consumer**.

...

### 11.1 Contents of this Part

This Part—

- (a) provides for the management of information held by the **registry**; and
- (b) prescribes a process for switching **customers** and **embedded generators** between **traders**; and
- (c) prescribes a process for a **distributor** to change the record in the **registry** of an **ICP** so that the **ICP** is recorded as being usually connected to an **NSP** in the **distributor's network**; and
- (d) prescribes a process for switching responsibility for **metering installations** for **ICPs** between **metering equipment providers**; and
- (e) prescribes a process for dealing with **trader events of default**; and
- (f) requires **retailers** to give **consumers** information about their own consumption of **electricity**; and
- (g) requires **retailers** to make information about their retail tariff plans available to any person.

...

#### 11.32G Retailers must provide information about generally available retail tariff plans

- (1) If any person asks a **retailer** to provide information about 1 or more of the **retailer's** current **generally available retail tariff plans**, the **retailer** must give the requested information to the person no later than 5 **business days** after receiving the request.
- (2) If the person requests information under subclause (1) in a manner or format that differs from the manner or format the **retailer** typically uses to provide such information, the **retailer** may impose a reasonable charge for providing the information in the manner or format requested.

## Appendix B Connection data to be made publicly available

B.1 The registry fields the Authority is making publicly available are set out below. Parties will be able to search for an ICP's connection data using either the ICP identifier or the ICP's physical address.

Event data	Format	Comments
<b>Distributor events</b>		
Network Participant Identifier	Char 4	Participant identifier for the distributor's network to which the ICP is connected. Refer to the schedule of participant identifiers on the Authority's website.
POC	Char 7	Point of connection that the distributor connects to.
Reconciliation Type	Char 2	Valid reconciliation type for distributor and ICP type.
Generation Capacity	Numeric 6.2	Generation nameplate capacity (in kilowatts (kW)) of embedded generation connected at the ICP.
Fuel Type	Char 15	A valid fuel type for embedded generation connected at the ICP.
Direct Billed Status	Char 11	Indicates who directly bills the customer for the lines charges. Valid values are: 'Retailer', 'Distributor', 'Neither', 'Both', 'TBA' and 'NULL'.
Distributor Price Category Code	Char 50	
Distributor Loss Category Code	Char 7	
Distributor Installation Details	Char 30	Will be released where the field does not hold addresses.
Chargeable Capacity	Numeric 7.2	
Physical Address Street	Char 30	Distributor's physical address recorded for the ICP. This may differ from a street address.
Physical Address Suburb	Char 30	
Physical Address Town	Char 30	
Physical Address Post Code	Numeric 4	
Physical Address Region	Char 20	
GPS_Easting	Numeric 7.3	The easting location. Optional but required if GPS_Northing is provided. New Zealand Transverse Mercator 2000 (NZTM2000) coordinates, as defined in Land Information New Zealand's LINZS25002 standard (Standard for New Zealand Geodetic Datum 2000 Projections).

Event data	Format	Comments
GPS_Northing	Numeric 7.3	The northing location. Optional but required if GPS_Easting is provided. New Zealand Transverse Mercator 2000 (NZTM2000) coordinates, as defined in Land Information New Zealand's LINZS25002 standard (Standard for New Zealand Geodetic Datum 2000 Projections).

Event data	Format	Comments
<b>Trader events</b>		
Trader	Char 4	The trader that has accepted responsibility for the ICP.
Daily Unmetered kWh	Char 6	Means that unmetered load is connected at the ICP. Value must be decimal (to three decimal places) or 'ENG' if the load is profiled through an engineering profile in accordance with profile class 2.1.
Unmetered Load Details – Trader	Char 50	Details of unmetered load connected at the ICP.
ICP Status	Char 3	Code that represents the energisation and connection status of the ICP: 999—new; 000—ready; 001—inactive; 002—active; or 003—decommissioned.

Event data	Format	Comments
<b>MEP events</b>		
Metering Equipment Provider Identifier	Char 4	The metering equipment provider responsible for the provision and certification of the metering installations at the ICP.

**Installation Row:**

Event data	Format	Comments
Metering Installation Type	Char 3	'HHR' or 'NHH' or 'NON'. Must be 'NON' where the number of components = 0.

**Meter/Component Row:**

Event data	Format	Comments
Meter Type	Char 3	HHR/NHH/PP.
AMI Flag	Char 1	Indicates if the meter is a communicating AMI device.
Metering Installation Category	Numeric 1	1 – 5. The metering category for the metering installation that the component is certified in.
Compensation Factor	Numeric 6.3	Commonly known as the multiplier. Maximum value is 999999.999.

**Channel Row:**

Event data	Format	Comments
Metering Component Serial Number	Char 25	Serial number for the measurement device.
Channel Number	Numeric 2	Must be a unique number that identifies the meter register.
Register Content Code	Char 6	Valid register content code from the static reference table stored in the registry. The register content code identifies when a meter register is active.
Period of Availability	Numeric 2	Records the minimum service hours per day that supply is available for. "24" means that the service is not subject to control by the retailer or distributor.
Unit of Measurement	Char 6	Units the register measures in (eg, kWh, kW, kVA, kVArh).
Energy Flow Direction	Char 1	Valid values are:  'I' for injection (measures the flow of embedded generation that is injected by the ICP into the distributor's network), and  'X' for extraction (measures the flow of consumption that is received by the ICP from the distributor's network).
Accumulator Type	Char 1	Valid values are:  'C' for cumulative. Means that electricity volumes must be calculated as the difference between a start read and an end read at two different dates, in the same way as vehicle odometers record distance.  'A' for absolute. Means that electricity volumes are recorded directly by the meter register.

## Appendix C Privacy risk assessment

- C.1 The Authority is making the connection data set out in Appendix B, which is a subset of information held in the registry, publicly available.
- C.2 The Authority has analysed the privacy implications of making the connection data available in this way.
- C.3 This appendix sets out the results of the analysis.

### **The connection data will be made available on a read-only basis**

- C.4 The Authority is making publicly available, on a read-only basis, the connection data set out in Appendix B.
- C.5 No other information in the registry will be made accessible in this way.
- C.6 To achieve this, the Authority will build a portal to the registry. The portal will comprise a web user interface and an API.
- C.7 The web user interface will allow consumers (primarily) to look at the connection data for a particular ICP, by entering the ICP identifier or the physical address for the ICP.
- C.8 The Authority expects that tariff comparison websites and other energy services companies will use the API. They will also need to enter a consumer's ICP identifier or the ICP's physical address in order to access the connection data.

### **Main stakeholders**

- C.9 The change will affect:
  - (a) electricity industry participants because they are responsible for providing the connection data that is being made available
  - (b) consumers, or their agents, because they will be able to view the connection data in the registry
  - (c) tariff comparison websites, energy services companies and other third parties because they will also be able to view the connection data in the registry.

### **Privacy Assessment**

- C.10 Currently some electricity industry participants have access to all of the information stored in the registry. The Authority specifies the terms and conditions that apply to that access. The Code requires these participants to comply with the access conditions and they are subject to an enforcement regime created by the Electricity Industry (Enforcement) Regulations 2010 if they breach those conditions.
- C.11 The information that the Authority is making available under its decision is limited to the connection data necessary for consumers to find the best power deal and/or make other energy-related decisions.
- C.12 The information that will be available is so uncontentious that even if it were compiled with other information that identified an individual property owner or occupant, the risk of facilitating privacy intrusions by others is likely to be minimal.
- C.13 In reaching the conclusion that the privacy risk associated with making the connection data publicly available is minimal, the Authority has considered the matters in the

following table, the format of which was suggested by the Office of the Privacy Commissioner.

<i>Does the initiative involve any of the following?</i>	Yes	No	<i>Comment</i>
A substantial change to an existing policy, process or system involving personal information		✓	<p>Providing read-only access to connection data held in the registry is an important change to access for a limited amount of information in the registry.</p> <p>However, the connection data that will be made publicly available is not personal information. Even if the connection data were to be considered personal information, disclosing it is directly related to one of the purposes for which it was obtained, so is not prohibited by privacy principle 11 (limits on disclosure of personal information).</p> <p>Even if disclosing connection data were to breach privacy principle 11, it would not result in an interference with privacy as described in section 66 of the Privacy Act 1993.</p> <p>Further, the information that will be made publicly available is so uncontentious that even if it were compiled with other information that identified an individual property owner or occupant, the risk of facilitating privacy intrusions by others is likely to be minimal.</p>
A new collection of personal information		✓	The initiative does not involve the Authority collecting any new information, personal or otherwise.
A significant change in the type of information collected about a person or change in method of collection		✓	The initiative does not involve any change in the type of information the Authority collects or the way the Authority collects information for other purposes.

<i>Does the initiative involve any of the following?</i>	Yes	No	<i>Comment</i>
A new use or disclosure of personal information that is already held		✓	<p>The connection data that will be made publicly available is not personal information.</p> <p>Even if the connection data were to be considered personal information, disclosing it is directly related to one of the purposes for which it was obtained, so is not prohibited by privacy principle 11.</p> <p>This is because the Authority collected the connection information to facilitate retail competition in the electricity industry. The Authority is making the connection data publicly available to facilitate consumers finding the best available power deal. This will promote retail competition in the electricity industry.</p> <p>Even if disclosing connection data were to breach privacy principle 11, it would not result in an interference with privacy as described in section 66 of the Privacy Act.</p> <p>Further, the information that will be made publicly available is so uncontentious that even if it were compiled with other information that identified an individual property owner or occupant, the risk of facilitating privacy intrusions by others is likely to be minimal.</p>
A change in the way personal information is stored or secured		✓	<p>The information in question is not personal information.</p> <p>The initiative will allow access only to the connection data specified in Appendix B.</p>
A change to how sensitive information is managed		✓	<p>Sensitive information is information about matters such as health, race, or financial circumstances.</p> <p>None of the information in the registry, or any of the connection data being made publicly available, is sensitive information.</p>

<i>Does the initiative involve any of the following?</i>	Yes	No	<i>Comment</i>
Sharing or matching personal information held by different organisations or currently held in different datasets		✓	<p>The purpose of making the connection data publicly available is so that it can be combined with consumption data and tariff information to find the best available electricity deals for consumers.</p> <p>However, that process does not involve the sharing or matching of personal information because the connection data being made publicly available is not personal information.</p> <p>Further, making the connection data publicly available does not enable an organisation to identify any individual. In many cases the organisations are likely to already hold the names and contact details of their customers.</p> <p>Finally, the information that will be publicly available is so uncontentious that even if it were compiled with other information that identified an individual property owner or occupant, the risk of facilitating privacy intrusions by others is likely to be minimal.</p>
Transferring information offshore or using a third party contractor		✓	<p>The initiative does not involve transferring information offshore or using a third party contractor.</p>
A change in policy that results in people being less able to access information about themselves		✓	<p>The initiative will make connection data more readily available to consumers.</p>
A decision to keep personal information for longer than before.		✓	<p>The information in question is not personal information.</p> <p>There will be no change to how long information is stored in the registry.</p>
Establishing a new way to identify individuals		✓	<p>The information in question is not personal information.</p> <p>Neither the current access arrangements nor the initiative allow individuals to be identified.</p> <p>Even if connection data were to be compiled with information from another source, it is so uncontentious the risk of facilitating privacy intrusions by others is likely to be minimal.</p>

<i>Does the initiative involve any of the following?</i>	<i>Yes</i>	<i>No</i>	<i>Comment</i>
Introducing a system to search individuals' property, persons or premises		✓	Does not apply to the initiative.
Surveillance, tracking or monitoring of movements, behaviour or communications		✓	Does not apply to the initiative.
Moving or altering premises that include private spaces		✓	Does not apply to the initiative.
A new area of taking action against individuals on the basis of information held about them		✓	Does not apply to the initiative.
A practise or activity that is listed on the risk register		✓	A breach of the Privacy Act is a risk listed on the Authority's risk register. However, this initiative does not involve personal information and therefore is not a practise or activity listed on the register.

### **Risk assessment**

- C.14 The Authority has identified only one possible concern about making the connection data in Appendix B publicly available.
- C.15 Although connection data is not itself personal information, it might be argued that if another person combined connection data with personal information from other sources, the connection data might thereby become personal information in the hands of the other person.
- C.16 This could potentially allow the other person to enrich their store of personal information. However, the Authority considers that there is very little likelihood that this would facilitate privacy intrusions by others. This is because of the banal and uncontroversial character of connection data, which is primarily information about the electrical supply arrangements at the premises where an ICP is located, and not information about any person who owns or occupies those premises.
- C.17 The Authority therefore considers that the privacy risk associated with making the connection data publicly available is very low to nil. This is shown in the following table.

<i>Nature of initiative</i>	<i>Rating</i>	<i>Explanation and Mitigation (applies only to Medium to High risks)</i>
<p><b>Level of information handling</b>  <b>L</b> – minimal personal handling of information  <b>M</b> – fair amount of personal handling (or information that could become personal information).  <b>H</b> – significant amount of personal information (or information that could become personal information) handled</p>	Low	There will be no personal handling of information. The connection data is being made available as read-only.
<p><b>Sensitivity of the information (eg, health, race, financial)</b>  <b>L</b> – information not sensitive  <b>M</b> – information may be sensitive  <b>H</b> – information highly sensitive</p>	Low	Connection data is not personal information, and is not at all sensitive.
<p><b>Significance of the changes</b>  <b>L</b> – minor change to existing function  <b>M</b> – substantive change to existing function/new initiative  <b>H</b> – major overhaul of existing functions/activities: significantly different new initiative.</p>	Medium	<p>Providing read-only access to connection data held in the registry is an important change to access for a limited amount of information in the registry.</p> <p>However, the connection data that will be made publicly available is not personal information.</p>

<i>Nature of initiative</i>	<i>Rating</i>	<i>Explanation and Mitigation (applies only to Medium to High risks)</i>
<p><b>Interaction with others</b></p> <p><b>L</b> – no interaction with other entities</p> <p><b>M</b> – interaction with one to two other entities</p> <p><b>H</b> – extensive cross-agency (ie, government) or cross-sectional (non-government and government) interaction</p>	High	<p>The Authority is making this change so that consumers, their agents and other energy services companies have access to connection data in the registry. We expect that over time a number of entities will access the data. However, the connection data that will be made publicly available is not personal information, and as the disclosure is directly related to one of the purposes for which the Authority collected the data, disclosing it is permitted by one of the exceptions to privacy principle 11.</p> <p>Even if disclosing connection data were to be a breach of privacy principle 11, it would not result in any of the kind of harm anticipated by section 66 of the Privacy Act.</p> <p>Finally, even if connection data were to be compiled with personal information from another source, it is so uncontentious the risk of facilitating privacy intrusions by others is likely to be minimal.</p>
<p><b>Public Impact</b></p> <p><b>L</b> – minimal impact on the Authority and participants</p> <p><b>M</b> – likely to have some impact on our clients due to changes to the handling of personal information; may raise concerns</p> <p><b>H</b> – high impact on participants/wider public and concerns over aspects of project; likely negative media</p>	Low	<p>No personal information is involved.</p> <p>If connection data were to be considered personal information, disclosure is permitted by one of the exceptions to privacy principle 11.</p> <p>Even if the disclosure were to breach privacy principle 11, it would not constitute an interference with privacy because no harm would result.</p> <p>Further, even if connection data were to be compiled with personal information from another source, it is so uncontentious the risk of facilitating privacy intrusions by others is likely to be minimal.</p> <p>However, to the extent that allowing read-only access to connection data increases competition among retailers, the proposal will provide consumers with positive benefits.</p>

## Conclusion

The Authority considers that the Privacy Impact of this initiative is:	
<b>Low</b> – there is little or no personal information involved, the use of personal information is uncontroversial, the risk of harm eventuating is negligible, the change is minor and something that individuals concerned would expect, or risks are fully mitigated	✓
<b>Medium</b> – there is some personal information involved, but any risks can be satisfactorily mitigated	X
<b>High</b> – there is sensitive personal information involved and several medium to high risks identified	X
The initiative will lessen existing privacy risks	X
More information is necessary – more analysis is needed to fully assess the impact	X

### Summary of privacy assessment

- C.18 The connection data that is being made publicly available is not personal information. If it were personal information the disclosure is permitted. Even if the disclosure were not permitted, there is no risk of harm eventuating from the disclosure, so it would not constitute an interference with privacy.
- C.19 The connection data to be made publicly available is so banal in nature that even if it were to be compiled with personal information from another source, the risk of facilitating privacy intrusions by others as a result is considered to be minimal.
- C.20 Accordingly the Authority has concluded that the privacy risk associated with its decision is very low to nil.